CORA Cork Open Research Archive
Cartlann Taighde Oscailte Chorcaí

Title	The role of transformative thinking and practice in a property entrepreneur's response to the funding crisis since 2008
Authors	McCarthy, Thomas John
Publication date	2015
Original Citation	McCarthy, T. J. 2015. The role of transformative thinking and practice in a property entrepreneur's response to the funding crisis since 2008. DBA Thesis, University College Cork.
Type of publication	Doctoral thesis
Rights	© 2015, Thomas John McCarthy. - http://creativecommons.org/licenses/by-nc-nd/3.0/
Download date	2026-11-08 16:24:08
Item downloaded from	https://hdl.handle.net/10468/2186



UCC
University College Cork, Ireland
Coláiste na hOllscoile Corcaigh

The Role of Transformative Thinking and Practice in a Property Entrepreneur's Response to the Funding Crisis Since 2008

By

Tom McCarthy BA, MBA

A Portfolio of Exploration submitted in fulfilment of the requirements of the examination for the:

DBA (Business Economics) Degree of the National University of Ireland – University College Cork

School of Economics

Head of School: Dr Eleanor Doyle

Research Supervisors: Dr Eleanor Doyle and Professor Connell Fanning

May 2015

LIST OF FIGURES ..... **III**

LIST OF TABLES ..... **IV**

ACKNOWLEDGEMENTS ..... **VI**

ABSTRACT ..... **IX**

1 INTRODUCTION **1**

1.1 QUESTION AND PURPOSE 1

1.2 PEER PRACTITIONERS 4

1.3 MAKING SENSE OF EXPERIENCE 5

1.4 REAPPRAISING MY WAY OF KNOWING 9

1.5 BASELINE SUBJECT-OBJECT INTERVIEW MEASURING SELF COMPLEXITY 16

1.6 PORTFOLIO STRUCTURE 18

2 ESSAY ONE: AN EXPLORATION OF MY MEANING MAKING **21**

2.1 INTRODUCTION 21

2.2 OBSERVATIONS OF THE ECONOMIC CRISIS 27

2.3 A PERSONAL AND CORPORATE OVERVIEW 32

2.4 PYRAMID OF HUMAN CAPABILITIES 35

2.5 FEEDBACK 51

2.6 CONCLUSION: DEVELOPMENTAL GOALS 53

3 ESSAY TWO: GROUNDWORK FOR CHANGE **56**

3.1 INTRODUCTION 56

3.2 THEORIES, PRESUPPOSITIONS AND ASSUMPTIONS 61

3.3 MAKING MEANING: ENLARGING THE SYSTEMIC MENTAL FRAMEWORK 65

3.4 ENGAGING PERSPECTIVES OF OTHERS TO CHANGE HOW I KNOW 75

3.5 NEW KNOWLEDGE FOR NEW PRACTICE 81

3.6 CONCLUSIONS: TOWARDS A NEW FRAMEWORK 90

4 ESSAY THREE: TESTING THE NEW FRAMEWORK **94**

4.1 OPENING 94

4.2 THE BANK AND ITS CUSTOMER 98

4.3 TO THE LIMIT 102

4.4 REALISATION: ROLE OF DEVELOPMENTAL GOALS 108

4.5 THE BOILING POINT: NOVEMBER 2012 116

4.6 THE NEGOTIATION 121

4.7 VINDICATION: THE SUBSEQUENT LEGAL DETERMINATION 124

4.8 ENDING 126

5 PORTFOLIO CONCLUSIONS 131

5.1 General Developmental Implications 133

5.2 Specific Business Implications for the Property Sector 139

5.3 A Four-Step Process for Responding to the Challenges Met 152

5.4 To The Highest Mountain 156

6 APPENDIX 157

6.1 Key Concepts in Adult Development Jennifer Garvey Berger 157

6.2 Subject – Object Interview (1) 2011 167

6.3 The Context for my Subject-Object Interview 170

6.4 Professional Development Portfolio 177

6.5 Argyris Ladder of Inference applied to the Property Market 181

6.6 Defining Critical Thinking 187

6.7 Collingwood and the Characteristics of Philosophy 192

6.8 Loan Contract Setting out the Events of Default 202

6.9 Judgment: Flynn -v- National Asset Loan Management Ltd & Ors ... 204

6.10 Subject - Object Interview (2) 2015 217

6.11 A Guide to a Borrower who is Facing Financial Difficulty 223

6.12 Executive Summary of Irish Residential Investment Proposal 229

7 LIST OF REFERENCES 246

List of Figures

FIGURE 1: A MEANING MAKING SYSTEM CONCEPTUALISED USING LASKE'S PYRAMID OF HUMAN CAPABILITIES 23
FIGURE 2: LOANS AND ADVANCES BY THE COVERED BANKS TO CUSTOMERS 2000 – 2008 27
FIGURE 3: EUROPEAN REAL ESTATE LOAN SALES Q1 2014..... 30
FIGURE 4: KEGAN SUBJECT OBJECT RELATIONSHIP..... 71
FIGURE 5: AN EXPANDED MEANING MAKING SYSTEM BASED ON READING FOR CHANGE. 96
FIGURE 6: FORUM FOR DISPUTE RESOLUTION..... 108
FIGURE 7: DISPUTE RESOLUTION PRE ENGAGEMENT WITH THE COURT SYSTEM..... 110
FIGURE 8: DISPERSION OF VACANT PROPERTIES ACROSS IRELAND..... 142
FIGURE 9: TENURE STRUCTURE ACROSS COUNTRIES 2009..... 143
FIGURE 10: AVERAGE MORTGAGE ISSUED AND HOUSE PRICES..... 146
FIGURE 11: TOTAL NUMBER OF MORTGAGES ISSUED AND HOUSING SUPPLY..... 146
FIGURE 12: THE DEVELOPMENT VALUE CHAIN 148

List of Tables

TABLE 1: THE IMPACT OF MBTI TYPE ON MAKING DECISIONS……48
TABLE 2: WHAT THE BANK AND WE SOUGHT…….....120
TABLE 3: A FRAMEWORK FOR TRANSITIONING TO A NEW MENTAL MODEL……..133
TABLE 4: SUMMARY OF IRISH RESIDENTIAL MORTGAGES STATISTICS: 1985 – 2010… 145

DECLARATION

The Portfolio submitted is my own work and has not been submitted for another degree, either at University College Cork or elsewhere.

Acknowledgements

As I reflect on my developmental journey I wish to acknowledge the assistance, encouragement and sacrifice of my family, friends and colleagues. When I embarked on this program of study I did not realise the sacrifices that my immediate and extended family would need to make. They have endured my long hours of study, absence from family holidays and normal weekend activities that suffer when one undertakes a program of study. For this I am truly grateful.

My beautiful wife Sheena is a great mother, homemaker, hostess, chef and companion. She has supported my endeavours in business and in study since we first met. She creates an environment of high support, which enables high achievement. The two go hand in hand. On top of all of the other wonderful things she does for our family, she also dealt with the weariness of a middle-aged student on more than one occasion with a smile and words of encouragement. For all of this I am eternally grateful.

I have been blessed with three children Tom, Ali and Harry. No father could be prouder of his children than I am. Tom, Ali and Harrys unwavering support of my study program showed an understanding beyond their years. They never complained, asking only now and then was I there yet. It is amazing what encouragement comes from a smile. Harry, my youngest son, obviously eager to give me the final push to completion decided to sit me down for a man to man discussion. He then looked me earnestly in the eye and explained to me that I had been a student all of his life and given what he had learned in that time perhaps I should bring this thesis to a conclusion! He was six years old.

My parents, Thomas and Kathleen, have instilled in me an appreciation for hard work and a belief that anything was possible if one applied oneself to the task at hand. They understood the value of an education and instilled that in me. For this, their friendship, assistance, belief, kindness, support and so many other things I am eternally grateful.

My sister Michelle has worked tirelessly late into the night reading and rereading drafts of this thesis. In undertaking this task she was good humoured and wise in her counsel. She provided positive feedback, guidance, editorial and formatting support without which this thesis could not have been completed. I cannot thank her enough.

Our Grandparents shape us in so many ways and so was the case with Nan McCarthy, my Grandad McCarthy- known as old Irons and Granddad Quirke. However, I know they will understand when I single out my Nan Quirke who spent many hours reading to me, teaching me to spell and indulging me for which I remember her fondly. They all would have been delighted to see this day and perhaps they always did.

In addition to my family I have been lucky to encounter many wonderful people during these last few years. Michael Buckley has provided not only support and encouragement but has done so with great kindness. He has a way of instilling confidence in times of great uncertainty for which I am most grateful. He introduced me to Dr. Donal de Buitleir who assisted me greatly in responding to the financial crisis. Donal introduced me to Philip Brennan and Eamon Giffney two of the most able and fair-minded men I have ever met. Ger O'Mahony, a school friend, is both an excellent strategist and able negotiator and I have benefitted from both of these skill sets. While each is able, combined they are the dream team. I am extremely grateful to them all.

Lord Blyth made introductions and interventions that assisted me at every turn. In private conversation he has also opened up my mind to the opportunities of a global world. His good friend and now mine, Joe Gallagher offered informed opinion and support both of which are very much appreciated. They have also extended their hospitality on numerous occasions providing a welcome respite from challenging times. Laurence Endersen's wisdom always provided a new perspective.

I am also grateful to all of my colleagues at work but in particular to Yvonne Fenlon who has typed a great deal of this thesis from dictation that was not always as clear as it should be. Together with Martina Milton Murray they assisted with the

formatting of the thesis, which has been of great support. I would also like to thank John McGarry for proof reading many revisions of the thesis. Dr. Mark Nolan shared his knowledge of requirements to enable publication for which I am obliged. My good friend Dr. Assumpta O'Kane applied all of her psychological training, good humour and perseverance in helping me to reflect on the structure of my thinking. Our many conversations have enabled me to delve into the recess of my mind and to enhance my awareness of what I was subject to in so many situations.

Professor Connell Fanning is the reason I undertook the course. Through the course he challenged how I make meaning of the world and this is evident in this thesis. He introduced me to Professor Kegan whose theories have changed how I think and whose company has been enriching. Professor Fanning also facilitated my engaging with Barbara Rapport who was not only a pleasure to work with but also helped me with the application of Professor Kegan's theory. Dr. Eleanor Doyle who organised the program, was my co-supervisor and provided editorial feedback on my thesis all of which I am grateful for. Erica Murphy and Mary Maguire in the Economics Department were always willing to assist me in whatever way possible. Professor John Hourihan and Dr. Michael Crowley helped me to prepare for my VIVA. Their input not only demystified the viva but enabled me to enjoy it.

Professor Reza Kouhy, my external examiner who having dealt with the formalities paused before we commenced to tell me how much he had enjoyed reading my thesis. This was an act of kindness for which I will remember him fondly. Dr. Eoin O'Leary, my internal examiner, lectured me when I first came to UCC in 1984. He is a true professional with great attention to detail. The feedback that Professor Kouhy and Dr. O'Leary provided improved my final manuscript greatly.

"Our decisions about right and wrong will depend on our choice of company, of those with whom we wish to spend our lives."
-- Hannah Arendt, "Some Questions of Moral Philosophy"

I am grateful for the company I have had the privilege of keeping and to you all I dedicate this portfolio.

Abstract

This portfolio of exploration explores the role of transformative thinking and practice in a property entrepreneur's response to the financial crisis which swept over Ireland from 2008. The complexity of this challenge and the mental capacity to meet its demands is at the core of the exploration. This inquiry emerged from the challenges the financial crisis presented to my values, beliefs, assumptions, and theories, i.e. the interpretive lens through which I make meaning of my experiences.

Given the issue identified, this inquiry is grounded in aspects of theories of constructive developmental psychology, applied developmental science, and philosophy. Integrating and linking these elements to business practice is the applied element of the Portfolio.

As the 2008 crisis unfolded I realised I was at the limits of my way of knowing. I came to understand that the underlying structure of a way of knowing is the 'subject-object relationship' i.e. what a way of knowing can reflect upon, look at, have perspective on, in other words, make object, as against what is it embedded in, attached to, identified within, or subject to.

My goal became enhancing my awareness of how I made meaning and how new insights, which would transform a way of knowing, are created. The focus was on enhancing my practice.

This Portfolio is structured into three essays. Essay One reported on my self-reflection and external evaluation out of which emerged my developmental goals. In Essay Two I undertake a reading for change programme in which different meaning making systems were confronted in order to challenge me as a meaning maker. Essay Three reported on my experiment which concerned the question whether it was possible for me as a property entrepreneur, and for others alike, to retain bank finance in the face of the overwhelming objective of the bank to deleverage their balance sheet of property loans.

The output of my research can be grouped into General Developmental and Specific Business Implications. Firstly I address those who are interested in a transformational-based response to the challenges of operating in the property sector in Ireland during a crisis. I outline the apparatus of thought that I used to create insight, and thus transform how I thought, these are Awareness, Subject-object separation, Exploring other's perspectives from the position of incompleteness, Dialectical thinking and Collingwood's Questioning activity.

Secondly I set out my learnings from the crisis and their impact on entrepreneurial behaviour and the business of property development. I identify ten key insights that have emerged from leading a property company through the crisis. Many of these are grounded in common sense, however, in my experience these were, to borrow Shakespeare's words, "More honor'd in the breach than the observance" in pre Crisis Ireland.

Finally I set out a four-step approach for forging a strategy. This requires my peer practitioners to identify (i) what they are subject to, (ii) Assess the Opportunity or challenge in a Systemic Context, (iii) Explore Multiple Perspectives on the opportunity or Challenge with an Orientation to change how you know and (iv) Using the Questioning Activity to create Knowledge.

Based on my experience I conclude that transformative thinking and practice is a key enabler for a property entrepreneur, in responding to a major collapse of traditional (bank debt) funding.

1 Introduction

1.1 Question and Purpose

This Portfolio explores the role of transformative thinking and practice in a property entrepreneur's response to the financial crisis which swept over Ireland from 2008.
The purpose of undertaking this Portfolio of Exploration was to enhance my meaning making and the development of my mental complexity. My professional objective is to improve my professional practice. Heretofore, I had focused on what I knew (information) rather than how I knew (meaning making). My Portfolio is a study of what Kegan refers to as my meaning making system (MMS) - the process of knowing (1994: 29). Through this exploration I not only enhanced my awareness of the structure of my thinking, but I came to apprehend and appreciate its role in generating the content of my thinking. This caused me to shift my focus from what could be termed informational learning to transformational development. Ultimately my objective was, to understand, engage in, and promote transformation in my mental development or what can also be described as growth in my human consciousness over my life span.

In order to initiate this developmental process I use Kegan's developmental theory (2001; 1994; Kegan and Lahey, 2009), Laske's constructive developmental framework (2011; 2008), and Collingwood's Philosophy of Questioning (Connelly, 2003, Collingwood et al., 2005; Collingwood and Martin, 2002; Collingwood, 1967; Collingwood, 1926) to explore my meaning making.

At the core of my Portfolio of Exploration is the awareness that there are qualitatively more complex psychological and mental landscapes that go beyond survival in life to create a more integrated perspective on business practice.

Critical to my endeavour is to become more objective about my meaning making, to uncover my preferred set of assumptions (intuitions, feelings), theories and to be aware of their role in the thinking process and impact on my subsequent actions. My

intention is to become more aware of how I use these to construct my unique lens through which I make meaning of my world.

To do this I consider my habits of mind, which have evolved over many years through my selection and use of different theories. I have also become conscious of the difference between using 'theory as descriptor', as opposed to an 'apparatus of thought'. For example, when I initially engaged with Kegan's theory of adult mental development (1994; Kegan and Lahey, 2009), I did so on the basis of theory as descriptor that is I could understand it and even describe it to others but I did not use it to create insight for or about myself. When deciding to take a particular course of action I did not reflect on a situation and ask the fundamental question: 'what am I subject to?' Neither did I examine what are the assumptions, values and beliefs both implicit and explicit in my theories or what emotional trigger caused me to react in a particular way. Over time I learned to engage with Kegan's theory (Kegan and Lahey, 2009; Kegan, 1994) as apparatus of thought, that is, I used it deliberately and with deliberation to help me think through problems.

My personal and professional objective is to acquire an ability to better handle the complexity demanded of me in my leadership role. Through a process of self-reflection and external evaluation I uncovered many of my accumulated unexamined theories (prior to 2009) and made them object as the lens through which I saw the world.

Arising from this process I formulate three developmental goals to pursue in this Portfolio.

1) To develop my complexity of consciousness so that I can make meaning of the world within a larger, systemic mental framework;
2) To explore others' perspectives in the sense of engaging with others to specifically identify larger patterns, orientating myself to the dialectical, and welcoming contradiction and oppositeness and thus changing how I know;
3) To cultivate my ability to create knowledge, exploring new ways of doing this by being clearer in my identification of the right questions and in my pursuit of answers.

Central to my life philosophy is a belief that no matter what life presents me with I have a choice in how I respond to it. I endeavour to shape my future and have done so all of my working life. The value I put on the freedom to choose is one of the reasons I have become a self-employed entrepreneur. In effect this Portfolio tests my belief that I have a choice in how I make meaning and that I can exercise it consciously or unconsciously. I also seek to understand what has guided these choices and to uncover what Sowell referred to as the ‘‘silent shapers of our thoughts’’ (Sowell, 2007: xiii).

In Section 1.2 I set out my Peer Practitioners.

In Section 1.3 there is an overview of Kegan’s theory of Meaning Making systems.

In Section 1.4 I set out the need for a reappraisal of my current way of knowing. I explain my practice in terms of ‘before and after’ the financial crisis and the consequential property implosion together with the resulting impact on my meaning making.

In Section 1.5 I set out the baseline I established of my Meaning Making complexity using the Kegan and Lahey (1988) Subject-Object (S/O) interview.

Finally Section 1.6 sets out the approach and structure followed in the remainder of this Portfolio.

1.2 Peer Practitioners

I believe the evolution of my meaning making through my lived experience and response places me in the unusual position of being both the subject of the research and the researcher. The output of this research represents the intersection of the academic and business world.

My exploration is specifically relevant to the following peer practitioners:

- Property entrepreneurs who are navigating the financial crisis in Ireland or operating in the property business post crisis
- Leaders, managers, directors and advisors to property companies or financial institutions in Ireland;

It will also be of interest to:

- Academics researching the field of transformational thinking;
- Academics researching the financial crisis in Ireland and its impact on SME's.
- Policy makers in Ireland concerned with the operation of our financial system during this crisis and how it might be improved including the management and staff of the Central Bank of Ireland, the Ombudsman's office and the office of the Data Commissioners.

1.3 Making Sense of Experience

Kegan's theory (Kegan and Lahey, 2009; Kegan, 1994) is constructed based on two phenomena - one psychological and one cultural. The psychological phenomenon "is the evolution of consciousness, the personal unfolding of ways of organising experience that are not simply replaced as we grow but subsumed into more complex systems of mind" (Kegan, 1994: 9). The cultural phenomenon is the "hidden curriculum", the "claims or demands that the culture makes on the minds of its constituents" (Kegan, 1994: 9).

Kegan's focus is on the relationship between these phenomena, i.e., "the fit or lack of fit between what culture demands of our minds and our mental capacity to meet those demands" (Kegan, 1994: 9).

Kegan (1994: 21) explained that to make meaning is to know or understand. It is how we make sense of the world. It is not about what we know but about the process by which we make our own reality. The process by which we make meaning is comprised of cognitive and socio-emotional elements and is given expression in our behaviour.

Cognition is the term used to describe how we process information - the thinking process. Laske (2008: 23 emphasis in original) states that cognition is the answer to the question "WHAT CAN I DO? and thus requires explorations and new ways of seeing the world". The way he formulates this as a question resonated with me.

Socio-emotional meaning making is involved with how we relate to others, to ourselves, and the influence of this on our meaning making – the feeling process. Laske (2008: 23 emphasis in original), states that socio-emotional meaning making is the answer to the question "WHAT SHOULD I DO? and are thus emotionally laden value questions".

Kegan sees the cognition and social-emotional meaning making as taking place within the meaning making system as a single activity.

Kegan is a constructive developmental psychologist who believes that individuals construct their own reality and as a result experience the world differently. This construction is based on their assumptions, values, and beliefs and is reflected in their very sense of identity – it is integral to how they make meaning of the world. Kegan (1994: 37) explains that all behaviour is developmentally determined. Kegan (1994: 2), whose theory is central to my developmental challenge, has studied and recorded the evolving upward movement of consciousness across the life span. The dynamic principle that drives his theory concerns the evolution of the 'subject-object' relationship, to which he has tended for more than thirty years. The subject-object relationship is a constructive developmental approach to the activity of making sense of experience. It is grounded on the principle of stability and growth. It can be applied to discover and resolve problems.

Debold (2001: 15) asks Kegan in an interview:

> "So what is the "subject-object relationship"? Kegan explains that it is "a fundamental distinction in the way that we make sense of our experience, a distinction that shapes our thinking, our feeling, our social relating, and our ways of relating to internal aspects of ourselves. The subject-object relationship is not just an abstraction but a living thing in nature. What I mean by "object" are those aspects of our experience that are apparent to us and can be looked at, related to, reflected upon, engaged, controlled, and connected to something else. We can be objective about these things, in that we don't see them as "me." But other aspects of our experience we are so identified with, embedded in, fused with, that we just experience them as ourselves. This is what we experience subjectively - the "subject" half of the subject-object relationship".

Here we are introduced not only to the centrality of the subject-object relationship but also to how it shapes thinking, feeling and social relating. Through a process of identifying what we are subject to and making it object, for instance on how one's view on a particular situation is being determined by others, an individual can decide to reflect on this and establish what they think for themselves. This alters their

subject-object balance and increases what they are conscious of and thus the complexity of their consciousness.

Kegan (1994: 314) defines five stages of mental complexity or 'orders of mind' each qualitatively more complex ways of thinking. For adults the orders are socialised (most adults), self-authoring (some adults) and self-transforming (very few adults). These orders of mind are categorised according to a systemic way of knowing, organised around cognitive, socio-emotion, inter and intra personal. In this Portfolio I focus on the self-authoring and self-transforming orders of mind. In Appendix 6.1 there is information in relation to the other orders[1].

Self authoring - Kegan advises that the "greatest psychological differentiation of this way of knowing is reflected in the social ability to order parts by first distinguishing oneself from them. The greater internality of this way of knowing now creates the self-not the present social surround-as the *source* of direction and value" (Kegan, 1994: 168 emphasis in original). Kegan advises that the expectation that society has for an individual to own their work, to be self-initiating, self-correcting and self-evaluating, to frame the problem and initiate the adjustment and determine are things going acceptably well, all require a self-authoring capability. For Kegan (1994: 185 emphasis in original) "This new whole is an ideology, an internal identity, a *self-authorship* that can coordinate, integrate, act upon, or invent values, belief, convictions, generalization, ideals, abstractions, interpersonal loyalties, and interpersonal states, it is no longer *authored by* them, it *authors them* and thereby achieves a personal authority". For this order of mind, this personal authority, based on an internal set of rules and regulations, is used to make decisions or mediate conflicts. A self-authoring individual can empathise with others and consider the wishes and opinions of others. They are however subject to their ideology, their relationship regulation forms, identity, autonomy and individuation (Kegan, 1994: 314). The empowerment of self authorship, based on personal control, which liberated an individual from their prior order of mind becomes the psychological differentiation

[1] Key Concepts in Adult Development by Jennifer Garvey Berger (2012).

that they must liberate themselves from if they are to move to a self- transforming order.

Self-transforming - The psychological differentiation is the capability "to subordinate or relativize *systemic knowing (the fourth order);* they all require that we move systemic knowing from *subject* to *object"* (Kegan, 1994: 316 emphasis in original). A self transforming order of mind has the ability to reflect on their own and others' belief systems or ideologies to identify larger patterns; to orient themself to the dialectical or paradoxical, welcoming contradiction and oppositeness; and understand and experience themselves as always being revisable and evolving.

In Essay Two I set out his theory in the detail necessary to bring about change. For now I highlight this core concept as the basis for my Portfolio of Exploration. Kegan's theory opens up for me a whole new way of thinking about my development which was completely different to anything I had come across before. In 2007 my business was still going well so my meaning making was never fundamentally challenged and I engaged with this theory at the level of intellectual curiosity rather than as a personal development theory. I would later come to see this as the difference between using theory as descriptor or as an apparatus of thought.

1.4 Reappraising My Way of Knowing

Property developers endeavour to create value through the development of land or buildings.

To achieve this objective they are guided by the same principle as any other entrepreneur. This principle was first articulated by J.B Say, around the 1800's who stated that "The entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield" (Drucker, 1985: 21).

To implement this principle requires the entrepreneur to engage in economic activity. Drucker identified that "The essence of economic activity is the commitment of present resources to future expectations, and that means to uncertainty and risk" (1985: 25).

To mitigate uncertainty and risk a property developer makes meaning of his previous experience in order to generate future expectations. In generating this perspective the opportunity is framed by prioritising certain variables and relegating others.

A key variable in determining how to allocate resources in a market economy is price. In Ireland, the price of houses increased from €77,994 in 1995 to €276,221 in 2007 (McCarthy and McQuinn, 2013: 17). Unsurprisingly the annual supply of housing simultaneously increased from 30,575 in 1995 to 78,027 in 2007 as resources were committed to residential development (McCarthy and McQuinn, 2013: 17). This in turn was facilitated by an increase in mortgage lending on an annual basis from €2666 million in 1995 to €24064 million in 2007 (McCarthy and McQuinn, 2013: 17). The outstanding level of residential lending grew from €11938 million in 1995 to €123002 million in 2007 (McCarthy and McQuinn, 2013: 17). To fund all of this "The covered banks' requirement for non-deposit funding increased almost fivefold over the period from €26bn to €129bn" (Nyberg, 2010: 20). This was clearly a phenomenal growth in little over a decade and yet the financial markets were not only facilitating it but rewarding it. To assess the market sentiment towards the growth in property lending I

have used the market capitalisation of Ireland's largest bank, Allied Irish Bank (AIB) which increased from €10 billion in 2000 to €20 billion in 2007 (Nyberg, 2010: 14).

In my opinion it was not that developers, such as myself, did not consider the macro economic situation or were unaware of the cyclical nature of the property market rather the combination of this economic activity with real interest rates of less than 2% from 2000 to 2008 (Nyberg, 2010: 4) created confidence in the market place.

This confidence led developers to focus on what Hayek refers to as the circumstances of time and place (Hayek, 1945). The challenge was to determine what to build and where. Thereafter it became a matter of acquiring land, obtaining zoning and/or planning. Then the price would be established, sales commenced and large profits made.

This was the economic context in which I operated. I entered the property business full time in 1994. My family, management team and I grew the business firstly through the acquisition of land at Harty's Quay in Rochestown, Co. Cork in the late 1990's, then Jacobs Island, Cork in 1998 before entering into a joint venture to develop a Country Club at Sheen Falls, Kenmare, Co. Kerry in 2004. We took each of these sites through the zoning and planning process. Thereafter we organised our funding and engaged a builder to construct the projects. We then participated in the market's steady increase and enjoyed growing profits in our residential development business. During this period the business grew from a standing start to a peak turnover of €35 million. From late 2005 through early 2006, over a period of six months, monthly price increases of approximately €10,000 per unit were achieved. This six-month increase of €60,000 was more than the original entire profit that I had projected on a per unit basis. When large profits are made year on year it is challenging to walk away from them. However, I formed the opinion that the market was overheated and was approaching the tipping point. I decided to deleverage my business balance sheet. At this time my actions were underpinned by the meaning I made of the 'problem' as it was emerging. I believed that prices would fall, possibly between 10% and 20% but not dramatically more.

My perspective at the time was narrowly focused on the potential problem being one of asset valuation correction rooted in the property owner. I did not consider the problem in the context of the overall financial system. If I had, I could have considered the consequences of the feedback loop between the property sector, the banking sector and the Sovereign. As a consequence of how I framed the problem I failed to view the leveraged property market as an asset and liability chain: a single connected system where falling property values impacted the bank, the borrower and the rest of the chain, i.e., borrower borrows from lender, lender borrows from the market and as a last resort banks have access to the Central Bank, the Central Bank has access to Sovereign borrowing capacity, the Sovereign to the European Commission, European Central Bank (ECB) and International Monetary Fund (IMF).

The ability of the banks[2] to continue to fund the property market was dependent in part on the interbank lending market functioning and banks being able to access it, because at the core of banking is a requirement to fund mismatched maturities - banks lend for the long term and are funded themselves over a variety of terms. If this ceased, as it did, the effects would be catastrophic. The Nyberg Report subsequently reported that "Neither the CB[3] nor the DoF[4] seem to have considered the implications of a possible interruption in the flow of foreign funding. If such a scenario had been considered, the link between such funding, property market developments and bank solvency could perhaps have been uncovered" (Nyberg, 2010: Viii).

I did not consider that the problems in the property market would be of such a scale as to render the banks insolvent. I believed that if this scale of risk existed it would have been exploited by a hedge fund. Implicit in this is the belief that if the risk existed then the market would have identified it. On reflection my belief was a result of my assumptions of efficient markets, (which subsequently the Nyberg Report (2010: 4)

[2] Allied Irish Bank, Bank of Ireland, Irish Life and Permanent Plc, Anglo Irish Bank, Irish Nationwide Building Society and Educational Building Society. These six institutions were subsequently covered by a government guarantee and are referred to as the covered institutions. They lent a combined €159bn to the property and construction sector and a further €149bn in residential mortgages - adding up to 72% of all lending by the covered banks.

[3] Central Bank.

[4] Department of Finance.

identified as common belief pre-crisis) and the appearance of a well-run national and international banking system regulated by a number of different Regulatory Authorities, overseen by stock markets, Boards of Directors, Auditors, etc.

I did not have a perspective that questioned the sustainability of the overall system. In turn I did not consider a liquidity crisis - it was beyond my perspective at the time. I did not anticipate any likely or possible impact on my business, the property sector or the subsequent impact on the State, the Sovereign, Europe, and the Global Economy. My own meaning making limitations prevented me from seeing any risks in the context of the system and to understand the feedback loops.

I failed to consider that the banks, as the mortgage holders, were the ultimate owners of all mortgaged property and the cumulative losses would eventually impact and possibly wipe out their balance sheet.

In September 2008 the European interbank lending market fragmented almost overnight into cash rich banks, cash strapped banks, as well as across national frontiers. Trust, confidence and unsecured lending reduced dramatically. From my study of Economics I understood that well-functioning money markets are an essential component of the financial system. They are the starting point for the transmission of monetary policy as the distribution channel for liquidity provided by Central Banks. The European money markets did not function and financial instability ensued in the Irish banking sector.

Initially the problem in the Irish banking system was thought to be a liquidity problem[5] (Nyberg, 2010: iii), which could be alleviated by the Irish state underwriting the banking system. It was, in fact, a solvency problem of a magnitude that required the Irish state to seek international assistance in 2010 (Nyberg, 2010: ix).

[5] The excess of domestic lending over deposits grew from €26bn in 2002 to €80bn at the end of 2005 and to €129bn in 2008.

My Meaning Making in 2008 - 2010 was in turmoil - my steadfast assumptions about how the market operated in terms of the consequence of risk, the inbuilt safe guards, and the ability of policy makers to get it to function disappeared. The magnitude of the problem and its ramifications seemed too large. It was a systems failure and it threatened the survival of my business.

Immediate Survival

The implication, which I did not see for some time, was that it was no longer possible to continue as a property development company in an economy which had over produced and over-leveraged its property assets. Even exiting the property market was next to impossible as the banks were overexposed to property and were under instruction to deleverage e.g. Bank of Scotland (Ireland) was closed down on the 31st of December, 2010 and later sold to Project Prince at an 83% reduction to its par value (Examiner, 2012). The impact of the bank deleveraging strategies was that bank financing for property purchasers was virtually non-existent. In effect for me to survive the 2007 property crash would require a transformation in how I thought in and about business. I did not realise at that time that the decision by the bank that I dealt with to deleverage would result in me ending up in a dispute with them.

My immediate concern related to the survival of my business in a climate of economic oppression. My challenge became how to create a vision and a future direction for my business that would enable me to emerge and prosper. In the context of the programme I also wanted to go beyond this immediacy by identifying and understanding the role my decisions and judgment had played over a 26-year career in bringing me to this place.

Meaning Making and the Search for Questions?

Arendt identified 'The habits of thinking – or not thinking, being thoughtless' (Young-Bruehl, 2006: 12) and as I reflected on the crisis and stimulated by the Programme, I became convinced of the threat that not thinking or 'thoughtlessness' presented. I saw that I needed to uncover my meaning making system with its accumulated beliefs, assumptions and values. It became clear that the solution to this challenge was not to be found at the level of what I knew or by adding new

competences by learning new skills, expertise and aptitudes or by growing my character disposition: I needed to change how I made meaning of business and what I believed, i.e., my capability and resulting frames of reference and the very basis of how I made meaning of the world. On reflection, it was this awareness that marked my first step in securing my future and that of my business.

The Role of Questions in Meaning Making

As I began to explore my meaning making, through increased observation and awareness, I realised that central to my approach to learning is the recognition of the need to think rather than a yearning to be supplied with the answer. An answer is a response to a question but whose question - someone else's or mine? I needed to think through my questions and identify why they needed to be answered. I wanted to be more explicit about my questions and identify the theory on which they were based, the assumptions underpinning them and the beliefs and values involved.

To consider the role of questions in knowledge creation I turned to R.G. Collingwood. Central to Collingwood's approach was the idea that knowledge can only be acquired through the "Questioning Activity" (Collingwood, 1967: 30). The presence of information or evidence does not support learning in the absence of a specific question. Knowledge only occurred when specific questions were asked and in the right order. I reminded myself of the need for a worthwhile question through which I could explore my meaning making. What was my question to be? The identification of my developmental goals, which emerge in Essay One, provides some answers.

My pursuit of the right questions was prompted also by Penrose's theory (1972) of the organic growth of the firm where:

> "the environment is treated, in the first instance, as an 'image' in the entrepreneur's mind of the possibilities and restrictions with which he is confronted, for it is, after all, such an 'image' which in fact determines a man's behaviour; whether experience confirms expectations is another story" (1972: 5).

The world around me had changed dramatically and yet I believed it was full of opportunities for those who could see them by asking the right questions.

The overarching question I set is: What is the role of transformative thinking and practices in a property entrepreneur's response to the funding crisis since 2008?

To respond to this question my enquiry intended to develop an enhanced mental model, which identified three subsidiary questions: (1) How does an increased complexity of consciousness help to successfully respond to the withdrawal of financial support from the property sector? (2) What can I learn from others' perspectives which can be helpful to me in identifying and appraising the precise course of action I will take to resolve my financing issues in a way that is satisfactory both for my business and for the Bank's business? (3) How can the application of Collingwood's 'Questioning Activity' bring ordered thinking to facilitate focus in a time of crisis and enable the creation of relevant knowledge from available information?

With my question and sub-questions established, I was led to the subject-object interview, which I undertook to provide a baseline measure for my own assessment.

1.5 Baseline Subject-Object Interview Measuring Self Complexity

In June, 2011 I undertook the Subject-Object interview (Lahey, 1988) which is based on Kegan's theory of adult mental development in order to provide myself with a baseline argument for my meaning making complexity.

The subject-object interview is a practical developmental tool and appealed to me as it promised a picture of my meaning making generated through a transparent and independently objective process.

Throughout Essay One, I make sense of the outcome of the interview for my own leadership style and discuss how my style, including my strengths and blind spots, affect my effectiveness in business.

The following are the main findings from my 2011 subject-object interview (See Appendix 6.2).

The interview results showed, the outcome of my many years as an entrepreneur, that my meaning making was consistent with what Kegan describes as "the self-authoring perspective" (Kegan, 1994: 314).

My self-authoring perspective is characterized by several strengths, including my ability to:

- generate my own (and develop critiques of others') values, commitments, and assessments
- set limits or boundaries on relationships or commitments where necessary
- tolerate or welcome disagreement with important others
- take responsibility for my own inner life.

Against this background, the central theme identified by the interview was a driver by me to organize issues of control and agency, i.e., wanting to be able to influence an outcome to the extent I can, to feel that I am in control of and able to manage my

feelings and behaviours on behalf of my larger purposes, to be able to negotiate where possible and to take action on behalf of my own beliefs and commitments.

I was cautioned to be aware of my limitation not to be able to reflect on or critique my own ideologies and governing theories. To move to the more complex capacities would require a growth in my mental framework enabling the ability to:

- reflect on my own and others' belief systems or ideologies to identify larger patterns;
- orient myself to the dialectical or paradoxical, welcoming contradiction and oppositeness; and
- understand and experience myself as always being revisable and evolving.

I was excited and motivated to progress these goals and see the results of my progress seep into a new meaning making. (In Appendix 6.3 I provide the context for my Subject-Object interview).

1.6 Portfolio Structure

The Portfolio of Exploration is presented in the three main Essays. These are followed by a Conclusion.

Essay One involves a self-reflection process where the objective is to identify my professional meaning making. The method used is a reflection on my professional activities and experiences using Laske's Pyramid of Human Capabilities (Laske, 2008: 77). In order to initiate this development process I explore my meaning making utilising Laske's (2008: 24) view of development incorporating an 'in time view of life' and 'across time view of life'. The 'in time view of life' is work related, present focused, horizontal and can be behaviourally assessed. In other words, development that is visible and transparent in the everyday performance of working life. To do this I use the Myers Briggs Type Indicator' (MBTI). The 'across time view of life' encompasses human potential, is longitudinal, vertical development which is more about long term potential and possibility for further development. The orientation from the development perspective is to 'see new things and see things anew' (Laske, 2008: 24) by enhancing my meaning making system. I use the Kegan Lahey's subject-object interview (1988) to uncover the themes around which my identity organises itself.

This process identified my way of engaging with, and making meaning of, my experiences. It also identified my primary 'theories of business', which have become central to my mental process. The output was a change agenda in the form of development goals to develop my meaning making system.

Essay Two involves a reading for change programme. I progressed to show how by engaging with a new meaning making system a transition can occur in my meaning making. I selected appropriate thinkers to guide my particular change agenda and engaged with their theories as an apparatus of thought, that is I used their theories as a tool to think with in order to create insights for myself. These are Kegan (Kegan and Lahey, 2009; Kegan, 1994), and Collingwood (Boucher, 2013; Inglis, 2011; Collingwood, 1967; Collingwood, 1926), and other thinkers in the constructive

developmental space, e.g. Garvey Berger (2012), Basseches (1984) to help me understand meaning making and then use their ideas to think about my own meaning making. Given my goals emerged from undertaking the subject-object interview, based on Kegan's Theory of Adult Mental Development (Kegan and Lahey, 2009; Kegan, 1994), a substantive engagement with Kegan's ideas was required.

This I felt was my best approach to transforming my thinking and letting go of old habits of mind. My commitment was to enter into new meaning making by encompassing into my thinking insight from such expert perspectives.

The outputs are new apparatus of thought that expanded my meaning making system thus transforming how I know. These relate to: Awareness, Subject-Object Separation, Exploring others' perspectives from the position of incompleteness (Kegan, 1994: 313), the application of Dialectical thinking, and Collingwood's Questioning Activity.

As a result of my Reading for Change I am now aware of the need for a broad and curious meaning making system, which can encompass and consider multiple perspectives, theories, risks, conflicts, as part of an evolving and yet coherent approach to my practice. I now have a greater appreciation of the fact that we think in categories. I reflect on how I use these categories to ensure that they are not limiting my thinking and vision. I have become more conscious of the requirement to stay fresh in my thinking and to deliberately challenge my own categories of thought. It is only through awareness that this is possible.

Essay Three involves an experiment through which I evidence a transformation in my leadership practice, i.e. a practice in applying the new way of knowing developed through Essay Two. For my experiment I focus on the role of transformational thinking in the resolution of a dispute that arose with my bank, when it attempted to withdraw funding from my business. The complexity and unprecedented nature of this challenge presents an excellent developmental 'opportunity', indeed a necessity. This challenge is real for me, I am directly implicated in it and the outcome really

matters to me. In other words I am completely invested in it and I cannot contemplate failure.

The Portfolio Conclusions draw out general implications from my exploration of my experiences in light of the ideas of meaning making and questioning activity, which I consider to be most useful for peer practitioners.

2 Essay One: An Exploration of My Meaning Making

2.1 Introduction

My objective in this essay is to identify elements of my meaning making system (MMS) in 2009 and to evaluate how my meaning making system is equipped to deal with the demands and complexities of leading a property company in Ireland through the on-going financial crisis. The output is a personal change agenda, in the form of development goals, to enable me to expand my (MMS). In addition I enquire into whether my current level of consciousness can be measured, managed and enhanced based on expanded developmental insight.

Based on my engagement with Laske Pyramid of Human Capabilities (2008: 77), meaning making is a complex interplay between my competences (Knowledge: skills, expertise, experience and aptitude), my capacities (Personality: psychological characteristics and needs) and capability (Resulting Perspective – what grounds capacities, competences and determines their use). Intellectually I find it helpful to conceptualise these separately but believe they operate as an integrated way of making meaning. I consider that all three are central in determining my effectiveness and they form the basis of my exploratory reflection.

I commence self-reflection by enquiring into my knowledge theories through an 'in time' (Laske, 2008: 24) reflection on my professional experience. I believe that 'what can I do' comes from what I know and have learned. My knowledge has accumulated as a result of many years of education, leadership experience and business practice as a property developer in Ireland.

I apply what I have learned through the application of my theories, which I use to see and make sense of the world. I refer to this as my 'system of enquiry'. My current knowledge theories, therefore, form the bedrock of my competences. I set these out below in terms of skills, expertise, experience and aptitude, which combined determine what can I do.

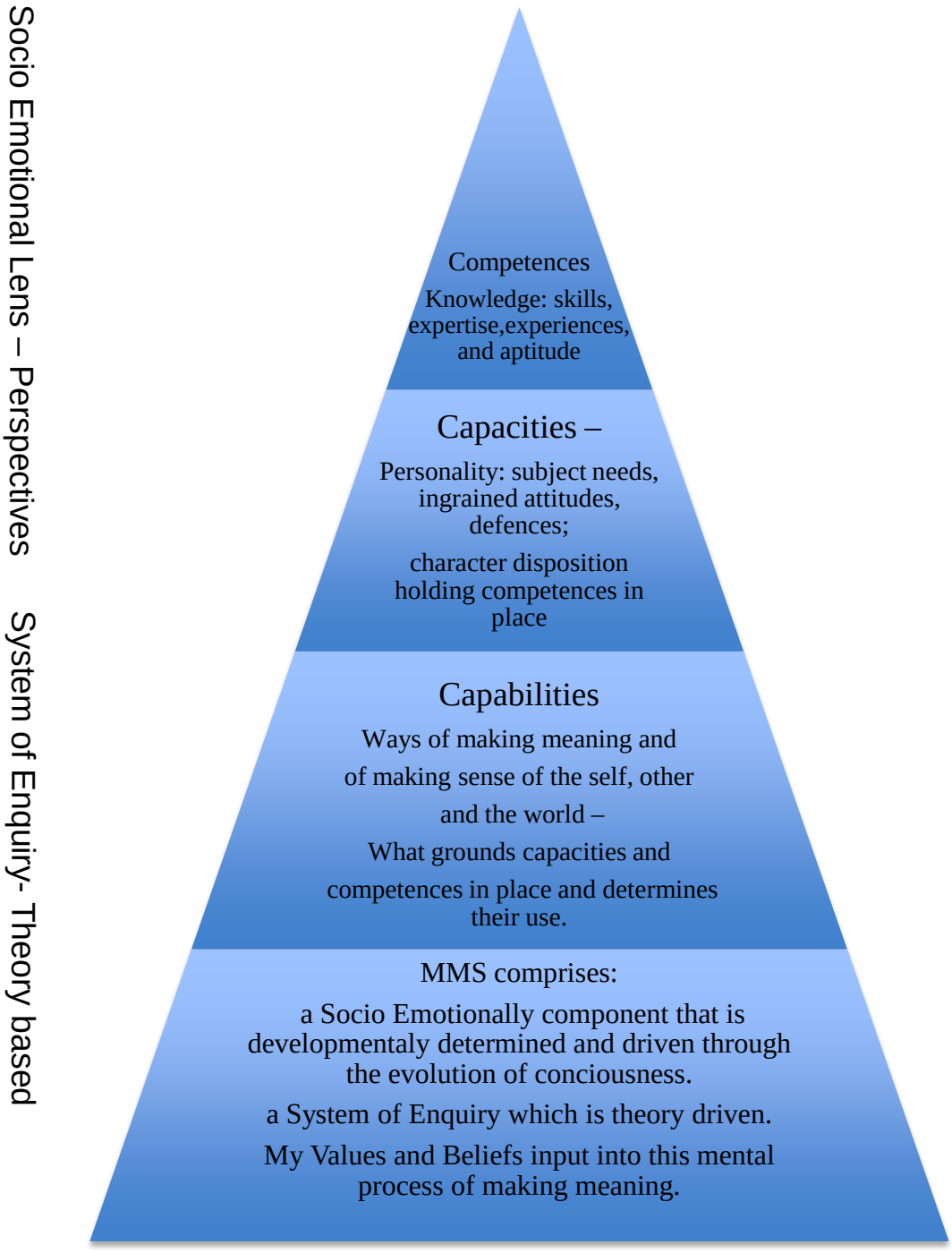
The second element of my ‘in time’ review is a combination of my psychological characteristics and needs, which hold my competences in place.

To explore my psychological characteristics I look at my personal preferences using a personality inventory ‘Myers Briggs Type Indicator’ (MBTI), which has allowed me to develop greater self-awareness around my own instinctive characteristics and the correspondent impact on my behaviour. I represent my preferences as the instinctive tools I have used to build relationships, to engage in learning and reflection, to gather information, to create ideas, to make decisions and to organise lifestyle.

My purpose is to understand what is most natural to my personality so that I can increase my awareness of myself and deepen my understanding of why I behave in certain ways. Through an enhanced understanding of my preferences this self-awareness allows me to understand and reflect on situations and to become aware of my effectiveness and anxiety levels. At an interpersonal level increased awareness of my preferences helps me to enhance my leadership abilities and to work with others who have different individual styles. The third element, and for me the most important element in my meaning making, is my capability, i.e. my process of knowing - ‘the way I know as opposed to what I know’. The focus is on the structure of my thinking as opposed to its content. I explore the way in which I understand and create meaning of my experiences. This involves the integrated construction of my thoughts, emotions and inter and intra personal relationships into a single construction of my reality which Kegan refers to as my ‘Lens’ (Kegan, 2001: 3).

I have found it useful to conceptualise these three elements of meaning making as separate activities, which are intertwined. This exploration has provided me with an understanding of the process in which this integration occurs in my meaning making system. I use Laske’s Pyramid of Human Capabilities (Laske, 2008: 77), to illustrate the concept of seeing my meaning making system in these terms (Figure 1).

Figure 1: A Meaning Making System Conceptualised using Laske's Pyramid of Human Capabilities



Source: Adapted from Laske Pyramid Of Human Capabilities (2008: 77).

Building on this approach to find out more about my MMS the remainder of this essay explores deeply into the three areas of Competences, Capacities and Capability. My enquiry into my competences and capacity enhanced my self-knowledge. My main focus is on my capability, as the principle that underlies this exploration is that any transformation in my meaning making system is developmental driven. The research is focused on my professional life and is a personal reflection on my lived experience.

To enable this transformation I engaged in self-reflection because as Drucker said:

> "Success in the knowledge economy comes to those who know themselves, their strengths, their values and how they best perform" (1999: 100).

As theories are central to MMS I specifically examine my use, awareness of and reflection on my theories. This is particularly relevant as the financial and property crisis in Ireland is a reflection of the collective failure of the theories of policy makers and business people both nationally and internationally.

The context within which I examine my theories is very relevant. In 2008, as I deliberated on my leadership challenges I became aware that I did not spend time reflecting or deepening my understanding of why I do certain things. When I am triggered by certain problems in my business that cannot be solved through my existing theories, I have tended to reach out to others and their theories and see what I could learn from them.

The idea that through my own reflections I could draw on the "Interpretive lens" (Kegan, 2001: 3) I was using to work out what I was subject to and move it to a more object part of my meaning making never occurred to me. I always believed that ideas and solutions were 'out there' and that I needed to find them. I did not know how to integrate and rely more on my own reflections as a primary way of learning. Now in 2015, I start with my own reflections.

My priorities changed as the global economic crisis emerged in 2008. To respond to the complexity of the crisis would require me to expand my MMS although it had been sufficient for my earlier business career. I show how my awareness of Kegan's theory helped me to challenge my assumptions and to make meaning in a new way. My ability to respond to the crisis successfully required a reflection on and revision of how I thought in and about business. Many of the decisions that I made pre-crisis had been based on assumptions that proved to be no longer reliable. I reflected not only on the assumptions that I was aware of (object) but also identified those that I relied on but was unaware of (subject). This helped me to develop my consciousness through an enhanced awareness of what I was subject to pre-2009.

This essay is structured into the following sections:

In Section 2.2 I provide an overview of the environment in which my business and I operated. I give my perspective, through a reflection, of the impact of the economic crisis, on my thinking and my business. I consider the crisis in the context of its impact on my assumptions, beliefs and business theories up to 2009 and show how the crisis provided the motivation to engage with my MMS.

In Section 2.3 I set out my practice. I briefly outline my concept of society and how I contribute to it. I do so on the basis that 'no man is an island' and my MMS should be considered in this context.

In Section 2.4 I initiate my development process using Laske's Pyramid of Human Capabilities as an apparatus of thought to set out my MMS in terms of my competences, capacities and capabilities (see Figure 1), in order to create insight into it.

I undertake an analysis of my competences by identifying my knowledge theories, which I have formed, based on my skills, experience and expertise.

For my capacity analysis I engage with the Myers Briggs Type Indicator (MBTI) personality assessment in an exploration of my personality preferences.

In Section 2.5 for my capabilities analysis I engage with Kegan's constructive development theory at a developmental level by commissioning a subject-object interview. I set out my lens (Kegan, 2011: 3) and its complexity as identified through the interview[6]. The interview process identifies three key themes around which my identity organises itself. These are (1) Control, (2) Agency and (3) Negotiation, which I explore in this section.

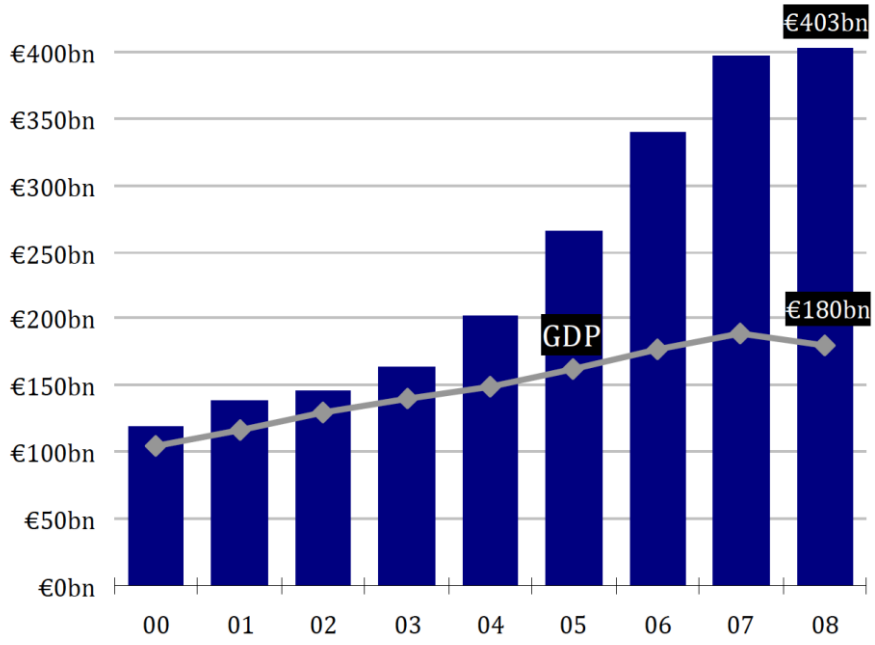
In Section 2.6 I identify my development goals.

[6] In Appendix 6.3 I outline the context for and the process of the subject-object interview.

2.2 Observations of the Economic Crisis

The backdrop to the Global Financial Crisis in Ireland was a quadrupling of lending between the period of 2000 and 2008, by the covered Banks as is illustrated in Figure 2. When liquidity became a problem globally in 2008 the level of debt in Ireland was more than twice GDP, up from 1.1 in 2000.

Figure 2: Loans and Advances by the Covered Banks to Customers 2000 – 2008



Source: Annual Reports & Eurostat

Source: Covered Banks Annual Reports and Eurostat (Nyberg, 2010: 13)

Economic crises are complex, disruptive, and volatile and the 2008 financial crisis was the biggest since the great depression (Pendery, 2009) and the threat was to the stability of the Global Financial System. The system was not capable of dealing with what was occurring and the policies for dealing with bank failures such as bank resolution mechanisms were either inadequate or did not exist.

The resulting global economic impact occurred at a pace to an extent that one would have thought that the financial sector was unregulated. The systematic failure (Nyberg, 2010: i) has left me in little doubt of the need for a reappraisal of the

intellectual and political consensus of the day. I believed that assumptions, values and beliefs would be central to understanding the basis of how these assessments and decisions were reached.

2.2.1 *Assumptions and Beliefs*

I considered the impact of poorly thought through assumptions, both mine and others, and the failure of established and common ways of thinking in and about business. The standard modes of thought, the habits of mind, frames of reference, of actors individually and collectively are given effect in the market economy and up to 2014 the collective policy responses have not been able to re-establish global growth with the consequential impact on society.

This is the backdrop to my need to reappraise the effectiveness of my personal approach to making sense of the world pre and post crisis. The financial crash challenged my deeply held assumptions about how the world works and in many cases highlighted my flawed assumptions. My belief in the predictability and stability of economic models I studied was radically challenged. I started to identify and challenge my assumptions, take a broader perspective and to frame my question in the context of the overall system.

In addition to my assumptions, many of the beliefs I held and the theories through which I viewed/interpreted the business world were being questioned on a daily basis (even though they had been accepted and embraced in the broader business community for a long time). My belief in concepts that underpinned business practice such as the law of contract, legitimate expectation, good faith, equity, fairness, government accountability, regulation, role and conduct of financial institutions were eroded daily. I saw the financial system as a system with component parts and I believed that all of these elements were necessary for the system to function. This did not prove to be the case as I evidence in Essay Three.

Banks, which had courted business from the property sector, identified property as non-core and to be deleveraged. The Irish government required financial institutions

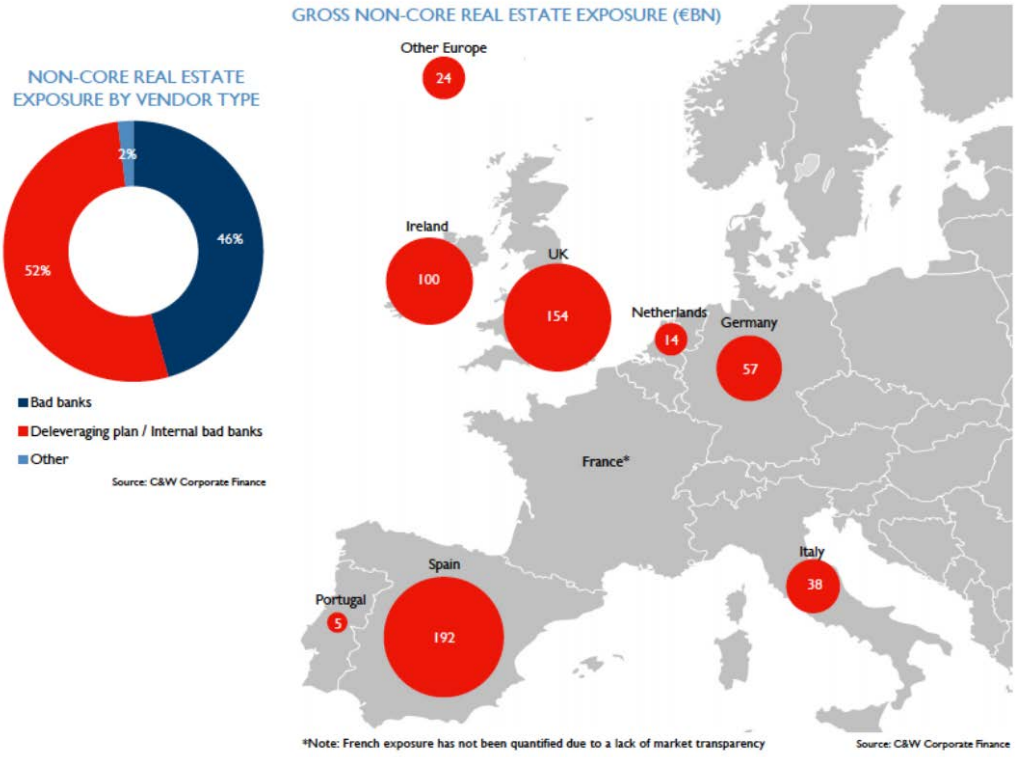
to sell their non-core property books to NAMA with a nominal value of €74 billion at a 57% discount (2014b). This resulted in similar reduction in values for properties over which the bank continued to hold security, limited domestic sales and stagnation of an entire sector. One of the primary reasons for NAMA's establishment was to allow the banks provide liquidity to the market place.

Imagine the challenge to my meaning making when as the crisis unfolded the availability of credit to banking customers contracted rapidly, not as a result of a customer's credit worthiness but because the bank's balance sheet could not support new lending. The impact of this crisis on the housing market can be assessed by the change in the number of houses sold and mortgaged. In a normal functioning housing market approximately 5% of the housing stock trades annually. In Ireland in 2013 approximately 30,000 properties were sold, representing 1.6% of private housing stock, a figure that Sherry Fitzgerald research (Finnegan, 2014) noted was low. The contraction of liquidity to the mortgage market in 2013 is evident in both the total number of drawdowns and the value. In 2006 there were 203,953 drawdowns, by 2013 this had fallen to 14,985. The value of mortgages issued in 2006 was €39872 million, by 2013 the figure had fallen to €2495 million (IBF/ Mortgage market Profile, 2014). This implies that out of the 30,000 houses sold only 14,895 were funded by mortgages - approximately fifty per cent. For the housing market to function effectively the value of mortgages issued needed to be in the range of €4.8 billion[7], approximately twice what actually issued. Unsurprisingly the impact on property values of the liquidity boom and subsequent crisis was catastrophic – the residential property price index (Gregg and Murphy, 2014) fell from a peak of 130 in 2006 to 65 in 2012.

While liquidity remained scarce, deleveraging became a key policy response in the Irish market place. This is best emphasised by the following graphic which illustrates that by 2014 Ireland was one of the major markets for loan sales second only to Spain and the UK and larger than Germany, Italy and the Netherlands.

[7] This figure is based on a requirement for 30,000 new homes a year, at an average price of €200,000 and a requirement for eighty per cent finance.

Figure 3: European Real Estate Loan Sales Q1 2014



Source: C&W Corporate Finance (Montero, 2014)

When organisations decide to pursue a deleveraging strategy then even a compliant borrower is no longer desirable and in fact may be an impediment to the deleveraging goal, particularly when the cost of funds to the banks is such that existing contracts are no longer profitable and therefore undesirable, as I realised when my previous assumption collapsed. This fundamentally challenged my sense of fairness and required me to reappraise the basis of my business relationship with my Bank.

As a result of my pre-crisis belief in the robustness of the financial system I had often considered the impact of finance on a project by modelling the impact of interest rate increases, of slower sales resulting in higher loan requirement or longer loan term and the profit impact of cost over-runs. I had assumed that this was the range of likely scenarios I would have to plan for when considering my financial risk. I believed in a system that allowed for individual circumstances to change at a personal or corporate level but relied on the idea that the market would deal with that and continue to function.

As I examined my thinking more closely I realised that I had formed this opinion about the availability of bank finance, based on a set of beliefs and assumptions formed over years of doing business in the property sector. I realised to my acute disappointment that this was not factually correct. The impact of the lack of liquidity was so destructive on my sector and the broader economy that I believed I had no option but to reconsider the very fundamental assumptions I had operated with up to then.

2.2.2 *Theories*

As I started to evaluate my response to the crisis initially I thought about the data that we observe and interpret, such as what was, i.e., the appropriate method of valuing a property? Why was information on price not publicly available? (This issue has since been resolved by the creation of a property price register). What should a property developer consider when forecasting future demand for the apartment sector? For a developed economy the lack of a website where this information could be accessed in a single location was unacceptable. However these were in essence symptoms of the problem and mere inputs to my thinking process but what of the process itself?
I found myself, in the words of Kline:

> "Exploring the limiting assumptions held about oneself; facts (objective), possible facts (subjective) and bedrock assumptions (subjective). The bedrock assumption is the answer to the question: what am I assuming about myself that is stopping me from achieving my goals? We choose our bedrock assumptions about 'self and how life works': 'they are rocks in the mind, ancient deposits that stop its flow. They were made without our permission a long time ago.' So now we have to choose and we do choose" (Kline, 1999).

This is how I arrived at the point that commenced my journey to reconsider how I made sense of the world, i.e., my own epistemology.

2.3 A Personal and Corporate Overview

In this section I describe myself, my business and contribution to society in my professional capacity. From a young age I have wished to engage with and participate in the business world. I have fulfilled this ambition and am now an Entrepreneur. Throughout my life I have learnt from my family, schools, social network and society, a set of values, assumptions and beliefs, which ground my behaviours. I have modified or replaced these over the years but not always as a result of conscious reflections on my life experiences.
Frankl wrote:

> "Everything can be taken from a man but…the last of the human freedoms — to choose one's attitude to any given set of circumstances, to choose one's way" (Frankl, 1992: 69).

This is a philosophy that I adopt. I set out below a brief outline of what has guided my choices.

I have been guided by my vision of a 'Renaissance man' who is capable of making a contribution to his community through philanthropy, commerce, and education. I have a fundamental belief that we should contribute to our society's development preferably within our local community. Drucker identified that for a society to function individuals needed a social purpose (Drucker, 1942). Mill also spoke of active participation. I have tried to give effect to these aims through business, education and the arts (Mill, 1861). My objective is to leave the next generation in a better position in terms of society, knowledge and commerce.

From a philanthropic perspective I with my family and company have had a policy of re-investing in the community, some of the gains that we have made. Our donations have included a public park, car park, and the sponsorship of a series of concerts such as The Choral Festival in 2004 and Live at the Marquee in 2005-2007. We donated the *View of Cork* by Butts - the oldest view of Cork a topographical painting of Cork - to the Crawford Art Gallery in 2005. In 2009, under the Section 1003A scheme, we

donated a collection of art and furniture to the State, to be housed at Fota House, valued at €3.6 million. I have encouraged two other parties to donate €6 million in art to Cork City institutions. I have a particular pride in these contributions as they reflect my commitment to improving the society in which I live.

Commerce is my second driver. I am an accomplished contributor to the business world over the last 27 years both as a thinker, innovator and implementer. I adopt a Penrosian view in business where the "environment is treated … as an 'image' in the entrepreneur's mind" (Penrose, 1972: 5). As a businessman, I have brought vision, innovation and tenacity together to create successful ventures and partnerships across multiple sectors e.g., property, retail, hospitality, heritage and finance. I work at the highest levels with influencers of change to formulate strategies, which create value-adding innovations.

My passionate interest in the world as a leader and contributor to my community explains my interest in Arts and Heritage. Over the last two decades, I have held a compelling vision for the contribution that Art Heritage can awaken in the Tourist Industry and across society with the Irish talent for story telling at its core.

Education is my third driver. I have worked closely with UCC as a postgraduate of the Business School. As a member of the MBA Association of Ireland and past President, I have used my special interest in leadership and communications to establish a learning forum for business experts and speakers to address the Irish business community. I initiated, sourced and chaired the committee, which brought a number of speakers including Professor Michael Porter, Dr. Henry Kissinger, Mayor Rudy Giuliani and Professor John Kotter to Ireland.

In 2015 I am the Managing Director of McCarthy Developments. The company is a privately owned, property development company that is opportunity led. Our company's focus is on the residential, commercial and leisure sectors. At its peak we managed projects at either the design, planning or construction stage with a capital value in excess of €500 million. Our team's core competences are in acquisition, planning, development, sales, finance and risk management.

The company has completed the Harty's Quay apartment development complex in Rochestown, Cork containing a mix of 175 units and has a number of very high profile projects available for development around Munster. Other notable schemes include the 536 unit Jacob's Island residential development at Mahon Point and the Sheen Falls Country Club in Kenmare, Co. Kerry. The company also has ambitious plans for new developments at Curraheen and Passage West in Cork (See Appendix 6.4).

2.4 Pyramid of Human Capabilities

In this section I take a deeper dive into my MMS, setting out how I view the world using what I have learnt (my competences), my personality and my underlying lens or perspective through which ultimately I form opinion, make judgments and decisions.

Laske, refers to the Pyramid of Human Capabilities (2008: 77). He conceptualises human capabilities under three headings Competences, Capacities and Capabilities, headings I use to organise the rest of this section for inquiry.

2.4.1 Competences

My competences are the skills, business experience, expertise and knowledge, which I have accumulated as my core system of inquiry. I have been heavily influenced by my third level education.

I enrolled in UCC in 1984 and selected Economics and Computers as my subjects. I graduated from UCC with a BA in Economics in 1987. I undertook an MBA from 1994 and graduated in 1996. These two courses fundamentally shaped how I thought about business. Since graduating I have undertaken a number of professional development courses provided by the MBA Association, UCC and the Marketing Institute of Ireland.

On graduation in 1987 I purchased Blackrock Castle in Cork City, with my sister and operated it as a bar/restaurant and function venue for seven years before selling it to enter the property business full time.

When I commenced operations I was a one-man operation with a shared office and a secretary. Over the years I gradually put together a collection of sites and a management team to exploit the opportunities that emerged.

I have built on my formal education and experience to develop an expertise in general management - strategy formulation and implementation, business plan compilation,

evaluation and operational management. In the area of corporate structuring I have expertise in the legal, accounting and taxation sectors.

In the property sector I have expertise in property development, zoning, planning and finance, project management, sales and marketing as well as property management - operation and letting. I also have experience in corporate governance.

I have experience in the not for profit sector through a number of Board appointments: MBA programme in UCC for three terms commencing in 1996, Cork and Kerry Tourism, The Irish Heritage Trust, The Cork Science Park Advisory Group and the Cork County Council Strategic Policy Committee for Housing.

Additional key competences, which based on a personal reflection I draw on in my business life, are: Strategic thinking - exercised in my ability to understand business models and their key drivers, establish linkages and inter-dependencies across the Property, Heritage, Retail and Hospitality sectors. I am innovative, result and customer oriented, an influencer, negotiator and possess financial and commercial acumen. I prioritise the bottom line profitability for all my endeavours and ensure that there is a focus on cost management and value maximisation.

The foregoing represents my skills, experience and areas of expertise.

Underlying Themes in My Practice

I now consider themes in my practice. Central to my MMS are Entrepreneurship, Economics, Knowledge, Leadership, People, Networks and Negotiation skills. As I reflect on my professional career I can see how these mental constructs are at the core of my psychological and philosophical perspectives. I now elaborate on these individually.

Entrepreneurship is the first aspect I have identified about my meaning making. I engage with the market place on the basis that it is full of opportunities yet to be discovered. Where others see problems I see opportunities. My role is to identify

these opportunities and to select the ones that I am best positioned to execute. I am conscious that as I create my image of the market place I do so from this perspective.

Economics is the core theory through which I engage with the business world. I see the market place first at the macro level of the economy, then at the level of industry before the micro level of the firm. I consider the opportunities at all three levels to test viability. I regularly update my assumptions, which underpin the outlook at all three levels.

Knowledge is central to the evaluation process in determining what opportunities I should pursue and the ability to formulate a vision for my industry, firm and team. I value a detailed understanding of all aspects of my business dealings as this allows me and I believe others, to have confidence in my judgments. I am conscious that it is important for me to differentiate between what is important and what is not.

Leadership for me is comprised of three elements, vision, people and execution. Once I have identified an opportunity, I formulate my vision, strategy and execution plans. I believe that a detailed knowledge base is central to any leader's ability to command respect. For my leadership to have legitimacy I believe that I require a detailed knowledge of all aspects of my business, this has served me well but is also time consuming and limits the number of projects I can manage.

People and networks are central to my MMS and I like to engage with them. In our interaction I believe in being respectful, fair, honest and reasonable. I operate on the basis of trust and am loyal in my friendships. I value people and cultivate long-term relationships by being kind, creating trust and generating loyalty. This approach and my values have allowed me to build, not only a strong circle of contacts but also a team of supporters. I am fully cognizant of the value of my reputation and cherish it. The perception of the external business community is important to me. Where others do not reciprocate these values, I struggle to relate and engage with them.

I have an ability to create a team capable of harvesting an opportunity. I identify the skills I need in my team and use my network of contacts to populate it. I believe in actively developing a strong network.

Management for me is centred on co-ordinating people to achieve the required objectives and goals, with the available resources, effectively and efficiently. I have learned to recruit individuals who have expertise in management as part of my team.

Negotiation and persuasion are key elements in how I achieve my aims in life. In order to exercise choice my approach is to deploy my negotiation skills. I try to create good relationships, based on understanding others needs and treating people with dignity and kindness. I often take on the role of bridge builder between people holding different positions. I believe that understanding the needs of both parties, creating a relationship of trust and seeking to achieve an output that creates value for both parties accomplishes the best result.

I value leadership, wisdom and thoughtfulness. I believe the company we keep moulds us and seek out the company of what I term ‘elegant minds’, leaders in their chosen field. I crave stimulating conversation and the opportunity to create new knowledge.

In my business interactions I make an early and strong impression through my ability to articulate my position, my attention to and clear understanding of detail and my ability to handle complexity. In my interactions I have a personable style. Typically I am very reasoned, business-like and gentlemanly in one to one negotiations. I am also patient and persistent. If I come up against a problem that I do not know how to solve, I am good at sourcing and recruiting the help of people who can. This is not only how I see myself but is also based on the feedback I have received from others.

I try to put myself in the shoes of others to understand their needs and priorities but I am not always successful. I can handle complexity but might be better served in certain circumstances to keep it simple depending on who I am dealing with. I continuously question myself and try to get the best for my side but need to be careful

not to chase down every last improvement. I have the advantage of operating in a strong family unit together with the assistance of a small group of key people in my business dealings. My colleagues in business have been with me for a long time. I also have a strong group of key supports in my network of business contacts.

The importance I place on relationships means I do not believe in taking an action without evaluating how it will be perceived and responded to. To accomplish this I seek out multiple views on issues before deciding on my strategy.

I trust people and often rely on advisors. It is my experience that in a family owned business of our scale a wide variety of disciplines is helpful. I learned that whilst experts provide discrete pieces of advice, my role is to consider the impact on my overall business. I seek a high level of understanding of the options and rely on myself to integrate this advice.

The value I place on analysis and action are two competing needs that can cause frustration, as taking action is key to my way of seeing things in business and detailed analysis takes time. To achieve the latter impact's the pace at which the decision can be arrived at.

This need for detail and the fact that I often produce the analysis is I recognize both a strength and a weakness. It is a product of the lack of availability of people capable of compiling the analysis and my ingrained need to understand the detail in order that I can rely on the analysis. On the big decisions I see myself as central to the decision and the execution. I take the lead on strategy and the execution team unless there is a tactical reason not to do so. I do this because I have a strong belief in myself and back my judgment. A key assumption under which I operate is that there is always room to improve and I continuously seek to do so. Through this reflective essay I have become aware of how and from where I seek inspiration for the improvement.

As a developer my role is to satisfy a commercial need for profitably while making a contribution to my community and society. In order to be successful in my role I have

developed robust commercial, enterprising and contribution theories, which I have developed and refined over many years of successful business.

I see the property business through the lens of Porter's value chain (Porter, 1988). We are developers, not builders, and therefore create value through acquisition, zoning and the planning process. This is where I determined the greatest profit opportunity lay and where we would concentrate our efforts. At the core of my MMS was an awareness that an excess of leverage was the undoing of a development business and I focused on keeping a conservative loan to value ratio at our group level. I wanted to create a balance between development sites and rental properties that allows the rental properties to support the non-earning development sites. I knew that operationally achieving the right balance would take time to implement. The development site would drive the balance sheet side of the business through capital growth while income would come from sales and rents.

I have a structure in my business with clear criteria for evaluating how individual projects fit. This is important to me because I believe in the business cycle and want to position myself for it every time I buy an asset; the day you buy is the day you sell. This is central to how I operate my business. I want each location to have unique selling points such as water front location, access to the highway system, local services and amenities. I want a change element that improves value in the short to medium term, such as infrastructure improvement, etc.

My desire to grow my business and my management approach and structure was a source of concern. I sought to find the balance between how to delegate decision making while maintaining control particularly on financial matters. I feared people would make decisions that could put us out of business. I tended to resource the business only after the need was 'proven' rather than in advance. In 2007 we had the resources to recruit but I had not developed confidence in my ability to create a structure that would eliminate my fears about divesting control of financial decisions. In my experience in a booming industry people tend to get promoted beyond their ability and therefore recruitment is challenging. On reflection this approach meant our governance structure was under constant pressure that possibly a different

management approach could have resolved. The conflict between the need to control and the desire to grow was an ever-present one over the period leading up to 2008. On reflection the desire for control and its implementation was a protection in the boom.

I needed to learn to manage in a way that I was not operationally central to my business. Over time I became more open to paying for the right people and more focused on the effort required in the process of recruiting them. I identified the need for a different management structure and tended to seek the solution externally through the buying in of others experience.

I did not seek external assistance in relation to my negotiation skills. I never read a book on negotiation or undertook a course in it. I was willing to rely on my personal skills and approach to this area. I observed how other parties who are not fully prepared are satisfied if only limited aspects of their objective are achievable. I prepared intensively with multiple options and am tenacious in my pursuit of my objectives. I constantly amend my objectives in an attempt to maximize the achievable outcome. Key to my approach is to connect with the people involved, to build a bridge between both positions, and to achieve a result that works for both parties. This takes time and on reflection, there are times when I wonder should I shorten the process and accept less in the interest of expedience.

My decision to purchase a property is underpinned by a project vision, which I develop on a number of assumptions, i.e., location, market, availability of finance and profitability. I had however less tangible assumptions in relation to the formation of the project team who drive and deliver the project. I now question whether this practice was the most effective way to deliver my business?

In conclusion, I have set out an overview of my competences, which have accumulated and shaped my MMS up to 2009. I am satisfied that this is a snapshot of the accumulated influences that have underpinned my success.

My reflection organised by Laske's concept (2008: 77) has helped me to stand back and throw a spotlight on myself. I realise to what extent I have operated at an

unconscious level of awareness and how much this exercise has alerted me to just exactly what it is that triggers my behaviours (what I say and do).

The opportunity for me is to be more explicit in surfacing my theories with their associated assumptions, beliefs and values and to see them from different perspectives as I navigate a business path in the future. I may choose to let go of certain theories and adapt new ones, which are more appropriate for the challenges I face.

I now progress to the second part of my MMS exploration, which looks into my personality characteristics and how they impact on my way of making meaning.

2.4.2 Capacities

I engaged in an exploration of my personality preferences to take a closer look at and to get third party feedback on my character disposition in order that I could enhance my self-awareness. To evaluate my preferences I engaged with the Myers Briggs Type Indicator (MBTI) Personality assessment.

Myers and Briggs, as an application of Carl Jung's Theory of Psychological Types (Jung and Baynes, 1923) developed the MBTI Personality Assessment. Myers-Briggs defines behaviours that are used to predict Jung type. The theory operates on the basis that we have opposite ways of gaining energy (Extraversion or Introversion), gathering information (Sensing or Intuition), deciding what to do with it (Thinking or Feeling) and dealing with the world (Judging or Perceiving).

I received an interpretive report from N.L. Quenk, PhD and J. M. Kummerow, PhD, which was reviewed and interpreted, having completed this previously as an element of my MBA, the difference on this occasion related to the level of engagement and interpretation by Dr O'Kane, Occupational Psychologist.

The initial personality profile gave a type preference of ENFJ (E = Extraversion, N = Intuition, F = Feeling, J = Judging).

The report and detailed feedback session allowed me to reflect on the unique ways in which I express my Jung type. I have used this as an input to my self-reflection and as the basis for inputting into the capacities section of Laske's organisational framework. I have written up a personal profile based on my reaction to the MBTI feedback I have received which outlines my subject needs, ingrained attitudes, defences and character disposition. I now reflect on what this means for my meaning making system.

Drawing Energy

I have a preference for Extroversion, in MBTI terms; I focus on the outside world to get energy through interacting with people and/or doing things. I am conscious that this preference is evident in my general approach. I have a strong preference for active participation and discussion rather than passive observation and listening. I learn better by doing, hearing and asking questions than by reading and writing. I like to communicate in person, either face-to-face or voice-to-voice. I would rather talk than write about a topic.

The MBTI has highlighted for me the importance of creating space for internal reflection.

I understand the value and importance of a network and use my social skills to create and tend to my own network.

While I seek out interactions I keep much of my private life to myself: only significant others hear my private thoughts and feelings. I talk comfortably on many things and people often assume they know me well when on reflection they do not.

I also have a preference for intimacy. I prefer one-on-one interactions or small groups. I need and want to share my innermost thoughts and feelings with people who are important to me.

I am enthusiastic and I like being where the action is. I try to make things happen and often mobilise others to do so. I use wit and humour in my interactions to keep things

harmonious and fun. I am also conscious that at times others can find what I term as "banter" upsetting.

Gather Information

I have a preference for intuition, described as a focus on perceiving patterns and inter-relationships.

I start with an abstract idea but want it to be supported by details, facts and data. I have the capacity to see the big picture but want to do my 'proof of concept' at the detail level. I recognise this as unusual, as most people assume I am a big picture individual who does not do detail, which is wrong. I believe that this preference is emphasised by my economic training. I like to go from the macro to the micro when evaluating a project. As a result of self-reflection I am conscious of the need to differentiate between the details I need to know and those I do not. Prioritisation is becoming very important to me. In order to work with a theory, as an apparatus of thought, I need to understand how it works in detail.

I am imaginative. I like innovation and change. I am resourceful in dealing with the new and unexpected. I have found that the development business has allowed me to engage in this preference. Development involves a good understanding of planning. To be successful one has to have a vision for the future and then ensure that this vision is incorporated into the various statutory plans, Local Area Plan, strategies, etc. This allows me bring my ability to operate the big picture and detail level to business.

I enjoy thinking through a scholarly framework and engaging in learning. I value knowledge and its acquisition. I seek out patterns in the data that I analyse. I am interested in results. I have a preference for innovation but engage with whatever method - traditional or unconventional - as long as it works.

Drawing Conclusions

I naturally engage with my feeling preferences but have learned to develop my thinking style. The feeling preference dominates my interpersonal interactions and ensures that my concern for others is an important consideration in my business

dealings. I am guided by my values and prioritise engagement and collaboration with others.

I am logical and value objective analysis. I value analysis that is conducted in an impartial manner. I conduct my analysis in a thorough manner to enable me to be meticulously prepared and well briefed. Through understanding the detail I can mobilise it to achieve my objectives.

I am questioning and challenging. I explore an issue from multiple angles prior to taking a position. This often confuses people as they assume I have adopted a position when in fact I have not and am still in the exploring and evaluation stage. This can lead to misunderstandings and people feeling I am oppositional and contentious. I seek out the opinion of a variety of people to fully understand an issue. I am very persistent and intense. The effect of this approach is to intellectually surround the problem. The analysis that this produces allows me to produce a very effective strategy of encirclement.

I am people conscious but have learned to be numbers orientated. I am conscious of the interaction between people's emotional position and cognitive processes. I often try to understand people's feelings around issues. If I feel I am being misinformed deliberately I persevere until I have the correct information and ensure that there is a consequence for the breach of trust. I am typically tactful but can be sceptical, confrontational and outspoken.

I am normally accepting of people. I see the good in people and trust them. I am kind hearted and believe kindness can go a long way. I am disappointed when this is not reciprocated. I need to modify my internal emotional reaction when the response of others fails to meet my expectation. I have explored what internal construct of my ego feels violated by this behaviour and concluded that I struggle with what I see as a betrayal of trust.

In negotiations I try to create a solution that works for both parties. I try to create an environment, which is people centred, respectful, professional and business like. I am

conscious of the impact of emotions and personalities on situations and try to minimise it. I try to create strategies that create win win situations. Where this is not achievable I pursue my strategy vigorously.

Organising

My preference is for Judging, preferring to organise my life in an organised, predictable and timely manner. Decisiveness and closure are important to me. This is in contrast to the MBTI preference of perceiving where life is organised in an unstructured and more of a 'go with the flow' attitude.

My preference for judging correlates with my interest in the development business. Development companies are organised around a series of projects which themselves are made up of a series of stages or activities: acquisition, zoning, planning, construction, sales and management. Development is future focused. I like a general plan, which allows for flexibility and change. I am not evenly wedded to my preference for 'Judging'.

I organise myself around these projects and multi-task but like to focus on one project or task at a time. I do not like interruptions when I am pushing for closure. I like having multiple projects on the go and using my organisational skills to keep them running smoothly. I have learned to respond to pressure and deadlines but prefer a planned approach.

I like to make lists and to have procedures in place for monitoring activities. I like others to manage day-to-day activities once an operational plan is in place.

I have learned to deal with evolving situations on an emergent basis and if necessary to adapt what emerges.

Implications of MBTI

As an ENFJ, I have a preference to engage with people directly. This is a significant strength for networking. Once I have a plan in my mind, engagement with others can

be both exhilarating and frustrating. Frustration can arise for me when the Judging preference is driving me towards decisions and organisation.

As an Extrovert, the creation of reflective space requires awareness and deliberation. My instinct is to engage externally with colleagues, experts, data sources, etc. The value of my own reflection, to build on arguments and interpretation I have gathered, is something I am now more aware of engaging in. I want to work on creating a space for reflection and forming my own ideas from all this data.

As an owner manager I have developed a strong 'N', i.e., creative ideas, combined with 'J', a good sense of results and closure, to run a successful business.

J, as an organised lifestyle is my preference. However there can be a conflict with my intuition when I do not rush to conclusions or to action until I am absolutely sure of the details. This can be frustrating for others and for me.

Through self-reflection I am now more aware of how my preferences are reflected in my behaviour and their role in how I interact with others. In addition, I am more aware of how my preference for interaction with people and the creation of new ideas is also part of my MMS. My preference to make decisions through values and principles is another key part of my meaning making.

In Table 1 below I have set out an extract from the feedback report I received as to how my preferences impacted how I make decisions. The interviewer analysing my answers to the multiple-choice questions establishes my preference for Intuition. When conducting this analysis they look at my step two facets. The step two facets referred to are the underlying components of each preference listed in each of the boxes below. The facet poles I prefer are in bold. For those in the Mid zone, neither pole is italicised.

Table 1: The Impact of MBTI Type on Making Decisions

Effective decisions require gathering information from a variety of perspectives and applying sound methods of evaluating that information. The Step II facets give us specific ways to enhance our decision making, especially those facets related to Sensing, Intuition, Thinking, and Feeling. Below are general questions associated with those facets. The facet poles you prefer are in bold italics.

SENSING	INTUITION
Concrete: What do we know and how do we know it? Realistic: What are the real costs? Practical: Will it work? Experiential: Can you show me how it works? Traditional: Does anything really need changing?	Abstract: What else could this mean? ***Imaginative: What else can we come up with?*** ***Conceptual: What other interesting ideas are there?*** Theoretical: How is it all interconnected? Original: What is a new way to do this?
THINKING	**FEELING**
Logical: What are the pros and cons? Reasonable: What are the logical consequences? ***Questioning: But what about?*** Critical: What is wrong with this? Tough: Why aren't we following through now?	Empathetic: What do we like and dislike? Compassionate: What impact will this have on people? Accommodating: How can we make everyone happy? ***Accepting: What is beneficial in this?*** ***Tender: What about the people who will be hurt?***

Six different ways of evaluating information, called decision-making styles, have been identified based on two facets of the Thinking-Feeling dichotomy: Logical-Empathetic and Reasonable-Compassionate.

Your style is Mid zone with an underlying Feeling preference. This style means that you probably

- Pay attention to the Thinking and Feeling perspectives when you consider and actually make decisions.
- Make decisions from either point of view, depending on circumstances.
- Sometimes look back on a decision as good, but sometimes regret the decision and how you made it.
- Are better off in ambiguous situations making decisions based on your values and those of others since that is consistent with your overall preference

Source: (Quenk and Kummmerow, 2011)

Table 1 illustrates that one preference is not better than another. Rather it is the awareness of ones' preference and the alternative, which is important, and the impact of preferences on how information is evaluated.

The feedback further suggested how I could utilise this awareness.

"In individual problem-solving, start by asking all the questions in the boxes above. Pay careful attention to the answers. The questions that are opposite to the ones in bold italics may be key since they represent perspectives you aren't likely to consider. Try to balance your decision-making style by considering the less preferred parts of your personality.

In-group problem solving, actively seek out people with different views. Ask for their concerns and perspectives. Do a final check to make sure that all the questions above have been asked and that different decision-making styles are included. If you are missing a perspective, make extra efforts to consider what it might add" (Quenk and Kummmerow, 2011).

The real benefit of the MBTI to me is its focus on not only what my preferences are but also on what they are not. Knowing that I prefer values over analysis, extraversion over intra-version, ideas over detail and organisation over going with the flow, highlights a much broader range of choices available to me once I am aware of them and open to developing these choices, appropriate to the situation.

This ability to stand back from myself to observe and take action on myself is integral to the idea that my perspective/lens is that of an independent thinker capable of evaluating and processing experiences for myself.

This leads me to the next part of my MMS where I inquire into my lens (Kegan, 2001: 3).

2.4.3 Capabilities

To understand my adult developmental perspective in detail, I engaged with Kegan's Theory (Kegan, 1994; Kegan, 1982; Kegan and Lahey, 2001; Kegan and Lahey, 2009) by commissioning my subject-object interview (Lahey, 1988). I undertook the subject-object interview to establish my meaning making system and its level of complexity. My motivation in undertaking the interview is also linked to my preference for extraversion - i.e., my preference to engage in active participation and discussion and to learn by doing and hearing.

Specifically my growing awareness and insight was focused on understanding:

- What lens do I currently use to make meaning?
- What do I want to transform in my current meaning making system?
- How will I transform my current meaning making system?

The output is a change agenda in the form of development goals to develop my meaning making system further and forms the basis of Essays Two and Three.

2.5 Feedback

As I reflected on what I had come to refer to as my 'lens' (Kegan, 2001: 3) feedback was informative. It allowed me to consider my identity from a new perspective.

> "The central theme around which your identity organizes itself concerns issues of control and agency, wanting to be able to influence an outcome to the extent you can, to feel in control of and able to manage your feelings and behaviours on behalf of your larger purposes, to be able to negotiate where possible, to take action on behalf of your beliefs and commitments."

> "Your interview, which we conducted in June, 2011, reflects your capacity to make meaning with the Self-Authoring perspective (Stage 4)" (Minds at Work, 2011).

I could see how control and agency would fit with my desire to exercise choice in how I lived my life. I have been aware that I often exercised persuasion in pursuit of my objectives and that I seek to influence outcome when and where I can.

It was interesting for me to see how Minds at Work could extract this information from me and formulate it into a coherent statement that captured my way of looking at the world.

I began to understand that I lacked the capability for fundamentally transforming my own perspective. The more I understood about my current MMS from the subject-object interview, the more I realised the gaps in my mental capabilities.

I saw the benefits of order 4 thinking to accommodate my independent and single-minded thinking. This has allowed me to generate my own ideas and approaches and to drive my business agendas forward. I was comfortable in appraising the ideas and positions of others in order to formulate what was appropriate for my leadership and business agenda. Being a keen opportunist and an adept reader of society I have found and created successful businesses in this way. To progress through the challenges

enforced by the financial and property collapse of 2008, I needed a lot more than independently created thought. I wanted to open up my perspective, broaden my ideologies and examine my beliefs and assumptions. I required a multi-perspective lens capable of understanding layers of complexity and innovation.

Ultimately my reflections on my subject-object interview helped me to identify three key theories in my MMS, which are (i) Control (ii) Agency and (iii) Negotiation (See Appendix 6.2).

2.6 Conclusion: Developmental Goals

Against the above backdrop I have adopted the developmental goals set out below.

My final priority in this Essay is to ensure that the explanation behind the creation of my developmental goals is clear.

There have been a number of inputs into the formation of my development goals:

1. My dilemma to ensure survival of my business brought on by the 2008 Economic crisis (Section 2).
2. Observations of myself and my business (Section 3).
3. Insights into my own Competences (education and skills; experience; expertise, knowledge theories); my Capacities (MBTI); generated from the application of Laske's framework.
4. My Capabilities (subject-object interview).

I have come to understand the strengths and weaknesses of my MMS in this reflective process and to identify the central theme around which my identity organised itself. I see myself as an independent minded person. I have a keen focus on performance and am proven in my abilities to influence others to assist and support my visions and business goals. I am caring towards others and ensure that I appreciate their loyalty through truthful and respectful interactions.

I had been unaware as to how my beliefs and values often were as influential as data in determining the outcome of a situation (in Appendix 6.5 I use Argyris Ladder of Influence to illustrate this). On reflection it has often been these unconscious beliefs and values, which determined the selection, of what I considered relevant data. I realise that I was subject to and therefore unaware of what Sowell (2007: xiii) refers to as the 'Silent shapers of my thought' and did not appreciate their full impact on my decision-making. I am aware of how my own beliefs and ideology influence what I attend to and how this influences my interactions with others.

As a result of my self-reflection I became keenly aware that many of my old ways of thinking - my old theories, values, beliefs and assumptions would not sustain me or my business in a survival and growth plan for the future.

I had come to see that many of my theories were useful but not sufficiently broad or creative to allow me to investigate the systemic changes I needed. My past theories had allowed me to successfully develop my property business when bank finance was readily available. My new challenge was to anticipate and create the market place in which development would take place in the future.

As a result of my reflection I was now aware that I needed to identify when my own personal need for control was useful and when it was not. This would involve listening to others and not needing to be the one with the answer all the time. I wanted to get beyond "taking someone else's perspective and understanding their view of a situation, even if this contrasts with my own" (extract from s/o interview). I needed to grow my perspective into a richer and more complex inquiry capable of handling deep levels of ambiguity, multiple perspectives and have the patience for the emergence of new and unprecedented directions. This would require me to suspend judgment and actively engage in listening, research and observations - understand and experience myself as being revisable and evolving.

I needed new directions in the heat of 2009's devastating economic crisis. The financial system has a structure that comprises parts that are either directly or indirectly related to each other. As the crisis unfolded the interconnectedness of the global financial system became apparent. For instance, the failure of Lehman Brothers immediately impacted the international wholesale money markets, on which the Irish bank relied, and the availability of credit in the Irish economy contracted. I became aware of the need to stand back from my business and identify the broader systems in which I operated.

The requirement to build on my strengths of problem solving and relationship building as part of a new, emergent and untested banking and property system meant that I had now to create a path rather than follow one. My current meaning making

had not been tested in this way. It was incumbent on me to consider the new business and economic realities and to form dynamic and far sighted responses. Otherwise I realised that potentially my business would not survive if I continued to think in the very ways that prevented me from seeing these problems in the first place. It was a challenge and also an opportunity for me, what Kegan (1994) describes as a good problem – a dilemma that one can use to solve oneself.

This was the path I ventured on in 2009 with the following developmental goals.

- To develop my complexity of consciousness so that I can make meaning of the world within a larger systemic mental framework;

- To explore others' perspectives in the sense of engaging with others to specifically identify larger patterns, orientating myself to the dialectical, and welcoming contradiction and oppositeness and thus changing how I know;

- To cultivate my ability to create knowledge, exploring new ways of doing this by being clearer in my identification of the right questions and in my pursuit of answers.

3 Essay Two: Groundwork for Change

3.1 Introduction

Prior to the doctoral process I had not studied how I constructed and organised my experiences, therefore, I had not considered if there was a better way of doing so. This Essay is about the journey I embarked upon to explore the theories of Kegan (Kegan and Lahey, 2009; Kegan and Lahey, 2001; Kegan, 1994), Garvey Berger (Garvey Berger, 2012) and Collingwood (Boucher, 2013; Inglis, 2011; Connelly 2003; Collingwood, 1967; Collingwood, 1926) to apply these theories to develop how I make meaning of my experiences. When I refer to applying these theories I do so, not in the context of generating new information - for example through the use of a different macro-economic model, with a greater emphasis on monetary policy over fiscal policy - but rather in how I make meaning of information using these alternative theories.

In this Essay my objective is to progress my development goals by self-authoring, in the sense of Kegan (1994; Kegan and Lahey, 2009), an expanded Meaning Making System (MMS). I am interested in transforming my meaning making as a key enabler in leading my property company out of the 2008 global financial crisis.

The principle on which this approach stands is that “insight cannot be taught or learned, but that consciousness that gives rise to insight can be *developed*" (Kegan, 1994: 128 emphasis in original). The insights I sought to develop relate to my ability to transform my thinking.

This process has enabled me to understand that I am the owner, curator and selector of my MMS. Post 2008, I saw that my mental model, i.e. the assumptions and beliefs underpinning my practice, proved to be unreliable. I knew I had a problem that I could not solve within my current MMS and I wanted to transform it.

I realised the solution to my problem was not to be found at an information level involving the addition of new competences or the replacement of old ones by filling in the knowledge or skill gaps or at the level of my capacities - what Kegan refers to as ‘leading in’ (Mezirow, 2000: 49). The solution was to be found in changing how I

knew - at the level of capability (Laske, 2008: 77). I had to liberate myself from the forms of thought that were no longer reliable. This would require me to lead myself out of my current frame of reference. When I refer to a frame of reference, I do so in the context of psychology - "A set of ideas" (Merriam Webster dictionary), conditions, or assumptions that determine how something will be approached, perceived, or understood - resulting in a transformation in my epistemology - i.e. my way of *knowing* (Kegan, 1994: 17).

In addition to adding a psychological perspective to my thinking, I also sought out a philosophical perspective. Collingwood saw the role of the philosopher as being to "thinking about thinking" (Connelly, 2003: 61) and, in doing so, to reflect on and make explicit statements about the ideas that have been common to his/her culture. I engaged with Collingwood in order that I might acquire this skill of observing my practices and that of others with a view to deepening my level of awareness of my thinking process. I did so in the belief that his ideas could act as an intellectual bridge between my theory and my practices and the practices of others around me.

With the onset of the global financial crisis I recognised the character of the society I lived in locally, nationally and internationally was changing, as was my relationship to it and my actions. The Irish State and financial sector's response to the financial crisis resulted in liquidity being largely removed from the property sector. This and the centralisation of a large portion of the property sector debt in the National Asset Management Agency (NAMA)[8] resulted in unprecedented market power for NAMA and a dysfunctional property sector. It was an inflection point for the economy, the banking sector and for me, out of which new practices emerged, which previously would have been unthinkable. I needed to understand the thinking behind these new practices. The questions I asked were - how would I understand these new theories on which the character of a new unfolding business world was fast emerging and what would guide my relationship to it?

[8] www.nama.ie.

To answer these questions I turned to Collingwood's philosophy, his methods, and his theory as a lens to look at the withdrawal of financial support from the property sector. I engaged with Collingwood's philosophy and in particular his logic of *question and answer* (Collingwood, 1967: 29), as an apparatus of thought. As a result, I have learned to see things differently, in effect, creating for me a new way of making meaning to help to mediate my relationship with this new world. This new way of making meaning motivated me to a deeper understanding of this way of *knowing*.

Three key questions have emerged from my consideration of my development goals. I explore these questions by considering Kegan's (Kegan and Lahey, 2009; Kegan, 1994) ideas on adult mental development across the life span. I engage with Collingwood, as a philosopher and with his scientific based approach to knowledge creation.

I am interested to know:

1. How an increased complexity of consciousness helps to successfully respond to the withdrawal of financial support from the property sector?
2. What can I learn from others' perspectives which can be helpful to me in identifying and appraising the precise course of action I will take to resolve my financing issues in a way that is satisfactory both for my business and for my Bank's business?
3. Can the application of Collingwood's 'Questioning Activity' bring ordered thinking to facilitate focus in a time of crisis and enable the creation of relevant knowledge from available information?

Through the exploration of these questions I opened my mind to Kegan (Kegan and Lahey, 2009; Kegan, 1994; Kegan, 1982), and Collingwood (Collingwood, 1967; Collingwood, 1933; Collingwood, 1926) and used their theories to consider how I can expand my awareness for greater effectiveness in resolving my own business dilemmas.

This Essay is structured as follows:

In Section 3.2 I explore the role of theories in focusing my attention and the role of my assumptions (Kegan and Lahey, 2009: 119) and presuppositions (Collingwood, 1926: 162) in my decisions.

In Section 3.3 I engage with the theories of Kegan (Kegan and Lahey, 2009; Kegan, 1994) and Garvey Berger (2012), to develop an apparatus of thought to achieve my objective of developing a systemic mental framework. I explore Kegan's four quadrants of the psychological self as a system for mental organisation and his concept of subject-object separation to establish the shape of the window or lens through which each person constructs their world. I explore Garvey Berger's (2012), work on identifying patterns and constructing polarities in the context of developing transformative habits of the mind. The output is an apparatus of thought, which through the use of awareness and subject-object separation enables me to identify the systemic framework that I operate in.

In Section 3.4 I engage with the theories of Kegan (1994) Garvey Berger (2012) and Basseches (1984) to develop an apparatus of thought to explore other perspectives with the objective of changing not only what I know but how I know. I explore Kegan's concept of embracing the incompleteness (1994: 313) of self when exploring others' perspectives, Basseches' (Basseches, 1984) concept of Dialectical Thinking - actively looking for what is left out and different. I engage with Garvey Berger (2012) and Kegan (2009; Kegan, 1994) to look at the construction of self, at different orders, and its impact on perspective taking capacities, conflict and differences. The output is an apparatus of thought that seeks to proactively engage with others' point of view, accepts my own as incomplete, and in doing so to continuously nourish my form creation.

In Section 3.5 I engage with Collingwood's (1967) view that knowledge creation is a function of a question and answer. My purpose is to develop an apparatus of thought to cultivate my ability to create knowledge.

Section 3.6 sets out the conclusions of my reading for change. In terms of my personal development journey, my objective is to increase the fit between the demands of an increasingly more complex world and my capacity to respond. I now have an understanding of the complexity of consciousness. I believe that transforming more of what I was 'subject' to 'object' enables my development. The result of my reading for change, in terms of my expanded meaning making system, is the developmental approach that I have developed and adopted:

- I commence my consideration of an opportunity or challenge by identifying what I am subject to.
- I then assess the opportunity or challenge in a systemic context.
- I adopt a dialectical approach to assess multiple perspectives on the opportunity or challenge.
- I then use the questioning activity to convert information to knowledge.

The combination of these steps has developed my capacity to deal with complexity.

3.2 Theories, Presuppositions and Assumptions

My objective in my reading for change is not only to identify new apparatus of thought but also to increase my awareness of the role of theories, presuppositions, assumptions and beliefs in my practice and cognitive processes. I have 'theories' which are part of how I make meaning. Such theories are important as "Every practice rests on theory, even if the practitioners themselves are unaware of it" (Drucker, 1985: 26).

The role that theories play in our cognitive process is long established. Popper wrote "Theories are important and indispensable because without them we could not orientate ourselves in the world - we could not live. Even our observations are interpreted with their help" (Popper, 1994: 53). In his letter to Heisenberg Einstein wrote "it is theory which decides what we can observe" (Einstein, 1926). I view the world through my theories and use these mental constructs to focus my attention and make sense of it. This is necessary because as situations evolve around us we need to focus our attention and seek out patterns in the data to help us understand events as they unfold. The theory is the mental model through which I filter data. Theories are, therefore, central to my meaning making system and determine what I can observe. The output contributes to my judgments and decisions. Given their centrality to my meaning making system, it is valuable to increase my awareness of what theories I use at any point in time as presented in Essay One.

In Essay Two, my objective is not only to increase my awareness of the theories I use but also to enable a move from a user of theory as 'description' to theory as 'an apparatus of thought', enabling me to think through an issue with the purpose of creating an insight.

The utility of theories is in the interrogation of information in the pursuit of knowledge. This leads me to question how I differentiate between facts and assumptions in the application of the theory to the problem.

Collingwood (1926) explored the link between economics and philosophy. The purpose of the essay was "to throw light on some of the fundamental conceptions which Economists do not so much derive inductively from facts as presupposed in their attitudes towards the facts. These fundamental conceptions, such as value, wealth, and the like, are used by all economists, but seldom, if ever, satisfactorily defined" (Collingwood, 1926: 162). In economics the presuppositions, to which Collingwood refers, are essential to the operation of economics. "These fundamental or presupposed conceptions of economic science are the subject of this paper. The thesis here advanced is that these conceptions are various aspects of, or various attempts to describe, a certain form of action, which for the sake of a provisional name, we shall call economic action. The conceptions of value, wealth, and so forth are not ultimate inexplicables; they can be understood, but only by resolving them into the conception of economic action. This resolution is a task for philosophy. Philosophical thought is that which conceives its object as activity; empirical thought is that which conceives its object as substance or thing. Economics, then, is an empirical science if it is conceived as the study of a thing called wealth; philosophical, if it is conceived as the study of economic action" (Collingwood, 1926: 162).

It is clear from this passage that Collingwood believed that concepts such as value and wealth could only be understood when considered in the context of economic action. It is necessary to understand when we are employing presuppositions in our reasoning that they are an input into it and not an output from it.

In my opinion, one of the core reasons for the global crisis was that presuppositions were confused with facts. For instance the Nyberg Report (2010), reported that "one important consequence of the concept (efficient market hypothesis) was the assumption that self-regulating markets tended to remain stable. If the paradigm was accepted without regard to the simplifying assumptions underlying the original theory (a naive interpretation), quite radical conclusion for policy could be drawn" (Nyberg, 2010: 4). If, in the formulation of regulatory policy, the efficient markets hypothesis and its simplifying assumptions had been considered from the perspective that it was an apparatus of thought to be used to consider a situation but that efficient markets

were not a reality and this hypothesis was but a presupposition, then the regulatory approach adopted might not have had such catastrophic consequence for the banks operating in Ireland.

Presuppositions and their role in thinking, I suggest, overlap with Kegan's 1994; (Kegan and Lahey, 2009) concept of becoming aware of hidden assumptions that we are subject to. In each case, once I become aware of the presupposition or hidden assumption I can evaluate it objectively to determine if it is valid or not and consider its impact on my judgment. Collingwood and Kegan identified the central role that presuppositions and hidden assumptions play in the structure of thinking and conclude that, through their identification, the capacity to form an expanded perspective is enabled.

To illustrate Collingwood's concept of presuppositions, I utilise his observation regarding the foundations on which all scientific inquiry is conducted[9]. Collingwood:

> "observed that 'the scientists' trust that nature will prove "reasonable" is the presupposition within which all the reasoning's of science move, and upon which they all depend.... by faith we grasp *that there is an order* in nature, whereas by reason we discover *what kind of order it is*" (Connelly, 2003: 9 emphasis in original).

Kegan's (1994) theory is based on a similar presupposition, that there is an order to mental complexity and by reason (the subject-object interview) we can discover what kind of order it is. Having explained the concept of presuppositions, I can set out the role they played in my meaning making, pre-crisis.

A key presupposition, which I was subject to, and had not questioned or understood, was my faith in the multi-layered oversight of the banking sector and the stability of the banking system. Subsequently, I discovered the instability that existed which emphasised the gap between my perception and reality.

---

[9] Gore's *The Philosophy of the Good Life*, 1931.

The crisis brought into sharp focus the difference between facts that could be relied on and presuppositions in relation to those facts. As the crisis unfolded, it undermined my confidence in the clarity of my thinking processes and the judgments made as a result of my belief in these processes. The destabilisation that occurred in the external environment also seeped into my internal thinking processes in how I perceived my relationship to the property market in an economic crisis. The extensive system of oversight in the banking sector had failed and, therefore, trust in the oversight system - an essential element in enabling the financial system to work - was severely undermined.

The capitalist model was not applied in the crisis as the banks were not allowed to fail nor were unsecured bondholders left to absorb their losses. In adopting my funding model I now see I failed to calculate the actual level of personal risk I exposed myself to. The sustainability of my funding model relied on a poorly regulated and over leveraged banking sector.

My consideration of pre-supposition and the assumptions I was subject to, pre-crisis, caused me to seek out new apparatus of thought to formulate my response to the crisis.

To progress the goal of transforming the process by which *I know*, I inquire into three questions in the next Section.

3.3 Making Meaning: Enlarging the Systemic Mental Framework

Goal one

To develop my complexity of consciousness so that I can make meaning of the world within a larger, systemic mental framework.

Question One

Does an increased complexity of consciousness help to successfully respond to the withdrawal of financial support from the property sector?

In responding, I first engage with Kegan's (Kegan and Lahey, 2009; 1994) forms of meaning regulation (Kegan, 1994: 7), to understand how meaning is made of the withdrawal of financial support from the property sector. His concept of meaning regulation is based on the four quadrants of the psychological self - Cognitive, Affective, Interpersonal and Intrapersonal (Kegan, 1994: 7) which I use to consider how I internally experienced this event and responded externally[10]. I consider Kegan's orders of consciousness (Kegan and Lahey, 2009: 28) which determines the boundaries within which the problem is considered and the solution conceived. I consider the capacity for transformation in my consciousness as a result of my Reading for Change. Kegan defines meaning making as follows:

> "When I refer to "mind" or "mental" or "knowing" I am not referring to thinking processes alone. I am referring to the person's meaning-construction or meaning-organisational capacities. I am referring to the selective, interpretive, executive, construing capacities that psychologists have historically associated with the "ego" or the "self". I look at people as the active organizers of their experience. "Organisms organize" the developmental psychologist William Perry once said; "and humans organise meaning". This kind of "knowing", this work of the mind, is not about "cognition" alone, if what we mean by cognition is thinking divorced from feeling and social relating. It is about the organizing principle we bring to our thinking and our

[10] In Essay Three I present the impact on my practice.

> feelings and our relating to others and our relating to parts of ourselves" (Kegan, 1994: 29).

In my opinion, the above is a key passage. From it I have extracted the key principles on which my Portfolio is conducted. They are:

- Knowing is a product of thinking;
- Thinking involves both cognition and meaning construction or meaning-organisational capacities;
- Humans actively organise experiences;
- The organising principles underpinning meaning construction are expressed through our thinking, feeling and relating to others and ourselves;
- By shining the light of consciousness on and identifying these principles, I can enable my development.

Kegan's theory (Kegan, 1994; Kegan and Lahey, 2009) enquires into and identifies how people develop over the course of their lives. It is a constructive developmental theory, which encompasses both the individual construction of reality with the possibility of developing that construction to a more complex level over time. The key outcome of his theory is transformation in consciousness, which is enabled by the subject-object separation. Kegan categorised levels of consciousness into five orders (Kegan and Lahey, 2009: 28). For Kegan transformation is different from the acquisition of new knowledge, such as learning new information or skills. He argues that transformation in an individual occurs when he changes "not just the way he behaves, not just the way he feels, but the way he knows - not just what he knows, but the way he knows" (Kegan, 1994: 17).

The theory's central premise and distinction revolve around the "the principle of mental organisation according to which emotion, cognition, interpersonal and intrapersonal experiencing is constellated" (Kegan, 1994: 7). In other words this principle of mental organisation deals with how people organise their responses to the world, integrating thought, emotion, relationship to others and to themselves into their experiences.

The theory addresses "the forms of meaning-regulation, the transformation of consciousness, the internal experience of these processes, the role of the environment in this activity" (Kegan, 1994: 7). Having reflected deeply on Kegan's theory, I have come to better understand the four quadrants of the psychological self: Cognitive, Affective, Interpersonal, Intrapersonal and have applied them in Essay Three.

3.3.1 Four Quadrants of the Psychological Self

Cognitive Aspect

As I reflected on my cognitive skills in order that I might expand my frame of reference, I identified the need to consider a situation in the context of the system. I endeavoured to identify and understand the structure of the system that I operate in by identifying its composite parts and establishing whether they are directly or indirectly related to each other. I looked at my company's challenge of operating in a property market from which liquidity was withdrawn with the objective of stabilising my dealings with the banks. To do this I had to expand my perspective so that I no longer saw the interaction as being exclusively between a borrower and a bank, with dispute resolution being exercised through the court process under the rules of contract. Instead, I considered my challenges in the context of the broader system in which the banks operated to include the Financial Services Ombudsman, the Central Bank as regulator, public opinion, the financial markets and, in the case of one particular bank, its standing with its UK parent. The importance of considering the system is vital as the protections afforded to a borrower under the bank's regulatory obligation arising from its banking licence are extensive and deal, in particular, with how a borrower is to be treated. Therefore, while contractual obligations have to be interpreted using legal construction only in a court of law, the Central Bank's Code of Conduct [11] involves a broader context, which includes having regard to fairness in the treatment of a borrower. The involvement of the regulator has cost and reputational impacts for the bank, which change the dynamic of the situation.

[11] www.centralbank.ie/regulation/processes/consumer-protection-code/pages/codes-of-conduct.aspx.

To grow my business, I looked at the Irish Central Statistics Office (CSO) apartment property price index[12], which peaked at 122 in 2007 (relative to a base of 100 in January 2005) and fell to 45.7 in 2012, reflecting the market's negative reaction to the apartment sector. I saw it as an opportunity for growth, as the banks were looking to deleverage their balance sheet and believed there would be no buyers, which I set about trying to capitalise on. I believed apartments should have been viewed negatively, only if they were judged on their suitability for home ownership. I state this, as in my experience Irish people want to raise a family in a house with a garden. However, they are happy to rent an apartment earlier in their career and prior to the arrival of children. Therefore apartments were a good solution to the needs of the rental market. I formulated my approach based on a belief in my judgment that a scarcity of mortgage finance would increase the number of people renting and the period for which they would rent. My prediction was correct, in 2006 there were 323,009 households renting in Ireland, by 2011 this figure had increased to 474,788 households. I was not afraid to challenge the negative market reaction, as reflected in the CSO figures, that Ireland had built too many apartments for which there was no demand. Instead I authored my own view. This was a reflection of the complexity of my consciousness and of me operating at a Kegan order four, or self-authoring, perspective (Kegan, 1994: 92). I might have done something similar prior to embarking on the DBA however the difference was I was now aware of what was involved in terms of my meaning making.

Affective Aspect

Another key part of Kegan's psychological self involves the impact of emotions on the way information is processed in our meaning making systems. He emphasises the importance of being able to become aware of our emotions and of then taking responsibility for them. This psychological concept of being affective is where I can take responsibility for how I feel, understand what/why I feel a particular way and what triggers it and form a perspective on this element of 'self', rather than being controlled by these feelings. This approach has helped me to understand and mediate my emotional response to the upheaval that emerged from the tremendous disruption

[12] www.cso.ie/en/releasesandpublications/er/rppi/residentialpropertypriceindexjuly2014/#.

to my belief in the sustainability of financial markets and my expectations of fairness in my dealings with my bankers.

Interpersonal Relations Aspect

Engaging with Kegan's theory as an apparatus of thought has made me more aware of the need to set clear boundaries in professional relationships. I have learned to understand that each person has their own values, beliefs and assumptions and that it is important for me to understand and to operate with their meaning making systems.

This awareness allowed me to frame my interactions in a manner I believe better enables me to achieve a successful outcome for my business. In Essay Three I outline how I use this approach in practice.

Intrapersonal Aspect

Kegan emphasises the value of reflecting on one's own life as a crucial input to learning (Kegan and Lahey, 2009: 202). I have learned to think about my own thinking in a more structured manner. Now, as I make meaning, I identify certain assumptions in my approach to meaning organisation. I have a desire to hold on to property assets rather than dispose of them quickly to capture the long-term value. I am influenced by transaction costs such as taxation. These are payable immediately on a disposal whereas if an asset is held the sum that would have been payable in tax also continues to provide a return. I now recognise the assumption underpinning this practice is property prices will rise over time.

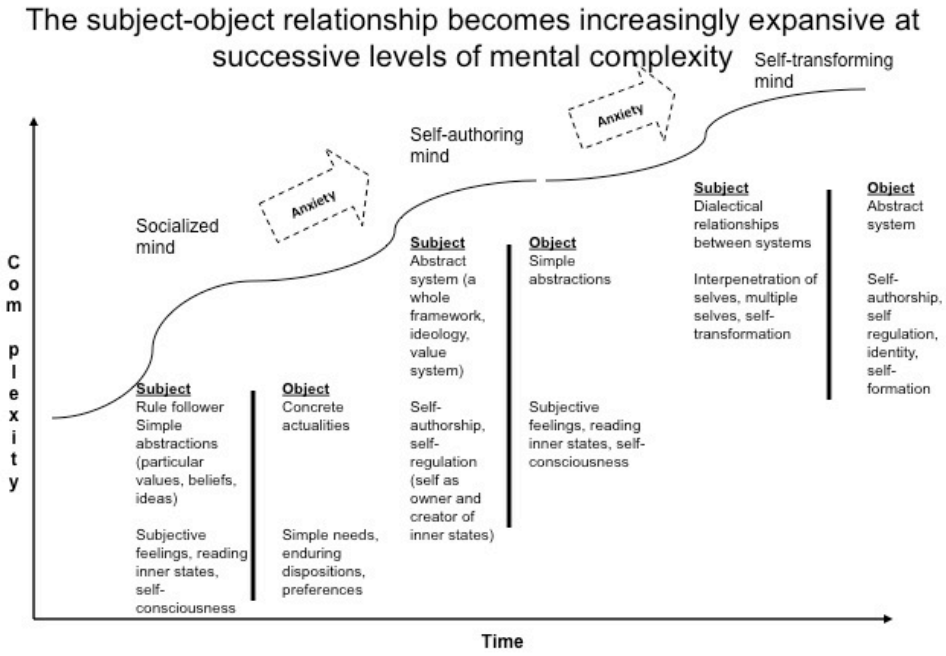
One of the key benefits that have emerged from my understanding of the four quadrants of the psychological self has been my ability to manage the emotional impact of the crisis on myself and to manage the impact of emotions on my decision making in my interaction with banks' representatives in what has been, at times, challenging situations.

3.3.2 Orders of Consciousness

Kegan and Lahey (Kegan and Lahey, 2009: 52) explain that the way meaning is made of the world is determined by the order of consciousness that one operates with. The subject-object relationship (Kegan and Lahey, 2009: 52) determines this order. By object they mean those aspects of experience that are apparent and can be engaged with, and reflected upon and are separate to 'me'. In contrast, those things I am subject to, I identify with, am embedded in and experience as myself. This subject-object relationship is the dynamic principal that drives Kegan's theory. Kegan's objective is to grow an individual's way of knowing "*to look* at what before we were *looking through*" (Kegan and Lahey, 2009: 53 emphasis in original), which involves an adaptation to the current way of knowing which disturbs the existing consciousness or subject-object relationship. A given subject-object relationship establishes the lens through which we know the world, and while our knowing gets increasingly elaborated, it all goes on within the terms of the growth of the subject-object relationship.

Kegan groups the form of this meaning making complexity into orders (1, 2, 3, 4 and 5) (Kegan and Lahey, 2009: 16). Kegan classifies adult orders of consciousness into three types: the socialised, self-authored, self- transforming mind (See Appendix 6.1 for further elaboration). In Figure 4 below Kegan (Kegan and Lahey, 2009: 52) sets out the unfolding relationship between the complexity of the structure of thinking and its ability to expand over time.

Figure 4: Kegan Subject Object Relationship



Source: (Kegan and Lahey, 2009: 52)

Figure 4 illustrates and identifies the changes that occur in meaning making in the transition from the socialised mind - where individuals are rule followers allowing others to determine their values to the self-authored mind - where individuals use their own internal board of governance with their own internally generated set of values and belief. Finally, the transition to self-transforming, the ultimate for Kegan in adult mental development terms, occurs when individuals release themselves from a sense of self-identity, which is fused with their own ideology and transform it to other systems, creating multiple perspectives in harmony with each other.

Meaning making, in developmental terms, is the unique 'lens' through which I construct my world and formulate my perspective. Growing complexity of meaning making enables me to be aware of the question 'what should I do' (Laske, 2008: 23) and for whom? In answering this question my focus is on issues of authority, responsibility and the ability to tolerate complexity and ambiguity. Depending on the complexity of my consciousness, this question is constructed and responded to based

on internally (order 4) or externally (order 3) generated assumptions, values and beliefs. The development of my internal board of governance enables me to make meaning based on my internally generated assumptions, values, beliefs and this is central to how I construct the question 'what should I do and for whom?' and respond to it.

Kegan believes that growing complexity comes about as a result of raising one's consciousness (Kegan, 1994: 128) and it is in this way insight emerges. The complexity of consciousness determines the individual ability to identify patterns and construct polarities that is different for each order, which I now turn my attention to.

3.3.3 Identifying Patterns and Constructing Polarities

I looked to Garvey Berger (2012: 122) who, building on the work of Perry and Kegan, works with the pattern making ability of the mind in the context of developing transformative habits of mind to intentionally stretch the mind to see things that previously were not visible. The purposes of these habits are to grow the ability to see more progressively complex patterns by seeing how things are connected to each other. Initially, what may be seen as polarities or opposites, such as black and white may, from another perspective, be connected by the many shades of grey. Garvey Berger goes on to explain that "what seemed like opposites to you at first now seem like connected edges of a single pole (polarities)" (2012: 124).

The pattern an individual will see depends on their order of consciousness. Garvey Berger (2012: 130) explains that a person with a self-authoring form of mind has the capability to identify patterns. They can see the connection in business or between parties. Heifetz has an interesting metaphor for this - he refers to it as "getting up on the balcony.. to gain the distanced perspective you need to see what is really happening" (Heifetz et al., 2009: 7). In relation to polarities, Garvey Berger (2012) explains that the construction of polarities is most evident in relation to the values, principles, or ideas about what the truth is and should be.

The self-authored person is the owner and creator of their inner states, which is expressed as a theory, system, framework or ideology. The ability to take opinions, values, beliefs, either their own or others, and priorities, relegate or combine them creating new values or beliefs is a product of the internal authority which enables the self authoring individual to create their own reality. However, this framework or ideology is based on their system which they cannot yet make object (see Figure 4). In effect they are looking "choicelessly *through*" (Kegan and Lahey, 2009: 53, emphasis in original) this system rather that at it. Therefore they are subject to that which the psychological 'self' identifies with. This is the edge of their current meaning system. The challenge for an individual is to separate the psychological self from that with which it identifies. To do so requires one to seek out the current framework, ideology or systems limitations. This in turn requires an orientation that sees the current system as preliminary. Furthermore it requires one to welcome challenges to the system as opposed to experiencing them as a challenge to self. These are all characteristic of the self-transforming mind-set.

In relation to the self-transforming mind, Garvey Berger explains that the ability to see patterns is easier than to not see them. The challenge can be to remain aware of how difficult it is for others to see these patterns. In relation to polarities, Garvey Berger explains that the challenge is to see the polarities - as the self-transforming mind sees everything as connected to its opposites.

Garvey Berger (2012: 132) explains that to manage patterns and polarities, the task is about communication. If the self-transforming individual is to get his questions and concerns met, he or she will need to communicate them in a way that allows others to see what they see but through their different form of mind.

I have come to understand Kegan's concept of the complexity of consciousness and the role of subject-object separation in its development. I have learned to use Kegan's four quadrants of the psychological self as self-reflection tools, which has enhanced my awareness. I now understand the role of order of consciousness in identification of patterns, construction of polarities and appreciate its impact.

The apparatus of thought adopted from this reading for change is subject-object separation and awareness. I use these as a means of achieving my goal to develop my complexity of consciousness so that I can make meaning of the world within a larger, systemic mental framework. That is I endeavour to identify and understand the structure of the system that I am operating in by identifying its composite parts and establishing whether they are directly or indirectly related to each other.

3.4 Engaging Perspectives of Others to Change How I Know

Goal Two

To explore others' perspectives in the sense of engaging with others to specifically identify larger patterns, orientating myself to the dialectical, and welcoming contradiction and oppositeness and thus changing how I know.

Question Two

What can I learn from others' perspectives which can be helpful to me in identifying and appraising the precise course of action I will take to resolve my financing issues in a way that is satisfactory, both for my business and for my bank's business.

In responding, I engage with Kegan's (1994: 313) concept of embracing the incompleteness of the 'self' so that when I explore other perspectives I change not only what I know, but also how I know. I engage with Garvey Berger (2012) to illustrate the benefit that can occur from putting this into practice. I use Basseches (1984) concept of dialectical thinking to actively seek out what is absent and different.

This goal is important to me because I believe the 2008 financial crisis and subsequent property crash in Ireland is a consequence of a collective failure to consider multiple perspectives and to instead converge on a common view. Pre-crisis, the sustainability of an abnormal economic pattern of activity was often considered from the perspective that the time period 2004 - 2008 was different (Nyberg, 2010: i) and would not result in a crash. The prevalence of this type of thinking was facilitated by what is referred to as "herd mentality" and "group think" (Nyberg, 2010: 7). To avoid this, a property business would have been well advised to engage in critical thinking in the formulation and review of its strategy. Critical thinking is defined as "that mode of thinking - about any subject, content, or problem - in which the thinker improves the quality of his or her thinking by skilfully taking charge of the structures inherent in thinking and imposing intellectual standards upon them" (Paul, 2008) (See Appendix 6.6 for further elaboration).

By seeking out multiple perspectives and incorporating a dialectical approach of "actively looking for what is left out and what is different" (Basseches, 1984: 11) this aids the decision maker. It also facilitates challenging the robustness of the various perspectives and the theories underlying them. The incorporation of this practice in pre-crisis Ireland might have exposed the risk inherent in the concentration of the bank lending in the property sector.[13] However the Nyberg report found that there was a widespread consensus regarding the robustness of the banking and property market in pre-crisis Ireland (Nyberg, 2010: 110).

My own experience and the views expressed in the Nyberg report (2010: 99) show a singular perspective had proven over time to be fundamentally flawed. Having realised how limited my meaning making was to have relied on such a perspective motivated me to expand my meaning making system to develop a habit of mind that would seek out multiple perspectives.

Kegan (1994) and Garvey Berger (2012: 130) both recommend the habit of intentionally seeking out other perspectives as a means of stretching the mind and of generating new options. Through my reading of Kegan, and Garvey Berger, I increased my awareness of the benefits of this approach as I challenged myself to come away from a singular way of viewing the world.

Garvey Berger's (2012) belief is individuals who seek out other perspectives will be seen as open to alternative views and people will be more likely to share their perspective with them.

I agree with Garvey Berger (2012) when she outlines that taking multiple perspectives helps to generate a wider range of possibilities and enables people to empathise, make

[13] PwC's initial work showed that as of September 30, 2008, the six covered banks had loaned a combined €159bn to the property and construction sector and a further €149bn in residential mortgages – adding up to 72% of all lending by the covered banks. A combined exposure to land and development of some €63bn was identified, of which €30bn was to land. €20bn of this land did not have planning permission. The top 25 borrowers had combined borrowings from the covered banks of €25bn,with additional approved facilities of up to €5bn. Collingwood RG. (1967) *An Autobiography*, London: Oxford University Press.

deeper connections and understand the views of others. I understand the emphasis she places on the idea that the brain acts as a filter that may keep us away from those perspectives that might be disconcerting. This reinforces the learning I outlined earlier dealing with the role of our theories in focusing our attention. In the past, when I was listening to others, I was more open to hearing perspectives that were closer to mine and filtering out those perspectives, which I found less appealing.

3.4.1 Psychological Self at Different Orders

Garvey Berger (2012: 121) explains that the complexity of consciousness of parties exchanging perspectives will impact their construction of the interaction and the perspective they bring to it. Those making meaning from a self-authored perspective (order four) will construct themselves as independent parties. In a situation where they agree with the other party's perspective they will say, for example, you and I agree on this matter, but may not agree on other matters. If they disagree, they may seek to understand the other party's reasons and appreciate the validity of the other party's logic (for further elaboration see Appendix 6.1).

Garvey Berger (2012: 121) further explains that an individual who makes meaning from a self-transforming perspective (Order 5) constructs the psychological self as incomplete. In a situation where they agree with the other party's perspective they will say you and I agree, but possibly make meaning of this issue differently. Therefore, we may agree for a variety of distinct reasons. I am interested in the differences in why we might agree. If they disagree they will seek to understand the others' perspective firstly to learn but also to change *how they know*. The alternative perspective helps to not only clarify their thinking by adding complexity but may also change *how they know*. They construct the opposite perspective as a continuum. In doing so they recognise that the alternative perspective in some ways creates and enables theirs. In Appendix 6.1, I have inserted a table from Garvey Berger (2012: 121) where she sets out perspective taking capacities at order 3, 4 and 5.

The form of one's mind determines its perspective taking capacity. The self-authored individual construction is shaped by their construction of self as complete, versus the

self-transforming construction of self as incomplete. This is of relevance to me because how I construct myself will impact whether; I change how I know, or what I know, as I engage with other perspectives. It will also impact how I experience conflict and differences. I use an example from Kegan to illustrate how the construction of the psychological self creates the perspective from which conflict and differences are experienced.

3.4.2 The Construction of the Psychological Self at Different Orders and its Impact on Conflict and Differences

Kegan (1994: 307) uses the example of two couples, the Ables and the Bakers, to illustrate how the construction of 'self' fundamentally impacts their experience of conflict and differences. In this example both couples are at order four but the Bakers are further along the continuum to developing a self-transforming perspective.

In a situation of difference and conflict the Ables find their collaborative approach to be a satisfying aspect of their relationship. They have learned to appreciate "the integrity of the different worldview from which the differing preference, opinion or plan of action arises. Like a respectful and enlightened anthropologist, they regularly visit, and deeply appreciate, the other's "culture of mind". At their best, they suspend the tendency to evaluate the other's "culture" through the lens of their own, and seek rather to discover the terms by which the other is shaping meaning or creating value" (Kegan, 1994: 311).

The Bakers, on the other hand:

> "suspect rather than honour their sense of their own and each other's wholeness and distinctness. At least they are suspicious of any sense of wholeness or distinction that is limited to an identification of the self with its favourite way of constructing itself" (Kegan, 1994: 311).

Two individuals, who are both, order four, when in conflict will perceive each other as two distinct whole psychological selves. They may well respect the other's

position and come away from the encounter with a better understanding of each other but, due to their completeness, they are visiting that perspective with an intention to understand rather than to migrate to a new position. Kegan (Kegan, 1994: 316) suggests that if the self can construct itself as incomplete then out of this construction emerges the possibility of enhanced complexity of consciousness and more genuine engagement with the other's point of view. The reason for this is that the individual has learned to separate the psychological self from its opinions or ideology. This creates the space to hold them as object and to transition to a new opinion or ideology rather than defend those it was previously subject to.

At the centre of this transition is the construction of self as *system* or *form*. For Kegan (1994: 313), the construction of self-pivots on two axes: (i) whether an individual sees self as a system as complete and whole or as incomplete and (ii) does an individual identify with the self as form or does an individual identify with the process of form creation? For Kegan, the second construction pivots on whether "we take as prior the elements of the relationship (which then enters into the relationship) or the relationship itself (which creates its elements)?" (Kegan, 1994: 313).

These questions are at the core of the analysis of adult experiences and are of particular interest to me. In undertaking my Subject–Object Interview I sought to identify my form in order to transform it through the advancement of my developmental goals. Initially I focused on the first axis (Goal Two). The second axis is a continuation of the developmental journey from self-authored to self-transforming and for me is a work in progress.

I now believe that multiple perspectives are central to problem solving and innovation. What is key is the individual who seeks the perspective does so from a construction of the psychological 'self' as incomplete (Kegan, 1994: 319), if they are to create a new perspective rather than just informing their existing 'culture of mind' (Kegan, 1994: 311) or form. The orientation I learned to adopt was one of "incompleteness" (Kegan, 1994: 319).

The outputs of this section of my reading for change is that I seek to proactively engage with other points of view, accept my own as incomplete and in doing so to continuously nourish my form creation.

In Essay Three, I show how when I engaged with other perspectives in relation to banking or compliance, I need to not only understand the bankers' perspectives but also to be able to reconstruct my experience with this new perspective.

3.5 New Knowledge for New Practice

Goal Three

To cultivate my ability to create knowledge, exploring new ways of doing this by being clearer in my identification of the right questions and in my pursuit of answers.

Question Three

Can the application of Collingwood's "Questioning Activity" (Collingwood, 1967: 30) bring ordered thinking to facilitate focus in a time of crisis and enable the creation of relevant knowledge from available information?

In considering how I create knowledge and my justified beliefs, I turned to philosophy and in particular to epistemology which is concerned with the study of knowledge.

Epistemology is concerned with the following questions:

- What are the necessary and sufficient conditions of knowledge?
- What are its sources?
- What is its structure and what are its limits? (Steup, 2014)

My interest in understanding how knowledge is created is grounded in the global financial crisis of 2008, my reflection on it and its impact on my business. Throughout my career, I have created knowledge and the process by which I did so has been influenced through my formal education, experience, culture, etc. My developmental journey has led me to explore different and more effective methods, which make my approach to knowledge creation more explicit. This led me to my goal.

In addressing this goal, I turned to Collingwood's philosophy as he adopted a scientific based approach to the consideration of how knowledge was created. For Collingwood all knowledge was derived from experience. He believed, for philosophy to be a science, there must be orderly or systematic thinking and there

must be a definitive subject matter to think about. For the philosopher to do his work, he needed a method of analysis. For Collingwood, this required the philosopher to ask precise questions about precise issues arising out of a subject matter. The qualities of answers are directly correlated with the quality of questions and if he required a precise answer then he would need to formulate a precise question.

> "A highly detailed and particular proposition must be an answer not to a vague and generalized question, with a question as detailed and particular as itself" (Collingwood, 1967: 32).

My initial reading encouraged me to acquire a more comprehensive understanding of his approach. He states that when a thought is initially conceived it is thought of the first order. As philosophy is a reflection upon prior experience or thinking such reflective thinking is of a second order, that is, it is thinking about thoughts previously conceived. I see the role of the philosopher as part detective, who is seeking to make experience intelligible by uncovering the principle which informed the experience. The philosopher then seeks to explain:

> "by constructing a theory of it, which is nothing but the same experience raised by intenser or thought to a high level of rationality" (Collingwood et al., 2005: 173).

I believed that this philosophically based approach would offer a new perspective on how my knowledge was created and provide me with a new apparatus of thought.

In fact, I had previously not associated philosophy with practical business thinking at all. I was surprised to learn that for Collingwood:

> "all thought exists for the sake of action. We try to understand ourselves and our world only in order that we may learn how to live" (Collingwood, 1924: 15).

I was interested to learn that his philosophy could have such a practical application.

Collingwood's opinion was that philosophy would provide guidance for solving the problems of life, based on the process of thinking and grounded in ideals to live for and principles to live by (Collingwood, 1967: 48). In his opinion good theory could, in itself, not solve practical problems but it could clear the mind of misunderstanding, which made their solution possible (Collingwood, 1928: 158). For Collingwood, philosophy was meant as "training for public life in the church, at the bar, in the Civil Services and in Parliament" (Collingwood, 1967: 17). This link between philosophy and utility was underpinned by a belief in the link between theory and practice - that was a fundamental tenet for Collingwood. Through my awareness of Collingwood's insight and by embracing his theory of knowledge creation, as an apparatus of thought, it provided me with the opportunity to change my practice.

For Collingwood all philosophy is based on self-knowledge. If the pursuit of self-knowledge was to be useful then a theory of knowledge could not leave that knowledge unaltered as it "can and does change (our) opinion as to what (our) opinions really are" (Connelly, 2003: 168). Reflecting on this statement, the question that arises for me is, if I discover what my opinions really are, how does it affect my practice?

Collingwood observed that an individual:

> "in his capacity as a moral, political or economic agent he lives not in a world of 'hard facts' to which 'thoughts' make no difference, but in a world of 'thoughts'; and that if you change the moral, political, and economic 'theories' generally accepted by the society in which he lives, you change the character of his world; and that if you change his own 'theories' you change his relation to that world; so that in either case you change his ways in which he acts" (Collingwood, 1967: 147).

This approach has its foundations in Socrates and is now the concern of moral philosophy, which is focused on thinking out the issues involved in conduct in order that practice can be improved.

This quotation from Collingwood reflects my experience of the financial crisis. For instance, the financial crisis resulted in private debt becoming public. To repay this debt required increased taxation and cuts in public spending, all of which negatively altered the sentiment towards the banking and property sectors.

On its establishment NAMA became the largest property vehicle in the world. Its Chief Executive was a civil servant, without property experience, who faced immediate challenges, not least of which was to build a team from scratch under parliamentary oversight. I make this observation, not in a judgmental manner, but merely to highlight how the establishment of NAMA dramatically altered the industry structure.

From an economic perspective, demand for property still existed and supply was curtailed but the price of property fell dramatically as a result of the withdrawal of liquidity arising from the financial crisis. The combined effects of these changes were to focus developers, surveyors, lawyers and accountants on balance sheet management and repair as opposed to satisfying customer need. The provider of finance replaced the customer as the party to focus on. I recognised that the industry I was involved in for over thirty years had played a major role in the financial collapse of the banks. This fact shaped my relationship with the world and how I constructed it. My inquiry deepened my belief in the unity between theory and practice as my reflection enabled me to understand the effect that each had on the other.

I reflected on the relationship between my initial thought with the objective of revealing and identifying the principles presupposed in its operation - this created a new perspective (in Appendix 6.7, I explore this further). I believe the insight that arises from this process expands not only what I know but also how I know. I believed that a philosophical approach would help me to make explicit my approach to knowledge creation. Prior to this, if I needed to learn something I would seek out the information that I required and add it to my repertoire of knowledge. However, I did not reflect on the process by which I converted the information to knowledge. I first started to think that I had a choice in how I did this having read Collingwood's

autobiography (Collingwood, 1967), focusing in particular on his logic of knowledge creation as a function of a question and an answer.

3.5.1 Knowledge Creation through Question and Answer

Collingwood's logic of a question and an answer evolved from his exposure to history and archaeology, which impacted his meaning making system and thus his practice. He had been exposed to Haverfield's scientific methods (Collingwood, 1967: 124), which were based on Bacon's principle, Klein (2012), as a practitioner and student of archaeology. He learned from Haverfield never to pursue a dig without knowing what he was looking for, that this information was the next thing required to progress his objective and which trench would give it to them. The methods he learned from these disciplines he applied in a "laboratory" of knowledge (Collingwood, 1967: 26). I reflected on my own practice to establish how explicit I was in determining what I was looking for, how precise was I in identifying the information I required to pursue my objective and, most importantly, what source would provide it.

Collingwood believed that knowledge could only be acquired through the "questioning activity" (Collingwood, 1967: 30). The presence of the information or evidence could not support learning in the absence of a specific question. Knowledge only occurred when we asked specific questions and asked them in the right order:

> "…at first asking myself a quite vague question, such as: 'was there a Flavian occupation on this site?' then dividing that question into various heads and putting the first in some form as this: 'are these Flavian sherds and coins mere strays, or were they deposited in the period to which they belong?' and then considering all the possible ways in which light could be thrown on this new question, and putting them into practice one by one, until at last I could say, "there was a Flavian occupation; an earth and timber fort of such and such plan was built here in year a+b and abandoned for such and such reason in the year x+y. Experience soon taught me that under these laboratory conditions one found nothing at all except in answer to a question; and not a vague question either, but a definite one" (Collingwood, 1967: 24).

I started the application of this logical approach, as a businessperson, in a time of crisis when seeking to focus on and make meaning from relevant information. At a knowledge level the financial crisis created for me a disorientation effect because of the challenges it presented to fundamental economic concepts such as price being a function of supply and demand. When I stood back and reflected, I observed that in fact liquidity had a significant impact on the price of property. The unexpressed and taken for granted access to bank funding was the critical limiting factor that was crippling the property sector. In this time of crisis, when fundamental values were being challenged, I needed a focusing tool to create meaningful knowledge out of the unfolding disequilibrium and, in doing so, became more objective about how I created knowledge. The tool I used was the clear identification of questions:

> "That what one learnt depended not merely on what turned up in one's trenches but also on what questions one was asking: so that a man who was asking questions of one kind learnt one kind of thing from a piece of digging which to another man revealed something different, to a third something illusory, and to a fourth nothing at all" (Collingwood, 1967: 22-25). Collingwood identified the central role of the question in the creation of knowledge; it was in fact the dynamic principle in his theory. "Knowledge comes only by answering questions, and that these questions must be the right questions and asked in the right order" (Collingwood, 1967: 25).

As I reflect on the business environment from 2009 onwards, there was so much in what I was experiencing that was new and completely unprecedented which I had to navigate that, when I looked in the 'trench' of my everyday challenges, I needed to orientate myself to manage the chaos that surrounded me. The alternative was that the chaos would overwhelm me. My increased self-knowledge of my own coping style and the ability to manage stress was critical in allowing me to manage myself mentally and physically.

When my company's revenue from sales ceased and rental income also started to decline I realised the dramatic impact of the global financial crisis on my property business. I had experienced the impact of negative market sentiment previously,

which was countered by a price adjustment resulting in lower profits. However, I had not experienced a situation where banks declined to finance property and sales were practically non-existent. For a sale to be made required a loss of not only the promoter's equity but also some of the financier's capital. In effect they were a precursor to insolvency and thus to be avoided. This caused me to question what I could do to respond to the crisis. Previously, if sales slowed, I would have reduced the price, offered extras or increased my investment in marketing or advertising. However, I was unclear how to respond to a market where the perception of property prices was that they would fall further and that it was no longer a good investment. The old ways no longer seemed fit for the situation I faced. I needed a new approach to consider how I should, or could, respond to this situation. As I had never experienced anything like this, I could not rely on past experience but needed to create new knowledge. This is one of the reasons why I sought out and embedded this approach to knowledge creation in my practice.

> "The questioning activity, as I called it, was not an activity of achieving com-presence with, or apprehension of, something; it was not preliminary to the act of knowing; it was one half (the other half being answering the question) of an act which in its totality was knowing" (Collingwood, 1967: 26).

I learned from its application as an apparatus of thought to see things differently.

My study of Collingwood (Boucher, 2013; Collingwood et al., 2005; Collingwood, 1967; Collingwood, 1966; Collingwood, 1926) enabled me to understand the idea that knowledge is created through a sequence of asking and answering certain purposeful questions of a high quality. In doing so, I experienced a shift in my way of seeing i.e., 'knowing' the world. I became aware that I was engaged in creating knowledge in a new way within my own meaning making system. With repetition and practice, I became more confident to create knowledge through asking the right questions, and at the same time expanding my memory making system.

This new way of knowing worked for me on two levels. Firstly, it helped me to organise my thoughts. In addition, it helped me to understand the ideas of others -

whether they were expressed in the written or spoken form. Out of this new way of knowing came a new practice, particularly in my approach to negotiations. This approach fundamentally impacted not only my effectiveness and efficiency in business but of more importance, 'how' I knew as well as 'what' I knew.

If I approached a problem using the logic of question and answer this allowed me to disentangle my thoughts and bring order to them. I used this method to keep myself focused during difficult situations when there were multiple demands on me.

I learned to apply my clarity of thinking in relation to the questioning activity in my approach to reading and to understanding an author's meaning. Many writers have a question in mind to which they are seeking an answer and presume, since you have chosen their text that you have a similar interest and are on a quest for an answer to the same proposition.

> "You cannot find out what a man means by simply studying his spoken or written statements, even though he has spoken or written with perfect command of language and perfect truthful intention. In order to find out his meaning you must also know what the question was (a question in his own mind, and presumed by him to be in yours) to which the thing he has said or written was meant as an answer" (Collingwood, 1967: 31).

During the crisis I read a lot of legal documents. In particular, loan facility agreements that set out the specific contractual terms, under which the bank extends finance, and the borrower accepts it. The mortgage documentation charges the property giving the financial institution an interest in it. The mortgage contains the bank's general terms and conditions governing the security provided. I needed to fully understand the terms of my loan as if a borrower does not meet the terms of the loan the lender, under normal circumstances, takes possession of, and sells, the property. I started to consider clauses in my facility letters and mortgage documents in the context of questioning activity, as the banks' requirement to deleverage their loan books led to behaviours, which in my opinion, focused on getting me to default. I saw each clause as the answer to a question and started to consider what that question

might be. It was extremely effective in gaining an understanding of how these documents would be construed in a legal forum.

I used the same approach in reading judges' decisions to understand what the evolving legal precedents were. The judge was writing his/her opinion as an answer to a question. When I identified the question, my understanding of his/her response was enhanced.

3.6 Conclusions: Towards a New Framework

To conclude Essay Two, I take each goal and its corresponding apparatus of thought evolved from my readings, and link them to each appropriate developmental goal.

Goal one is to develop my complexity of consciousness so that I can make meaning of the world within a larger, systemic mental framework. My objective is specifically to develop a more comprehensive knowledge of the complexity of the financial system I operate in. By moving from operating within a narrow personal and organisational framework to a broader more systemic framework this enables the consideration of my options in this context. This involves growing my own internal meaning making, as a thinking-feeling system and in turn applying this to increasing my understanding of the business system within which I work.

The intellectual framework, underpinning my new apparatus of thought, emerged from my reading of Kegan (Kegan and Lahey, 2009; Kegan, 1994), Garvey Berger (2012).

Through the use of awareness and subject-object separation this enabled me to identify the systemic framework that I operate in. I became aware that I was 'subject to' my own accumulated wisdoms; the result was a narrow perspective that led me to conclude that my dispute resolution option was in an Irish Court. In the context of my current business dilemmas, my narrow perspective must be transcended through the process of moving what I have been subject to (narrow perspective of my dispute resolution options) and making it object.

Essay Three sets out how I grew my own internal perspective on how to resolve my challenges with my Bank to operate within a broader mental framework and, in doing so, created a new systemic business framework.

Goal two is to improve my capability to explore others perspectives' in the sense of engaging with others to specifically identify larger patterns, orientating myself to the dialectical, and welcoming contradiction and oppositeness thus changing how I know.

The orientation I adopt is to seek to transcend the completeness of my singular point of view and to instead construct my psychological 'self as system' as incomplete (Kegan, 1994: 313).

The intellectual framework underpinning my new apparatus of thought emerged from my reading of Kegan (1994) and Garvey Berger (2012) in Essay Two.

Kegan explains that in order to move form or system from subject to object and bring into being a new "trans-system" or "cross form way of organising reality" (Kegan, 1994: 312), this transformation requires the capacity to no longer see others or oneself as a single system or form. Kegan explains that to facilitate this transformation:

> "the relationship is a context for sharing and an interacting in which both are helped to experience their "multipleness," in which the *many* forms or systems that *each self is* are helped to emerge" (Kegan, 1994: 313 emphasis).

To grow the capacity for true engagement with others' perspectives first meant I had to loosen my need to be 'in control'. I firstly had to become aware of my fixed point of view and understand its incompleteness. I had to allow myself to be vulnerable to discover a new world within myself, a "new cultural mind" which Kegan (1994: 312) explains manifests itself in the form of an ideology or orthodoxy but he advises remaining vigilant not to identify with it. In discovering new ways of seeing things, I had to ensure that, internally my meaning making did not identify the self with a particular point of view but remained open, evolving and dynamic. I was building up "trans-system or cross-form" (Kegan, 1994: 312).

Goal Two was greatly assisted by Kegan's analysis about the dominance of personal authority being unlikely to assist me to move away from my existing internal system. The apparatus of thought arising from Essay Two was in effect my movement towards transcending my existing way of knowing (personal authority) in favour of a construction of self which embraces its incompleteness (Kegan, 1994: 312); is less about absolutes; with a greater emphasis on collaboration versus defence of my

position. This orientation creates the opportunity for form creation, which Kegan refers to as a new culture of mind.

In Essay Three, I show how, having realised my current way of knowing was a mismatch for the challenges I faced I set about expanding it. I outline how I fully engaged with new opinions of relevance and significance, on how the financial system in Ireland operated and the constraints on it. It shows how I built up new ways of seeing and responding to complex and unprecedented scenarios both at the level of the business and the property sector.

The essence of the transformation in my thinking was to no longer see the conflict between the bank and me as two separate entities for which conflict resolution was a matter for the courts. Instead, I had to construct the financial system as a relationship, which had the bank, the courts, the financial ombudsman, and the regulator as its parts.

The third developmental goal is to use the 'questioning activity' (Collingwood, 1967: 30) as a means of disentangling and ordering my thoughts in my quest for knowledge.

The intellectual framework underpinning my new apparatus of thought, emerged from my reading of Collingwood (Boucher, 2013; Collingwood, 1967; Collingwood, 1926; Inglis, 2011). My engagement with Collingwood's writings has impacted me in two ways. There is an informational dimension, for instance my knowledge of Collingwood's concept of question and answer. In addition to knowing about the concept, if I use it in a way that increases my awareness, it can lead to insight that creates epistemological expansion changing not only what I know, but also how I know.

In Essay Three, I use the 'questioning activity' (Collingwood, 1967: 30) to understand my banking contracts that comprised of my funding application, facility letter, deed of mortgage, and charge. I determined what I was looking for and which of these documents were likely to provide it. Once I converted the information set out in the various clauses to knowledge, I would commence a new exercise. I sought to convert

the Central Bank's various codes of conduct into knowledge by examining, with the guidance of my advisors, my experience against the requirements of these codes. I found that if I could learn to ask the right questions and in the right order, my advisors' and my effectiveness was greatly enhanced. This approach allowed me to construct a negotiation strategy that proved effective.

4 Essay Three: Testing the New Framework

4.1 Opening

The purpose of Essay Three is to take the learning and insights from my reading for change in Essay Two and to evidence them in an 'experiment'. My experiment focuses on the approach I took to retaining debt financing which had been extended to my sister and I, once the bank determined property loans were non-core and to be divested.

The effect of this decision was to put borrowers on a journey towards a resolution. Resolution for the borrowers meant retaining finance. For the bank resolution meant recovery of the outstanding balances either by consensual sales of the assets, receivership or loan sale, as refinancing was not an option.

The crisis point occurred in November of 2012, when the bank, despite their being no event of default, demanded the borrower's loans with immediate effect. Such a demand had the potential to derail the business beyond repair, as it would cause a cross default with another bank. (A cross default clause is a clause in a loan agreement under which a default by the borrower to one bank can trigger a default to another bank).

My survival strategy emerged in tandem with my journey to grow my meaning making and was forged out of the application of my three developmental goals: Making meaning of the world within a larger, systemic mental framework; exploring others' perspectives with a view to changing how I know; the creation of new Knowledge (See Figure 5).

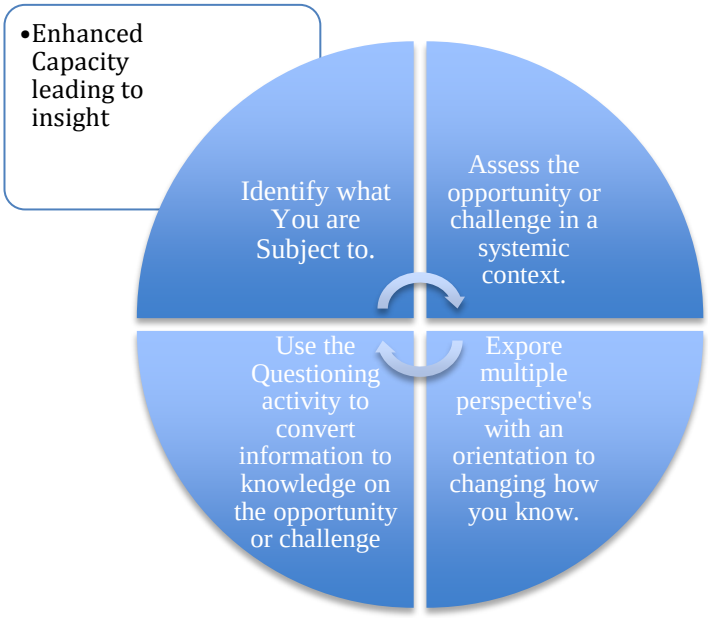
I evidence how, as a result of my enhanced awareness and the application of subject-object separation, I was able to see my dispute with my bank not from a narrow perspective of a customer and financial institution for whom dispute resolution was a matter for the Irish Court but instead to take a more systemic perspective. I show how by embracing my incompleteness. I was able to let go of my need for control when engaging with others' perspectives thus changing not only what I knew but how I

knew. I no longer relied on a singular view, realizing the way in which this has limited my perspective in the past. As a result of this I came to understand my rights and responsibilities arising out of my contractual agreement with my financiers in the context of the overall banking and regulatory system (i.e. beyond the direct contractual obligations including a focus on obligations placed on a bank by its status as a regulated entity). I reviewed my contact documentation from a new perspective. I employed Collingwood's questioning activity (Collingwood, 1967: 30) to the detail of my contractual agreements with the bank. I constructed from the individual clauses their meaning. Armed with this understanding I formulated a strategy, using my expanded MMS as set out in Figure 5, that ultimately resolved the dispute with the bank.

My experiment is based on the following key organising principles:

1. I actively and consciously observe my developmental goals as a business practitioner.
2. I enable my development by shining the light of consciousness on the organising principles underpinning how I organise my experience (meaning construction).
3. Increased consciousness leads to better awareness and thus brings clarity to my meaning construction.

Figure 5: An Expanded Meaning Making System Based On Reading for Change



Source: Developed by Author

Essay Three unfolds in seven sections:

In Section 4.2 I set out my experience of the bank's evolving approach to my business as a customer through the property cycle. I summarise the challenges I faced in remaining a customer of the bank when property became non-core to their future strategy.

In Section 4.3 I identify the tipping point in my interaction with the bank. This was the point when I realised, despite years of discussion and exploration that a dispute with the bank was imminent. This meant that I accepted that a fundamental difference of opinion existed. I prepared to assertively defend my position and resolve these differences.

In Section 4.4 I illustrate how I identified, through the advancement of my development goals, a strategy to enable negotiations with the bank.

In Section 4.5 I set out the events of November 2012 when the long awaited escalation occurred. I identify that the bank demanded the loan and that we were able to reject it given errors on the demand notice. I identify with the core issues of the complaint that had been lodged with the bank on our behalf and our compliance advisor's view of its seriousness.

In Section 4.6 I focus on how the negotiation unfolded, the pivotal points on which it turned and why this happened. I identify how Collingwood's 'Questioning Activity' was central in identifying one of the banks unstated needs. I set out the terms on which the dispute was resolved.

In Section 4.7 I set out an extract from a High Court ruling, which stated that a bank could not demand a loan without providing the reason for their action.

The conclusions identify the impact that my evolving MMS had on the outcome.

4.2 The Bank and its Customer

Pre the 2008 financial crisis the business model underpinning the property development sector depended on the availability of financing from Ireland's banks. Until 2008 the Irish banks were considered a reliable and safe form of funding and I did not consider the idea that these banks would fail. Given the complex and unprecedented nature of this failure I recognised that I needed to expand (not just change) my mind-set for my business to come out on the right side of these circumstances.

4.2.1 My Experience in the Growth Phase

Over the decades of the 1980's, 1990's and 2000's we engaged with several banks to obtain finance to fund new and innovative property solutions to meet evolving market needs in a way that was both strategically and commercially successful for both parties.

In my opinion the period from the 1995 to 2005 was the most profitable in the Irish market and the period when banks competed most vigorously for business. Throughout this viable period of growth I believed in the value of business relationships and in 1998 I built a specific relationship with one particular bank that I will refer to as the Bank ABC through their Manager for Property Finance. Our relationship developed further in 2001 when Bank ABC replaced a competing bank, as our main funder. This change was brought about by the limited recourse terms offered by bank ABC. These terms were important as they allowed us to avail of the taxation advantages, which accrued from trading in our personal capacity while reducing the financial risk of borrowing in our personal names. In the event of default Bank ABC would only have recourse to the security provided and a limited call on our other personal assets.

In addition to providing funding to my family, approximately €56 million of development funding was provided to our company, McCarthy Developments (cork)

Ltd. by Bank ABC throughout the period up to 2008 - all of which was repaid in full in accordance with terms.

4.2.2 When Property Becomes Non-Core

In 2010 Bank ABC deemed property as ‘non-core’ (their words), and sought to dispose of either loans or assets in order to deleverage their balance sheet. We were informed that a restructuring group was handling our accounts in early 2010.

The significant issue about this move by Bank ABC was that our loans were fully performing loans. At this point in 2010 we personally had five loans remaining with Bank ABC on which all payments were up to date and one corporate loan in relation to a separate joint venture company. My father, sister and I owned fifty per cent of the shares in that company with the remainder held by a separate party.

Our engagement with Bank ABC’s restructuring group was initially more focused on the joint venture project that we continued to manage with our partners. On a number of occasions we queried why our personal assets were in the restructuring group and the answer we received was that Bank ABC was treating us as a single connection, which meant the bank was looking beyond the joint venture corporate entity to its shareholders.

Continued engagement with Bank ABC also showed a significant difference in the quality of information available to us and what Bank ABC indicated was available to them. Our original Relationship Manager was no longer available to us, and the Bank explained that our information was lost as part of their legal restructuring and inadequate technological platforms.

In addition, throughout 2010 and 2011 we had irregular engagement with the restructuring unit but it was apparent that the joint venture facility was a significant issue for the bank as the repayment of the loan was dependent on sales. At this time in 2010/2011 there were no sales as the market was completely inactive.

At meetings with the Bank there was a difference of opinion regarding the terms on which we had borrowed. The key area of difference was the amount of recourse the bank had to our other assets and in addition to the assets provided as security for the loans and if the loans could be demanded without an event of default. Bank ABCs personnel stated that the Bank had full personal recourse to us and we knew that this was incorrect. Our facility letters showed the figure was a fixed amount (this worked out at 11% of the outstanding debt in 2012).

Our first two years in the restructuring group was one of uncertainty as our objectives were no longer aligned. International banks that had been recapitalised by the respective sovereigns were being told to wind down their international arms and focus on their domestic markets. The objective was clear, all that remained was the execution strategy to minimise the loss.

Given how bad the Irish market was for property Bank ABCs focus was on setting up a workout group to manage their exposure in a central dedicated unit. The unit's staff explained that the workout unit function was to review the bank loan portfolio, establish if there were deficiencies in the bank security either in the form of the loan documentation or the loan to value and seek to remedy these. Where possible new more comprehensive facility letters, terms and conditions and deed of mortgage and charge were to be obtained to enable the portfolio be made ready for sale. These standardised documents improved the price that Bank ABC would achieve for its loan portfolio. Bank ABCs strategy was underpinned by a belief that working through the problem loans would maximise the recovery for the Bank as opposed to an immediate disposal of the loans which would crystallise the losses immediately and potentially require the injection of additional capital from the State.

The challenge for the Banks management was how to implement this strategy when our loans continued to be serviced. It is easier to direct a customer where a loan is in default. If a customer fails to comply a receiver can be appointed to manage the loan and realise the underlying assets. Thereafter, a Bank can execute its strategy of reducing its exposure to property. The challenge for me of remaining a customer of a bank, which no longer wished to provide finance to the property sector, was

mounting. I sought to understand the situation from Bank ABCs and in particular my Relationship Manager's perspective. I understood that they each have case resolution targets. A case that is unresolved for a prolonged period is not only the organisation's problem but also reflects on the individual manager. Each Relationship Manager reports to their line manager monthly and to their divisional manager quarterly. Where a case remains unresolved for two quarters action is demanded. This normally means a transfer to the enforcement section.

4.3 To the Limit

In December 2011 our new Relationship Manager indicated he wanted progress on the restructure of the loans to my sister and myself. I stated that as we had existing contracts I did not see a need to restructure. My priority was to confirm the current contractual obligations of both parties. I knew, from other borrowers and my advisor that the workout process commences with a review of a bank's security to establish that all of the paper work is complete. I knew they would have completed this review, therefore, I asked the Bank to set out in writing its understanding of the terms under which finance had been extended. Instead the Bank decided to issue new term sheets and required the borrowers to sign these or face the consequences of them demanding complete repayment of the loans. The Bank's objective was to correct the deficiencies in their security by setting out the new terms in a term sheet and to take new mortgages over our properties, which would be detrimental to us. The documents conveyed upon the Bank additional powers such as the ability to appoint receivers and enhance their powers once appointed while simultaneously removing from us any defence to their appointment.

This offended my sense of fair play and I argued this forcefully with the Bank. Given that the economy and the property sector were in disarray and despite the fact that we had continued to meet our commitments we were unfairly positioned for the appointment of receivers regardless of whether we signed new facility agreements or not. I knew this as we had five loans with different expiry dates, the longest of which was for twenty years, and this was to be replaced with a facility letter that initially had a three-year term but subsequently reduced to a one-year demand facility. On expiry this was to be repaid or refinanced neither which would have been possible therefore the outcome would be the appointment of a receiver. Bank ABC's specific objective was to deleverage their balance sheet of exposure to property either through the sales of loans or the assets and this strategy was progressing in relation to our assets.

By May of 2012 once I stood back from it, I realised that the real issue which was unravelling was that the Bank and I were operating from two different places and two different sets of priorities. The Bank's strategy was to deleverage its non-core

property book and accept the financial cost of this. Ours was to retain our financing, survive the recession and repay our loans.

I operated with the value of integrity and the reasonable assumption that as long as I continued to service the loans that Bank ABC would honour its side of the contract. I assumed Bank ABC had so many customers who could not service their loans that they would focus on resolving these loans first. I believed there was demand for well-located property, just no financing to acquire or develop it. My view was that in time the market would recover and the Bank would need to lend again to stay in business. We needed to service our loans and consider disposal only when the market prices would enable us to repay them.

In essence I believed this was a negotiation where reasonableness and fairness would prevail in the end - what bank would want to appear before a judge, seeking the appointment of a receiver in the rather unique circumstances when the loans were being fully serviced? On reflection this assumption was only partially valid. In any event my trust in Bank ABC was diminished. I believed that the dispute could escalate rapidly so I started to prepare for it.

4.3.1 Preparing Interface with the Bank

How I handled this challenge would either lay waste to my previous thirty years of work or stabilise the funding model for my business. I was determined to ensure it was the latter and not the former outcome.

The approach outlined above is to provide context to how the dispute arose. However, I believe it is also relevant to outline the approach I adopted between December 2011 and December 2012 to evidence the evolution of my meaning making system during this period.

Organise Data

The first decision I made was to complete a thorough review of our dealings with the Bank and to organise the information into a briefing file. This enabled me to acquaint myself with not only our contractual obligations but also the context in which they had arisen. I wanted to understand what had been discussed, agreed and to confirm that this is what had been implemented. Our business practice has been to keep detailed files in which we placed inter and intra party correspondence, memos of meetings, draft agreements, etc. This was to prove vital to our endeavours. Once the files had been compiled, I added an executive summary and a longer narrative. A colour coded calendar was created on which we were able to identify meetings, telephone conversations, correspondence, draft agreements, signed facility agreements and deeds of mortgage and charge - in effect a map of our dealings with the Bank. This approach is grounded in my belief that to understand a situation requires a thorough knowledge of the details. I was in uncharted territory and therefore I sought to lay out the factual background to my engagement with the Bank and I did not seek to filter the data for fear that I would exclude something that when filtered through the meaning making system of an expert might prove vital.

Assembling the Team

I then assembled a team to assist me in making sense of events as they unfolded and to predict the next action that the Bank would take. A Partner, in a leading consultancy firm, who was to prove himself an able advisor. He has the ability to see the big picture and think strategically and when we as a family business considered a course of action would ask us what does success look like for you and was this action likely to contribute to this outcome or not? He also performed well at meetings. We needed to understand how bankers thought, what success would look like for them and what would concern them. For this perspective I sought out the advice of an experienced banker. I also engaged a Senior Partner from one of Cork's leading legal practices.

Continued Engagement

We engaged with Bank ABC. They remained focused on us entering into a new agreement, which strengthened their position by offering a three year committed

facility initially which two months later was reduced to a one-year facility on the basis that their prior offer was a mistake. Ultimately even the one-year contract was withdrawn and replaced by an 'on demand' facility with enhanced powers of receivership. It was not commercially sensible for us to enter into such facility agreements, as the contractual document was clearly designed to offer no term, i.e. length of time for which the loan would be irrevocable, to increase the level of personal recourse and other significant commercial concessions on our part.

In such commercial engagement Bank ABC required co-operation as a prerequisite for what they deemed their continued forbearance. Each party's definition of co-operation is influenced by their objective. Communication is a key element and I ensured that I was available to Bank ABC's personnel at all times. Ultimately the Bank viewed my rejection of the new agreements, as uncooperative and declined my feedback that the agreements were commercially unviable for the survival of my business.

After the breakdown of commercial discussions, our lawyers were brought into discussions. They entered into correspondence with the Bank's solicitor in order to establish the contractual obligations. Whilst some progress was made involving the exchange of information it did not result in coming closer to a mutually acceptable outcome.

4.3.2 The Assumptions that Led to the Wrong Answer

Reflecting on my thinking, I made explicit my assumption that as we were servicing our loans, and had not triggered an event of default therefore Bank ABC would not proceed to appoint a receiver. Senior Counsel advised that a Judge might well grant the appointment. He also advised that as there were difficulties with the mortgage documents, from the bank's perspective, the receiver would have limited powers and we could litigate on other issues. However the very prospect of the appointment of a receiver was abhorrent to me.

I knew that I had a grave problem and was determined that I would not stop until I found a solution. If the courts were not the way forward what was? I returned to examining my assumptions and the basis of my approach to this point.

4.3.3 Realising I was at the Limits of my Current Way of Knowing

It was clear to me that I was at the end of the road with my current way of meaning making. Faced with what I subsequently realised was the tipping point of this issue, I had two choices. Give up, and accept the consequences within the confines of how the issue was being dictated by Bank ABC and the legal system, or resist and continue to influence the outcome.

In choosing the latter I was mindful of my evolving meaning making system and was continuously supported by my reflective practice. I became even more determined that Bank ABC should not be able to operate from the assumption of foreclosure i.e., that they would demand the loans and then appoint receivers - an outcome that appeared to me to be their priority. The disposal of assets in a distressed market was completely at odds with my business strategy, as it would not result in the redemption of the loans. On the contrary the strategy that the Bank was pursuing would leave me with continued financial exposure but without the assets through which I could address that exposure. As my reflections became clearer I became more determined than ever to retain control over my assets.

My objective was to stop the bank from withdrawing financing. I was willing to compromise provided I got a sustainable loan contract committed for a term. I believed by achieving this objective I could get back to work and create value. The amount of time I was spending engaging with my Bank was putting my business at risk. The question remained as to what strategy would achieve my objective?

I realised that in my meaning making, I required more lenses through which I could view the issues. I sourced the perspectives of significant others.

I returned to my network and shared my problem with a small number of people. I needed additional advisors who could offer new perspectives based on specialized skills if I was to find the answer to my question.

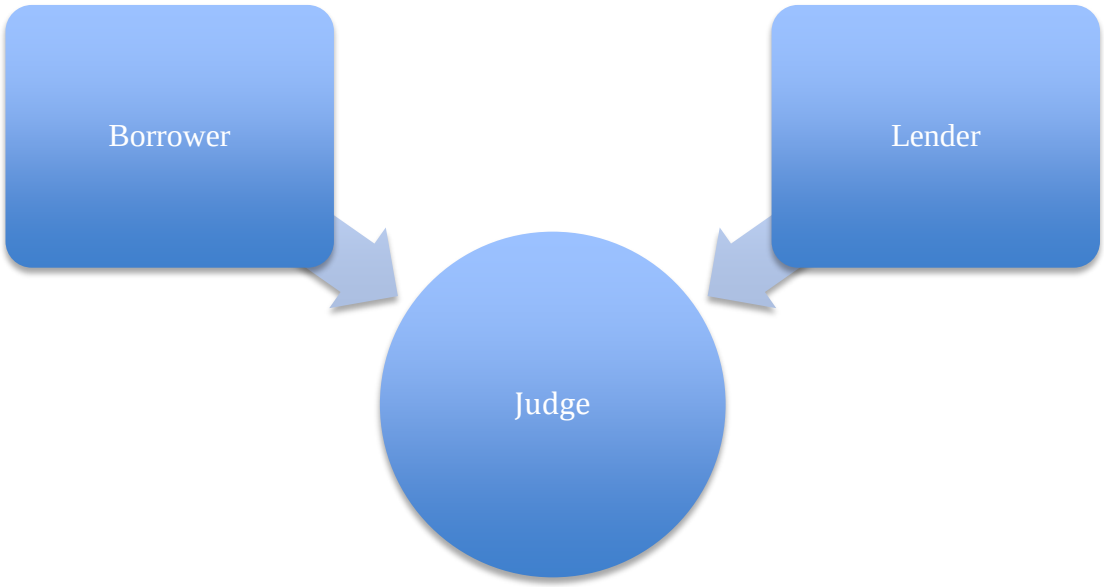
4.4 Realisation: Role of Developmental Goals

I resolved to use my three developmental goals and my new apparatus of thought to appraise my problem and advance a plan.

I realised the perspectives, that my current meaning making system was generating, were not capable of solving my current banking problem. The challenge was to step back from my current approach and to seek out an alternative way of constructing the problem.

As a result of my enhanced awareness and utilising Kegan's (Kegan and Lahey, 2009; 1994) concept of subject-object separation I reflected on my challenges and how I was making meaning of them. I asked myself what were the assumptions underpinning my approach? Through a process of reflection I identified that I had been 'subject to', a narrow construction of the options for dispute resolution. I had seen the Irish courts as the forum for dispute resolution between a borrower and a bank (See Figure 6).

Figure 6: Forum for Dispute Resolution



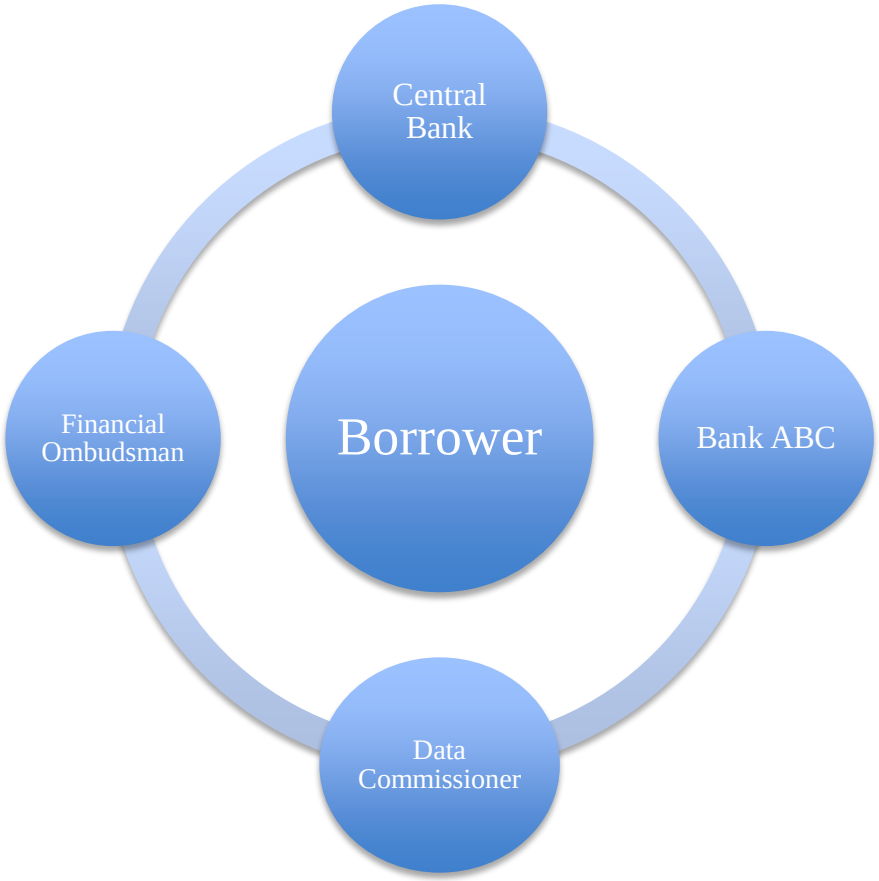
Source: Developed by Author

Based on legal advice I did not relish my prospect for success in this forum. I knew this narrow perspective must be transcended. It was the process of moving what I have been subject to (narrow perspective) and making it object which enabled me to develop a far broader, systemic perspective. This initial insight set me on a journey to discover how the financial system was organised and to reappraise how I constructed my place in it. Although I had been in business for thirty years and had drawn down my first loan when I was twenty this was the first time I had a need to construct my banking relationship in the context of a dispute.

Taking a dialectical approach (Basseches, 1984) I asked myself what was absent and missing in my construction of the problem. By looking at the overall financing system, I realised that I had limited myself to seeing only a small part of the system available for dispute resolution, i.e., the Irish court and I realised that the Irish courts were the preferred forum of the banks. The reason for this was the risks to the banks were largely of a financial nature, limited to cost and damages and potentially reputational risks to individual bankers. There was little potential for disruption to the overall organisation. The bank had the power to appoint a receiver as this is contained in the deed of mortgage and charge. If it invoked this option and the borrower wanted to challenge it they must do so in the court setting out the legal basis for the challenge. The Judge determines the validity of the appointment based on the facts of the case and the provisions of contractual documentation. From a borrower's perspective there are financial and reputational consequences from engaging in this process regardless of the outcome. I determined that it was too limited a stage to play out my issues.

Using Collingwood's (1967: 30) questioning activity I commenced by determining what I was looking for. My objective was to fully comprehend the complexity of the business system I operate in so that I could consider my options in this context. As I reflected on my problem I used Heifetz's metaphor of "getting up on the balcony" (Heifetz et al., 2009: 7) to create a strategic rather than operational perspective on it.
The structure that emerged from my exploration of the financial system is illustrated in Figure 7.

Figure 7: Dispute Resolution Pre Engagement with the Court System



Source: Developed by Author

Now that I was capable of seeing the financial system in which I operated, my next challenge was to understand how to engage with it in a manner that would optimise my probability of a successful outcome. For me this meant staying in contract and repaying the loans by maximising the sale proceeds from the assets through an orderly disposal. Collingwood's (1967: 30) questioning activity then required me to determine what was the next piece of information required to progress my objective and what source would provide it. Once I could see the broader financial system the next piece of information I required was to explore clearly and understand fully, the obligations and implications for both borrowers and bankers operating within this financial system. I knew I would have to retain experts who could provide me with

this perspective. I was mindful as a self-authored individual that I needed to be cognisant of my strong personal authority and the need for control. I was aware of the need to manage this in order that I could remain open minded to changing not only what I knew but also how I knew. My objective was to create a multi-pronged strategy in response to the bank actions.

4.4.1 Engaging with Others' Perspectives from a Position of Incompleteness

Arising from my consideration of developmental goal two I developed my capability to consider alternative perspectives with a view to changing not just what I know but how I know (Kegan, 1994: 313).

I turned to a friend who was an Eisenhower Fellow and well regarded in Irish public life as I felt he might guide me in obtaining the perspective of others who could assist.

He reviewed my briefing documents and suggested I engage with individuals with experience of banking, compliance and the Financial Ombudsman's office.

A number of parties reviewed my file and subsequently interviewed me personally. New perspectives emerged on the problem. Engaging with these new ways of looking at the issues had the effect of changing the dynamics of my interaction with the bank. Interactions were no longer solely based on one theory/perspective (i.e. the issue of a borrower and a bank for whom dispute resolution was a matter for the courts and the law of contract). These new perspectives meant that it brought to my attention other elements that were also relevant e.g., the bank's customer treatment strategy, the behaviour of its staff and compliance obligations (as set out in the Central Bank's Code of Practice). I learned that I had the protection of the Consumer Protection Code.

The requirements of the Central Bank would prove to be vital in resolving my dispute. Their various codes of conduct set out what is required of a bank to hold a Banking Licence. This is done to place additional obligations on the Bank beyond its

contractual obligations to customers and to ensure a consistent approach to a customer's engagement throughout the system.

The continued elaboration and detailed analysis of alternative perspectives on our issues educated me on the roles of the Data Commissioner, the Financial Ombudsman, and the Financial Regulator. It was becoming apparent to me that the Bank would have to consider the consequences of an investigation and potential negative ruling, by any of these agencies, at an even broader level as the potential consequence for the Bank was that any ruling could be applied, not just to my case, but also potentially to the Bank's entire customer base. The investigation alone would impact the entire organisation in terms of business disruption and cost. The Bank also had to consider the ramifications of any adverse ruling on the reputation of the Chairman, the Board, the Chief Executive and members of the management team.

By standing back and looking at my issue I learned to no longer engage within the system frame, with the purpose of simply advancing my agenda, but rather to change the design of how I framed the issue. I learned to see my issue from different perspectives and a different system frame. On reflection what was key was the orientation I adopted when I sought to engage these other perspectives. Firstly I had to release myself from my need for control and accept that I did not currently have all of the answers that would solve my problem. Secondly as a self-authoring individual I was aware that when I engage with other perspectives I did so with the intention of understanding the other perspectives but not necessarily with the intention of changing my perspective even when this may conflict or challenge any underlying or long held assumptions. Kegan (1994: 313) explains that where the parties to a conflict construct their selfs as a complete system, conflict is the by-product of two psychologically whole selves. From this perspective each party seeks to understand the other's perspective but not to change their own. If, instead, the adopted premise could be one of incompleteness this enables conflict to be experienced differently. He advocates that it is the acceptance of incompleteness that can create the mental space for engaging with others. This is a different way of thinking and is a continuation of the evolution of consciousness.

As I engaged with others whose perspectives could assist me I had to do so not just with the objective of changing what I knew but also how I knew. This was important as I had a comprehensive understanding of my information but that understanding was a product of how I knew. If I changed how I knew then the perspective that I could generate from the new information available to me would be more comprehensive than I was likely to be able to generate from an advisor who had limited knowledge of my file.

Once I was capable of generating new perspectives it was significant in bringing the Bank back to the negotiating table, with a more open mind that I had previously not experienced from them.

To do this I firstly had to become aware of my fixed point of view and understand its incompleteness. I had to allow myself to be vulnerable to discover a new world within myself, a "new cultural of mind" (1994: 312) Kegan explains that this can manifest itself in the form of an ideology or orthodoxy but he advises remaining vigilant not to identify with it. In discovering new ways of seeing things, I had to ensure that, internally; my meaning making did not impose its point of view but remained open, evolving and dynamic. I was building up "trans-system or cross-form" (Kegan, 1994: 312).

Kegan explains that in order to move form or system from subject to object and bring into being a new "trans-system" or "cross form" (Kegan, 1994: 312), this transformation requires the capacity to no longer see others or oneself as a single system or form. To facilitate this transformation requires the creation of a context in which individuals can experience their "multipleness", thus enabling the identification of multiple systems or forms that each self is.

As a result of the orientation I adopted when engaging with others' perspectives I changed my perspective on how I should resolve my problem. This involved stepping back and relinquishing control of the strategy and negotiation tactics that had been central to my lens at the start of the programme. I identified that this was unlikely to achieve my objective and resolved to transcend this need.

In advance of re-engaging with the Bank I drew on another of my developmental goals, the creation of knowledge through deliberate questioning activity. I returned to my briefing file and reviewed the data through my new perspectives using Collingwood's questioning activity (1967: 30) to interrogate these emerging theories.

4.4.2 Applying the Questioning Activity to my Banking Documents

As I sat with my briefing documents the information before me had not changed, however my approach had.

I set about incorporating Collingwood's ideas into my meaning making by adopting a scientific approach to thinking. I analysed my thoughts and refined my questions until they became quite specific.

I worked on refining the general question, which was what are the rights and obligations of both parties to a facility agreement and to a deed of mortgage and charge? My consideration commenced with defining 'a loan' and then examining the type of loan it is. Was it a committed facility, a qualified demand facility or a pure demand facility? A committed facility is for a defined period and repayment cannot be called for in advance of the expiry of the period unless there is a default. A demand facility, unless it is qualified by a time period or conditions regarding default, is in its purest form an overdraft that can be withdrawn at short notice. The answer to these questions would determine the term of the loan. I also looked at the circumstances in which the loan could be demanded. I found that the events of default are prescribed in the facility letter and the deed of mortgage and charge. In the event of a conflict I needed to consider which of these documents would have priority.

I quickly learned that there were many conflicts between both documents to be resolved and there was no single source from which clarity could be obtained. For instance both the facility letter and the mortgage documents prescribe the circumstances under which the loan could be demanded. Yet the Bank's interpretation and that of the lawyers, was that even though these events of default were prescribed

and notwithstanding the reference to terms of twenty years the phrase ‘unless demanded’ took priority.

This interpretation was counter intuitive to me. I had a performing loan and yet the loan could be demanded. The demand would arise not as a result of my defaulting on the loan but because the banks circumstances had changed. How could the overall financial system work if borrowers discovered that the loan they had been given to fund a long-term investment, was in effect an overdraft?

I progressed to develop a strategy for dealing with, what was from my perspective, manifestly unjust. I examined each clause of the legal documents in the context of the logic of a question and answer. I constructed each clause in the context that it was written as an answer to a question and set about establishing what was the question. I did this exercise against the backdrop of where this exercise fitted into my strategy. I found several issues for the bank in these documents that led to my questioning of the bank’s customer treatment strategy and, as a result, created a negotiation position that I could return to the table with.

This approach enabled me to build up new knowledge from a compliance and legal perspective. The output was to provide critical base material for a complaint and the underpinnings of my negotiation strategy.

4.5 The Boiling Point: November 2012

On November 20th 2012 the Bank demanded repayment of the loans without identifying any event of default although we had never missed a payment.

I had prepared for this throughout 2011 and was ready to respond to ABC Banks action.

The first demand notice, in November 2012, was defective as were the two that were to follow and we were able to reject them. That did not, prevent the bank from re-issuing them but I believe it did cause them to re-assess the situation.

4.5.1 Lodging Complaint

Interaction with the Bank deteriorated throughout 2012. Faced with no prospect of resolution I filed a complaint with the Bank on November 21st 2012. My preference was to have negotiated a solution with the Bank and not to have lodged the complaint. If this was not possible then I intended to hold the Bank to account for their actions. The complaint set out eleven breaches of the code of conduct for financial institutions.

I have set out below an extract from a letter from our compliance advisor in which he sets out his view of our experience.

> "Starting with my competence to advise you…… I have twelve years' experience of compliance and regulatory oversight in the conduct of business covering Ireland, the United Kingdom, the United States and Poland with more limited experience of other jurisdictions. I hold a Professional Diploma in Compliance from University College Dublin and an MSs in Business Administration from University of Dublin, Trinity College. I am a Fellow of the Institute of Banking, a Fellow of the Irish Tax Institute, and a Licentiate member of the Association of Compliance Officers in Ireland. I have served as

an appointee of the Minister for Finance on the 'Industry Panel' of the Financial Regulator.

It is not part of my normal business to advise customers of financial institutions on regulatory complaints and I have no current intention of going into such business. I agreed to advise you following referral only because, in my professional view, you have not been treated fairly by Bank ABC. I have considerable practical experience of dealing with the compliance requirements of the various Central Bank Codes of Behaviour/Conduct and overseeing the identification and examination of breaches of these Codes.

It is my view that in your case bank ABC breached the General Principles of the Consumer Protection and the SME Codes in eleven different areas. These are set out in your complaint. In my experience, I have never encountered so many separate breaches of these Codes in one case. I believed that the extent of the breaches arising in your case was of sufficient seriousness and materiality to bring it to the attention of the Chief Risk Officer of Bank ABC and I did so in 2012, fearing a more systemic problem.

It is my view that Bank ABC also breached certain requirements of the Data Protection Acts.

I have studied the Report, *'Bank's Lending Practices: Treatment of Businesses in distress*' by Laurence Tomlinson. I believe many of the behaviours you experienced bear striking similarities to those covered by that report."

4.5.2 Matters in Dispute:

For the purpose of this experiment I focused on two key aspects, namely the level of personal recourse and whether the loans can be demanded without an event of default.

The loans issued in our personal names but the bank's recourse was limited to the property provided as security plus recourse to me personally for a fixed sum which

when expressed as a percentage of the outstanding balances was eleven per cent (11%).

The effect of this is very important in terms of my personal financial exposure. For example, if I borrowed two hundred euro to purchase a building that cost three hundred euro. If on the expiry of the loan the building value had fallen to one hundred euro, then the property would be sold and the bank would only have recourse to 11% of the €100 loss from me personally or €11, due to the limited recourse provision. I would also lose my equity of €100.

In December 2011 we requested that Bank ABC set out their position. On 3rd February 2012 they responded detailing that they had full personal recourse to us, i.e. for 100% of the loans.

Between then and the 25th July 2012 the Indicative Term Sheets kept changing to reflect the proof provided by us and thus Bank ABC reduced this recourse to fifty per cent (50%) thus demonstrating that our liability had been substantially mis-stated in the earlier drafts.

Had we not resisted pressure to sign each new term sheet (January 2012, March 2012 and May 2012) we would have become liable for fifty per cent (50%) of additional debt contrary to the contractual relationship originally entered into with the Bank.

Having regard to the banks revised position we were still not in agreement on the level of recourse. Bank ABC put the onus of proof on us stating that their files did not have sufficient information and repeatedly asked us to provide documentation proving our position.

As there was still disagreement on the level of recourse to be resolved, we sought access to the administrative records of the bank including emails and credit papers, which were not provided.

Can these Loans be Demanded for no Reason

The Bank's position was that the loans could be demanded without an event of default i.e., for no reason. Our position was that we needed to commit one of the 'Events of Default' for the loans to be demanded.

"On the occurrence of any of the events specified below the Bank may, by giving notice to the Borrower, cancel any outstanding commitments and treat the Loan(s) as being repayable on demand and may exercise its rights under any security which it holds" (See Appendix 6.8).

At no time did the Bank inform us they could demand the loans with no event of default. If this was permissible, then it made no sense to my meaning making why the Bank in their own Standard Loan Conditions set out the Events of Default, which is the only paragraph that mentions 'demand'. If the Bank requires no reason to demand full repayment why would they have a clause attaching to their facility letter which sets out the situations which will be deemed to trigger a default?

This was the single biggest area of disagreement between us, if the loans were not demanded and we continued to pay them down, then the other issues would not need to be resolved and we could continue with our business.

The differences remained between our position and that of Bank ABC as presented in Table 2.

Table 2: What We and the Bank Sought

What we Sought	What Bank ABC Sought
• Clarification that as long as we did not trigger an event of default that the Bank could not demand the loans • Treatment by the Bank in an appropriate professional and commercial manner • Access to the Banks files to ascertain the current position in respect of our obligations to the Bank in an open and transparent manner • That the Joint Venture Company should be treated separately to the personal facilities • Release of the land at Jacobs Island that was held for security for loans that had been paid off	• A single loan to be drawn to replace the existing five separate loans • All the loans to be supported by all of the security • New security documentation that granted the Bank additional powers particularly in relation to receivership • Personal recourse for 50% of the outstanding amount

Source: Developed by Author

4.6 The Negotiation

We suggested a meeting to try and resolve matters. The Bank initially sought to put pre-conditions on the meeting. We rejected this. Eventually the head of the parent Bank's-restructuring unit was appointed to lead the Banks team and his appointment changed the dynamics of the engagement.

A meeting organised at our request was scheduled in Dublin for the 23rd November 2012 and negotiations commenced. Our two Relationship Managers and the Head of the Restructuring unit represented the Bank. My sister, Michelle and I represented our family and our three advisors; a partner in a consultancy firm, a specialist in compliance and the recently retired head of one of the main banks restructuring units joined us.

We set out our experience with the bank and the matters in dispute. We focused on the demand issue and one of our advisors pointed out that under Irish banking regulation a loan had to be suitable to a consumers needs and be repayable over the term (Irish Central Bank, 2007). This suitability requirement meant that a demand loan would not be suitable for the financing of an investment property. If the Bank wished to pursue its claim that these were demand loans then the likely outcome was that the Central Bank would investigate and fine them for miss-selling a product. That fine would be based on an analysis of their loan book and an assessment of the number of customers who were impacted. In our expert's opinion it was likely to be in excess of €1 million. This was in addition to having to deal with all of the customers who were impacted. We concluded our input with a proposal for resolving the dispute. The Bank set out their issues and responded to our proposal. We agreed to reconvene after the weekend and present a revised proposal on December 3rd, 2012, having listened to their response. The only condition they stipulated was that if our proposal was not acceptable then both parties would need to walk away from the table, which we agreed to and there would be no further meetings and each party would continue with the actions that they had commenced. (We had not issued any actions at that time save for the complaint).

We reached agreement at the following meeting on the 3rd December 2012 and proceeded to combine the five loans into one single committed facility for a term of seven years. The significance of the committed facility was that the only event of default would be the non-payment of interest. We provided an additional piece of security to underwrite the portion of the loans that we would be personally responsible for which amounted to 15% of the outstanding balances. Part of the agreement we reached was that the Bank would release the lands held at Jacobs Island immediately, the loan for which these lands had been provided as security and had been paid off in full in 2009.

I recognise in Essay One that I am a competent negotiator and can be quite persuasive. This ability has served my business well. I have an ability to connect with people and see their point of view. At the same time I have learned to grow my meaning making by stepping back from situations to intellectualise and make sense of what I am faced with. I am very thorough in my preparation of my strategy, and am confident in executing my tactics in pursuit of my objectives. In this negotiation understanding the other party's need was key to a resolution. My engagement with Collingwood (Boucher, 2013; Inglis, 2011; Collingwood, 1967; Collingwood, 1926) has encouraged me to listen to the other party's answer to my question for a clue to their potentially unstated needs. If someone answers my question with a response that does not address the question, I consider his or her response to establish what question they may have been responding to. In doing so it has illuminated the aspect of the issue that the respondent is concerned with and this improves my understanding of their position although this may not have been their intention or desire. This approach has cast the light of consciousness for me on many issues that previously would simply have gone unnoticed. I learned in the negotiation that from the Banks perspective they needed new security documentation so that the loans could be sold.

The negotiations were completed in October 2013. Thereafter the security documents took a further ten months to complete.

I believe our case was an exceptional one in that we continued to service our loans throughout the financial crisis, had excellent records and the resources to mount a

defence. In addition we had been fortunate to retain a team with the relevant expertise and reputations across advisory, banking and compliance.

4.7 Vindication: The Subsequent Legal Determination

Although I successfully resolved my dispute with the bank through negotiation I remained interested in how the legal system was dealing with other borrowers. I was particularly interested to see how the courts would deal with the question as to whether a bank could demand a loan without informing the client as to why they were taking this action. When the bank had demanded my loans they had provided no reason on the notice of demand. As I stated earlier my legal advice was that they were not obliged to. It made no sense to me for a loan contract to recite the events of default only for a bank to subsequently state that they were entitled to demand the loan for no reason.

In October of 2014 in a case between Leona Flynn versus the National Asset Loan Management Ltd, to which I was not a party this question was resolved. Mr Justice Cregan, of the High Court, concluded in his Judgment that loans could not be demanded without stating the reason. He found that the borrower had a right to be heard before a court and to do so required knowledge of the reasons for the action. (Leona Flynn v National Asset Loan Management Ltd [2014] IEHC 408 (07 October 2014)) (See Appendix 6.9).

The following two extracts are the relevant passage from the Judgment.

Reasoning

> "324. The right to be heard necessarily means that the person affected must know the action that is being proposed and the reasons for that action. This gives them an opportunity to make representations on the issue and to rebut, if they can, the reasons for the action. It follows therefore that the person affected must be informed of the real reasons for the proposed action and not be given misleading or spurious reasons. If a person is not given the real reasons for a proposed decision and/or if he is given misleading or spurious reasons, then his representations cannot deal with the actual reasons. In such a

> case the right to be heard is not vindicated. It becomes a nullity. That is the case here.

Conclusion

> 20. Given that the real reasons for calling in the loan were not stated in the letter of demand the letter of demand should be set aside."

This judgment was relevant to me and my family, as had we not been able to negotiate an outcome with the bank, this would have been one of the key issues in our defence.

I cannot but wonder how many borrowers had their loans demanded and believing they had no defence decided to accept the appointment of receivers. This should be reviewed by the Regulator and restitution provided to these borrowers. In my case, my family and I refused to accept this.

4.8 Ending

I commence my learning review and its implications for practice with my developmental learnings.

At the outset of this Portfolio I identified that the central premise and distinction in Kegan's theory (1994) revolve around the "the principle of mental organisation according to which emotion, cognition, interpersonal and intrapersonal experiencing is constellated" (Kegan and Lahey, 2009; Kegan, 1994: 7). This principle of mental organisation deals with how people organise their responses to the world, integrating thought, emotion, relationship to others and to themselves into their experiences.

The theory addresses "the forms of meaning-regulation, the transformation of consciousness, the internal experience of these processes, the role of the environment in this activity" (Kegan, 1994: 7). Having reflected on Kegan's theory, I have learned to use Kegan's concept of the four quadrants of the Psychological as a self-reflection tool. In this experiment I have utilised this concept in the following manner.

My increased complexity of consciousness is evidenced by my cognitive ability to contextualise my challenge in the context of the financial system.

I was able to exercise the psychological concept of being affective. That is taking responsibility for how I feel and understanding why I feel that way rather than just being controlled by these feelings. I learned to reflect on and identify the underlying value that was at the root of an emotional reaction to a position adopted by the Bank. If the Bank wanted to pursue an action that for me seemed manifestly unfair, such as demand the loan for no reason, then initially my emotional reaction was reflected in a sense of feeling violated. Once I identified that it was my sense of fairness, which was at the root of my reaction I could understand and manage my emotions.

From an interpersonal perspective I was also cognisant that the banking personnel I was initially dealing with were too inexperienced to grasp the organisational risk to Bank ABC involved in the strategy that I was adopting. This interpersonal awareness

led me to enquire into the Bank's senior personnel. I sought out an individual who had the respect of the institution and of borrowers, with a reputation for fairness, toughness, and more importantly who was highly intelligent. The latter skill set was necessary as it was important to me that he could grasp the organisational consequences for the Bank of us pursuing a multi-pronged strategy involving the Financial Ombudsman, the Regulator and the Courts. I identified an individual who fitted the criteria. He was Head of the Global Restructuring Unit and had served for forty-three years with the Bank. I requested that he be assigned to the case.

Finally there was the intrapersonal aspect, which led me to reflect on the structure of my thinking. My own inexperience relative to my specialist advisors was a potential problem. I often took meetings on a one to one basis to scope out a solution with the Head of the Bank's global restructuring unit. I was endeavouring to create an environment in which a solution could be explored in a non-defensive manner. My opposite number could then bring these back to his team for discussion. This avoided the need for him to defend the action of some team members or to manage their emotional reaction to what was being proposed which would reverse their previous strategy. Although my advisors would present their case I needed to understand the basis on which they were grounded, as clarification was sometimes required at these one to one meetings. To do this required me to change not only what I knew, but also how I knew.

I have learned that increased consciousness leads to better awareness and thus brings clarity to my meaning construction.

The second objective of my experiment was to evidence that I actively and consciously observe my developmental goals as a business practitioner.

The question I set myself at the start of this Essay was how to retain or replace debt financing for my company? I did not know initially how I would achieve my objective but I knew that I must find the means to do so.

My survival strategy emerged in tandem with my journey to grow my meaning making and was forged out of the application of my three developmental goals.

1. To develop my complexity of consciousness so that I can make meaning of the world within a larger systemic mental framework.

   I was 'subject to' my belief in the sustainability of the financial markets and therefore had relied on a combination of equity and bank finance to fund my property business. When my dispute commenced with my Bank I was subject to a view that the courts were the forum for dispute resolution between a bank and a borrower. In this Essay I evidence how I transcended this narrow view by developing the capacity to see my dispute in the context of the financial system. It is the process of moving what I have been subject to (dispute resolution in Courts) and making it object which enabled me to develop a far broader, systemic perspective. Kegan (Kegan and Lahey, 2009; 1994) and Basseches (1984) have been very helpful to me on this developmental journey. Initially through Kegan whose idea of subject-object separation allowed me to increase my awareness of the larger financial system that I was subject to for over 20 years but had not paid enough attention to.

   Prompted by Basseches (1984) to use my new awareness by seeking out what I had been missing and what was absent in my previous mental model. Having identified and understanding the workings of the financial system I was able to construct my problem in a whole new way.

2. To explore others' perspectives the sense of engaging with others to specifically identify larger patterns, orientating myself to the dialectical and welcoming contradiction and oppositeness and thus changing how I know.

   The implementation of this goal was greatly assisted by Kegan's analysis about the dominance of personal authority being unlikely to assist me to

move away from my existing internal system. What I have evidenced in this essay is in effect my movement towards transcending my existing way of knowing (personal authority) in favour of a construction of self which embraces its incompleteness; is less about absolutes; with a greater emphasis on collaboration versus defence of my position. This orientation created the opportunity for form creation, which Kegan refers to as a new culture of mind (illustrated in this essay and in my second subject-object interview). I learned at key moments in the process to relinquish control of the strategy creation when other perspectives on the situation opened up new ways of framing the challenge. I gained an understanding of perspectives on compliance and the banks customer treatment strategies, which informed how I constructed my problem.

3. For goal three to cultivate my ability to create knowledge, exploring new ways of doing this by being clearer in my identification of the right questions and in my pursuit of answers. I did the following

   Collingwood's 'Questioning Activity' has fundamentally altered my approach to knowledge creation. The 'Questioning Activity' was central to my ability to convert information to knowledge in terms of my banking documents, particularly the security documents. This practice has a much broader application. I have applied it to all areas of my practice, including negotiation.

In this Essay I have evidenced the application of these developmental goals in the strategy crafted in response to the Bank's actions. The strategy was formulated as a result of my increased awareness of the overall banking and regulatory system, of the role of seeking out alternative mediums of dispute resolution (beyond the direct contractual obligations including a focus on obligations placed on a bank by its status as a regulated entity) and the application of new knowledge created through a pertinent question and answer process.

As a result of my new enhanced Meaning Making System which involved utilizing awareness, subject-object separation, exploring others' perspectives from a position of incompleteness and the 'Questioning Activity' I was able to retain debt financing for my business.

The outcome achieved would not have been possible had my family and I not been willing to stand up to Bank ABC. This would not have been possible without the help of friends and advisors. I believed at the time, and continue to so, that what was happening was manifestly unfair. At a time of such financial upheaval when a borrower is continuing to make principal and interest payments for a bank to demand the repayment of these loans for no reason was untenable to me.

The value of my seven-year committed facility was reinforced when the Bank disposed of my loans to an American fund. In my first meeting they acknowledged that they would honour the contract but as the seven years was outside of their investment horizon their preference was to exit it. They acknowledged that we would be having a very different conversation were it not for the fact that I had a seven-year contract. They have proposed that I buy the loan.

The above conclusions are drawn from a personal perspective as the outcome of my personal experiment. In the Conclusions following I draw implications from the perspective of practitioners like myself.

5 Portfolio Conclusions

The main question I enquired into in this Portfolio is the role of transformative thinking and practice in a property entrepreneur's response to the financial crisis which swept over Ireland from 2008.

My question arose in response to the unprecedented economic environment I faced when I commenced this Portfolio in 2009. This was nine months after the Irish government guaranteed the Irish banks liabilities. This decision resulted in an injection of €64bn of capital into the Irish banks. To provide a sense of the scale of this recapitalisation the Irish National Debt in 2007 was €37.5 billion. The total cost of the Irish banking crisis was €93bn when shareholder losses in the covered banks are added and €135bn if losses by the non-Irish banks are also included (McArdle, 2012).

The injection of capital was but one manifestation of the problem, the answer to *what* do we need to do to restore the bank solvency, but did not identify *why* the need arose.

The Nyberg Commission, in considering the cause of the banking crisis, identified the following question:

> "Why did so many professionally adept Irish bankers and public servants (as well as politicians, entrepreneurs, experts, media and households) simultaneously come to make assessments and decisions that have later proven seriously unsound in a number of ways?" (Nyberg, 2010: 5).

In my opinion a lack of critical thinking in the individual and collective meaning making was at the heart of the matter. I was one of the entrepreneurs operating in the property sector at this time and I needed to re-appraise how I thought. The realisation that the level of risk that I, and others, had undertaken to achieve our objectives, was far greater than generally understood, created an increasing sense of unease for me. This unease brought me to a resolution that I had to develop a deep understanding of Kegan's Theory (Kegan and Lahey, 2009; Kegan, 1994) of Adult Mental

Development and the movement of my MMS through subject-object separation. Specifically it involved the developing awareness that we are subject to certain ideas while having other ideas as object and that development consisted of shifting what we are subject to being object for us.

For the purpose of the phased structure of the programme I undertook a process of self-reflection (Essay One), a Reading for Change programme, (Essay Two), testing a different framework for knowing (Essay Three). From these three explorations I now draw implications that I believe are of wider relevance than for myself alone.

I collect my findings into three sets of implications.

In Section 5.1 General Developmental Implications I address those who are interested in a transformational-based response to the challenges of operating in the property sector in Ireland during a crisis. These challenges, if approached from a transformational development perspective are learning experiences that can result in an enhanced personal meaning making system capable of producing solutions. I set out the framework that I used to transition to a new mental model over the three essays. I summarise my specific learning's in relation to these apparatus of thought. Then I look at the role of measurement.

In Section 5.2 Specific Business Implications for the Property Sector set out my learning's from the crisis and their impact on entrepreneurial behaviour and the business of property development.

In Section 5.3 Applying The Tools of Adult Mental Development

In Section 5.4 To The Highest Mountain outlines my final thoughts in relation to the developmental journey I have undertaken to transform my approach to the structure of my thinking.

5.1 General Developmental Implications

The framework that enabled the transition of my meaning making is illustrated in Table 3. This sets out the linkage between my developmental goals, my apparatus and my experiment.

Table 3: A Framework for Transitioning to a New Mental Model

Essay 1: Developmental Goals	Essay 2: Apparatus of Thought to Create Insight	Essay 3: New Professional Practice
To develop my complexity of consciousness so that I can make meaning of the world within a larger, systemic mental framework.	To enhance my awareness. To utilise Subject Object separation.	I illustrate how a transformation in my MMS enabled me to see my dispute with my bank not from a narrow perspective of a customer and financial institution, for whom dispute resolution was a matter for the courts, but instead to take a more systemic perspective.
To explore others' perspectives in the sense of engaging with others to specifically identify larger patterns, orientating myself to the dialectical, and welcoming contradiction and oppositeness and thus changing how I know	I orient to the dialectical or paradoxical, welcoming contradiction and oppositeness, seeking out multiple perspectives. To embrace incompleteness.	I show how in seeking multiple perspectives, from the position of the incompleteness of the psychological self, this enabled me to formulate a strategy that resolved my challenges with the financial institution.
To cultivate my ability to create knowledge, exploring new ways of doing this by being clearer in my identification of the right questions and in my pursuit of answers.	To use Collingwood's Questioning activity.	I use the 'Questioning Activity' to order my thoughts and improve the clarity of my thinking. This enabled me to engage with, and understand my rights and responsibilities arising out of my contractual agreement , codes of conduct, etc.

Source: Developed by Author

5.1.1 Specific Learning

I summarise my learning in relation to each of these apparatus: Awareness (Kegan, 1994), Subject-Object Separation (Kegan, 1994), Exploring others' perspectives from the position of incompleteness (Kegan, 1994: 313), Applied Dialectical Thinking (Basseches, 1984), and "Questioning activity" (Collingwood, 1967: 30).

Awareness:

The fundamental development I emerged with is a new level of awareness of the structure of my thinking. Through this I gained understanding of the meaning making system. In the broadest sense the components of each individual's MMS are the same e.g., everyone has beliefs, assumptions and values accumulated consciously and unconsciously over a lifetime. The product is unique to each individual. This is why individuals experience the world differently and construct their own realities. I believe I enhanced my awareness of how I create my own reality and the influence of this on my decision making.

My new self-awareness alerted me to my developmental stage, my cognitive and emotional capabilities and the mental models employed in constructing reality. I am now cognisant that I have a choice about mental models used to construct reality. In Essay Three I showed how I exercised this choice.

I believe I am more effective because of this awareness in my ability to observe, ask questions, listen and dialogue with others. Moreover it is my use of these capabilities in the context of specific opportunities or challenges that is enhancing my practice.

Subject-Object Separation:

Is the process by which I increased my complexity of consciousness. I moved more of the aspects of my experience that I identified with and are therefore unapparent to me, and therefore unquestioned in terms of how I understand the world (those things I am Subject to), to a position where I became aware of it, could reflect on it and question

it (those things I made object). This focuses the light of consciousness on my assumptions, values and belief, with which I shape my experience of the world and create my perspectives. Thus changing how I know the world.

Exploring others' perspectives from the position of incompleteness:

I learned to challenge the perspectives held, to seek out alternative perspectives and understanding that several remain unknown to me. The output is improved capability to see and explore meaningfully into different points of view, not in a way that seeks to validate a current position - but in a way that is truly indicative of transcending the completeness of any singular point of view and embracing incompleteness (Kegan, 1994: 313).

The application of Dialectical thinking:

I found it useful to work with Basseches (1984) concept of Dialectical Thinking - actively looking for what is left out and different and to orient myself to the dialectical or paradoxical, welcoming contradiction and oppositeness.

Collingwood's 'Questioning Activity'

I learned that understanding the process of thinking rather than a yearning to be supplied with the answer is central to the process of knowledge creation. This ability to think enabled me to figure out what questions I was in fact answering, when previously I had not been aware that I had a question or that my beliefs were an answer to a question which I had long since forgotten, and to identify the theories with which, again unbeknownst to me, I was thinking.

5.1.2 The Role of Measurement

Robert Kegan (Kegan and Lahey, 2009: 28) and W. Torbert undertook two separate studies (study A/B[14]) to establish the distribution of levels of mental complexity among adults. They found that only 34%/35% of adults were self-authoring. That 6/7% were in the three stages of the developmental journey from self-authoring to self-transforming. These three stages are scored in the subject object interview as follows (4(5), 4/5, 5(4)). The notation 4(5) is where the self-transforming is evident but self-authoring is still dominant. The notation 4/5 indicates where the self-authoring and self-transforming mind-set is equally evident. The notation 5(4) is where the self-transforming has become dominant but elements of self-authoring remain. The notation 5 is the fully self-transforming mind-set (stage 5), approximately 1% of the population reach this stage (Kegan and Lahey, 2009: 28).

What is the impact of this on leadership effectiveness? Kegan explained that leaders are now required to "not only run but reconstitute their organisations - its norms, missions, and culture" (Kegan and Lahey, 2009: 26). However, the ability to do this requires the capability to "step outside of its own ideology or framework, observe the framework's limitations or defects, and re-author a more comprehensive view which we hold with sufficient tentativeness that its limitations can be discovered as well" (Kegan and Lahey, 2009: 26). This level of meaning making complexity is beyond self-authoring and yet only 7/8% of the population reach this level (Kegan and Lahey, 2009: 28).

These findings, which emerged from a diverse range of interviewee's, were assessed at a micro level by Eigel (1998) in a study specifically focused on business leaders. The Eigel study assessed the relationship between mental complexity and business effectiveness by undertaking a study of 21 CEO's of company with average gross revenues of $5 billion. He found that 15 were order 4 (self-authoring) and 4 were in the 4-5 range of complexity (those that were in the 4-5 range did better than those

[14] Study A: R. Kegan, In Over Our Heads, 1994. Study B: W. Torbert, Managing The Corporate Dream, (Homewood, Il: Dow Jones, 1987).

who were at order 4 (self authoring)). Eigel concluded that constructive development level was correlated with business effectiveness (1998: 212).

In this context the importance of measurement became apparent for me. As I explained in the Introduction, in order to have an external baseline evaluation of the initial complexity of my consciousness, I undertook a Lahey and Kegan Subject-Object interview (1988), in 2011 which identified I made meaning from a self authoring perspective (stage 4) (Appendix 6.2) and undertook it again towards the end of my programme in 2015. What has emerged from that process is now outlined.

The following is an extract from the Interview (See Appendix 6.10).

> "While the initial transformation was engaged on behalf of a particular outcome/end/purpose, it appears that the process has also provided you with a new perspective on the limits of Self-Authorship and an appreciation for the value of transformation. The result has been that you now are moving toward being more identified with transformation than with any one form is beginning to have a value in and of itself, for its own sake. The more transformation becomes not just a means to an end but the end itself, the more fully the Self-Transforming Perspective will develop.
>
> In numerical notation, I would assess your meaning making, as evidenced by the material we covered in our interview, as 4(5)".

On reflection the interview focused too narrowly on the what's in my experiment rather than how my meaning making had complexified in the broader context.

The interview process identified:

> Behavioural Progress - in the area of listening to others;
>
> Personal Openness - Being more open to establishing what I am missing and engage with others to learn from their perspectives.

Personal Authority - The recognition that in order to develop my meaning making complexity I had to loosen up my need for control.

Form Creation - a desire to engage with form creation as an end in itself.

System thinking - I have learned to think in a more systemic manner considering situations in the context of the system rather than a part of the system.

A central element in my transformational journey is identifying what a sustainable form of control looks like for me, in my role as CEO.

The above process of engaging in measurement, I suggest, is useful (if not necessary) for identifying the lens with which an individual views the world so that the mode of thinking can be engaged with in order to transform the form.

5.2 Specific Business Implications for the Property Sector

I now focus on specific implications for peer practitioners under six headings:

1. The Evolving Capital Markets: From Debt to Private Equity
2. Forging Strategy (1): Facing Difficulties
3. Forging Strategy (2): Looking for Opportunities in a Crisis
4. Key Insights from Leading a Property Business Through the Crisis.

5.2.1 The Evolving Capital Market: From Debt to Private Equity

The financing of the Irish property market is in a period of evolution. This change has two fundamental drivers, in my opinion.

First, the banks face significant challenges to the two pillars on which their business is built, attracting deposits and issuing loans. These challenges limit their capacity to lend. The requirement for personal guarantees will limit demand for bank finance.

Second, the arrival of private equity as acquirers of loans, direct owners of property and partners on development projects provides alternative to debt financing. Private equity also introduced the concept of 'loan to own' - that is the acquisition of the loan with the intent of owning the asset. They seek to capitalise on the situation the owner of the loan is in and any deficiencies in the loan contract documentation by acquiring the loan at a discount to its par value. Thereafter they pressurise the borrower into correcting the deficiencies in the security documentation and then try to recover the full amount from the borrower or enforce their security. This is commercially lucrative for the acquirers but does not ease the burden of a borrower, which might enable them to contribute to reinvigoration of the Economy.

The positive impact of private equity is a more sophisticated capital market offering, the negative impact is that although they acquire loan portfolios they tend to realise value not through the collection of interest payments but by disposing of the

underlying property assets. This can result in disputes between private equity loan owners and the borrowers.

5.2.2 Forging Strategy (1): Facing Difficulties

In disputes borrowers seek to rely on legal advice. In my experience this only informs one element of a strategy. My advice is to contextualise the challenge in the context of the financial system. To do this requires a team of competent advisors with specialist knowledge in negotiation, banking, compliance and litigation. My advice is to remain in dialogue for as long as possible creating a context in which a constructive, thoughtful and respectful conversation is possible. In this space both parties' positions can be understood and respected. Focus on reaching a negotiated solution even if it means that both parties are equally unhappy. This enables businesses to shape the resolution of the issue. The alternative is potentially a legally imposed resolution where there is likely to be a winner and a loser.

The challenge for a borrower is that legal advice is readily available but while other dispute resolution mechanisms are available their existence is not promoted.

Many borrowers are unaware that there are several arms of the State, the Central Bank, the Financial Ombudsman, the Courts and collectively their purpose is to facilitate the operation of a balanced and fair financial system. Each of these institutions has a specific role and rules governing their operation that determines what they are able to consider in reaching a determination. Equally the ramifications of a negative verdict for both the borrower and the lender are different according to the forum in which it is reached. Knowledge of these matters greatly impacts the strategy to be adopted by a borrower and indeed, in my, case the outcome achievable.

I have set out in Appendix 6.11 what I have learned since 2009 so that in a single place a borrower can understand his/her rights and responsibilities, the components of their loan documentation and role of the entities that make up the financial system. For clarity I am *not* advocating that borrowers evade responsibilities; rather my objective is to ensure that they clearly understand, their rights and responsibilities,

and those of their lenders. This knowledge would have been of immense assistance to me at the outset of the crisis.

The pressures of the financial crisis resulted in the State participating in transactions, the effect of which was to disenfranchise its citizens of the very protection it had put in place for them. This occurred as a result of the sale of loan portfolios to unregulated entities. Thereafter, borrowers no longer had access to the Irish Financial Ombudsman, as the acquiring entities were no longer subject to regulation by the Central Bank. The government has recognised the impact of their actions and in 2014 sought submissions relating to Consumer Protections on the Sale of Loan Books[15]. Many SME's do not realise that the consumer protection code is applicable to them as long as their turnover is less than three million euro. However, until these protections are restored these borrowers are disenfranchised.

5.2.3 Forging Strategy (2): Looking for Opportunities in a Crisis

By 2009 I knew that I could not develop my lands as long as property was being sold for less than the cost of construction. Therefore I needed to find opportunities in the crisis.

In 2010 I partnered with a US hospitality company, with revenues of $3bn, with a view to purchasing or managing hotel properties in Ireland. Our endeavours were unsuccessful as the banks/receivers were only slowly releasing product to the market.

In 2012 I turned my attention to the sale of State assets, which regrettably had been mandated by the Troika [16]. I entered into a commercial agreement with an international advisory firm focused on the sale of the National Lottery and the sale of Bord Gais but were ultimately unsuccessful.

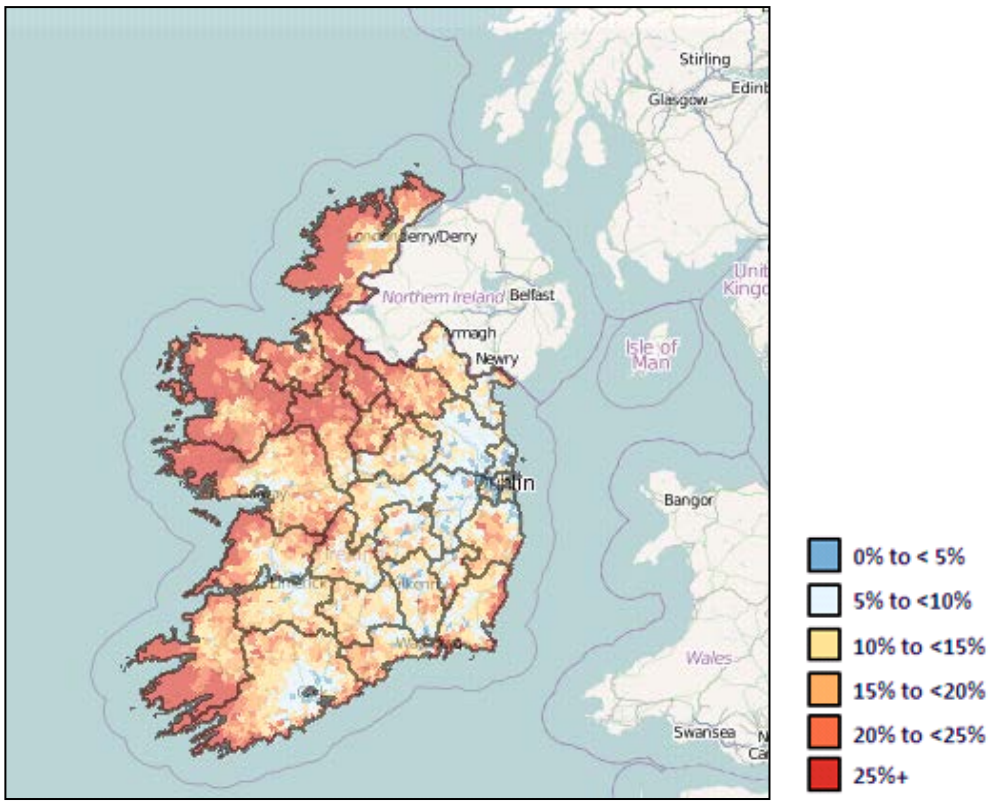
---

[15] www.finance.gov.ie/sites/default/files/Consumer_protection_loan_books_%20public_consultation%20_pubweb_1.pdf.

[16] Troika members The EU Commission, The ECB, IMF.

In 2012 I undertook an appraisal of the residential property market in Ireland. My findings were counter intuitive to the common perception at that time which was that too many houses and apartments had been built. (in Appendix 6.12 there is a copy of the Executive Summary). The kernel of my analysis was that Ireland did not have too many houses; in fact it had 437 per thousand of population, versus 488 for Germany and 435 for the UK. The problem for Ireland was that we had built too many houses in locations for which there was no demand. In Figure 8, the vacancy rates are illustrated on the map of Ireland and are coloured as per the legend below. The colour red, which represents vacancy rates in excess of 25%, is predominately on the western seaboard. My conclusion was that a shortage of housing in urban areas such as Cork and Dublin would emerge and that development land should be acquired.

Figure 8: Dispersion of Vacant Properties across Ireland



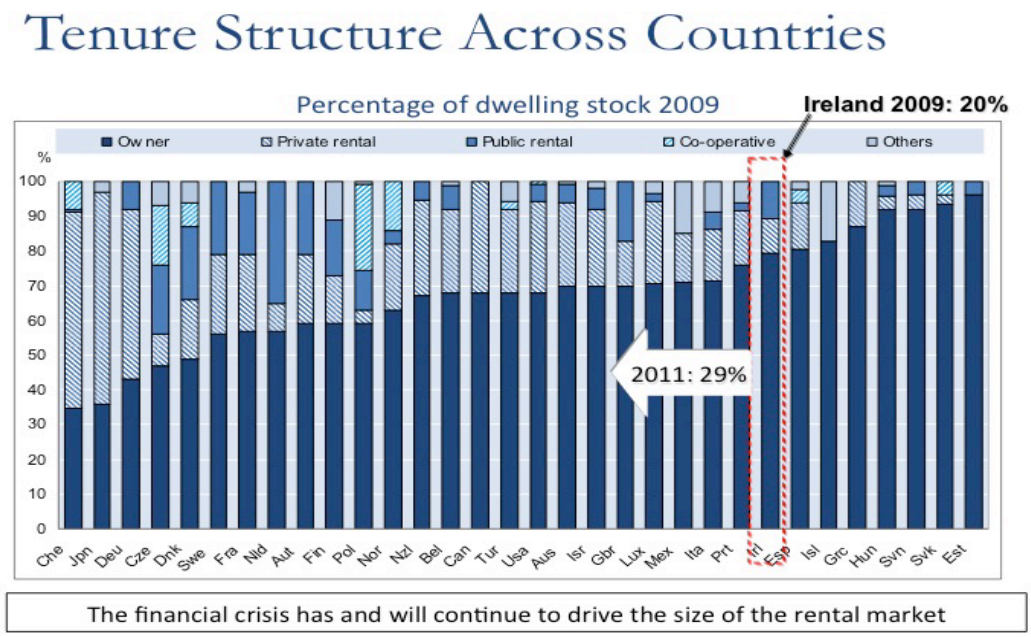
Source: CSO 2011 Vacancy Rates

I identified the opportunity in the apartment rental market. The CSO apartment price index had fallen from 102 in 2005 (base year) to 47.5 in 2012, which was below their replacement value. This was illogical for me as the demand for rented accommodation

was rising. There were a total of 474,788 households in rented accommodation in 2011, a rise of 47% from 323,007 in 2006. The share of households that were renting was 29 % in 2011, up from 22% recorded in 2006 (see Figure 9).

Ireland was on a path to embracing the European model of renting which negative equity and short employment contracts would reinforce. The excess supply of apartments was being absorbed and with no construction activity rents would inevitably rise, as would capital values. The mortgage market was not functioning and therefore the opportunity to become a homeowner was constrained.

Figure 9: Tenure Structure Across Countries 2009



Source: Calculations based on OECD Housing Market questionnaire.

To avail of the opportunities I needed to access capital. Therefore, I presented my analysis, which is set out in Appendix 6.12, to Lord Blyth and Mr Zell, who founded Equity Residential, which owns 120,000 apartments in America. They visited Ireland to meet with representatives of NAMA to explore the possibilities of acquiring their stock of 12,000 apartments. NAMA's position was that they owned the loans and we should engage with the owners of the individual asset. Mr Zell's view was if Nama wished to dispose of approximately 13,000 apartments then buyers, capable of

transacting at this scale, would require the vendor to put the portfolio together. It was unlikely that buyers would deal with multiple owners on a piece meal basis and the meeting ended. In time NAMA moved to a position where it did put the portfolio of properties together rather than leaving this to the vendors.

While none of these opportunities crystallised, I am reminded of Steve Jobs commencement speech at Stanford when he spoke of only being able to join the dots in reverse. The engagement with private equity firms educated me to how they operated which was essential in my engaging with the new owners of my loans.

My advice in a crisis is to get up every day with the intention of finding an opportunity, you never know which one will bear fruit but if you do not keep trying you cannot succeed.

5.2.4 Key Insights from Leading a Property Business Through the Crisis

The following insights have emerged from my experience of, and reflection on, leading an Irish property business during the period 2008 to 2015.

The Impact of Liquidity on Supply, Demand and Price

It is essential to understand not only the supply and demand information in relation to the market but also the liquidity being provided to it. Table 4 illustrates the unsustainable evolution of the Irish mortgage market from 1985 to 2010. The outstanding level of residential lending almost *tripled* between 1995 and 2000 from €11938 million to €32546 million. It then nearly *tripled* again by 2005 to €94259 million. In the period 2005 to 2007 the growth was close to the total exposure in 2000 of €32546 million with an additional €28743 million in mortgages issued. The total outstanding level of residential lending peaked in 2007 at €123002 million. In the same year house prices peaked at €322,634 and the average mortgage issued peaked at €271,154. There is a clear correlation between the liquidity provided to a market, the price and the supply.

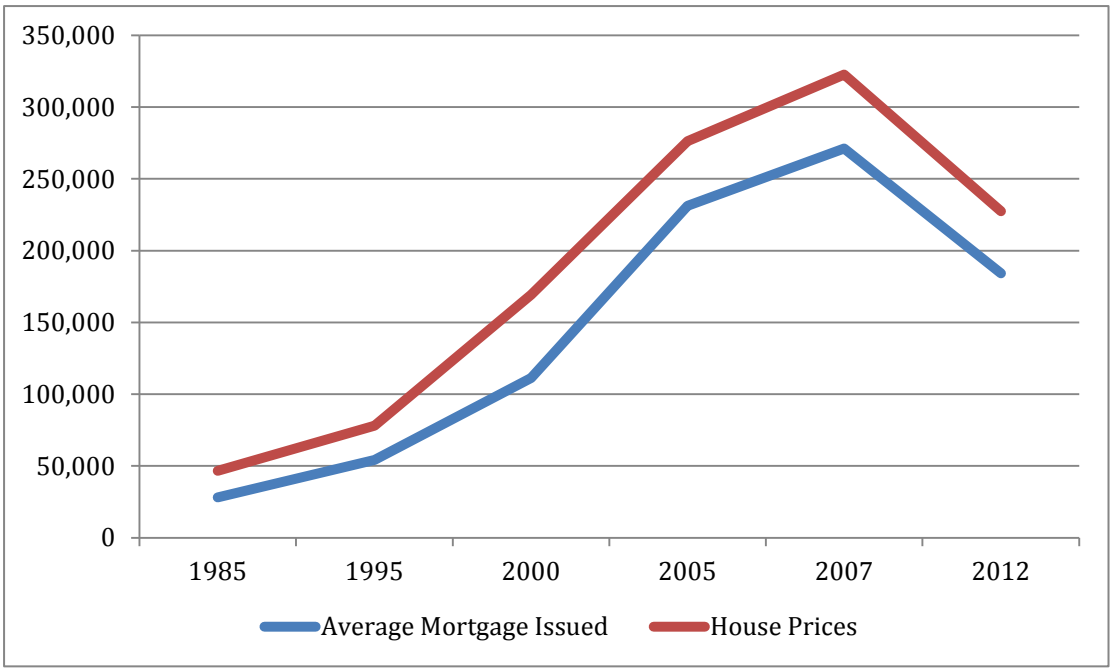
Table 4: Summary of Irish Residential Mortgages Statistics: 1985 - 2010

Variable	1985	1995	2000	2005	2007	2012
Outstanding level of residential lending (Millions)	**6,470**	**11,938**	**32,546**	**94,259**	**123,002**	**84,973**
Total Value of Mortgages Issued (Millions)	**880**	**2,666**	**9,004**	**27,753**	**24,064**	**3,412**
Average Mortgage Issued (Millions)	**28,192**	**54,094**	**111,355**	**231,206**	**271,154**	**184,113**
Total Number of Mortgages Issued (Thousands)	**31,203**	**49,288**	**80,856**	**120,037**	**88,747**	**18,532**
House Prices (Thousands)	**46,542**	**77,994**	**169,191**	**276,221**	**322,634**	**227,376**
Housing Supply (Thousands)	**23,948**	**30,575**	**49,812**	**80,957**	**78,027**	**8,428**

Source: (McCarthy and McQuinn, 2013)

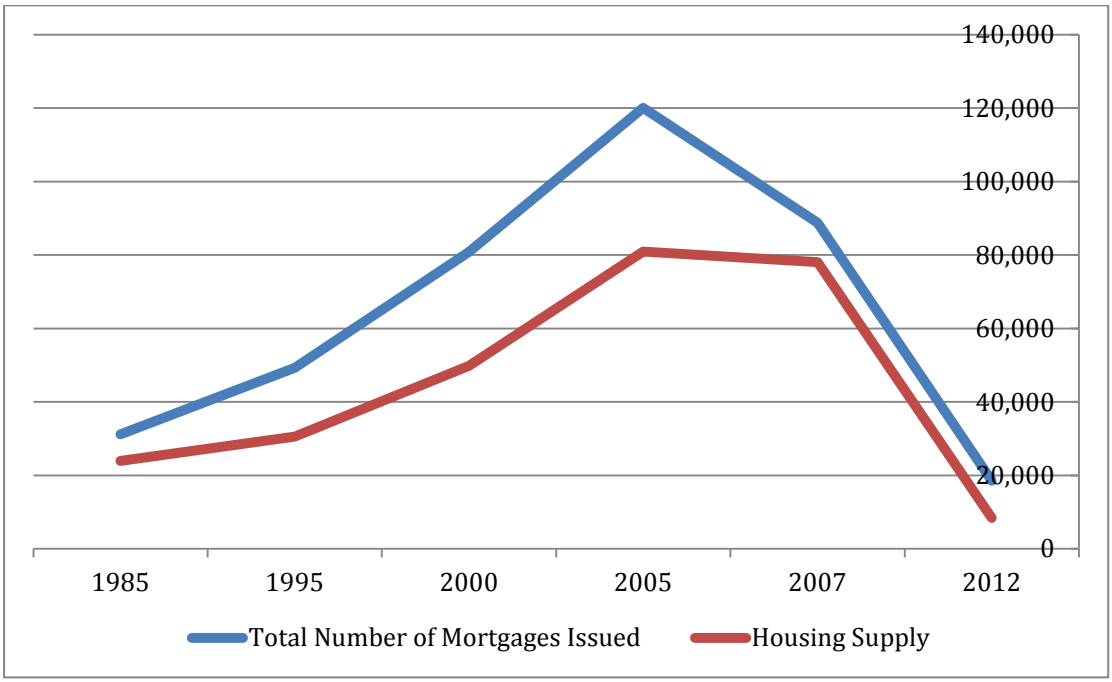
The impact of liquidity on price is illustrated in Figure 10 below. It is clear that the availability of mortgage finance, and the average mortgage granted is correlated with the average house price. Figure 11 illustrates the impact of the number of mortgages issued on housing supply.

Figure 10: Average Mortgage Issued and House Prices



Source: (McCarthy and McQuinn, 2013)

Figure 11: Total Number of Mortgages Issued and Housing Supply



Source: (McCarthy and McQuinn, 2013)

This level of growth in price and mortgage lending was unsustainable and in time the scale of the problem was to become evident. There were 117,889 private dwelling mortgages and 38,463 buy-to-let mortgages in arrears, with the total outstanding balances amounting to €21.5 billion and €10.4 billion respectively by September 2014 (Central Bank of Ireland, Macro Financial Review, 2014). People may have made different decisions if the information in Table 4 had been readily available. However to compile it requires access to the Department of the Environment, the C.S.O and the bank's lending figures.

In 2006 I correctly identified that the property market was unsustainable however I underestimated the scale of the correction that would be necessary. In my opinion the correction was greater than was merited. The prices that emerged were constrained by the liquidity and solvency issues in the banks. In part this is why private equity firms have invested in Irish property and is why their returns have been so lucrative[17].

Insight 1: Liquidity equals Value

This is now a fundamental principle of my business practice. It does not matter what assets cost, or what they may be worth in the future, if you do not have the capacity to meet your commitments then someone else will be the beneficiary.

Insight 2: The Centralisation of Information Enables Knowledge Creation

In Ireland information on supply, demand and liquidity is available but not from a single location or at sufficient granularity. I recommend that a dedicated website be established with information available on a national basis but also down to a small area basis[18] on all aspects of the property market, including supply, zoning, planning, commencements, connections and completions. From a demand perspective information should be available on demographics, household formation rates, income, rents and sales. From a liquidity perspective credit advancement for acquisition,

[17] For instance a German fund bought Riverside II, a modern office building at Sir John Rogerson's Quay, Dublin 2 in 2012 for €35.6 million and sold it within less than 18 months for €50m – suggesting a gross profit of €14.4 million, or 36 per cent. It is now owned by the Irish property pension fund IPUT.

[18] 'Small Areas' are areas of population comprising of between 50 and 200 dwellings created by The National Institute of Regional and Spatial Analysis (NIRSA) on behalf of Ordnance Survey Ireland (OSi) in consultation with CSO.

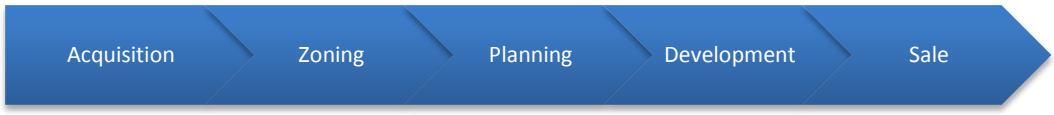
development and purchase of completed product should be available. If information could be illustrated, for example as in Figure 8, it might act as an early warning system to highlight unsustainable development. The centralisation of this information while currently available on a disparate basis would facilitate the creation of knowledge and enable more sustainable decision-making. This knowledge would then be available to all of the market place, particularly the end buyer, as opposed to those with the resources or the ability to compile it.

Recommendation 1: Create a single website on which all information relating to the property sector including, supply, demand and liquidity is available.

The Business of Development is an Image in the Mind of an Entrepreneur

Part of the reason I failed to deleverage my assets was the concept I had of what it meant to be a developer. Generally it took forty-two months to take land from pre-zoning through the zoning process to enable its sale either with planning or post development. The value was generally created in the first three steps and extracted in the last two of the development value chain as illustrated in Figure 10.

Figure 12: The Development Value Chain



Source: Adapted by Author from Porter Value chain.

I needed inventory to pass through the various stages of production. A gap on the conveyer belt meant that it could only be resolved over time or by paying a premium for land with planning. Based on this perspective success for me meant selling my completed stock. I was constrained by this perspective and by limiting myself to the Irish market place. The assumption underpinning this was land value would continue to rise over time and any setback would be temporary. I could and should have sold the remaining developed and undeveloped stock, be it land or buildings. The option remains to develop overseas or re-enter the property cycle later.

Insight 3: When the market does not make economic sense liquidate your position.

Growth versus Risk

This is the fundamental choice a leadership team makes. The decision determines the level of physical, financial and human resources to be deployed. Once the level of growth is determined then this enables the calculation of the amount of capital that is to be deployed to achieve this objective.

Commence the analysis of any business opportunity with an assessment of how much you can lose. Be as precise as possible in establishing what this is and spend as much time understanding this as you do the upside. If this decision does not work out what is the downside risk? Can the company absorb it? How long will it take to replace the capital if it is lost?

Insight 4: Understand the downside risk and cap it

Development Funding

The value of developmental land fell by ninety per cent from the peak during the crisis. A contributor to this was the fact that development land generally produces no rent and therefore has no debt servicing capacity. My learning from the crisis is that the upside on development land should enable you to attract risk capital as opposed to debt finance. This is the appropriate funding device as both parties share in the risk and the reward, which should ensure their motives, are aligned. The decision to exit the investment or not then remains with the owners rather than a lender.

Insight 5: Fund Development Land with Equity

What Risk Should you Take to Obtain Financing?

In Ireland personal guarantees did not work for the lender or the borrower. In my opinion the project should proceed only if it has sufficient equity relative to debt to satisfy the funders. If a funder requires a personal guarantee then increase the equity to debt ratio to a level where no personal guarantee is necessary. If this cannot be

achieved then look to alternative funding sources, such a private equity if the projected returns allow, or do not undertake the venture. The fallout of this crisis is that many entrepreneurs have spent years trying to work their way out of past mistakes or have had to go down the bankruptcy route to do so. The time to evaluate the consequence of a personal guarantee is before entering into one.

Insight 6: Do not give a Personal Guarantee

Security Documentation

In Ireland pre crisis, enforcement of security was seen as a failure for the borrower and the lender and therefore rarely resorted to. One unintended consequence of this was that loan documentation was approached often as a form filling exercise. Post crisis the quality of loan documentation, the understanding of it, and the attention to detail by the client, bank and legal teams when putting it into place was, in a number of cases, found to be seriously deficient. The sub-standard security documentation was one of the reasons for the large scale discounts applied by NAMA when they acquired property loans from the banks. The transfer to NAMA crystallised the solvency issue for the bank.

Insight 7: The time to evaluate legal documentation is before it is signed and this is not something that can be delegated solely to the legal team

The Influence on Taxation on Asset Creation and Holding Strategies

The over production of dwellings in locations for which there was no demand, which is evidenced by the vacancy rates of 25% plus in the CSO census of 2011 (illustrated by the red colour in Figure 8) was in the case of holiday homes driven by tax allowances attaching to them. The allowance available was a percentage of the sales price, often 80 per cent, and off settable against other rental income. Once the market realised that holiday homes were over supplied their value collapsed. During the Celtic Tiger, the government introduced a 20% tax rate for individuals trading in residential land. To avail of these individuals transferred assets from their companies into their personal names. The consequence for many was the loss of the protection of the corporate structure and financial ruin.

Insight 8: Tax should be a cost and not the primary driver of business decisions

Portfolio Evaluation

Every relationship between an owner and an asset needs to be reviewed regularly. Given the high transaction costs of dealing in property this would have been expensive to practice[19] but not practicing it was not without its cost. When values rise or fall you need to consider would you pay such a price for the asset if you did not own it.

Insight 9: Regularly consider if I did not own this asset already would I buy it?

Personal Financial Diversification

To continue to invest in business in a time of growth is compelling. Therefore you need to discipline yourself to ensure you diversify your personal exposure.

Insight 10: When business is going well that is time to diversify your personal exposure to it

The crisis has highlighted, for me, the interconnectedness of growth, risk, profit, capital structure, corporate structure and the importance of security documentation. As well as the underlying, but often unrecognised assumptions, that underpin these decisions regarding the external environment in a way that all of my previous life experience failed to do. In a rising market it is a challenge to remain aware of the risk that *the assumption* it will continue to rise presents.

[19] Stamp Duty was 10% and legal and agent fees would have added an additional 2%.

5.3 A Four-Step Process for Responding to the Challenges Met

By incorporating this adult mental development tool as a habit of mind it can be used to respond to the challenges met. In Essay Two I explored more deeply into these concepts and in Essay Three I evidenced them in my practice. All four steps seek to shine the light of consciousness on our meaning making process and the influences on it. The objective is to identify the impact of emotions on our cognitive process, to frame the problem and potential solution in a systemic context, engaging with multiple perspectives to seek out patterns in the data that might have remained unseen, to convert information to knowledge. Each step helps to frame and reframe the challenge leading to a considered and informed decision making process.

1. ***Identify what you are subject to***

   The perspectives we bring to any situation are a product of our life experience that is reflected in our values, beliefs, assumptions and theories. The combination of these is what enables us to focus our attention and in doing so to make meaning of our experiences. The construction of reality is particular to each individual. The objective of this step is to identify what you are subject to when you are constructing your perspective in relation to particular circumstances. Through a process of awareness you can *choose* your mind set rather than being *subject* to it.

   Useful questions to ask are;

   - Am I in a position of strength or weakness?
   - Is this situation an opportunity or threat?
   - How are my values, beliefs and assumptions impacting how I construct this challenge - are they valid?
   - How might someone on my team, or my adversaries' team, with a different set of values, beliefs and assumptions construct the same challenge?
   - Is either of our construction of the challenge likely to be different and if so why?

- Have my values, beliefs and assumptions led me to categorise the challenge or the challenger in a particular way? How is this influencing the outcome?
- In assessing possible solutions what options have I ruled in or out and why?
- What might the opposite perspective to the one held look like?

This framing of the problem determines the challenge that is met and thus the range of solutions considered. If we move hastily to the solutions we may end up solving the wrong challenge. Once the light of consciousness has been used to identify, and challenge, the impact of our values, beliefs and assumptions on the framing of the problem the next step is to establish the systemic context.

2. ***Assess the Opportunity or Challenge in a Systemic Context***

Once the challenge is verified the next step is to *Identify* the systemic context and *understand* how the system functions. Systems can be complex and can comprise many interlinking systems. It is important to meet the challenge in the optimum systemic context to achieve a satisfactory resolution. This requires the consideration of, and decision on, which system or part of a system to engage with.

Useful questions to ask are;

- What systemic boundaries have I constructed this challenge within?
- Are these boundaries valid?
- Are narrow or broader boundaries more appropriate?
- In selecting these boundaries what have I excluded?
- What is an alternative way of constructing these boundaries?
- What am I not seeing, what is absent from my perspective?
- How is the system likely to respond?

The output of this step is an understanding of the systemic context. The next step is to consider how you can understand the system and engage it.

3. ***Explore Multiple Perspectives on the Opportunity or Challenge with an Orientation to Change How you Know***

The input of sectorial experts is critical to engaging with the system, understanding how it functions and how the challenge should be constructed within it. What is key is that you are open to changing how you know and not just what you know. In other words a change in how you organise your responses to the world, integrating thought, emotion, relationship to others and to yourselves into your experiences. This is necessary if you are to be able to sieve your information and experience through your new perspective that can be enabled by engaging with experts.

Useful questions to ask are;

- How am I engaging with this challenge? Am I interested in all views so that I may learn or only those that support my position?
- How can I engage differently to shape and reshape the challenge?
- When engaging with this challenge, what theory am I applying?
- What theory are other's applying?
- To change how I know this challenge does it require a technical or adaptive change in how I am thinking?
- What would the opposite of my perspective look like?
- What perspectives have not yet been considered?

The output of this step should be a change in *how* you know as well as *what* you know.

4. ***Use the Questioning Activity to Convert Information to Knowledge***

For Collingwood knowledge was a function of a question and answer. For him high-grade thinking depended on two things: increase of mental effort, and skill in the direction of that effort (1940: 37). The first step in high-grade thinking is awareness of the need to ask questions as opposed to just appending what presents itself to one's mind. The second step is to ask questions with skill or scientifically. Collingwood suggests this has two stages, the first involves disentangling and the second is arranging (1940: 38).

Collingwood's questioning activity can be used to focus our attention, orientate us, interrogate and organise the information so as to create knowledge.

For Collingwood the process is commenced by:

- Focusing our attention
    - What are we looking for?
    - What is the next piece of information required to progress the objective?
- Orientation
    - What source will provide it?
- Interrogation and Organisation
    - Then identify the specific questions that need to be asked.
    - Then list all of the questions being mindful that they may first appear as a tangled mess.
    - Then re-arrange what may appear as a nest of questions into a list of questions where each item is one question and only one.
    - Order them so that they can be asked in the right order.

The Output of this step is the conversion of information to knowledge.

The output of all four steps is a new habit of mind resulting in a change in *how* you know as well as *what* you know.

This four-step process combines and builds on the work of Kegan (1994, 2009), Garvey Berger (2012), Basseches (1984) and Collingwood (1967) to produce a new adult mental development tool. The construction of this tool not only enhanced the complexity of my consciousness but enabled me to respond to the challenges met. I believe it is applicable to a wide range of practice matters.

5.4 To The Highest Mountain

This Portfolio of exploration has helped me to become aware of the need to stand back and notice what I did not previously notice in how I operated in my professional role. Without noticing my theory-based practice and meaning making complexity, I now realise that it is unlikely I could have known whether they were effective or not.

This awareness and the application of development theory enabled me to recognise and transcend blind spots, limitations and resistance to change. This, with the right combination of challenge and support has resulted in an expanded meaning making system. This knowledge and awareness enabled the resolution of my business challenges and the creation of a competitive advantage.[20]

The challenge the financial crisis presented to my meaning making system was the catalyst for my developmental journey yet the decision to write about it was a difficult one. However, I wanted to place on record the journey that one Entrepreneur had to undertake to retain debt financing. I have done so as I believe my experience is far from unique and the crisis is far from over. By writing about it I hope the organs of the state, whose function it is to protect borrowers, might learn from my experience and react accordingly.

> "The greatness comes not when things go always good for you. But the greatness comes when you're really tested, when you take some knocks, some disappointments, when sadness comes. Because only if you've been in the deepest valley can you ever know how magnificent it is to be on the highest mountain" (Nixon, 1974**).**

[20] Bridgewater and Decurion are two organisations that have demonstrated how combining business excellence with personal development can create a new kind of competitive advantage.

6 Appendix

6.1 Key Concepts in Adult Development Jennifer Garvey Berger

Constructive–developmental: This core set of theories is "constructive–develop-mental," a term that joins together two different schools of thought. Constructivists believe that the world isn't out there to be discovered, but that we create our world by our discovery of it. Humans make meaning of their surroundings, and that meaning is the surrounding; two people who see the same picture differently may actually, in their seeing of it, be creating two different pictures. Develop mentalists believe that humans grow and change over time and enter qualitatively different phases as they grow. Cognitive, moral, and social development, however, unlike physical development, isn't a matter of simply waiting for nature to take its course. Development can be helped or hindered (and in some severe cases arrested) by the individual's life experiences. Constructive–develop mentalists believe that the systems by which people make meaning grow and change over time.

Information: In-form-ation is new knowledge that you add to the current form of your mind. New skills or knowledge may be important for keeping up with the newest technology or the latest cutting-edge work in your profession. In-forma- tion, however, while helpful, is generally by itself not a sufficient kind of growth for adults. Often the thing that needs to change, however, is not what we know but how we know. If how we know needs to change, we need more than information; we need transformation.

Transformation: Transformation is more than simply adding information into a container (your mind, for example) that already exists. Transformation is about changing the very form of the container—making it larger, more complex, and more able to deal with complexity and uncertainty. Transformation occurs, according to Harvard Professor Robert Kegan, when you are newly able to step back and reflect on something and make decisions about it. There are many ways that trans- formation can happen; one of them is the movement of things from "subject" to "object" (see below). Robert Kegan says transformative learning happens when someone changes

“not just the way he behaves, not just the way he feels, but the way he knows—not just what he knows but the way he knows” (Kegan, 1994: 17).

Subject: Things that are subject are by definition experienced as unquestioned, simply a part of the self. They can include many different things—a relational issue, a personality trait, an assumption about the way the world works, behaviours, or emotions. Things that are subject to you can’t be seen because they are a part of you. Because they can’t be seen, they are taken for granted, taken for true—or not even taken at all. You generally can’t name things that are “subject,” and you certainly can’t reflect upon them—that would require the ability to stand back and take a look at them. You don’t have something that’s subject; something that’s subject has you. For example, I once thought that all people learn things in basically the same way—the way I learned them. When students came to me with difficulty about an assignment or test, I thought the problem was theirs; I was being so clear and they were still not learning. I struggled and struggled to help them learn, but to no avail. I was subject to my own teaching and learning styles. I didn’t know different styles existed (because I figured everyone taught and learned like me), so I was powerless to change my style to meet the needs of diverse learners.

Object: Object is the opposite of subject. Again, something that is object can be a relational issue, personality trait, or a belief about the world. While things that are subject have you, you have things that are object. While all of us necessarily have many parts of our world to which we are subject (if we gave much conscious thought to our assumptions about gravity, we might not have time to go to sleep at night!), one part of development is about moving more and more things from subject to object. The more in your life you take as object, the more complex your worldview because you can see and act upon more things. In the example above, as I struggled to help my students learn, I found out about teaching and learning styles—especially as they relate to personality type. For the first time I could examine something I hadn’t even known existed before—my own teaching and learning styles—and I could take action to help my students be more successful. What was once unknown and unnamed—subject—became within my ability to reflect on—as object. The most profound example of a move from subject to object is when the entire meaning-making system

moves from that which unquestioningly runs me to that which I can actively take charge of and control. This shift of entire systems from subject to object is what gives form to the five forms of mind.

Forms of mind: There are five forms of mind, ranging from a 2-year-old to a (mostly theoretical) person well into the second half of life. Each form is a qualitative shift in the meaning-making and complexity from the form before it. We do not give up what we've learned in a previous form of mind; we grow new capacities like rings on a tree, including and transcending our previous ways of making sense of the world. Perhaps the most important thing to remember about the forms of mind is that, while they become more complex with time, there is no form of mind that is inherently better than any other form (just as a more complex idea isn't necessarily more valuable than a simple one). People can be kind or unkind, just or unjust, moral or immoral at any of these forms of mind, so it is impossible to measure a person's worth by looking at his or her form of mind. What is more important is the fit between the mind and the task each person is required to do. Each of the five forms of mind is described briefly below, but the ones to pay closest attention to are the ones where the majority of adults spend most of their lives—the socialized mind and the self-authored mind. To help understand this system, I'm going to offer a fictional small village made up of members from all five forms of mind. I'll give the people in the village roles based on the strengths of their particular mind.

Magical childhood mind (mostly young children): Psychologist Jean Piaget was the first to point out that young children cannot yet hold the idea of "durable objects"—which is the notion that things in the world retain the same qualities over time. When they look out an airplane and see how small people look, they believe the people actually are small. A child with this form of mind believes that others in their lives can live in his mind and is mystified when others hold different opinions (about what the best colour is, for instance) or can't pick right up on a game in an imaginary world. When water is poured from one container to another, and the quantity of the water looks different, he believes the water actually has grown (or shrunk), and no amount of persuasion will convince him otherwise. He believes he can slip down the drain in the tub because he can't hold himself as different from the water that slips

away. Children in this form of mind need to be reminded of the rules over and over, because they can't hold the ideas in their mind for very long; the rule that existed yesterday about drawing on the walls might not seem to apply today. The magical childhood mind is a time of magic and mystery as the world inexplicably changes from second to second. If we imagine a member of our village with this form of mind, we'd see someone who needs constant supervision and is not yet ready to police himself because he simply can't remember the laws from moment to moment (we'd keep him firmly under adult supervision). His job is to learn about the world.

The self-sovereign mind (older children 7 to 10) and adolescents, but also some adults): When children learn that objects stay the same no matter what their own relationship is to the object (when I walk away from the car and it looks smaller, the car isn't actually shrinking), their world becomes less magical and more com- plex. They discover that they have beliefs and feelings that remain constant over time, as well (I love chocolate but hate mashed potatoes; I'm great at ice skating). This insight lets them know that other people have opinions and beliefs that remain constant, too. Their concrete understandings let them know that a rule yesterday is probably a rule today, too. Their orientation is to figuring out how to get past the rule if it is in their way. While they are aware that others have feelings and desires, true empathy isn't possible for them yet because the distance between their minds and other minds is so great. Mostly other people's interests are important only if they interfere with the interests of the person with a self-sovereign form of mind. When irritating rules are not broken, it's because of a fear of being caught; when friends don't lie to each other even when they're tempted to, it's because of a fear of retaliation. Children—and adults—at this stage are self-centred because theirs is the only perspective they rightfully know how to take. A villager with this form of mind follows the laws because she's afraid of punishment; if the laws don't seem to meet her needs and she can find a way to break them with minimal risk, she will. We can count on her to work in her own best interests, so we'll give her a job that is in her own best interests (like tending a garden for her family) that has clear boundaries and limited scope. We'll also make sure that she is fairly well supervised by others.

The socialized mind (older adolescents and the majority of adults): People with this form of mind no longer see others as simply a means to an ends; they have developed the ability to subordinate their desires to the desires of others. Their impulses and wishes, to which they were subject when they had more of a self-sovereign mind, have become objects for their reflection and decision-making. They internalize the feelings and emotions of others and are guided by those people or institutions (like an organization or synagogue or a political party) that are most important to them. They are able to think abstractly, be self-reflective about their actions and the actions of others, and are devoted to something that's greater than their own needs. The major limitation of this form of mind is that, when there is a conflict between important others (or between a single important other—like a partner, and an institution—like a political party), people with a socialized mind feel torn in two and cannot find a way to make a decision. There is no sense of what I want outside of others' expectations or societal roles. This is generally admirable in teenagers, but, in adults, it can often seem like a personality flaw. As Kegan notes, "When I live in this balance as an adult I am the prime candidate for the assertiveness trainer, who may tell me that I need to learn how to stand up for myself, be more 'selfish,' less pliable, and so on, as if these were mere skills to be added on to whoever else I am. The popular literature will talk about me as lacking self-esteem, or as a pushover because I want other people to like me". Kegan goes on to point out that the very notion of "self-esteem" is inappropriate at this order, because self-esteem implies an internal source for feeling good about one- self. Those with a socialized mind don't have an independently constructed self to feel good about; their esteem is reliant on others because they are, in many ways, made up of those people, ideas, or ideals around them. A villager with this form of mind could be a model citizen and may follow the laws out of loyalty to the others in the village (or his religion or his organization or his family). He tries hard not to break the rules because he wouldn't want to feel he had let others down. In our small, homogenous village, someone with a socialized form of mind can hold nearly any position that doesn't require independent leadership. He can be a teacher, have his own business, or be a member of the military. As long as he has someone whom he respects to help him make difficult decisions, he can do nearly anything in this village.

The self-authored mind (some adults): Adults with a self-authored form of mind have achieved all that those with a more-socialized mind have, but now they have created a self that exists even outside of its relationship to others. The opinions and desires of others that they internalized and that had great control over them when they were making meaning with more of a socialized form of mind are now object to them. They are now able to examine those various rule systems and opinions and are able to mediate between them. Those with a self-authored form of mind have an internal set of rules and regulations—a self-governing system- which they use to make their decisions or mediate conflicts. Unlike those with the earlier self-sovereign form of mind, those who are more self-authored can empathize with others, and consider the wishes and opinions of others when making decisions. Unlike those with a more-socialized form of mind, though, those who are more self-authored don't feel torn apart by the conflicting opinions of other people, theories, or ideas because they have their own system with which to make decisions. Instead, they feel torn when their own internal values are competition. These are the people we read about in the literature who "own" their work, who are self-guided, self-motivated, self-evaluative. A villager at this form of mind would make a good mayor because she has her own internal governing system. She could create the rules from her internal system and fight hard to protect those rules. This guidance would help the village run smoothly according to her inner vision of village life. The self-authored mayor may not be an excellent diplomat, however, because when other people don't understand or see the need to follow her rules, she may be so invested in her own way of doing things that she cannot easily see connections between her ideas of what is right and other people's ideas of what is right.

The self-transforming mind (very few adults): Adults who have a self-transforming form of mind have achieved all that those who are more self-authored have, but they have learned the limits of their own inner system—and the limits of having an inner system in general. Instead of viewing others as people with separate and different inner systems, those with a self-transforming mind see across inner systems to look at the similarities that are hidden inside what used to look like differences. For example, they see that the ways that ideas like homosexuality and hetero- sexuality actually create one another, that there would be no word that described sexual preference if

there weren't more than one option. People with this form of mind are less likely to see the world in terms of dichotomies or polarities. They are more likely to believe that what we often think of as black and white are just various shades of grey whose differences are made more visible by the lighter or darker colours around them. A villager with this mind might be an elder whose job it is to mediate conflicts between the many villages. While he generally follows the laws set by the mayor, he sees that the many different villages have a variety of laws that are basically designed to do similar things, and that the differences are much more like similarities than any of the mayors can see. He helps the mayors find a common ground and reminds them that they are all members of a larger community — the community of human beings, perhaps, or of members of our planet.

Development is not a race to the finish line. There's no prize for being the most self-transformational on your deathbed or the first in your high school class to become self-authored. Development isn't just about this theory or these forms of mind; it is the journey of our lives, the way we come to see and re-see the world around us.

Paying attention to someone's particular form of mind is not going to change the world. Paying attention to the sense making of yourself and others, however, might change the course of your life. Those of us who work in this space find ourselves being gentler with those around us, less frustrated by the foibles of humanity, more filled with admiration and affection for those who are doing their best. This becomes a virtuous cycle. Our stance opens us to new possibilities in other people. As we do this, it leads other people to become bigger in our company and they become aware of those possibilities themselves. Spending time with people who are being their biggest selves is a delight that pulls us to be at our most complex. Adult development theories exist to give us a glimpse into what sense the world makes to us and to others in the present and to show us all a path to a different set of possibilities for the future.

Dr. Jennifer Garvey Berger is a coach, leadership developer, researcher, and writer. She works with leaders around the world to see bigger, more inclusive perspectives and to think in more creative and collaborative ways about their challenges. She also offers advanced workshops to coaches in these practices. Jennifer is a partner in the

small leadership development consultancy, Cultivating Leadership (www.cultivatingleadership.co.nz). She has a doctorate from Harvard University, where she was mentored by Robert Kegan. This is reprinted with permission from Changing on the Job: Developing Leaders for a Complex World.

TABLE 6.1 Questions most associated with particular forms of mind

Form of mind	Classic Questions
Self-Sovereign	What's in it for me? Do others have to do exactly this same thing? What are the consequences of this for my getting more of what I want in the future? What are others doing that will affect me? Who is in charge and enforcing things here? What are the rewards for something that meets (or exceeds) the standards? What is the consequence for something that does not meet the standards?
Socialized	What will others say? How will this change my standing in my core group/role (in which I am embedded)? Is it the appropriate thing for me to be taking on given my role/experience/education? Am I doing this right? Are others doing this right? Who can tell me whether I've done it right or not? How will I know?
Self-authored	How does this forward my bigger goals/values/principals? What contribution do others make to this? With whom do I need to coordinate or collaborate? How do I know that this is the right thing for me to be doing? Have I really thought hard enough about this? Is it within my scope to do it? Is it a good problem to take on? How might I interact with others on this? Develop the standards to judge my success?
Self-Transforming	What can I learn from this? What assumptions about the world underpin my actions or opinions about this? The actions or opinions of those around me? Is the framing of this issue compatible with the way I see the world? How does it connect to the other things I am working on and care about? How do I work with others to shape and reshape this issue? How does this issue shape and reshape us? What is lost if I succeed here? What is gained if I fail?

Source: (Garvey Berger, 2012:117)

TABLE 6.2 Perspective-taking capacities when people agree and disagree about important issues

Form of mind	When you have a perspective that agrees with mine	When you have a perspective that disagrees with mine
Self-sovereign	You have the right values and perspectives-you see clearly and you put the facts together appropriately.	You're either with me or against me – if you're against me, you are incorrect and are not seeing things with a logical (or moral or correct) perspective. Because this shows a flaw in you, it seems unlikely to me that I will find common ground with you on anything.
Socialized	You are one of "us". If you share my belief about this issue, it is likely that you'll share my belief about other things which are important to "us".	You are one of "them" and perhaps could become one of "us" in time if you changed your actions. There might be some ways we agree, and depending on how vital this issue is to me, I might be interested in finding common ground.
Self-authored	You and I share perspectives on this issue – which does not necessarily mean we will share perspectives on future issues.	I seek to understand your reasons for holding a different opinion because often it is the people who disagree with me who help me hone and shape my argument the most. I can judge-and perhaps admire your logic irrespective of your view on this one issue.
Self-transforming	You and I may agree on this issue, but my guess is that we will probably have a whole different sense that we make of the issue and we probably agree for a variety of interestingly distinct reasons. I'm curious about the differences in why we might agree about this.	I am interested in all views on all issues because they push my thinking around and help me learn. Your disagreeing view might change the way I think about my own opinion, adding nuance and complexity. I recognise, in fact, that the only reason I can even hold one perspective strongly is because someone else holds the opposite perspective strongly – that in some ways, your opposite perspective creates and enables mine.

Source: (Garvey Berger, 2012:121)

6.2 Subject – Object Interview (1) 2011

SUMMARY OF SUBJECT-OBJECT INTERVIEW ANALYSIS

FOR TOM MCCARTHY

PROVIDED BY
DEBORAH HELSING,
ED.D. JUNE 2011

Your interview, which we conducted in June, 2011, reflects your capacity to make meaning with the Self-Authoring perspective (Stage 4).

The **Self-Authoring** perspective is characterized by several strengths, including the abilities to:

- generate one's own (and develop critiques of others') values, commitments, and assessments
- set limits or boundaries on relationships or commitments where necessary
- tolerate or welcome disagreement with important others
- take responsibility for one's inner life

The central theme around which your identity organizes itself concerns issues of control and agency, wanting to be able to influence an outcome to the extent you can, to feel in control of and able to manage your feelings and behaviours on behalf of your larger purposes, to be able to negotiate where possible, to take action on behalf of your beliefs and commitments.

Self-Authoring adults are limited in that they cannot reflect on or critique their own ideologies or governing theories.

Aspects of the Self-Authoring perspective that I see in your interview include:

1. You are able to take someone else's perspective, to understand their view of a situation, **even if it contrasts with your own**. You can coordinate another's perspective with your own. Your own perspective is not threatened by the fact that you can see the logic or integrity of another view, although that view can inform your own.
2. You are able to see yourself as the creator and manager of your inner states, to be able to reflect on them and alter them on behalf of your own larger purposes.
3. You have the related ability to separate what you can take responsibility for and what is not your responsibility. There is a very literal dimension to this, but also a psychological one (re: psychological blame, victimization, etc.):
4. You can exercise reflective judgment, making decisions on the basis of logic and evidence, looking to internal authority for final outcome.

What we can see across all these themes is an underlying identification with (subject to) a motivation to be in control, able to influence, be strategic, etc.

We also talked about the possibilities for your development toward the **Self-Transforming** perspective. This perspective is characterized by even more complex capacities including being able to:

- reflect on one's own and others' belief systems or ideologies to

identify larger patterns.

- orient to the dialectical or paradoxical, welcoming contradiction and oppositeness.
- understand and experience one's own self and identity as always revisable, evolving.

6.3 The Context for my Subject-Object Interview

Initially I worked on developing my four column maps and found this helped me to understand what was driving my immunity to change around an issue.

As my studies advanced I became more curious about exploring my meaning making beyond single change issues. I needed to understand what "Form" was to be transformed and what "Lens" I saw the world through. My rational was simple - if I established my developmental level then I would be in a better position to implement a development agenda. A secondary benefit for me would be a deepening of my understanding of how the theory worked - a process that is integral to my MMS.

My motivation was one of discovery and intellectual curiosity. I engaged Barbara Rapport of Real time Perspectives to carry it out and we went through a number of conversations. Barbara found that I was developmentally four ish based on my conversations and her interactions with me.

Subsequent to this I undertook the "memoir" and found it useful in identifying the theories that were imbedded in my MMS.

In 2011 I wanted to again test for progress. I was aware that Kegan and Leahy had compiled a subject-object interview to determine individual meaning making complexity.

I decided that I would undertake it and Barbara suggested that this time I engage Dr. Helsing to undertake the full subject-object interview.

Dr. Helsing worked at Minds at Work where Professor Kegan was a founding principal. She received her doctorate from the Harvard Graduate School of Education, where her research focused on adult development and professional learning. She was certified to do the subject-object interview.

I decided not to prepare or study for this as one might for a test but simply to engage with it.

I have been asked since if I had any fear, nervousness or trepidation and I can honestly say no. I could understand what was at the root of the question. Kegan's Theory is hierarchical in nature and what if the interview turned up a result that did not meet my expectations? My attitude was I am who I am and the result would just give me a perspective on this particular aspect of my life, the result in itself would not change me. It would however provide me with an external professional analysis of my meaning making for me to engage with and to plan a development agenda. It would also provide me with some interesting data and perspectives for my Portfolio of exploration.

The Subject Object Interview Process

I engaged with Dr. Helsing who explained the process.

We would schedule a 60 - 90 minute tape recorded phone interview. She would arrange for transcription of the interview by an outside transcription service (and I would receive a copy of the transcript). Dr. Helsing would analyse the interview. We would schedule a 60 minute debrief conversation to discuss her analysis and what it suggested for my on-going growth.

This was how we commenced.

In preparation for the interview I received a document on which were printed the following words and phrases: ANGRY, ANXIOUS, NERVOUS, SUCCESS, STRONG STAND, CONVICTION, SAD, TORN. These were to be used to begin the interview. I was told I did not need to do anything with this now - just print it and have it in front of me when we talked.

The following day we commenced an interview using Skype.

Dr. Helsing is a friendly engaging person and as I was to find out a skilled listener. The interview was recorded to allow for later transcription. When I received the transcript it ran to 65 pages running to 16,500 words. Dr. Helsing spoke for less than 5% of the time. When she did speak it was to seek a response at the meaning making level or to clarify the meaning in something I had said.

I commenced by giving some context to the economy that I operated my business in and the impact that the establishment of the National Asset Management Agency was having on my business, although my loans were performing and had not been transferred to the agency.

In my view some of the agency policies were distorting the market and impacting my business. One particular policy was created and applicable only to properties that secured loans to NAMA. A house could be sold and NAMA would defer payment of a portion of the loan for five years. This was a product to be provided by the Irish banks but only for properties secured to NAMA. The Irish State, allowing for some accounting creativity, owned NAMA and was a significant, if not majority, shareholder in a number of banks. I met the Chairman of NAMA and set out my position that while I recognized that incentive policies were necessary they should not distort the market. I stated that they should be available to the market in general not to a particular sector to avoid state aid. I felt we should not be put out of the market through a state intervention although I recognized the need to try to get the market moving. The Chairman listened to me in an attentive manner however in my mind I felt his remit was such that if there was collateral damage that was unfortunate but he had a job to do.

Dr. Helsing asked “And can you tell me what feels like it’s most at stake for you in this situation?”

This was to move from the ‘Story” to the meaning making underlying it.

I feel it correlated to the prompt on my sheet such as Angry, Change, Important to me and Anxious, Nervous.

I had circled these boxes in the context of the Economy.

In my opinion things were changing in Ireland in areas that were important to me and not for the better. I was anxious about the prospects for my business. I also understood that this was a national problem and something had to be done to move the market.

I wanted to get my point of view across to the Chairman of NAMA and to at least make him aware of it. Whether it would influence his policy formulation remained to be seen but this was potentially a more productive approach.

In the past, from an emotional standpoint, the concept that it was ok for the State to act in a way that could result in me being considered as collateral damage would have made me angry as it violated a fundament value of mine of fairness, reasonableness and the right of an individual. However anger was not the emotion I was experiencing and I explain why after I have introduced the second situation.

Throughout my discussion with the Chairman I could see the situation from both his and my perspective. I could reflect on them separately. I recognized the logic of his position and our discussion informed me. However it did not alter my concerns or the conviction with which I held them. His job was to protect the State's interest and I saw mine as protecting my family's interest. I had tried to share with him my perspective so that he might take it into account in the execution of his mandate. I did not know if our discussion would influence his views but I had to try.

I have already in some detail set up my reaction as the economic crisis had unfolded. I think what was important for me during this time was the capacity to reflect on and separate those things for which I was responsible and those things for which I was not. NAMA's actions would impact me but I was not responsible for them or for many other aspects of the crisis. Equally under my leadership I had made a number of decisions - be they to acquire sites or not to sell them - which where my responsibility.

We did not complete the interview as planned in the first session as we ran out of time. This provided me with time to reflect. I had expected a series of structured questions from the interviewer and that had not occurred. I had of course no basis for this expectation nor was I disappointed, just surprised.

I reflected on the process and through my selection of the subject matter to discuss I insured that I was in control, as the subject matter did not involve matters that were emotionally charged which would have taken me out of my comfort zone. I was not sure if this was something that would give a biased or even false result so I raised it with Dr. Helsing. I understood this was something, which had not been raised with her before but she would facilitate me by allocating additional time. I then picked issues that were a bit more emotionally charged. As I reflect on this it could be grounded in the concept that I wanted the best insight I could get into my meaning making or I was trying to exert an element of control. I believe it was the former and in any event it would be up to the interviewer to reflect on the intervention and the interviewer would have additional data on which to base her judgment of my MMS.

The second interview commenced around a business partner whom I no longer wanted to be in business with and the feeling was mutual. The solution to me was to sell the jointly owned properties, crystallize our profits and get on with our lives. However he would not sell the properties or his interest in them or acquire mine. This made no sense to me and was not a temporary strategy on his behalf as this had gone on for a number of years. I simply could not fathom his actions or more appropriately inactions.

Through the course I had re-read Victor Frank's book "Mans Search for Meaning" in which he had set out the idea that between stimulation and response one had a choice in how one responds. The concept of choice is central to my MMS. I had embraced this idea and had started to practice the concept of slowing myself down at trigger moments to allow myself to choose my response in a conscious manner.

I had also been introduced to the concept that emotions, for example anger was something we created, as well as experienced, internally. It was a response to some

external or internal action or lack of action that violated some construction that we have of ourselves with which we identify. I was learning that this identity was in itself a construct to which we were subject to unless we made it object. Collingwood had referred to elements of our thinking process that “are doing their work in darkness, the light of consciousness never falling on them” (Collingwood, 1940: 43)

I no longer said that guy drives me mad. In fact I had driven myself mad by trying to apply my logic to his meaning making system and of course this was futile. I now looked to myself to understand the problem.

I would seek to understand what aspect of my identity felt violated, the reasons why and try to respond accordingly. I valued logic in my business actions. I desired a solution that worked for both parties. I valued reasonableness and relationships were important to me and I am also tenacious. From my standpoint all of the elements that would normally allow a deal to be constructed were unachievable. I was not able to predict his actions or nudge him towards a solution. It was clear to me that whatever objective I wanted to achieve, his objective would be the opposite. Even if for me that gave the illogical result of us remaining in business together when this could not be a profitable course of action for us.

I could not understand this individual’s actions - I could however choose how I respond to them at two levels. I now understood which elements of myself constructed identity felt violated and why in understanding this I return to me the power that I had given to a third party. I chose to no longer expend any emotional energy on this dilemma. I simply stopped trying to achieve a solution to a problem that did not want to be solved.

Dr. Helsing subsequently said I was able “to see yourself as the creator and manager of your inner states, to be able to reflect on them and alter them on behalf of your own larger purposes”.

The final story I told involved the banking sector in Ireland. I was heavily impacted by how this sector had operated and in my mind now by its failure to operate. I need

this sector to be fixed and to serve the economy. After all that is why the State had gone to such great lengths to save it.

Yet as a sector it was dysfunctional and overrun by fear. Fear of job losses, that the institution would no longer exist, of the property sector, of values, of past decisions and of making a mistake. It is next to impossible to achieve anything. Decision-making was paralyzed and yet in the circumstance it was entirely understandable. I could see the situation from my perspective and from the banker's perspective.

Drucker said that man's role in society is determined by his sense of purpose. If a whole industry overnight ceases to be needed and there is no vision as to how to remedy the problem who can fail to understand the mindlessness that fills the vacuum left by lack of purpose.

As I answer Dr. Helsing's questions, these new elements of my meaning making were prominent.

We completed the interview and the next step was for the transcript to be prepared for Dr. Helsing to analyse and to conduct a debriefing session.

The approach to the debriefing was gentle and inclusive. Dr. Helsing started by reflecting back to me what I had said in developmental terms and checked if I was in agreement with her and I was. Once this was achieved it clearly suggested the score.

6.4 Professional Development Portfolio

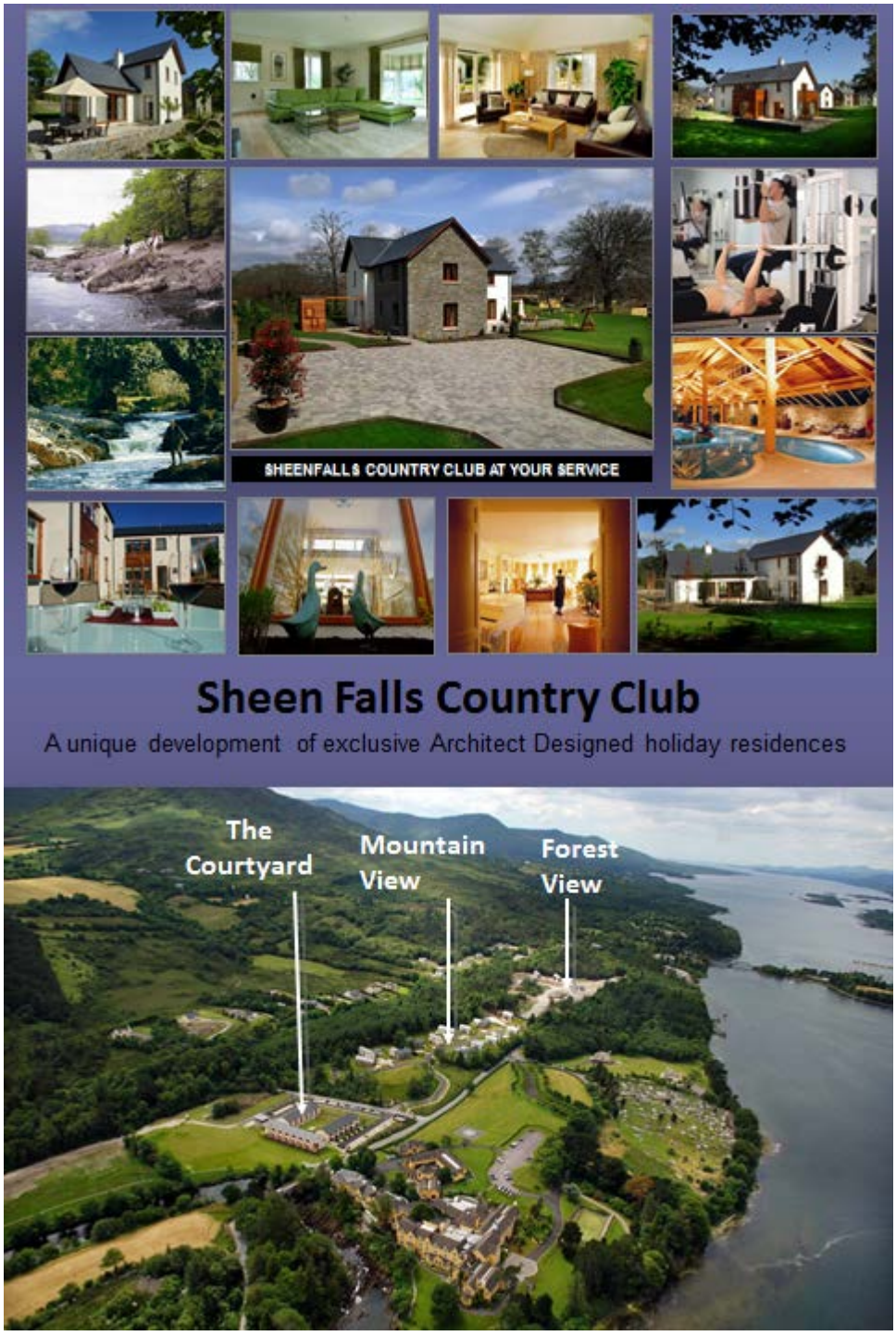





The Sanctuary, Jacobs Island.

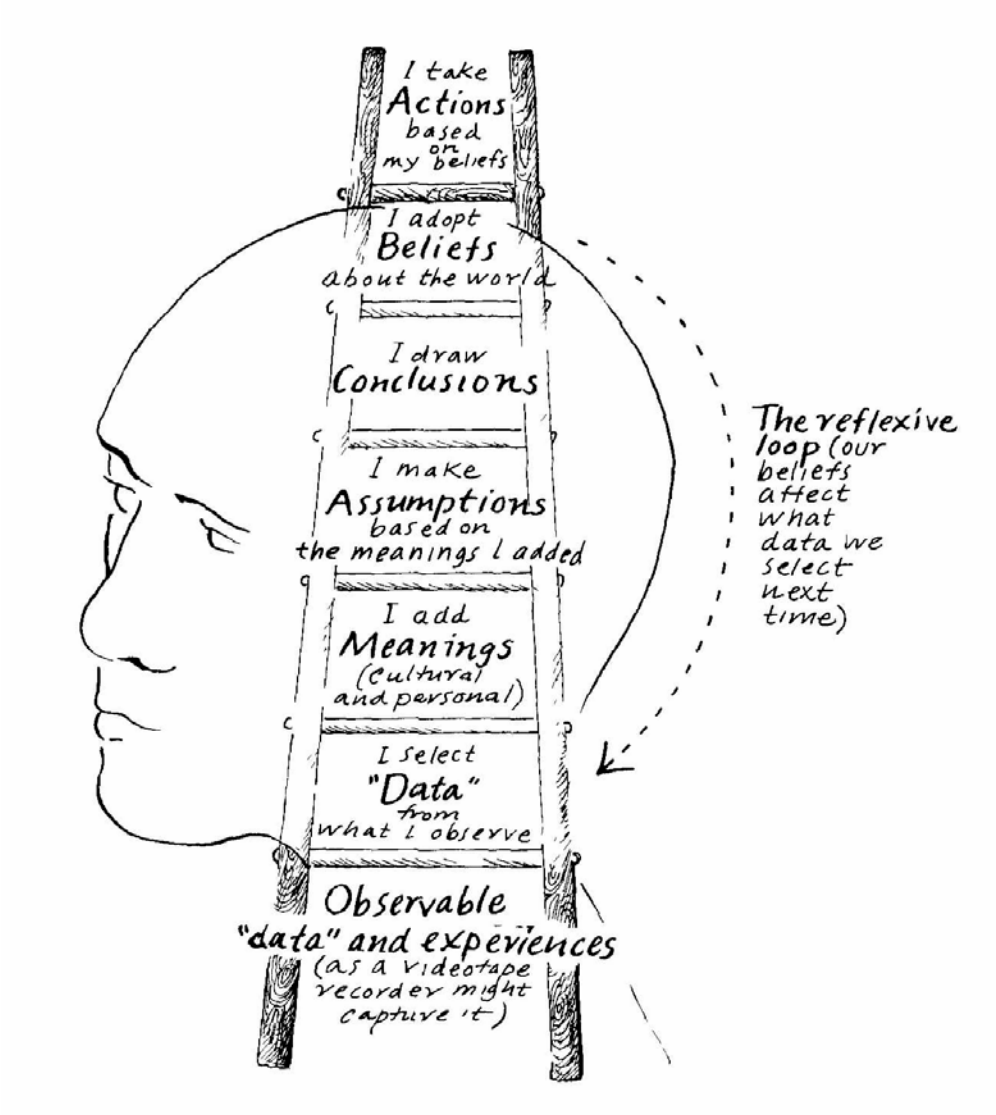

Jacobs Island 1 & 2 Bed Apartments


Gold Crop
Centre Park Road
Cork


SHEENFALLS COUNTRY CLUB AT YOUR SERVICE
Sheen Falls Country Club
A unique development of exclusive Architect Designed holiday residences
The Courtyard
Mountain View
Forest View

6.5 Argyris Ladder of Inference applied to the Property Market

As part of development journey to increase my awareness of what I am subject to I find it useful to use Argyris Ladder of Inference (1980). Argyris model separates assumptions, facts and data in the Ladder of Inference (1980) (as presented below).



Source: Argyris Ladder of Inference

Argyris has helped me to categorise vast amounts of data into simple steps that focus my attention on specific questions. I interpret data with my theories, make assumptions, adopt my beliefs and take action.

The Ladder of Inference illustrates how the ‘action step’ is several steps removed from the ‘data step’ along a mental pathway of increased abstraction.

Argyris argues that in order to avoid jumping to conclusions and assuming others have reached the same conclusions it is important to ascend the ladder, in a conscious manner, to understand different viewpoints and assumptions we make, and others make, and others by entering into a process of advocacy and enquiry.

Argyris puts a focus on the thinking process that leads to a decision. Argyris and Schön (1974) premises are that people have mental maps that determine how they act in situations. It is these mental maps that guide people’s practice rather than the theories they explicitly espouse. Argyris further suggests that fewer people still are aware of the maps or theories they use (Smith, 2013).

It may be that what Argyris observed was the dominant role of the sub-conscious in the decision making process. Similarly Wilson’s central thesis is that “human personality resides in two places: in the adaptive unconscious and in conscious constructs of the self” (Wilson, 2002). He concludes that our adaptive un-consciousness controls the majority of our processing and decision-making and therefore it occurs below the threshold of awareness.

As I reflected on my practice pre-crisis I considered the impact of thoughts I was not conscious of in my decision-making. One of my key objectives in my interactions with Kegan’s theory was to shift what I was subject to and make it object through a process of raising my awareness.

If I could increase my awareness, with clear data, theories, assumptions, values and beliefs this should lead to improved decision making in comparison with my past practice of considering the business environment when the outcome produced by me was influenced by the idea that:

- My beliefs are the truth.
- The truth is obvious.
- My beliefs are based on real data.

- The data I selected is the real data.

In using the Ladder of Inference as an additional tool it enable's me to reflect on, and advocate for my thinking and reasoning, and to inquire into the thinking and reasoning of others.

As a practical application of Argyris Ladder of Inference I used it to analyse my approach to the housing market. I identify what I was subject to - a belief in the sustainability of the financial markets.

Step One – Observable "data" and experiences

The Irish Housing Market Irish House Price Movements – underlying determinants

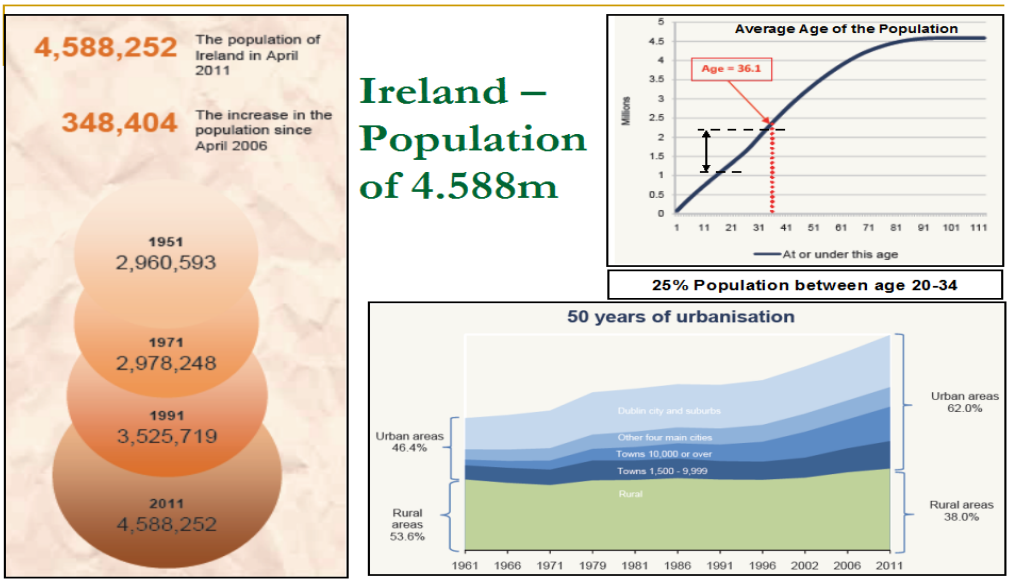
- 1. Substantial increase in demand side factors
    - Doubling of the economy between 1995 - 2005
    - Number at work increases by 50 per cent
    - Relatively young population
    - Income per capita goes from one of the lowest to the highest in the Euro zone

- 2. Allied to Irish specific factors
    - Internationally, stable and accommodative monetary policy over a prolonged period
    - Contributed to a significant number of housing booms across the OECD
    - In an Irish context, it increased affordability substantially

- 3. Irish credit markets
    - Experienced considerable liberalisation
    - A number of key credit and interest-rate controls removed

Step two "I select data from what I observe"

- 4. Ireland's population is growing and the growth is occurring in the urban areas.



Source: CSO 2011

Table A below shows the growth in housing stock and population recorded by each census between 1991 and 2011. In percentage terms, the rise in housing stock over this 20-year period significantly outpaced the growth in population (71.9% compared with 30.1%). In absolute terms, from 1991 to 2011 the population grew by 1,062,533 and the housing stock had a net gain of 834,596 dwellings. This equates to 785 new housing units for every 1,000 persons added to the population between 1991 and 2011.

Table A Population and housing stock, 1991-2011

Census Year	Population	% change in population	Housing Stock	% change in housing stock
1991	3,525,719	-	1,160,249	-
1996	3,626,087	2.8	1,258,948	8.5
2002	3,917,203	8.0	1,460,053	16.0
2006	4,239,848	8.2	1,769,613	21.2
2011	4,588,252	8.2	1,994,845	12.7

CSO 2011.

Step three "I add meaning (cultural and personal)"

Irish people want to own the dwellings; there is an opportunity for me to service this demand.

Step four "I make assumptions based on meanings I added"

The bank will fund my business and provide mortgages to buyers. There is a risk that individuals and companies may over extend however the financial system is subject to multiple layers of oversight from both the private and public sector and this system of checks and balances will ensure that the bank's business model is sustainable.

Step five "I draw conclusions"

The fundamentals for the housing market are positive. Ireland is following the European trend resulting in smaller family sizes. The number of houses per thousand of population in England was 435 and in Germany it was 488 in 2011. The change in household size meant we needed more dwellings in Ireland. The number of houses per thousand of population increased from 329 in 1991 to 434 in 2011 in Ireland. This was still below England and Germany.

The growth in population is in urban areas, which means we need more homes in these areas. Urbanisation will mean Ireland will need apartments. Two income

families will drive demand for holiday homes. The demand for all types' dwellings is increasing.

My business model, which depends on bank finance for my company to develop and the customer to purchase the completed product, is sustainable as long as I don't overpay for land.

Step six "I adopt beliefs about the world"

Ireland's Tax policy is attracting a lot of foreign direct investment. Ireland has a young well educated English speaking work force combined with a geographic location that allows us to do business with the east and west coast in a single working day means this investment will continue. A growing economy, low interest rates and growing incomes will sustain the property market. The banks business model is sustainable.

Step seven "I take actions based on my belief"

Focusing on the residential sector makes good business sense. If we purchase well-located sites and deliver a good product our strategy will result in a profitable business. Founded on this belief I developed and sold over five hundred dwelling units. The funding for this was based on bank debt and family equity.

On reflection my approach to risk in the operation of my business pre-crisis, was based on an unstated belief in the robustness of the financial markets and their governance systems. I realise now that this belief was unwarranted, as it was founded on incorrect assumption, but at the time I did not evaluate the merits of this belief rather I presupposed it.

6.6 Defining Critical Thinking

Critical thinking...the awakening of the intellect to the study of itself. Critical thinking is a rich concept that has been developing throughout the past 2500 years. The term "critical thinking" has its roots in the mid-late 20th century. We offer here overlapping definitions, together which form a substantive, trans disciplinary conception of critical thinking.

Critical Thinking as Defined by the National Council for Excellence in Critical Thinking, 1987

A statement by Michael Scriven & Richard Paul, presented at the 8th Annual International Conference on Critical Thinking and Education Reform, Summer 1987.

Critical thinking is the intellectually disciplined process of actively and skilfully conceptualizing, applying, analysing, synthesizing, and/or evaluating information gathered from, or generated by, observation, experience, reflection, reasoning, or communication, as a guide to belief and action. In its exemplary form, it is based on universal intellectual values that transcend subject matter divisions: clarity, accuracy, precision, consistency, relevance, sound evidence, good reasons, depth, breadth, and fairness.

It entails the examination of those structures or elements of thought implicit in all reasoning: purpose, problem, or question-at-issue; assumptions; concepts; empirical grounding; reasoning leading to conclusions; implications and consequences; objections from alternative viewpoints; and frame of reference. Critical thinking — in being responsive to variable subject matter, issues, and purposes — is incorporated in a family of interwoven modes of thinking, among them: scientific thinking, mathematical thinking, historical thinking,

anthropological thinking, economic thinking, moral thinking, and philosophical thinking.

Critical thinking can be seen as having two components: 1) a set of information and belief generating and processing skills, and 2) the habit, based on intellectual commitment, of using those skills to guide behaviour. It is thus to be contrasted with: 1) the mere acquisition and retention of information alone, because it involves a particular way in which information is sought and treated; 2) the mere possession of a set of skills, because it involves the continual use of them; and 3) the mere use of those skills ("as an exercise") without acceptance of their results.

Critical thinking varies according to the motivation underlying it. When grounded in selfish motives, it is often manifested in the skilful manipulation of ideas in service of one's own, or one's groups', vested interest. As such it is typically intellectually flawed, however pragmatically successful it might be. When grounded in fair-mindedness and intellectual integrity, it is typically of a higher order intellectually, though subject to the charge of "idealism" by those habituated to its selfish use.

Critical thinking of any kind is never universal in any individual; everyone is subject to episodes of undisciplined or irrational thought. Its quality is therefore typically a matter of degree and dependent on, among other things, the quality and depth of experience in a given domain of thinking or with respect to a particular class of questions. No one is a critical thinker through-and-through, but only to such-and-such a degree, with such-and-such insights and blind spots, subject to such-and-such tendencies towards self-delusion. For this reason, the development of critical thinking skills and dispositions is a life-long endeavour.

Another Brief Conceptualization of Critical Thinking

Critical thinking is self-guided, self-disciplined thinking which attempts to reason at the highest level of quality in a fair-minded way. People who think critically consistently attempt to live rationally, reasonably, empathically. They are keenly aware of the inherently flawed nature of human thinking when left unchecked. They strive to diminish the power of their egocentric and sociocentric tendencies. They use the intellectual tools that critical thinking offers – concepts and principles that enable them to analyze, assess, and improve thinking. They work diligently to develop the intellectual virtues of intellectual integrity, intellectual humility, intellectual civility, intellectual empathy, intellectual sense of justice and confidence in reason. They realize that no matter how skilled they are as thinkers, they can always improve their reasoning abilities and they will at times fall prey to mistakes in reasoning, human irrationality, prejudices, biases, distortions, uncritically accepted social rules and taboos, self-interest, and vested interest. They strive to improve the world in whatever ways they can and contribute to a more rational, civilized society. At the same time, they recognize the complexities often inherent in doing so. They avoid thinking simplistically about complicated issues and strive to appropriately consider the rights and needs of relevant others. They recognize the complexities in developing as thinkers, and commit themselves to life-long practice toward self-improvement. They embody the Socratic principle: *The unexamined life is not worth living,* because they realize that many unexamined lives together result in an uncritical, unjust, dangerous world. ~ Linda Elder, September, 2007

Why Critical Thinking?

The Problem Everyone thinks; it is our nature to do so. But much of our thinking, left to itself, is biased, distorted, partial, uninformed or down-right prejudiced. Yet the quality of our life and that of what we produce, make, or build depends precisely on the quality of our

thought. Shoddy thinking is costly, both in money and in quality of life. Excellence in thought, however, must be systematically cultivated.

A Definition

Critical thinking is that mode of thinking - about any subject, content, or problem - in which the thinker improves the quality of his or her thinking by skilfully taking charge of the structures inherent in thinking and imposing intellectual standards upon them.

The Result

A well cultivated critical thinker: raises vital questions and problems, formulating them clearly and precisely; gathers and assesses relevant information, using abstract ideas to interpret it effectively comes to well-reasoned conclusions and solutions, testing them against relevant criteria and standards; thinks open-mindedly within alternative systems of thought, recognizing and assessing, as need be, their assumptions, implications, and practical consequences; and communicates effectively with others in figuring out solutions to complex problems.

Critical thinking is, in short, self-directed, self-disciplined, self-monitored, and self-corrective thinking. It presupposes assent to rigorous standards of excellence and mindful command of their use. It entails effective communication and problem solving abilities and a commitment to overcome our native egocentrism and sociocentrism.
(Taken from Richard Paul and Linda Elder, *The Miniature Guide to Critical Thinking Concepts and Tools*, Foundation for Critical Thinking Press, 2008)

Critical Thinking Defined by Edward Glaser

In a seminal study on critical thinking and education in 1941, Edward Glaser defines critical thinking as follows "The ability to think critically, as conceived in this volume, involves three things: (1) an attitude of being disposed to consider in a thoughtful way the problems and subjects that come within the range of one's experiences, (2) knowledge of the methods of logical inquiry and reasoning, and (3) some skill in applying those methods. Critical thinking calls for a persistent effort to examine any belief or supposed form of knowledge in the light of the evidence that supports it and the further conclusions to which it tends. It also generally requires ability to recognize problems, to find workable means for meeting those problems, to gather and marshal pertinent information, to recognize unstated assumptions and values, to comprehend and use language with accuracy, clarity, and discrimination, to interpret data, to appraise evidence and evaluate arguments, to recognize the existence (or non-existence) of logical relationships between propositions, to draw warranted conclusions and generalizations, to put to test the conclusions and generalizations at which one arrives, to reconstruct one's patterns of beliefs on the basis of wider experience, and to render accurate judgments about specific things and qualities in everyday life.

(Edward M. Glaser, *An Experiment in the Development of Critical Thinking,* Teacher's College, Columbia University, 1941)

6.7 Collingwood and the Characteristics of Philosophy

In this section I draw from Mink (1969) and from Connelly (2003). I do so as both authors have set the general features of Collingwood's conception of philosophy, which provides the foundation for the change in my MMS.

Philosophy Is Systematic

Collingwood in his methodology sought to break philosophical concepts into the smallest component part but always recognising that they were part of a larger system. In his opinion the philosopher, when philosophising, must describe the experience that he is focusing on in a way that presents the underlying principals and the relationship between them. The importance of separation for analysis and connectedness for consideration is key to understanding the systematic way he approach's his philosophy.

He wrote that "the different parts of philosophy are so related among themselves that none of them can be discussed without raising problems belonging to the rest" (Connelly, 2003: 57).

So important was the adoption of a scientific approach to Collingwood that in his writing, and although the two essays were considered a series, he separated the consideration of method and subject matter.

The first An Essay on Philosophical Method (Collingwood et al, 2005) is an account of the method and principal employed in philosophical thought. Its purpose is to identify the typical characteristics of philosophical method.

The second An Essay on Metaphysics (Collingwood and Martin, 2002) is focused on the subject matter of philosophy. In this essay, Collingwood developed the idea of metaphysics as a science of absolute presuppositions.

Philosophy is Self-Referential

Philosophy is thinking about thinking and while engaging in the process of thinking the subject and object coincided.

Philosophy is Criteriological

Philosophy is the study of thinking and this study is judged by criteria to determine if it is a success or failure. The same criteria can be applied to the performance that the philosopher reflects on and his performance as a philosopher undertaking this reflection.

Philosophy is Thinking About Thinking and Therefore it is Reflective

Philosophy is thought of the second degree (Connelly, 2003: 59).

That is, it is a reflection on a thought, which is its self-concerned with an object.

'Philosophy is reflective. The philosophizing mind never simply thinks about an object, it always, while thinking about any object' thinks also about its own thought about that object. Philosophy may thus be called thought of the second degree, thought about thought... Philosophy is never concerned with thought by itself; it is always concerned with its relationship to its object, and is therefore concerned with the object just as much as with the thought... Philosophy cannot separate the study of knowing from the study of what is known. This impossibility follows directly from the idea of philosophy as thought of the second degree" (Collingwood et al, 2005:1-3).

For Connelly one of the key functions of the philosopher in undertaking his task is 'the elucidation and making explicit of the principals presupposed in its operations'. Collingwood when he says 'the Philosopher cannot separate the study of knowing from the study of what it known' has us considering two aspects of philosophy, the epistemological' such as one group might under the question 'how is (for example) historical knowledge possible' and the metaphysical, 'concerned with the nature of (for example) the historians subject matter: the elucidation for terms like events, process, progress, civilization, and so forth' (Collingwood 1967:77) (Connelly, 2003:60). Collingwood goes on to say that the two aspects are distinguishable but not separable; 'one might put this by saying the philosopher, in so far as he thinks about

the subjective side of history, is an epistemologist, in so far as he thinks about the objective side of the metaphysician; but that way of putting it would be dangerous as conveying a suggestion that the epistemological and metaphysical part of his work can be treated separately, and this would be a mistake. Philosophy cannot separate the study of knowing from the study of what is known' (Collingwood, 2005: 3).

Collingwood in this passage introduces us to the concept of the philosopher being required to think from a metaphysical and epistemological point of view when considering thoughts of the first degree. There is a cross over here with Kegan again in trying to make object that to which we were subject. A Philosopher as a metaphysician tries to identify and prescribe the principals which underpin the thoughts in the first degree and in doing so determines the particular nature of its subject matter. As an epistemologist he seeks to study how a form of activity is possible and its subject matter knowable. Connelly identifies how Collingwood does this using transcendental argument and notes that these remarks echo Kant (Connelly, 2003: 61).

Both Collingwood and Kegan seek to make explicit what was previously implicit. For Collingwood philosophy is thinking about thinking and the philosopher if he is to philosophise can only do so based on first-hand experience of the appropriate forms of knowledge or activity.

Philosophy Elucidates What in Some Sense We Already Know

For Collingwood, 'philosophy does not, like exact or empirical science, bring us to know things of which we were simply ignorant, but brings us to know in a different way things which we already knew in some way (Collingwood et al, 2005:161).

The philosopher is seeking to unveil to us the scaffolding on which our thinking processes are constructed. These are based on principals, presuppositions and concepts that collectively inform our experience. The philosopher then attempts to describe these elements for us so that a shift occurs in our understanding of the experience as a result of which we gain a new insight into the experience; he does so by identifying new relationships within the experience.

Collingwood in his 1929 lecture on moral philosophy sets out his summary of philosophy. 'The change is from learning things in the dark or dim or confused way to knowing them in a clear or luminous or distinct way. I do not mean that we come to know them with any greater force or conviction. At the beginning of our philosophical inquiries we may feel as perfectly convinced as it is possible to be, but in general we do not quite know what it is that we are so profoundly convinced of. What we do by these inquiries is to learn our own minds, in the sense of learning what it is we really think or really want. From this point of view it might be said that philosophical inquiry and argument cannot change people's opinion but can and does change their opinions as to what their opinions really are' (Collingwood, 1929:10).

Philosophy is Categorical Thinking Dealing with a Determinative Subject Matter

Philosophy takes as its subject matter thought. This thought encapsulates an actual experience, which the philosopher tries to make intelligible through a process of reflection that is in itself a thought. The natures of both thoughts are the same. This is categorical thinking.

Philosophy Is Activity, Not Result

In the passage to follow we see Collingwood's identification with philosophy as an activity not as a result.

'Ever since Pythagoras.... invented the word philosophy, in order to express the notion of the philosopher not as one who possesses wisdom but as one who aspires to it, students of philosophy have recognized that the essence of their business lies not in holding this view or that, but in aiming at some view not yet reached: in labour and adventure of thinking, not in the result of it. What a genuine philosopher…. tries to express when he writes is the experience he enjoys in the course of this adventure, where theories and systems are only incidents in the journey' (Collingwood, 1958:297).

Philosophy Conceives Its Object as Activity

Collingwood in his essay on Political Action and Economics as a Philosophical Science gives a fair representation of his view. In political action he writes 'I propose

to take my stand, not on a category of substance and attribute, but on a category of actions' (Collingwood,1928:155).

In economics as a political science he says that 'the conception of value, wealth and so forth are not ultimately inexplicable; they can be understood, but only by resolving them into conceptions of economic action. This resolution is a task for philosophy. Philosophical thought is that which conceives its objective as activity: empirical thought is that which conceives its object as a substance or thing'(Collingwood, 1926:162). Collingwood goes on to say, in the same essay, 'the Philosophers business is to study economics and politics as a types of ethical action and to elucidate its distinct presuppositions or 'fundamental concept' (Collingwood, 1926:162).

It is clear from both of these passages that if we conceive philosophy as thinking about thinking then its object is this activity. Collingwood contrasts philosophical study with a psychological study 'a psychological study which treats thought not as a self-critical activity operating according to criteria by which it can judge its own success, but as a mere mental event devoid of reference to its object or to the criteria by which it passes judgment on itself; psychology, in other words, hypostatises activity into substance.'

Collingwood as a Meaning Making System

I enquire in to Collingwood as a meaning making system by reflecting on formative periods in his life. The method I adopt is to identify key influences from a particular period utilising a philosophical perspective to identify the elements that emerge in terms of his MMS. I then seek to 'spin these threads of life together' (Inglis, 2011: 31) in which the central element that permeates throughout his mms in his approach to knowledge creation founded on his logic of question and answer. In pursuing this approach my objective to see the man as an mms and in doing so incorporate not only insight emerging but this capability in to my practice.

Home

Collingwood grew up in the Lake District, first at Gillhead and then in Coniston, in an environment, which created in him a love of the natural world and with a family that nourished his intellectual and physical development. His father was a secretary to Ruskin, one of the greatest Victorian thinkers, and was himself an artist and accomplished archaeologist.

His parent's approach to education was unsurprisingly grounded in the Arts and Crafts movement, which was led by Ruskin. The curriculum was painting, music, classical, folk and English literature. The delivery method was "education in studying by doing" (Inglis, 2011: 6).

This was a home full of ideas, creativity and practical learning. His mother tended to his musical education teaching him to play the piano and the violin and while also teaching him to draw and paint. His observation of his parents, and their guest, giving expression to their art, created awareness in him of the creative process of the artist and stimulated the development of a critical eye (Collingwood, 1967:2).

His father thought him to read Latin at four, Greek at six and exposed him to Kant by eight. By the time he went to Rugby he was fluent in both French and German as well. He also introduced his son to what was to become a lifelong interest in archaeology.

He applied himself to sailing and to learning many arts and crafts during this period.

In later years as he reflected on this exceptional home education it shaped his view on education system and the role of the parent. His experience of home and state education allowed him to compare the freedom of home life in which a child could focus on learning in a natural rhythm in contrast to what he perceived as the unnaturally inflexible and fragmented day of a school child.

In the New Leviathan he set out the role of the educationalist as being primarily the responsibility of parents rather than the State (Collingwood, 1942: 309). He identified a partnership model should be developed where the parent would be the generalist with the teacher as a specialist (Collingwood, 1942: 317).

As I engaged with his thinking in relation to education I reflected on my approach to the education of my own children -Tom, Ali and Harry.

In the field of art I take a more proactive role trying to expose and involve my children in the arts. I have organised dinner with artist and curators, commissioned portraits and entered into conversations with the children to develop this aspect of their MMS.

When I read an extract of 'The Principles of Art" (Collingwood, 1958) I was intrigued by how thinking about art using a philosophical approach would create for me a new relationship to art. I never thought that to define 'Art' I need to consider what Art was not to clarify what it was. Collingwood's approach to thinking in categories requiring the involvement of both positive and negative to situate that which we inquired into in relation to other things to emerge with a clear definition. This engagement enlightens my relationship to art.

This period in his life provided what Inglis referred to as the 'Coding, the very ground and being of their lives' (Inglis, 2011:6). The beliefs and values that were embed in his meaning making system from this period manifest themselves in the form of an

upright, truthful and self-reliant character who had the confidence in his intellectual capacity befitting a young man of such wide and deep learning.

Consistent with the family philosophy of learning by doing it was out of his practical experience on the archaeological digs with his father that origins of a question and answer emerge through his exposure to Haverfield's Baconian methods (Collingwood, 1967:124). It was my engagement with this concept that has had to the largest change in my thinking and thus my practice.

As a result of this I formed the opinion that most valuable thing he learned was not an individual skill, or fluency in a language, it was an education in, and a love of, how to think. It was this special faculty that he spent the rest of his life developing. (Collingwood, 1967:4)

It was with this solid intellectual and practical foundation that Collingwood went up to Rugby at the age of fourteen.

Rugby

Collingwood attended Rugby from 1903 to 1907 and specialised in the classics.

The school ethos was established by Rugby's most famous headmaster Mr. Thomas Arnold (d. 1842) who created the model of a public school open to the middle classes, dedicated to ideals of public service, Christianity and a healthy athleticism. (Boucher, 2013: 185) Its objective was to embed in its pupils the structures of seniority, authority and achievement, which were at the core of the English class system and which Collingwood embraced through his role as prefect.

I have not ever objectively reflected on the ethos of the educational establishment that I have attended rather I engaged at the level of the course.

In his Autobiography he is critical of the rugby system of teaching; he does however credit it with teaching him the skills of administrative work (Collingwood, 1967:7-9). However this was not the only skill he honed during his time at Rugby he also

developed the process of forming his views on an evidential basis. This approach was in contrast to his fellow students who would misquote or wrongly attribute views to a thinker due to a lack of investigation. (Boucher,2013:183) (Collingwood,1967:27)

At this stage in his intellectual development the formation of his mms was well underway and as evidence above shows he was clearly willing to author his own way and to be unconventional if this was required. Philosophy, which became his lifelong passion, had already become part of his MMS and this was acknowledged in a letter to his sister in which he stated; 'Sorry I can't keep Aristotle out of my letters' (Boucher, 2013:220).

As I reflected on Collingwood's home and formal education it provided the setting for the development of key elements in his mms that would be so evident in his future practice, a combination of practical skills and activity, with intellectual endeavour. This period instilled in his mms a civic mindedness, stiff Victorian principals, a vocation to understand the world he lived in and to apply his ideas to its improvement.

As he went up to Oxford, he had not only 'acquired and was practicing the habits of thought, work and practical engagement, taught to him by his father in the tradition of Ruskin' (Boucher, 2013: 212).

The Oxford Man

At Oxford he won a first in Greats; secured a fellowship at Pembroke and became the Waynflete Professor. This is also where he chose to live with his family, raise his children, Bill and Ruth, and pursue his vocation of thinking, writing and teaching. Given his love of thought, philosophy, teaching and his students it is not surprising that he would only leave Oxford in later life when forced by ill health, and the coming political storm, which made work impossible (Boucher, 2013:213).

Oxford is where his professional life unfolded, reached its peak and is where he left his legacy. In 1910 when he began reading philosophy at Rugby, Oxford was about to become a battleground and it would be a battle that he would partake in in his later

years. The battle would rage over the influences of the Kantian-Hegelian school, identified with Green idealism, and those seeking to destroy this influence. The representatives of Green were J.A. Smith and H.H. Joachim, with John Cook Wilson, H.A. Prichard and H.W. B. Joseph leading the charge for the opposition. Collingwood would enlist first with the Realist, and study under John Cook Wilson, only later to rebel against them having established fundamental difficulties with new Realism.

6.8 Loan Contract Setting out the Events of Default

Events of Default

On the occurrence of any of the events specified below, the bank may, by giving notice to the Borrower, cancel any outstanding commitments and treat the Loan(s) as being repayable on demand and may exercise its rights under any security which it holds. In the case of a Variable Interest Rate Loan, in such circumstances an interest surcharge of 5% per annum will be applied to any outstanding balance. In the case of a Fixed Interest Rate Loan in such circumstances, same will revert to the bank's Variable Rate of costs of funds, as defined in the bank's standard Loan Conditions, plus the relevant margin that was previously charged on the Fixed Interest Rate Loan – a surcharge of 5% will also be applied. The Borrower will be liable for any costs, which the bank incurs in converting from Fixed Interest Rate to Variable Rate. Any delay by the bank in giving notice or in exercising its rights hereunder shall not be construed as a waiver by the Bank of its rights:-

i) Any breach by the Borrower of any term or condition of the Loan(s);

ii) If default is made in the payment on the due date of any sums due and owing under the Loan(s) by way of principal or interest, or if the Borrower fails to pay any other monies which from time to time be due and owing to the Bank by the Borrower.

iii) If any mortgaged property, or any part thereof, is sold during the existence of the Loans(s) without prior consent in writing of the Bank;

iv) The death, mental incapacity or bankruptcy of the Borrower or guarantor, where applicable, or if the Borrower or guarantor makes or seeks to make any composition or arrangement with creditors;

v) If any premium payable on any policy of life assurance assigned to the bank as security, or on any policy of insurance on any property mortgaged to the Bank as security, is not fully paid when it becomes due.

vi) If during the currency of the Loan(s) the Bank is not furnished with all information that it may reasonably require in regard to the business of the Borrower.

vii) If any representations, warranties or statements made to the Bank in connection with the Loan(s) shall be breached or shall be untrue in any material particular or if the Borrower shall fail to disclose any fact or defect which, in the Bank's opinion, is material to the Loan(s) or if at the Bank's absolute discretion, it considers that the ability of the Borrower to repay the Loan(s) in full (including principal, interest and any other sums due) is, or is likely to become, in jeopardy;

viii) If there is any material change in the circumstances affecting the Loan(s) or the Borrower's other obligations to the Bank or to other financial institutions.

ix) If a distress is levied or threatened against the goods of the Borrower or the same is seized or taken into execution in pursuance of any order or judgement of any Court of competent jurisdiction.

x) If any judgement against the Borrower remains unsatisfied for a period of seven days from the date same is obtained.

xi) If the Borrower ceases or threatens to cease to carry on business or disposes or attempts to dispose of the whole or any substantial part of his undertaking or assets (except in the ordinary course of business).

xii) If any guarantor (which expression shall include any third party from whom the Bank shall hold any form of security for the Loan(s) attempts to determine or withdraw his guarantee or other security or shall die, or become bankrupt or enter into any arrangement with creditors or if a petition is presented or notice of resolution given to wind up the guarantor or if a receiver is appointed over the guarantor's undertaking and property.

6.9 Judgment: Flynn -v- National Asset Loan Management Ltd & Ors

Neutral Citation: [2014] IEHC 408

High Court Record Number: 2013 1661 P

Date of Delivery: 25/07/2014

Court: High Court

Composition of Court:

Judgment by: Cregan J.

Status of Judgment: Approved

Extract

(iv.) The Right to be Heard

308. In Treasury Holdings v. NAMA, Finlay Geoghegan J. considered the issue of whether Treasury Holdings had a right to be heard by NAMA before NAMA made a decision to enforce. At para. 85 of her decision, the learned High Court judge noted that the parties in that case were in agreement with the principles set out by the Supreme Court in Dellway Investments v. NAMA [2011] IESC 14, were applicable. Finlay Geoghegan J. also noted that:-

> "In Dellway, the seven judges of the Supreme Court were unanimous in concluding that on the facts therein, the applicants had a right to be heard prior to the taking of the decision by NAMA pursuant to s. 84 of the Act."

309. In the Treasury case, counsel for NAMA submitted that although Dellway was authority for the proposition that a decision taken by NAMA pursuant to s. 84 of the NAMA Act to acquire eligible assets may attract a right to be heard, it was not

authority for the proposition that NAMA in taking any decision, post acquisition, including a decision to enforce, is obliged to give a borrower a right to be heard. This argument, however, was rejected by Finlay Geoghegan J. who stated at para. 87 of her judgment:-

> "In my judgment, the decision cannot be so understood. The Supreme Court in Dellway simply did not address either the obligations of NAMA in taking decisions pursuant to its powers after the acquisition of eligible Bank assets, nor the entitlement of a debtor in any particular factual situation to be heard prior to the taking of a decision to enforce.

310. At para. 88 of her decision, she stated as follows:-

> "If I am correct in deciding that NAMA, in making the decision to enforce, was taking a discretionary decision pursuant to a power conferred on it by statute, it is common case that the existence of a duty on it to give Treasury an opportunity to be heard or Treasury's right to be heard, is dependent upon its status as a person who is or may be affected by such a decision. Such principle was restated in several of the Supreme Court judgments in Dellway, deriving both from the well-known statements of principle by Walsh J. in East Donegal Cooperative v. Attorney General [1970] I.R. 317 at p. 341, and a consideration of the common law principles, in particular, by Hardiman J.
>
> 89. However, in Dellway in the Supreme Court, as in this application, the issue in dispute was the appropriate criteria or test for determining whether the applicants were affected by the decision taken pursuant to s. 84 of the Act, and whether, in accordance with those criteria, they were affected on the facts therein. In Dellway, Fennelly J. at para. 82 identified the dispute in that case in the following terms:-
>
> > 'The parties have offered two theories of the test for entitlement to a hearing. According to NAMA, only interference with a legal right qualifies. The appellants propose a broader criterion for assessment of effects, which would not be limited to cases of probable encroachment on legal rights.'

90. Fennelly J. found in favour of the broader criterion. His conclusions are summarised at para. 99 of his judgment:

> ‘It does not appear to me that it has been established that the right to be heard before a contemplated decision is made depends on establishing interference with a specific and identifiable legal right. It is difficult to discern a principled basis for restricting the right in that way. The courts have never laid down rigid rules for determining when the need to observe fair procedures applies. Everything depends on the circumstances and the subject-matter. The fundamental underlying principle is fairness. If a decision made concerning me or my property is liable to affect my interests in a material way, it is fair and reasonable that I should be allowed to put forward reasons why it should not be made or that it should take a particular form. It would be unjust to exclude me from being heard. For the purposes of the right to be heard, I would not draw a sharp line, what is sometimes called a ‘bright line’ of distinction between an effect which modifies the legal content of rights and the substantial effect on the exercise or enjoyment of rights.
>
> …

93. Whilst the other judgments put matters in a slightly different way, it does not appear to me that any of the other judges disagreed with an entitlement to be heard where, at minimum, the decision would have ‘material practical effects on the exercise and enjoyment of the rights of the applicants’.

…

94. Even adopting this formulation, there is the additional question as to the nature of the rights and interests which may satisfy this test. Rather than attempt to address this on a theoretical or abstract basis, it appears to me preferable to consider the opposing submissions of the

> parties on the facts applicable to Treasury in the autumn of 2011. It is common case that a person's right to be heard is dependent upon the specific facts applicable to that person. In Dellway, Denham J. (as she then was) stated at para. 84:-
>
> 'In light of the constitutional right to be heard, to fair procedures, the question is whether any such right to be heard by the appellants arise implicitly in the Act of 2009 and in the circumstances of the case'."
>
> (The reference to the paragraph numbers in the judgment of Fennelly J in Treasury Holdings are due to the original approval

311. Finlay Geoghegan J. then considered the question of whether Treasury, in the circumstances of that case, had a right to be heard prior to the taking by NAMA of a discretionary decision to enforce. The learned judge came to the conclusion that Treasury did indeed have a right to be heard on the basis that Treasury did have rights and interests which were affected by the decision to enforce.

312. At para. 108 of her decision Finlay Geoghegan J. stated as follows:-

> "108. I reject the floodgates argument. The right to be heard is, as has been determined, fact specific. On the facts herein, it is dependent upon the nature of the rights held by Treasury in its property and development businesses and the entering into the MOU and subsequent exchanges with NAMA in relation to the potential term sheets.
>
> 109. Finally, it defies common sense in a commercial context to consider that Treasury is not adversely affected by the decision to enforce incorporating, as it does, the inevitable appointment of a receiver."

313. In the present case I am of the view that all members of the Flynn family were also clearly adversely affected by the decision of NALM to call in the loans, to enforce its security against them and if necessary to appoint receivers.

314. Clearly, as they are adversely affected by the decision to enforce, it follows therefore in the light of the principles set out in Dellway and in Treasury Holdings that they have a right to be heard.

315. It is clear that NALM engaged in a chain of correspondence (commencing on the 1st August, 2012 and ending on the 5th February, 2013), in which NALM initially corresponded with all investor groups of Belfield Office Park Ltd. (including

members of the Flynn family) and then from January 2013 until 5th February, 2013 with members of the Flynn family alone. It purported in this correspondence to indicate to the Flynns and to Belfield Office Park Ltd. that it was considering making a decision and it invited representations. To that extent therefore NALM purported to provide members of the Flynn family with a right to be heard.

316. The issue however which arises in this case is whether the Flynns' right to be heard was fully and properly vindicated by NALM in this correspondence. The issue arises because NALM set out misleading reasons in its correspondence and omitted to state in its letter the real reason for calling in the loan namely the fact that Mrs. Flynn was refusing to provide a statement of affairs. The question which then arises is: were the Flynns given a proper opportunity to be heard on the real and significant issues for calling in the loans? What is the substantive scope of the right to be heard?

317. In Dellway, Hardiman J. stated at para 361 of his decision:

> "It is trite law to say that a right to a hearing carries with it a right to notification of the proposed decision and to sufficient detailed information, including criteria, as may be necessary to allow the person to be affected to make the best case he can against the decision which he fears. He is also, very probably, entitled to reasons for the decision taken, if any. The finding that Mr. McKillen is entitled to be heard in the present case naturally imports these necessary consequences of the existence of that right." (emphasis added)

318. This statement of principle by Hardiman J. in Dellway was also emphasised by Finlay Geoghegan J. in Treasury Holdings at para 112 of her judgment wherein she states as follows:-

> "In Dellway, Hardiman J. at [para 361] stated that the obligation on NAMA, if applicable, includes an obligation to notify 'of the proposed decision and to sufficient detailed information, including criteria as may be necessary to allow the person to be affected to make the best case he can against the decision which he fears'. Counsel for NAMA submits that this requirement of notification goes beyond what is contemplated by the majority of the other judges. Even if this is so in its detail, it appears to me that, at minimum, if there is a right to be heard or an obligation to give an opportunity to be heard, then there

must be, at minimum, notification that the proposed decision is under consideration and sufficient information about the reasons for which it is proposed. Absent such information, the right to be heard would be meaningless. It is unnecessary on the facts herein, to consider the level of detailed information which it might be necessary for the decision maker to give. This appears to me to depend upon the individual facts." (Emphasis added)

319. Another relevant decision is Mallak v. Minister for Justice Equality and Law Reform [2012] IESC.59 a decision of the Supreme Court of 6th December, 2012. In that decision Mr. Justice Fennelly stated at para. 2 and 3 of his judgment:

> 2. "The particular issue for decision on this appeal is the extent to which decision makers are obliged to disclose the reasons for which they are made. This question is, of its nature, closely related to other features of the rules of natural justice compendiously covered by the broad principle of audi alteram partem, which include the giving of prior notice of impending decisions, of the matters which the decision maker will take into account and in appropriate cases, the disclosure of information and even, in some cases, the holding of a hearing.
>
> 3. "While our courts have extensively considered the adequacy of reasons when they have actually been given, there has been no principled consideration of the question whether a general obligation to furnish reasons exists at all or, if it does not, in what cases reason should be given and why. There is a persistent view as evidenced by the High Court judgment in the present case, that there is no general obligation of the common law to give reasons for administrative decisions. There must be a close relationship between the process of giving prior notice and giving reasons after the event."

In that case the Minister refused to give any reason for refusing an application for a certificate of naturalisation.

320. In para. 43 of his judgment Mr. Justice Fennelly stated as follows

> "It cannot be correct to say that the "absolute discretion" conferred on the Minister necessarily implies or implies at all that he is not obliged to have a reason. That would be the very definition of an arbitrary

power. Leaving aside entirely the question of the disclosure of reasons to an affected person, it seems to me to be axiomatic that the rule of law requires all decision makers to act fairly and rationally, meaning that they must not make decisions without reasons."

321. In para. 66 Fennelly J. stated as follows

> "In the present state of evolution of our law, it is not easy to conceive of a decision maker being dispensed from giving an explanation either of the decision or of the decision-making process at some stage. The most obvious means of achieving fairness is for reasons to accompany the decision. However it is not a matter of complying with a formal rule: the underlying objective is the attainment of fairness in the process. If the process is fair, open and transparent and the affected person has been enabled to respond to the concerns of the decision-maker, there may be situations where the reasons for the decision are obvious and that effective judicial review is not precluded.

322. Writing extra-judicially Mr. Justice O'Donnell (a colleague of Mr. Justice Fennelly on the Supreme Court) in an essay entitled "Nial Fennelly: Mallak and the Rule Of Reasons (in Of Courts And Constitutions – Liber Amicorum In Honour Of Nial Fennelly) stated at page 229

> "It is for paragraph 66 that Mallak is regularly cited and will no doubt be further cited in the future. It is an important and lucid statement of the law and one which does not purport merely to restate or synthesise existing law but rather to advance a principle of broad application and in doing so, significantly advances the boundaries of the territory now occupied by the duty to give reasons…….On this view, Mallak is a new starting point and creates a presumption of a duty to give reasons or even if you will, a rule of reasons".

323. In this case, the Flynns complain that they have been deprived of their right to be heard. The right to be heard is expressed in the Latin maxim "audi alteram partem". The verb "audi" is expressed in the imperative mood. It is a command, a direction, to the court or tribunal: hear the other side, listen to the other side. This duty to hear gives rise to a corresponding right: the right to be heard. The right to be heard is a powerful and important right. Although it is expressed in the passive voice, it is in

fact, an active right: a right to speak or a right to make representations to the court, tribunal or statutory body which seeks to make a decision which affects the person concerned. It is a right which is at the heart of our legal system. For if a person is denied a right to be heard, they are shut out of participation in the vital process which affects their interests. This right to be heard has been recognised for hundreds of years. It has been recognised and protected in our constitution since 1937 and it has been articulated and applied in numerous cases of the High Court and Supreme Court over the last few decades.

324. The right to be heard necessarily means that the person affected must know the action which is being proposed and the reasons for that action. This gives them an opportunity to make representations on the issue and to rebut, if they can, the reasons for the action. It follows therefore that the person affected must be informed of the real reasons for the proposed action and not be given misleading or spurious reasons. If a person is not given the real reasons for a proposed decision and/or if he is given misleading or spurious reasons, then his representations cannot deal with the actual reasons. In such a case the right to be heard is not vindicated. It becomes a nullity. That is the case here.

325. Moreover if a statutory body such as NAMA does not give full substance to the right to be heard it creates insidious and undesirable effects. If the real reasons are not set out, it creates a suspicion in the eyes of the affected person that he has not been told of the real reasons for the decision. This leads to a further suspicion that there are other "unspoken reasons", that there is "another agenda" or in this case that NAMA was out "to target" the Flynns.

326. It is in this atmosphere of unspoken, reasons that suspicion of government agencies thrives. That is not in the public interest. It is not conducive to public trust in a vital state body such as NAMA. I am of course conscious that NAMA is exercising an important statutory function on behalf of the citizens of Ireland. But it must exercise those functions in accordance with the principles of fairness and natural and constitutional justice.

327. This concern about suspicion breeding suspicion is not merely conjecture. In this case, James Flynn gave evidence that the first time he was told by NAMA of the real reason why the loan was being called in, was at a meeting with NAMA on 28th February, 2013 some three weeks after the letter 5th February, 2013 calling in the

loan. Such was his level of suspicion of NAMA's behaviour at this time that he secretly recorded the meeting on his mobile phone without telling NAMA. He did so, he said "because he wanted to get a handle on what was going on. We were very much in the dark as to what was going on." Whilst this action was the subject of justifiable criticism by NALM, it is precisely to avoid this sort of behaviour that there is a duty to provide reasons, and thus to give substance to the right to be heard.

328. I am conscious that NALM says that it had the benefit of the Flynns' views on the business plan and that it separately had the views of Mrs. Flynn on whether she was an obligor of NAMA. That may be so but it misses the point. NALM failed to give the Flynn family an opportunity to make representations on the real reason for its decision. In so doing it denied them the right to be heard on the real issue. And of course therefore it could not hear the Flynns' arguments on this reason.

329. Indeed Mr. James Flynn gave evidence (Day 9/132) that at this meeting on, 28th February, 2013, he tried to explain to NALM that it would be better to let the courts decide as to whether his mother was an obligor of NAMA; he also explained in detail that Mrs. Flynn was not an obligor in respect of the Cork property; he indicated that NALM's main claim up to that point had been that his mother was an obligor in relation to Cork not Belfield Office Park; he also indicated that certain private equity funds were interested in purchasing the Flynns' group assets; he also indicated that he wanted to work cooperatively with NAMA and that he had been doing so for five years. He also indicated that he had a report on allegedly fraudulent overcharging which might come out in court proceedings but he did not want to "go down that road". These were all matters which members of the Flynn family might have made representations about - had they been given the opportunity before NALM committed itself to instituting proceedings.

330. In the light of the above I would conclude that the failure to state the real reason in the Letter of Reasons dated 5th February 2013, and indeed in their earlier letter of 13th January 2013 deprived the Flynns of the right to be heard.

(v.) Duty to act in a fair and reasonable manner – obligation on NALM not to "target" the Flynns unlawfully

331. The next issue to consider is whether NALM was under a duty to act fairly and reasonably in taking a decision to enforce and if so, whether it did, in fact act fairly and reasonably.

332. In my view, it is clear, given the statements of principle by Walsh J. in East Donegal Cooperative v. The Attorney General [1970] I.R. 317, the decisions of all the Supreme Court judges in Dellway (and in particular the judgment of Fennelly J.,) the expression of principle by Costello P. in McCormack v. Garda Síochána Complaints Board [1997] 2 I.R. 489 and indeed the decision of Finlay Geoghegan J. in Treasury Holdings that NAMA is under an obligation to act fairly and reasonably in relation to taking the decision to call in the Flynn loans.

333. Moreover, another appropriate legal principle to apply in this case is the NAMA code of practice adopted pursuant to section 35 of the NAMA Act 2009 referred to above. This code in effect imposes an obligation on NAMA also to act in a reasonable manner and in particular it imposes an obligation on NAMA "to endeavour to deal with stakeholders reasonably vis-à-vis other peers/competitors in similar circumstances". It is of course hedged about with the qualification about NAMA's responsibility to the tax-payer and also the debtor's corresponding obligations to NAMA. It does however mean that NAMA must seek to deal with debtors reasonably vis-à-vis other debtors in similar circumstances. On the facts of this case therefore, it is necessary for NAMA or NALM to deal with the Flynns reasonably vis-à-vis other debtors in similar circumstances which on the facts of this case means the other investor groups in Belfield Office Park. Therefore NALM must deal with all the debtors in Belfield Office Park in a similar fashion unless there is some objective justification not to do so.

334. The ground upon which the Flynns argue that NALM has not behaved in a fair and reasonable manner towards them is because they say NALM has "targeted" the Flynns and has called in the Flynn family loans without calling in the loans of other members of the investor group.

335. However, I am of the view that the action of NALM, to date, in treating the Flynns differently to the other investor groups was objectively justifiable because Mrs. Flynn denied she had a liability and refused to provide a statement of affairs whereas all other members of all investor groups did so.

336. I should also state that the position now is, as I have found above, that Mrs. Flynn is an obligor of NALM. On the assumption therefore that she does indeed provide a statement of affairs to NALM, it would seem then that the Flynns are in exactly the same position as all other members of the investor group in Belfield

Office Park. In those circumstances, I am of the view that, unless there are other significant differentiating factors, it would not be lawful for NALM to call in the loans of the Flynn family on their own or to treat them differently to all other investor groups in the Belfield Office Park. If they were to do so, it would amount to unlawful, unfair and unreasonable discrimination against the Flynns on the part of NALM.

(V.I.) No valid demand letter.

337. Given my findings about the need to give reasons, the right to be heard and the duty to act fairly and reasonably, I am of the view that NALM, has failed to provide a full opportunity to the Flynns to be heard. It has therefore failed in its duty to act in a reasonable manner. It follows that the letter of demand of 5th February, 2013 was not a proper valid or lawful demand. It must therefore be set aside. It follows that the Flynns are not in default on their loan at this point in time because the loan has not been properly, lawfully or validly called in.

CONCLUSIONS

338. I would therefore conclude as follows:

1. There was an agreement between Mrs. Flynn and Mr. Flynn whereby Mrs. Flynn agreed to transfer her interest in Belfield Office Park to Mr. Flynn. This agreement was entered into in September 2007.

2. The agreement was subsequently signed and executed in mid–to-late December, 2008 and backdated to 1st January and 8th January for the contract and deed of assurance. The agreement however was lawfully backdated.

3. The transfer from Mrs. Flynn to Mr. Flynn was effective as between Mrs. Flynn and Mr. Flynn.

4. However the transfer between Mrs. Flynn and Mr. Flynn is not binding on Anglo Irish Bank/NAMA/NALM. There was no clear representation made by Mr. Drumm to Mr. Flynn that Anglo Irish Bank would release Mrs. Flynn from her debt to the bank.

5. There was no evidence that Mr. Drumm agreed to release Mrs. Flynn from her guarantees and indemnities to the bank.

6. Therefore Mrs. Flynn is an obligor of NALM and is indebted to NALM in respect of the Belfield Office Park loan.

7. Mr. O'Brien was not an officer of NAMA and therefore he could not give evidence about any debt due and owing to NAMA.

8. NAMA's claim for €21.9 m. was not proved in evidence.

9. The Flynns' submission that NAMA denied Mrs. Flynn her right of access to the Courts is not sustainable.

10. The Flynns' argument that NAMA has engaged in abuse of process in bringing these proceedings is also unsustainable.

11. The Flynns' argument that NAMA/NALM is guilty of misfeasance of public office is also unsustainable.

12. Mrs. Flynn has no liability for the Cork property loan.

13. There was no event of default on the loan.

14. The loan was a demand facility.

15. Anglo (and therefore NALM) is not estopped from calling in the loan.

16. The Flynns' submission that NALM engaged in deliberate overcharging is rejected.

17. NALM gave misleading reasons for calling in the loans. Incorrect reasons were stated in its Letter of Reasons dated the 5th February, 2013 and in its letter of demand dated 5th February, 2013. The real reason was not stated on the letters. In setting out incorrect and misleading reasons in its letter and in not setting out the proper reasons for calling in the loans, NALM has acted unfairly and unlawfully and in breach of its statutory duty of transparency. Moreover it has deprived the Flynns of their right to be heard.

18. NALM has not unlawfully "targeted the Flynns". It treated the Flynns differently because Mrs. Flynn denied the debt and refused to provide a statement of affairs. NALM treated different borrowers within the Belfield Office Park differently because there was an objective justification for so doing.

19. However if Mrs. Flynn does provide a statement of affairs then, on the facts as presented in this case, there is no other objective justification for NALM to treat the Flynns differently from other borrowers in Belfield Office Park. Therefore if NALM were to call in

the Flynn loan without any other objective differentiating factor between the Flynns and the other investor groups, that would be a breach of its statutory duty and of its code.

20. Given that the real reasons for calling in the loan were not stated in the letter of demand the letter of demand should be set aside.

6.10 Subject - Object Interview (2) 2015

At the commencement of the interview I explained that I joined the programme because I knew that my failure to predict the severity of the crisis, was not because of my competences, but rather the challenge was at the level of my meaning making, my capability. That I was motivated to complexity by my thinking because I had exposed myself, and therefore by extension my family, to a higher level of risk than I had perceived. I believed that the economic cycle would reoccur during my lifetime. I wanted to be in a position to generate a more complex perspective next time so that I would be in a better position to provide for my family. As I reflected on this I became aware that my concept of what provision looked like had also changed. This change was shaped by what success looked like for me in my professional capacity and what risk I was willing to undertake to achieve it. I explained that I still wanted to grow my business but now I would be much more focused on what risk was being undertaken to achieve this and where that risk resided - was it for me personally or in a corporate entity. I further explained that initially I went about altering my meaning making with this underlying purpose.

The Interview then focused on the challenge of retaining funding for my business and the failure of my initial perspective to achieve this. I explained that this had brought me to the limits of my way of knowing. This led me to the realisation that I need to change how I thought. I explained that while I understood that Self-Authoring adults are limited in that they cannot reflect on or critique their own ideology or governing theories that the initial subject-object interview had enabled me to make object my lens and allowed me to reflect on it. This was the step in my developmental journey. Thereafter through the application of Kegan's theory specifically awareness (Kegan, 1994), subject-object separation, and incompleteness (Kegan, 1994: 313) and Basseches (1984) dialectical thinking combined with Collingwood's questioning activity (Collingwood, 1967) that I had set about resolving my developmental goals. I explained that in my efforts to resolve my challenge with Bank ABC that I became aware that my need for control had become an impediment to the resolution of my challenges with Bank ABC, as outlined in Essay Three.

Initially my motivation to change was in the context alone. However over time, and as a result of my engagement with Kegan's theory (Kegan and Lahey, 2009; Kegan, 1994) and my engagement with the Subject-Object Interview process (Lahey, 1988) my objective had expanded. In Essay Two I set out how I engaged with the concept of form creation. I explained that how over time I reread Kegan's chapter on 'Conflict, Leadership, and Knowledge Creation' several times to try and increase my understanding of how form changed. This enabled me to expand my objective of releasing my need for control from a motivation to resolve my specific objective to a broad objective of enabling the transformation of my form although I was at the early stages of this.

SUMMARY OF SUBJECT-OBJECT INTERVIEW ANALYSIS

FOR TOM MCCARTHY

PROVIDED BY DEBORAH
HELSING, ED. D. APRIL 2015

Your first interview, which we conducted in April, 2011, reflected your capacity to make meaning with the Self-Authoring perspective (Stage 4).

The central theme around which your identity organized itself then concerned issues of control and agency, wanting to be able to influence an outcome to the extent you can, to feel in control of and able to manage your feelings and behaviors on behalf of your larger purposes, to be able to negotiate where possible, to take action on behalf of your beliefs and commitments.
Self-Authoring adults are limited in that they cannot reflect on or critique their own ideologies or governing theories.

We conducted a second interview in April, 2015 to determine if the changes you had undertaken were changes primarily of the *contents* of your meaning system (replacing the Self- Authored identity with a modified Self-Authored identity) or whether they constituted a change to the *structure* of your meaning system (increased complexity and capacity that outstrips the Self-Authored meaning system and moving toward the Self-Transforming meaning system).

The **Self-Authoring** perspective is characterized by several strengths, including the abilities to:

- generate one's own (and develop critiques of others') values, commitments, and assessments
- set limits or boundaries on relationships or commitments where

necessary

- tolerate or welcome disagreement with important others
- take responsibility for one's inner life

Aspects of the Self-Authoring perspective that I see in your interview include:

1. You are able to take someone else's perspective, to understand their view of a situation, ***even if it contrasts with your own***. You can coordinate another's perspective with your own. Your own perspective is not threatened by the fact that you can see the logic or integrity of another view, although that view can inform your own.

   For example, you do not have a problem with the idea that others will have a different way of understanding an issue than you do, and that those differences stem from differences in meaning systems (not just specific positions). You can even understand how a "thoughtless bureaucrat," whose thinking and action are very different from yours, may be responding in a way that makes sense given what he was allowed within the system.
2. You are able to see yourself as the creator and manager of your inner states, to be able to reflect on them and alter them on behalf of your own larger purposes.

   For example, you are not run by your emotional reaction to the demand of your loan. Instead you can manage your emotional reaction ("park it") on behalf of your larger goal how to move forward toward a better resolution.
3. You can exercise reflective judgment, making decisions on the basis of logic and evidence, looking to internal authority for final outcome.

   For example, when the bank demanded your loans, you could evaluate the bank's strategies and your own to determine that you would not be able to achieve a resolution that would be satisfying to you.

We also talked about the possibilities for your development toward the **Self-Transforming** perspective. This perspective is characterized by even more complex capacities including being able to:

- reflect on one's own and others' belief systems or ideologies to identify larger patterns.

- orient to the dialectical or paradoxical, welcoming contradiction and oppositeness.

- understand and experience one's own self and identity as always revisable, evolving.

If there is an emerging capacity for self-transformation, we would expect to see that when a theory you have authored and that has been central to your identity is challenged or interrupted, you are able to open to question that theory to see if and how it is limited. A problem or conflict becomes an invitation to question and potentially transform that theory.

In the interview, you demonstrate the capacity to reflect on and challenge your theory that being in control, having your hands on the steering wheel, is the best way to achieve successful outcomes. When you are persuaded that your own frame for the problem is limited by your disciplinary knowledge, you see that you must engage with other, very different disciplinary perspectives to transform your own. The only way to do this is to evaluate and transform your theory that you must retain control, surrender your own authority to that of others as the only means to find a satisfactory resolution with the bank. In the interview, you describe not only the value of doing so but also demonstrate *how* you did that, which is necessary for verification.

The process of engaging these very different perspectives requires you to locate yourself within the continuing interaction between different meaning systems.

Based on the interview material, the Self-Authoring identity and theory of control is still dominant (still subject for you) in that these transformations have primarily

been a means to end – getting a desired outcome. In a sense, you gave up control to get the ultimate end you desired (the final control). While the initial transformation was engaged on behalf of a particular outcome/end/purpose, it appears that the process has also provided you with a new perspective on the limits of Self-Authorship and an appreciation for the value of transformation. The result has been that you now are moving toward being more identified with transformation than with any one form is beginning to have a value in and of itself, for its own sake. The more transformation becomes not just a means to an end but the end itself, the more fully the Self-Transforming Perspective will develop.

In numerical notation, I would assess your meaning making, as evidenced by the material we covered in our interview, as 4(5).

6.11 A Guide to a Borrower who is Facing Financial Difficulty

6.11.1 Creating the Right team

Negotiator Specialist

In situations where the balance of power can shift throughout the negotiation it is important to have an experienced negotiator who is capable of keeping people at the table. It is important to prepare thoroughly if you are to create the opportunity for negotiation and to capitalise on it. The negotiator has to understand the strength and weakness of both parties and to do this requires specialist input as this involves understanding both parties' optimum outcome and their walk away position.

Compliance Specialist

A specialist in compliance is also needed who can advise you if your experience is in compliance with the Central Banks code of conduct for a regulated entity and if not what your potential remedies are. They will also assess your statutory rights. They will evaluate if the loan you were sold was suitable to your needs and affordable over the term and, if not, determine the consequence for the business/bank.

Banking Specialist

The case officer assigned to a loan and his line manager is tasked with implementing the bank's strategy. You need to establish what the organisational strategy is and where your case fits within it. The organisation will have set out its policies in a customer treatment strategy.

6.11.2 Understanding the Loan Documentation

Start with the data as understanding the elements that comprise your loan contract is vital. One by-product of the boom in Ireland was that not all of the paperwork was completed or if completed it was sometimes inadequate. Therefore, I advise a thorough review of the documentation involved by yourself, a solicitor, a compliance expert and a banker as each perspective is valuable in forming a negotiation strategy or, if appropriate, a subsequent legal defence. The key to success is to identify your data, collate it and interrogate it continuously. The relevance of information changes

as your knowledge expands but often this only becomes apparent after repeated engagement with the documentation. The documentation comprises the loan application, the facility letter, the banks general terms and conditions, the deed of mortgage and charge as well as the inter party correspondence.

Loan Application

This is the basis of your involvement with your institution. It sets out the business case put forward by the borrower that was assessed by the financial institution.

Bank Internal Credit Paper

The bank personnel, if they wish to proceed, having accessed the borrower's proposal will put forward a proposal to the credit committee setting out the basis of their recommendation to extend credit. This is available to a borrower if they request it under a systems access request.

Facility Letter

This sets out the specific terms under which the debt was extended. It includes the type of loan, the term, the method of repayment and the security to be provided for the loan.

The Bank's General Terms and Conditions

This contains the bank's general terms and conditions, which govern the contract with the bank. These are dated as they change over time so it is important to ensure that the set that one is seeking to rely on are the ones that were in place when the contract was entered into. The correct version will be referred to in the facility letter. These contain definitions such as the type of loan i.e., overdrafts, demand or term facilities. In the event of a conflict between these general terms and conditions and the facility letter, the facility letter will take precedence.

The Deed of Mortgage and Charge

A bank will generally have a standard mortgage document. This charges the security that is being provided and is set out in the facility letter. It also sets out the terms of the mortgage. These include covenants that a borrower makes with the bank relating

to the security, etc. The mortgage also includes the events of default and the powers the bank has should the borrower fail to meet his/her obligations.

6.11.3 Legal Context

Contract law

The Facility Letter, the banks General Terms and Conditions and the Deed of Mortgage and Charge collectively comprise the legal contract. In the event of a dispute the law of contract will be applied.

Statutory Protections

The Central Bank of Ireland Codes of Conduct

The Central Bank of Ireland has a number of statutory codes of conduct. These are available on its website[21]. I have extracted the Codes in force at the time of writing. These codes of conduct are set out below:

- **Consumer Protection Code**

  The General Consumer Protection Code 2012 came into effect on the 1st January 2012, replacing the previous code of 2006. The Code sets out the requirements that regulated firms must comply with when dealing with consumers in order to ensure a similar level of protection for consumers, regardless of the type of financial services provided.

- **Consumer Protection Code for Licenced Moneylenders**

  As licensed moneylenders are not subject to the Consumer Protection Code, the Central Bank of Ireland has a code specifically for licensed moneylenders.

- **Code of Conduct on Mortgage Arrears**

  On 1 July 2013, a revised Code of Conduct on Mortgage Arrears came into effect, replacing the previous code.

[21] www.centralbank.ie/regulation/processes/consumer-protection-code/pages/codes-of-conduct.aspx

- **Code of Conduct for Business Lending to Small and Medium Enterprises**

  The revised Code of Conduct for Business Lending to Small and Medium Enterprises 2012 came into effect on 1 January 2012.

6.11.4 Dispute Resolution

From a borrower's perspective the decision as to where to seek a resolution of their dispute is a complex matter. It is best to engage with your Relationship Manager and their line manager first. If the matter cannot be resolved then engagement with the financial institution specialist unit is the next option. Thereafter, in reaching the decision you need to understand the role and responsibility of the following parties and carefully weigh up the consequence of your selected course of action.

The Financial Institution

Each financial institution has an internal compliance department whose function is to ensure the organisation operates in compliance with the obligations of its banking licence, its internal policies and the law.

The role of the internal complaints department is to investigate complaints that customers make within a prescribed time period. If the customer is not satisfied with the outcome then, and only then, can the matter be referred to the Financial Ombudsman.

The Chief Risk Officer reports to the CEO and is normally a member of the senior executive team. It the matter is serious enough acquainting the Chief Risk Office is advisable. An individual suitable for the position of Chief Risk Officer is subject to approval by the Central Bank as well as the institutions Board of Directors.

The Financial Ombudsman

It is the primary role of the Financial Services Ombudsman (FSO) to deal with complaints made by eligible consumers about the conduct of regulated financial service providers that have not been resolved by the providers. There are two advantages to engaging with the Financial Ombudsman. Firstly it is a free service.

Secondly, the legislators have prescribed for the Ombudsman a much broader range of factors that he can take into account in reaching his decision in comparison to a Judge. The Ombudsman in determining if a complaint is substantiated or partly substantiated must do so only on the grounds set out in the Central Bank and Financial Services Authority of Ireland Act 2004, Section 57CI. (2) Set out below (a) the conduct complained of was contrary to law; (b) the conduct complained of was unreasonable, unjust, oppressive or improperly discriminatory in its application to the complainant; (c) although the conduct complained of was in accordance with a law or an established practice or regulatory standard, the law, practice or standard is, or may be, unreasonable, unjust, oppressive or improperly discriminatory in its application to the complainant; (d) the conduct complained of was based wholly or partly on an improper motive, an irrelevant ground or an irrelevant consideration; (e) the conduct complained of was based wholly or partly on a mistake of law or fact; (f) an explanation for the conduct complained of was not given when it should have been given; (g) the conduct complained of was otherwise improper.

The Financial Ombudsman's office is limited to making a maximum financial award of €250,000 and/or an order of restitution.

The Regulator

Broader issues of consumer protection are the responsibility of the Central Bank. Each regulated entity has a supervisory team to whom information can be passed to inform their on-going supervision. The Central Bank considers all information reported to it in relation to the entities it regulates and takes appropriate supervisory action following consideration of the issues raised. If action is taken it can result in business disruption, sanction for individual personnel and the institution. This can have reputational consequences for those tasked with implementing corporate governance at the institutions. However, any action taken on foot of the information submitted cannot be disclosed, as the Central Bank is bound by the confidentiality obligations of Section 33AK of the Central Bank Act, 1942. If a borrower believes the situation merits it then informing the financial institution of their intention to refer the matter to the Regulator may result in a review of the case by senior management. Depending on the merits of the case that may result in the resolution of the problem.

The Data Commissioner

The following is an extract from the website of the Data Protection Commissioner.

"Under **Section 4** of the Data Protection Acts, 1988 and 2003, you have a **right to obtain a copy**, clearly explained, of any information relating to you kept on computer or in a structured manual filing system or intended for such a system by any entity or organisation. All you need to do is write to the organisation or entity concerned and ask for it under the Data Protection Acts".[22]

This request will provide you with all of the information held by the financial institution on you. Although the institution is obliged to provide this information in my experience a request for it is viewed negatively.

The Courts

The state's primary dispute resolution forums are the courts. Judges provide an independent and impartial assessment of the facts and how the law applies to those facts. I am not a lawyer and can only apply my perspective as a borrower and my advice is to exhaust all other dispute resolutions first. In reaching this conclusion I am influenced by three factors.

One consequence of engaging with the court process is a party cannot limit the cost the other parties incur but if they lose the case an order for costs may be made against them. The level of costs awarded depends on the complexity of the matter litigated, the time involved and whether it is a District, Circuit, High, Commercial or Supreme Court action.

[22] http://www.dataprotection.ie/docs/Accessing-Your-Personal-Information/14.htm

6.12 Executive Summary of Irish Residential Investment Proposal

Please note this is the updated version of the 2012 presentation

EQUITY INTERNATIONAL

Mr. Tom Heneghan

McCarthy Group

Mr. Tom McCarthy

Dublin, Ireland

24th January 2014



Irish Economy Overview

Sound Competitive Advantages:

- 12.5% Corporation Tax until 2025
- Access to EU internal market of 500 million
- Well educated – English speaking workforce
- Business friendly environment

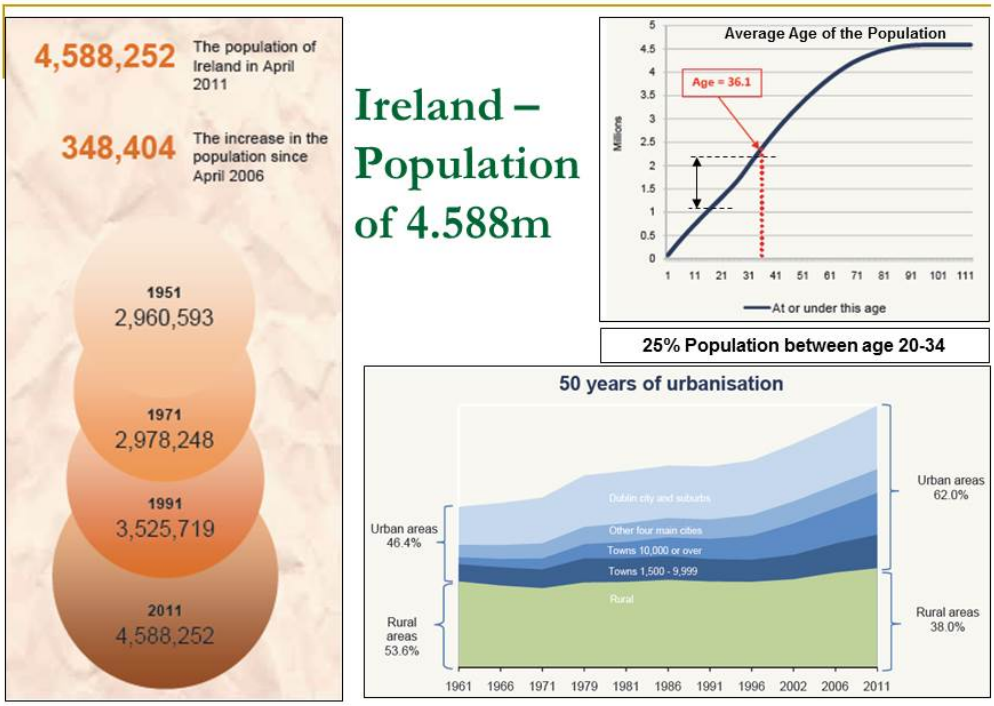
Results To Date:

- ✓ Ireland enjoys fifth highest GDP per capita in OECD
- ✓ 2nd most attractive country globally for FDI*
- ✓ 1,000 overseas companies employing 125,000 people
- ✓ Top Global Companies in situ –
  - ICT 9 of 10, Pharma 8 of 10; Medical 15 of 20,
  - 50% (250) of the worlds leading financial services firms

Source: NIB/FDI Intelligence



NATIONAL SUPPLY AND DEMAND



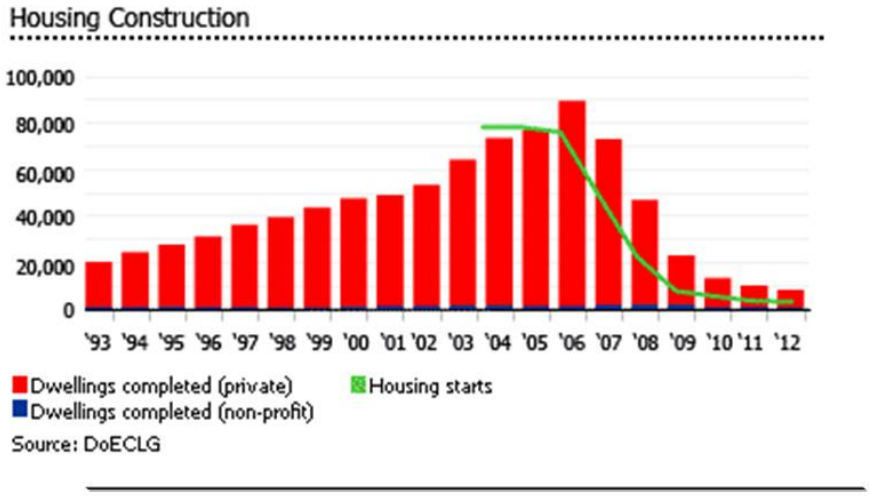
Source: CSO 2011

Irish House Price Movements – Underlying Determinants

1. Substantial increase in demand side factors
   - Doubling of the economy between 1995 - 2005
   - Number at work increases by 50 per cent
   - Relatively young population
   - Income per capita goes from one of the lowest to the highest in the Euro zone
2. Allied to Irish specific factors
   - Internationally, stable and accommodative monetary policy over a prolonged period
   - Contributed to a significant number of housing booms across the OECD
   - In an Irish context, it increased affordability substantially
3. Irish credit markets
   - Experienced considerable liberalisation
   - A number of key credit and interest-rate controls removed

Source Decomposing Irish house price movements: 2000 – 2010 Yvonne McCarthy and Kieran McQuinn Central Bank of Ireland, Oct 2011

Housing Market - Supply

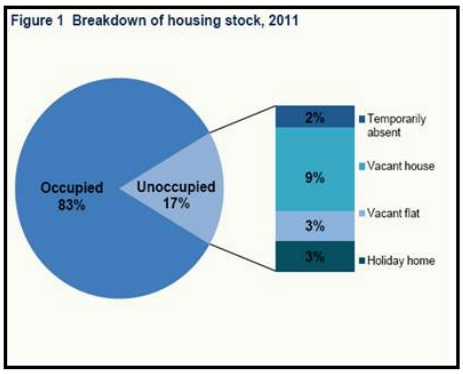


- Completions at lowest level of output since records began in 1970.
- 2012-2021 demand for New Properties estimated 30,000 units *(Sherry Fitzgerald)*

Housing Stock

The Irish Housing Stock 2011

- In April 2011 there were 1,994,845 permanent dwellings or housing units in the State.
- Housing Stock 2013 - 2,019
- There were 230,056 vacant houses and apartments of which 168,427 were vacant houses and 61,629 were vacant apartments.
- The overall vacancy rate excluding holiday homes in 2011 was 11.5 %.





Source: CSO 2011

Housing Stock

Table A Population and housing stock, 1991-2011

Census Year	Population	% change in population	Housing Stock	% change in housing stock
1991	3,525,719	-	1,160,249	-
1996	3,626,087	2.8	1,258,948	8.5
2002	3,917,203	8.0	1,460,053	16.0
2006	4,239,848	8.2	1,769,613	21.2
2011	4,588,252	8.2	1,994,845	12.7

Table A: shows the growth in housing stock and population recorded by each census between 1991 and 2011.

In percentage terms, the rise in housing stock over this 20 year period significantly outpaced the growth in population (71.9% compared with 30.1%).

In absolute terms, from 1991 to 2011 the population grew by 1,062,533 and the housing stock had a net gain of 834,596 dwellings. This equates to 785 new housing units for every 1,000 persons added to the population between 1991 and 2011.

Source: CSO 2011

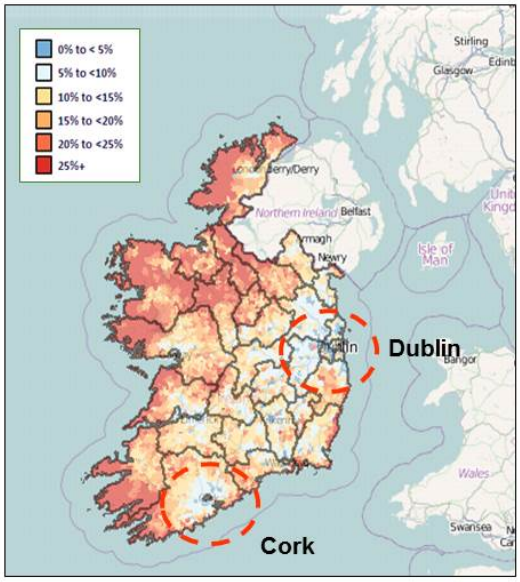
Population April 2013 4.59 million.

Vacancy Levels

Central Statistics Office (CSO)

- National vacancy rate 11.5% (excl.holiday homes- 14.5% incl. holiday homes)
- The Irish market is in line compared to other developed countries, however, the pattern of development in Ireland has disproportionately occurred.

COUNTRY	HOUSES / '000 POPULATION
IRELAND	437
UK	435
GERMANY	488

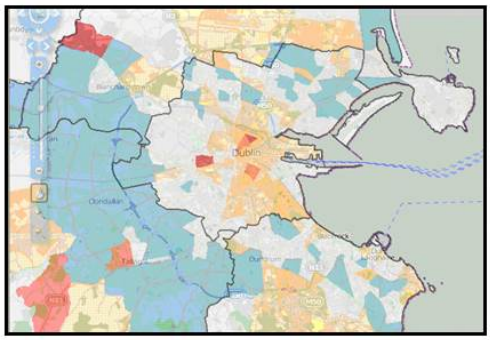


Dispersion of vacant properties across Ireland

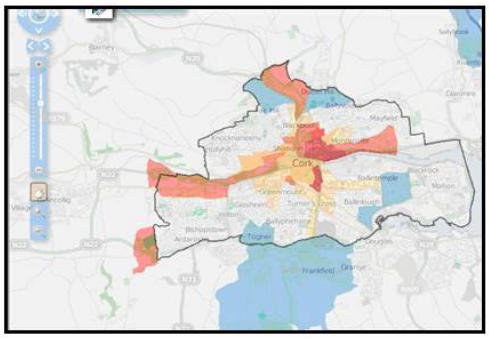
Source: CSO 2011

Vacancy Levels

The vacancy rate is heavily weighted by locations outside of Dublin and Cork, in fact, South County Dublin has the lowest recorded rate of 5%.



Dispersion of vacant properties Dublin



Dispersion of vacant properties Cork

Source: CSO 2011

Price v Replacement Costs

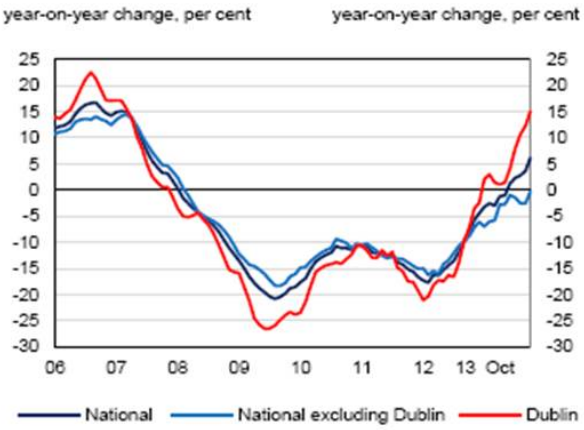
The Irish residential property market is such that property prices have collapsed in the order of 55%+,
Dublin apartment prices are 59% off their peak in February 2007. Nationally Prices increased by 5.6% Nov 2012 to Nov 2013 – 46.5% lower than its highest level in 2007; Dublin: increased by 13.1% Nov 2012 to Nov 2013 – 49.2% lower than February 2007;
Rest of country: decreased by 0.6% Nov 2012 to Nov 2013 – 46.9% lower than Feb 2007
The figure below illustrates the declining index from February 2007. This declining trend has resulted in capital acquisition costs in many cases being below new build costs.



Residential Price Index, Jan 2012
(Source: CSO)

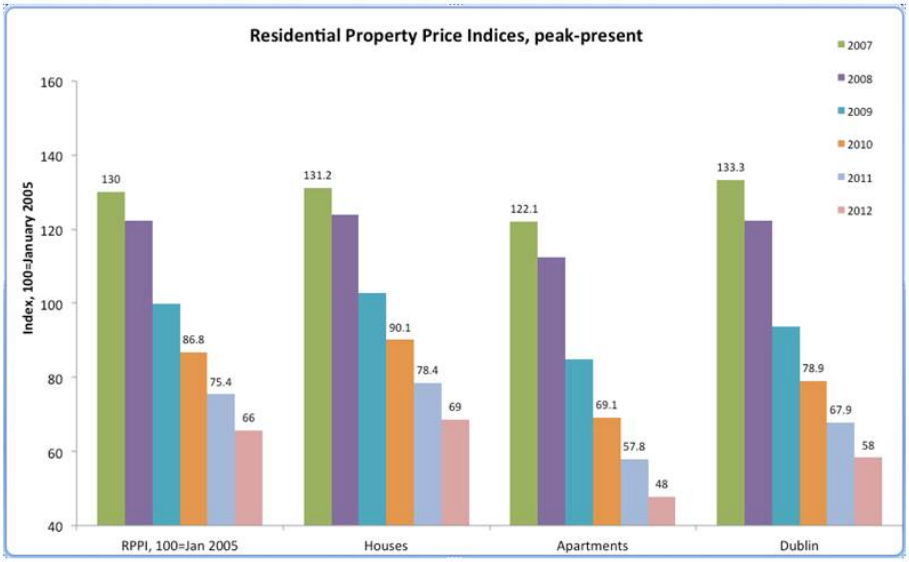
Price –v- Replacement Costs

House Price Growth: National, Dublin & Non-Dublin.



Source: CSO.
Notes: Latest observation is for October 2013.

Price Property Indices



Dublin House Prices (end-year)

Price v Replacement Costs

- To understand when a functioning market will return one force to be considered is the economy of buying an existing property versus building a new property. In an attempt to establish a cost of new build it is reasonable to make the following assumptions:

- Sample Build Cost – Dublin City Centre Apartment, 840m²

Site Value		€ 35,000
Developer Standard Apartment (cost/m²)	€1,500	€117,150
Car Parking (double level basement)	€33,000	€ 49,500
Professional fees (15% (Bruce Shaw 15-20%)		€ 24,998
External Allowances (12.5% Bruce Shaw 2012)		€ 23,955
Indicative Purchase Price		**€250,603**

- A similar apartment complex was recently reported to have transacted in Dublin for €190,000 / unit, whilst this is a gross example utilising Bruce Shaw Average Construction Costs 2012, it indicates up to 30% difference between existing and new build costs. Anecdotally this negative delta could be up to 40%.

Financing

- Income growth is the key driver of housing and mortgage demand and we have seen the first two quarters of employment growth.

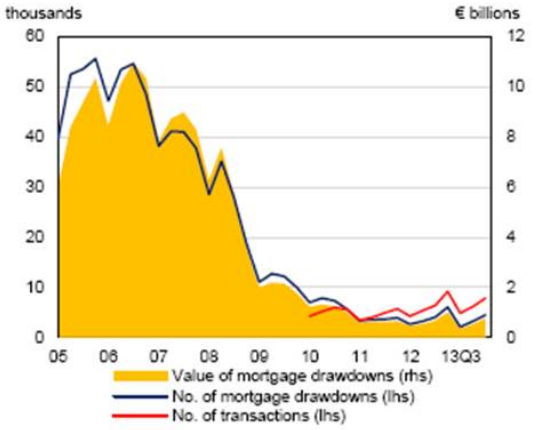
- Dan McLaughlin, UB Chief Economist, envisages only a modest pick up in lending for house purchases in 2012, to €2.3 billion with support stemming from another improvement in affordability, but as is evident from the Table below, the level of Mortgage lending is inadequate to support a functioning market. The Market needs approximately €10 billion to function and until this is available prices will continue to be depressed by the lack of liquidity.

Mortgage Lending for House purchase			
	No of Mortgages	Average Mortgage (€000)	Total Market (€bn)
2005	110,500	220	24.4
2006	110,800	251	27.8
2007	84,200	266	22.5
2008	53,600	271	14.5
2009	25,100	232	5.8
2010	18,300	207	3.8
2011	11,100	189	2.1
2012	15,881	165	2.6
2013	9,779	162	1.5-(09/13)
Nov 2013 activity up 12.5% year on year			

Distortion in the banking sector is preventing equilibrium in the property supply/demand model adding to depressed pricing:

Until liquidity returns to the marketplace, opportunities should abound for cash buyers.

Housing Market Activity- transactions and Mortgage drawdowns



Source: Irish Banking Federation and Property Services Regulatory Authority.
Notes: Data are presented on a quarterly basis. Property price register data available from 2010.

House Price Growth, Rent Inflation And House Price To Rent Index

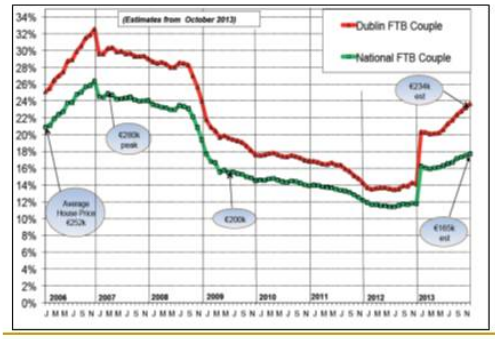


Source: CSO, Permanent TSB/ESRI and Central Bank of Ireland calculations.
Notes: Rent inflation and house price growth are shown as year-on-year changes.

Affordability Index

Affordability –
Dublin FTBs Housing Affordability for the average FTB married working couple in Dublin at 22.4% of disposable income The proportion of net income required to fund a mortgage for the average Dublin FTB working couple was 22.4% in September, up from its lowest point in December 2012 but down substantially from the peak (32.5%). With Dublin property prices up by 12.1% in the six months to September, housing affordability for Dublin FTBs weakened in recent months, reaching an estimated 22.8% in October. A further deterioration is expected by December when 23.7% of net income will be required to meet mortgage repayments.

Nationally Housing Affordability for the average married FTB working couple at 17.3% of disposable income. Based on trends in property prices and mortgage rates up to September 2013 the proportion of net income required to fund a mortgage for the average FTB working couple was 17.2%, up from its lowest point in December 2012 and down substantially from where it was at the peak (26.4%). The proportion had been reasonably stable in the opening months of the year, but following the upturn in property prices from April, affordability began to deteriorate. Housing affordability is currently estimated at 17.3% of net income for a FTB working couple purchasing the average property. With further modest increases in property prices and incomes expected over the coming months, affordability is expected to end the year at 17.7%.



EBS-DKM AFFORDABILITY INDEX: The proportion of net income for a FTB working couple required to meet net mortgage repayments on the 'average' FTB property

Household Financing and Rental Market

There are **566,776 (34%)** of **owner occupied households without a mortgage**.

There are **583,148** (35%) **owner occupied households with a mortgage.**

The fact that 566,776 (34%) of households have no mortgages will act as a stabiliser on price falls.

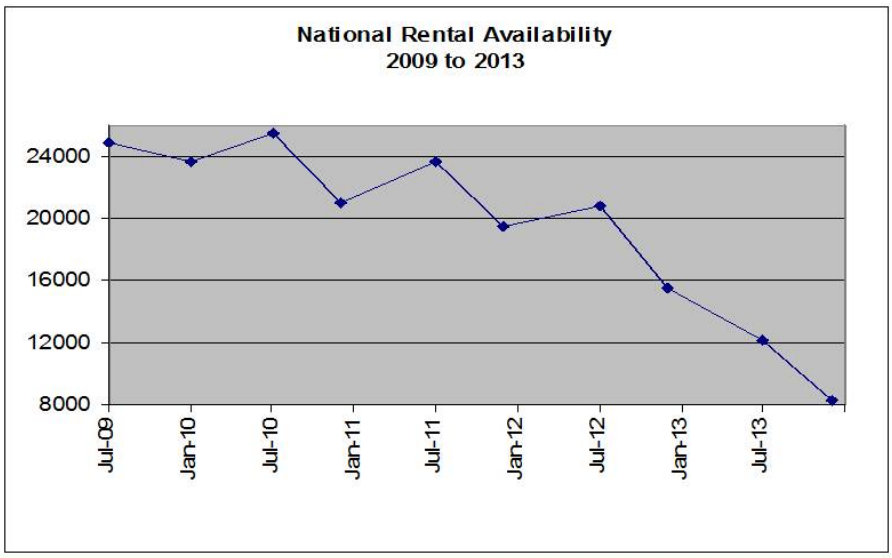
Dublin and Cork account for 37% of the houses nationally

466,992	**The number of households in Dublin**	**28%**
140,856	**The number of households in Cork**	**9%**
1,654,712	**Total number of households nationally**	

Source - CSO 2011

Analysis of Rental Trends in Ireland

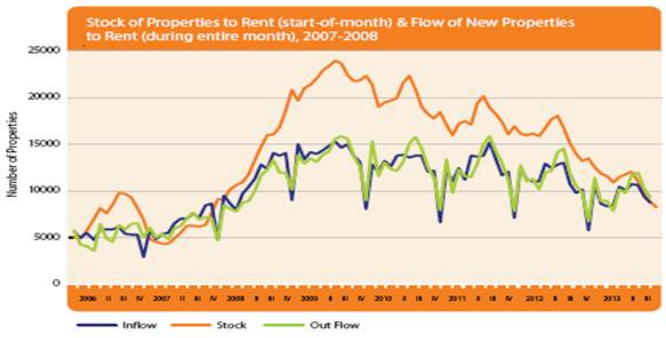
National Stock Availability July 2009 To December 2013



National Rental Index

Daft.ie National Rental Index
(2007 average = 100)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	133.5	116.3	110.3	112.7	119.1	129.1	128.9	117.1	101.8	99.4	99.2	101.5
February	132.8	119.4	111.1	114.2	119.5	130.6	126.3	114.6	101.3	99.8	99.4	101.7
March	128.5	119.5	110.6	115.3	120.0	132.4	124.9	112.2	101.2	99.5	99.3	102.6
April	131.2	120.4	111.3	115.4	121.2	132.8	124.3	110.2	100.5	99.4	99.1	102.6
May	128.5	116.2	109.5	113.6	121.9	134.5	126.2	108.7	100.6	99.1	99.0	103.6
June	125.8	114.8	109.3	112.8	122.4	135.1	125.0	107.1	99.9	98.8	99.0	103.6
July	124.6	115.1	111.1	114.3	123.5	135.5	124.8	105.7	99.8	99.3	99.9	103.7
August	125.4	116.3	113.4	116.2	126.6	132.8	127.2	105.8	100.9	100.3	100.8	105.9
September	124.4	115.8	114.1	116.0	128.4	134.3	126.4	104.7	100.5	99.6	101.0	106.6
October	121.5	113.2	113.7	117.3	129.1	134.0	123.6	103.2	100.1	99.1	100.9	107.4
November	118.2	110.7	111.7	117.2	127.3	128.0	120.4	101.2	98.7	98.5	101.3	
December	115.9	110.2	111.5	118.9	127.1	128.1	117.3	100.3	98.4	98.9	100.9	



Fifth consecutive quarterly rise in rents

Nationally, rents rose by an average of 2.1% quarter-on-quarter, the strongest gain in rents since mid-2007.

Rents outside Dublin now rising

Rents outside Dublin rose 1.8% year-on-year, compared to growth of 7.6% in the capital.

Stock on the market lowest in six years

Nationwide, there were 8,200 properties sitting on the market on November 1, the lowest level since November 2007.

Rents nationally were 4.8% higher on average in the 3rd quarter of 2013 than the same time last year.
Average rent nationwide from April to June was €842, compared to €804 a year previously.

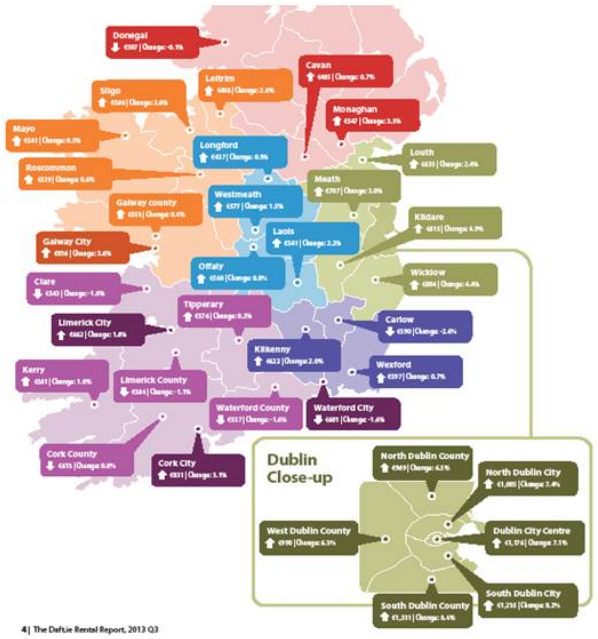
Daft Rental Report Q3 2013

Snapshot Of Rent Nationwide

Average rents across Ireland by postcode, region and bedroom number.

Daft.ie Snapshot of Rents Nationwide

	1bed	2bed	3bed	4bed	5bed
Dublin 1	€952	€1,177	€1,561	€1,745	*
Dublin 2	€1,000	€1,366	€1,815	*	*
Dublin 3	€813	€1,103	€1,325	€1,812	*
Dublin 4	€1,073	€1,481	€1,995	€2,612	€4,082
Dublin 5	€791	€1,010	€1,220	€1,398	*
Dublin 6	€838	€1,200	€1,711	€2,361	€3,071
Dublin 6W	€828	€1,219	€1,411	€1,743	€2,993
Dublin 7	€747	€1,055	€1,297	€1,587	€2,021
Dublin 8	€835	€1,102	€1,412	€1,715	*
Dublin 9	€794	€1,058	€1,279	€1,491	€1,697
Dublin 10	€824	€924	€1,035	*	*
Dublin 11	€820	€924	€1,134	€1,359	€1,649
Dublin 12	€845	€1,011	€1,186	€1,360	*
Dublin 13	€849	€1,104	€1,195	€1,653	*
Dublin 14	€933	€1,290	€1,579	€1,940	€2,750
Dublin 15	€931	€995	€1,045	€1,157	€1,574
Dublin 16	€927	€1,194	€1,393	€1,910	*
Dublin 17	*	€1,039	*	*	*
Dublin 18	€983	€1,248	€1,491	€1,826	€3,744
Dublin 20	€1,006	€996	€1,119	€1,247	*
Dublin 22	€903	€935	€951	€1,120	€782
Dublin 24	€775	€958	€1,113	€1,297	*
North Co Dublin	€799	€971	€1,126	€1,439	€2,885
South Co Dublin	€988	€1,308	€1,660	€2,187	€4,347
West Dublin	€797	€928	€1,055	€1,120	€1,461
Cork City	€622	€793	€906	€1,121	€1,368
Galway City	€554	€763	€922	€1,019	€1,347
Limerick City	€465	€593	€734	€834	€949
Waterford City	€419	€503	€656	€709	€782
Dublin Commuter Counties	€555	€708	€785	€956	€1,164
West Leinster	€402	€487	€604	€646	€741
South-East Leinster	€430	€543	€636	€713	€785
Munster	€424	€530	€630	€705	€774
Connaught	€387	€463	€619	€642	€703
Ulster	€361	€435	€560	€607	€620

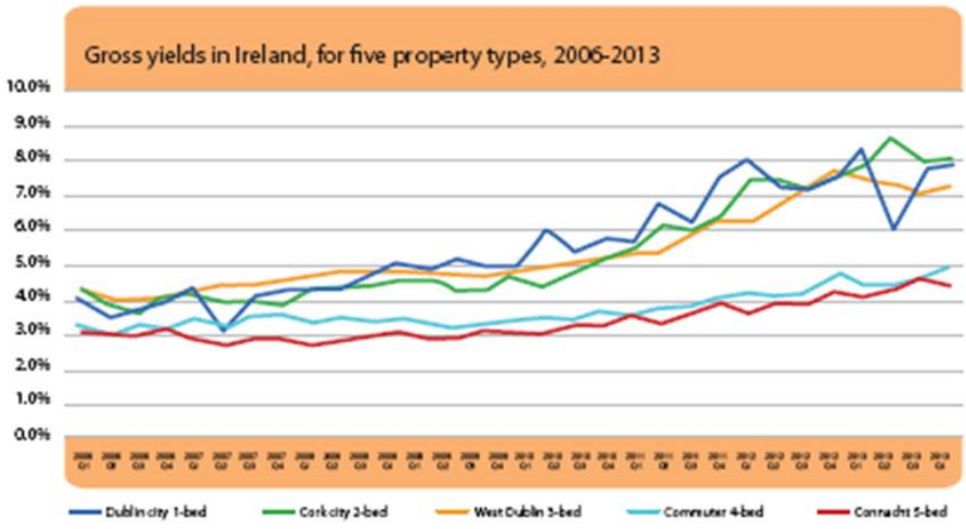


Year on Year Change of rents since Q3 2012.

4| The Daftie Rental Report, 2013 Q3

Daft Rental Report Q3 2013

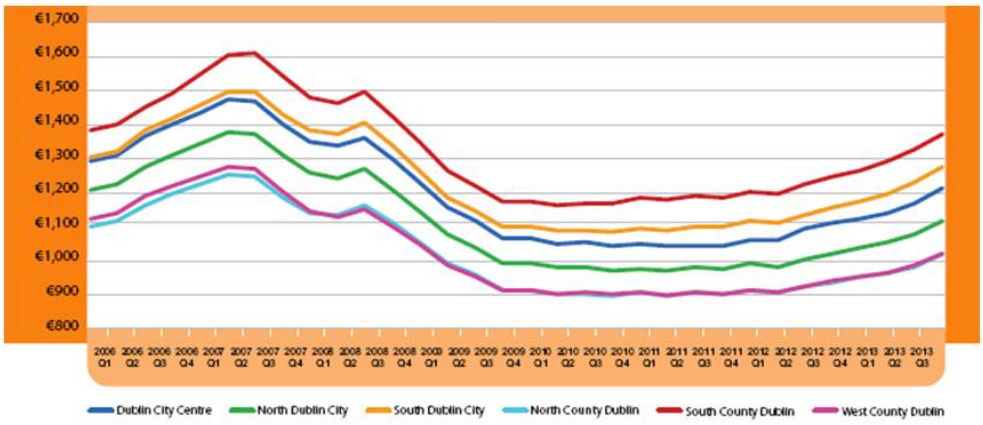
Gross Yields By Property Type



Daft Rental Report Q3 2013

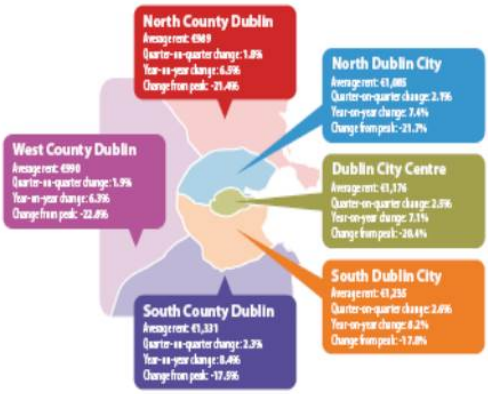
Rental Trends In Dublin

- Average Rents by region, 2006 - 2013



Daft Rental Report Q3 2013

Rental Trends In Dublin



The year-on-year increase in rents has remained at between 7% and 8% in most parts of Dublin.

Rents in the capital remain 20% below 2007 levels but are now 12% above 2011 levels.

On November 1, there were just 1,500 properties available to rent in the capital, the lowest level recorded.

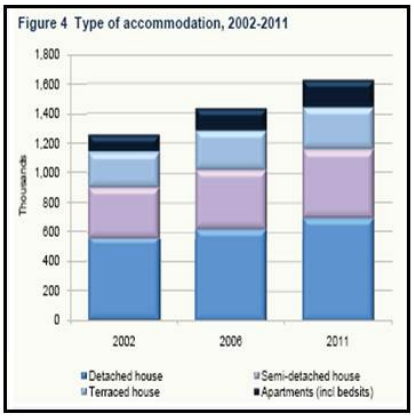
Vacancy periods in Dublin remain very short and rent-a-room costs are rising in most segments.

Daft Rental Report Q3 2013

Market Share Of Dwelling Type

1. There were 177,587 occupied purpose-built or converted apartments in 2011, an increase of 27% on the 2006 figure of 139,872.
2. Apartments accounted for 10.9% of all household types in 2011, compared with 9.7% in 2006.
3. Dublin City had the highest proportion of apartments as a household type at 32.4%.
4.

Accommodation Type	% built before 2001	% built 2001-2011
Apartments	45	55



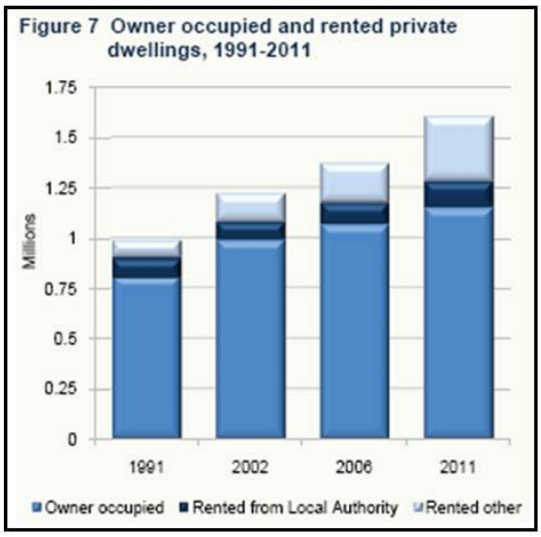
- Almost 475,000 households in Ireland were renting on census night 2011. This is a significant increase since Census 2006 when just over 323,000 households were renting.
- Residential rents appear to have stabilised since the first half of 2011 and have picked up somewhat in recent months rising by 4% in the year to April 2012 according to the CSO. In Dublin, rents were 7.6% higher than a year previously. This is related to very tight supply, with fewer than 1,500 properties available to rent on November 1, compared to over 6,700 on the same date four years previously.
- In Cork City, rental inflation is between 3% and 4% the first annual increase in rents since late 2007.

Source - CSO 2011

Owner Occupier and Private Rented Dwellings 1991 - 2011

Significant growth in rented households

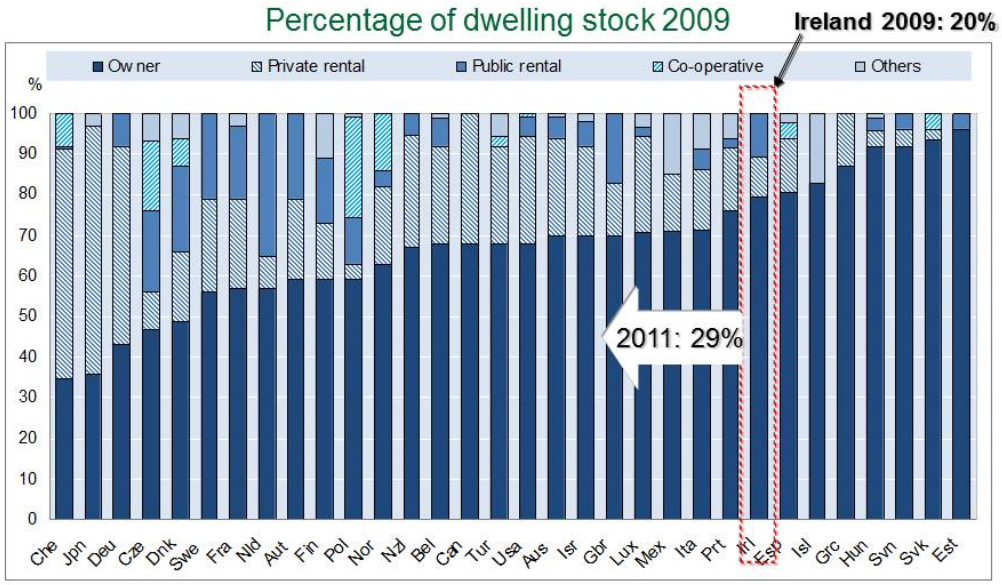
1. A total of 474,788 households were in rented accommodation in 2011, a considerable rise of 47% from 323,007 in 2006.
2. The share of households that were renting was 29 % in 2011, up from 22% recorded in 2006.
3. The number of households which were rented either from a private landlord or a voluntary body rose by 63.6% from 195,797 in 2006 to 320,319 in 2011.
4. Despite the number of owner occupied dwellings rising by 5.3% between 2006 and 2011 the strong growth in rented accommodation has caused the overall home ownership rate to drop sharply from 74.7% to 69.7%.



The majority increase in people renting **was in apartments**

Source - CSO 2011

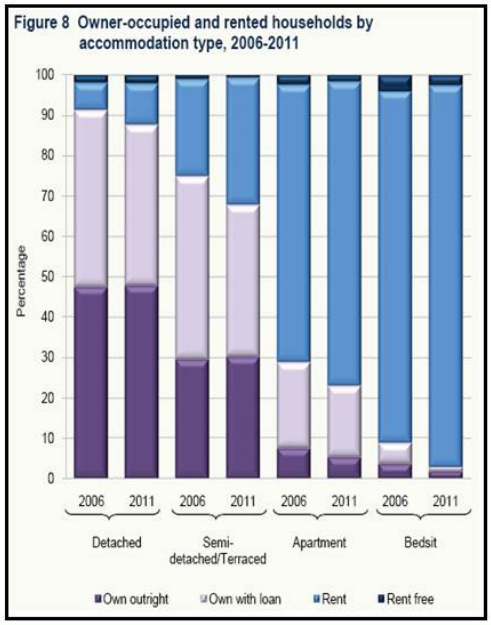
Tenure Structure Across Countries

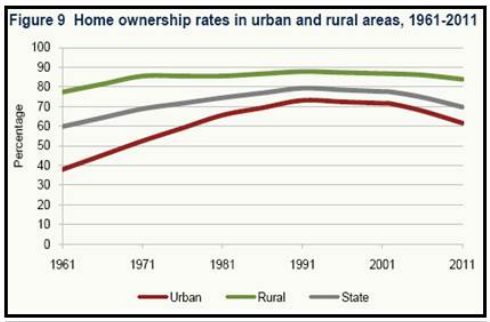


The financial crisis has and will continue to drive the size of the rental market

Source: Calculations based on OECD Housing Market questionnaire.

Nature Of Occupancy



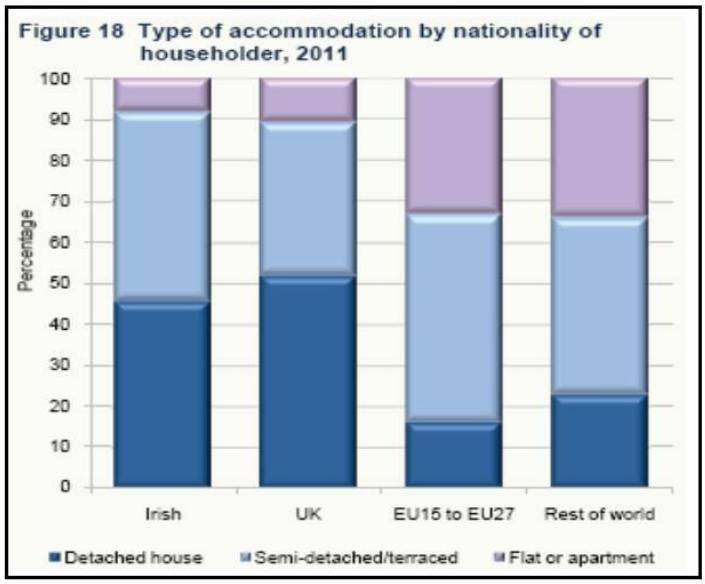


Home ownership rates in decline since 1991

- Figure 9 (above) charts the percentage of occupied private dwellings within the State which were owned outright or owned with a loan or mortgage by their occupants between 1961 and 2011.
- The urban areas, have experienced considerable variations in the home ownership rate, growing from 38% in 1961 to a peak of 73.1% in 1991. Since 1991 there has been a continuous decline in the owner occupied rate among urban households, dropping to 61.6% in 2011.

Source - CSO 2011

Household Type And Nationality



Source - CSO 2011

Mccarthy Group – AWSI / McCarthy Developments

Asset Management	Financial Management	Development Management	Professional Services	Residential Property Mg
Asset Assessment & Appraisal	Financial Modelling & Appraisal	- Project Assessment	- Marketing	- Interior Design and Fit out
Valuations	Management Accounting	- Financial Appraisal	- Sales	- Property Lettings
Portfolio & Asset Management	Financial Control	- Market Analysis	- Investor Relations	- Property Management
Added Value Review & Planning	Financial Planning	- Master Planning	- Compliance Management on	- Sales
Sales, Lettings & Acquisitions	Funding Management, Control & Reporting	- Planning & Design	- Landlord & Tenant	- Multi Unit Developments Act 2011 Compliance Management
Rent & Service Charge Collection	Co-ordination and management of external consultants & suppliers include.	- Project Management	- Government agency requirements (e.g. NPPR,BER)	
Co-ordination of external consultants & suppliers	•Auditors •	- Co-ordination and management of external consultants & suppliers		
Rent Reviews & Professional services	•Taxation specialists •	- Legal & Due Diligence		
Property Management	•Funding Institutions	- Design Team		
Legal & Due Diligence		- Compliance Management with Regulatory agencies		
Market Research Commentary & Reporting		- Completion Handover		
		- Marketing & Branding		
		- Sales Process Management		
		- Stakeholder Consultation and Reporting		

7 List of References

(2014a) Flynn -v- National Asset Loan Management Ltd & ors. *Mr. Justice Cregan* High Court

(2014b) Ireland Continuing Progress - July. In: Finance (ed). Ireland: Government Publications.

Argyris Chris; Donald A. Schön. (1974) *Theory in Practice: Increasing Professional Effectiveness,* San Francisco: Jossey-Bass Publishers.

Basseches M. (1984) *Dialectical Thinking and Adult Development,* New Jersey: Ablex Publishing Corporation.

Boucher DTS. (2013) *R.G. Collingwood: An Autobiography and Other Writings,* Oxford: Oxford University Press.

Collingwood RG. (1924) *Speculum Mentis*: Oxford: Clarendon Press.

Collingwood RG. (1926) Economics as a Philosophical Science. *International Journal of Ethics* 36: 162-185.

Collingwood RG. (1928) *Political Action,* Oxford: Oxford University Press.

Collingwood RG. (1929) Lecture on Moral Philisophy. *Politics*.

Collingwood RG. (1933) *An Essay on Philosophical Method,* Oxford: The Clarendon Press.

Collingwood RG. (1940) *An Essay on Metaphysics,* Oxford: Clarendon Press.

Collingwood RG. (1942) *The New Leviathan or, Man, Society, Civilization and Barbarism,* Oxford: The Clarendon Press.

Collingwood RG. (1958) *The Principles of Art,* New York: Oxford University Press.

Collingwood RG. (1967) *An Autobiography,* London: Oxford University Press.

Collingwood RG, Connelly J and D'Oro G. (2005) *An Essay On Philosophical Method,* Oxford: Oxford University Press.

Collingwood RG and Dussen WJvd. (1994) *The Idea of History,* Oxford; New York: Oxford University Press.

Collingwood RG and Martin R. (2002) *An Essay on Metaphysics,* Oxford: Oxford University Press.

Connelly J. (2003) *Metaphysics, Method and Politics, The Political Philosophy of R.G. Collingwood,* Charlottsvillie: Imprint Academic.

Debold E. (2001) Epistemology, Fourth Order Consciousness, and the Subject-Object Relationship or How the Self Evolves. *"What Is Enlightenment? Fall/Winter 2001*.

Drucker P.F. (1942) *The Future Of Industrial Man,* New York: Transaction Publisher.

Drucker P.F. (1994) The Theory of The Business. *HBR*.

Drucker P.F (1985) *Innovation and Entrepreneurship: Practice and Principles,* New York: Harper & Row.

Drucker P.F (1999) Managing Oneself. *Best of The Havard Business Review*.

Eigel K. (1998) Leader Effectiveness: A Constructive Development View and Perspective. University of Georgia.

Einstein A. (1926) In: Heisenberg (ed).

Examiner I. (2012) Report on Bank of Scotland. *Irish Examiner.* December 15th ed. Cork.

Finnegan M. (2014) Irish Residential Summer Market Review.

Frankl VE. (1992) *Man's Search for Meaning,* Boston: Beacon Press.

Garvey Berger J. (2012) *Changing on the Job: Developing Leaders for a Complex World,* Stanford, Calif.: Stanford Business Books.

Gregg P and Murphy C. (2014) *Residential Property Price Index.* Available at: http://www.cso.ie/en/releasesandpublications/er/rppi/residentialpropertypriceindexapril2014/ - .U_JYrksnYc1.

Hayek FA. (1945) The Use of Knowledge in Society. *American Economic Review* XXXV,: 519-530.

Heifetz R, Grashow A and Linsky M. (2009) *The Practice Of Adaptive Leadership: Tools And Tactics For Changing Your Organization And the World,* Boston, Massachusetts: Harvard Business Press.

Inglis F. (2011) *History Man The Life of R.G. Collingwood,* New Jersey: Princeton University Press.

Jung CG and Baynes HG. (1923) *Psychological Types; or, The Psychology of Individuation,* London: K. Paul, Trench, Trubner & co.

Kegan R. (1982) *The Evolving Self: Problem and Process in Human Development,* Cambridge, Mass.: Harvard University Press.

Kegan R. (1994) *In Over Our Heads: The Mental Demands of Modern Life,* Cambridge, Mass.: Harvard University Press.

Kegan R (2001) TOWARDS A NEW PLURALISM IN A BE/ESOL CLASSROOMS: TEACHING TO MULTIPLE "CULTURE OF MINDS". Boston, MA: National Center for the Study of Adult Learning and Literacy.

Kegan R and Lahey LL. (2001) *How the Way we Talk Can Change the Way we Work : Seven Languages for Transformation,* San Francisco: Jossey-Bass.

Kegan R and Lahey LL. (2009) *Immunity to Change: How to Overcome it and Unlock Potential in Yourself and Your Organization,* Boston, Mass.: Harvard Business Press.

Klein J. (2012) *Francis Bacon", The Stanford Encyclopedia of Philosophy* Available at: http://plato.stanford.edu/archives/win2012/entries/francis-bacon/.

Kline N. (1999) *Time to Think: Listening to Ignite the Human Mind,* London: Cassell.

Lahey L, Emily Souvaine, Robert Kegan, Robert Goodman, Sally Felix,. (1988) *A Guide to the Subject-Object Interview: Its Administration and Interpretation (Cambridge: The Subject-Object Research Group, Harvard Graduate School of Education, 1988).*

Laske O. (2008) *Measuring Hidden Dimensions of Human Systems,* Medford: Interdevelopmental Institute Press.

Laske O. (2011) *Measuring Hidden Dimensions,* Gloucester: Interdevelopmental Institute Press.

McArdle P. (2012) Refinancing The Irish Bailout- the Options Post The June 2012 Summit. *The Institute of International and European Affairs* 12.

McCarthy Y and McQuinn K. (2013) Price expectations, distressed mortgage markets and the housing wealth effect. Dublin, Ireland: Cental Bank of Ireland.

Mezirow J. (2000) *Learning as Transformation: Critical Perspectives on a Theory in Progress,* San Francisco: Jossey-Bass.

Mill JS. (1861) *Considerations on Representative Government,* London,: Parker, son, and Bourn.

Mink L, (1969) Mind, History & Dialectic: The Philosophy of R.G. Collingwood, Bloomington: Indiana University Press.

Montero F. (2014) European Loan sales Market. Quarter One, 2014 ed. London.

Nixon R. (1974) "Remarks on Departure From the White House," Online by Gerhard Peters and John T. Woolley, The American Presidency Project.

Nyberg P. (2010) Misjudging Risk: Causes of the Systemic Banking Crisis in Ireland Report of the Commission of Investigation into the Banking Sector in Ireland.

Paul E. (2008) The Miniature Guide to Critical Thinking Concepts and Tools. *Foundation for Critical Thinking Press.*

Pendery D. (2009) Three Top Economists Agree 2009 Worst Financial Crisis Since Great Depression; Risks Increase if Right Steps are Not Taken. On line: Reuters.

Penrose ET. (1972) *The Theory Of The Growth Of The Firm*, Oxford: Basil Blackwell.

Popper KR. (1994) *The Myth of the Framework: in Defence of Science and Rationality*, London and New York: Routledge.

Porter M. (1988) *On Competition*, Boston: Harvard Business School Press

Quenk N and Kummmerow J. (2011) Myers-Briggs Type Indicator Interpretive Report.

R.G C. (2005) *The Idea of History*, Oxford: Oxford University Press.

Smith MK. (2013) *Chris Argyris: theories of action, double-loop learning and organizational learning', the encyclopedia of informal education.* Available at: http://infed.org/mobi/chris-argyris-theories-of-action-double-loop-learning-and-organizational-learning/.

Sowell T. (2007) *A Conflict of Visions*, New York: Basic Books.

Steup M. (2014) *Epistemology*. Available at: http://plato.stanford.edu/cgi-bin/encyclopedia/archinfo.cgi?entry=epistemology.

Wilson TD. (2002) *Strangers to Ourselves : Discovering The Adaptive Unconscious*, Cambridge, Mass.: Belknap Press of Harvard University Press.

Young-Bruehl E. (2006) *Why Arendt Matters*, New Haven, Conn: Yale University Press.