



# THE ART OF RECALIBRATION

*LEADERSHIP MANUAL 2022*

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*Written with tremendous care for those  
leading the way in uncertain times*

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# INTRODUCTION

*Thank you for downloading and taking the time to read the Leadership Manual: 2022 Edition.*

*What began as a letter to encourage and support my clients has turned into an annual project that this year will reach and empower thousands of leaders. This is largely due to Sasfin joining me in my efforts to get this manual into the hands of as many leaders as possible.*

*My deepest thanks to the team at Sasfin for the amplification of what I hope will be a meaningful message for leaders in 2022.*


2020 was a brutal year that plunged us all into survival mode. The aim was simple – survive.

This was not only a business imperative but a theme that penetrated every aspect of our existence. It was about looking after yourself and the ones that you care about. Even if you were somehow positioned in an industry that benefited from the pandemic, you were not exempt from the emotional and psychological distress resulting from the shift to work from home and seeing people around you immensely affected by the fall out.

In 2021, we started finding our feet again. Even though there were tumultuous moments, there was a clear shift towards a new aim – creating momentum.

The shock subsided. We became used to a new way of doing things. No longer merely surviving, we began to co-exist with the virus. We realised that flexible working is here to stay, that employee wellness is a top priority, and that the nature of work is changing all together.





As people adapted to new ways of working together and new ways of selling to customers, we started to achieve some forward momentum. It was a reminder that we still have agency and that although we didn't choose to be here, we can choose where we go from here.

Which brings us to 2022.

Get ready for more chaos.

As of writing this manual, companies are figuring out hybrid work environments, digital leadership, Nike just acquired a Metaverse company, remote workers are overworked, humanoid robots are looking more realistic than ever, Facebook rebranded to Meta, most virtual meetings still suck, we have just identified the Omicron variant, and everyone has NFT FOMO.

Pretty much a standard news day in 2022.

However, I believe that 2022 is the year to move out of survival mode. Not because the craziness of the world has subsided. But because it is set to continue. And we cannot allow our potential and performance to be dictated by external forces.

But more than that, at a deep psychological level, it's time to move beyond the powerlessness that was instilled over the past two years. It's time to find a place of ownership, responsibility, and effectiveness.

This is not something that we can force on people. But I personally believe that now is the time to extend the invitation for people to reclaim their own sense of power and awe.

To do that, individuals and teams will have to recalibrate how they think and behave away from surviving the present towards maximising opportunity and potential in the future.

# THE ART OF RECALIBRATION



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***Recalibration of the mind means clearing our perceptions and recovering our capacity for pure observation.***

***– Ilchi Lee***

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In times to come, you will have to master the art of recalibration. Recalibration requires two different skills.

The first is increasing your situational awareness so that you can observe what is happening in the environment around you. The second is having the self-awareness to respond to this change in a meaningful and effective manner.

Mastering the art of recalibration means that you become a creature of nuance. Certainties no longer exist when you're operating in an environment that is constantly shifting and changing. Generally, you might be encouraged to change with change. But is that always a good thing? What about the times when you shouldn't or when you don't need to? Often, a knee jerk reaction to change isn't desirable.

Knee jerk reactions can do more harm than good. A new Covid variant is announced, and the knee jerk reaction leads to travel bans, businesses being impacted, and renewed panic. This isn't necessarily the right reaction to the situation.

In the world of trading, rookie investors often sell their stock when the stock starts losing value. They have a knee jerk reaction to stop the bleeding. However, seasoned investors will tell you to stay calm and play the long game. There is power in being non-reactive.

But then there are times when a new technology emerges that will undoubtedly affect your business and instead of reacting as soon as possible, you hesitate and do nothing about it. In those situations, you might become undone.

These two examples illustrate that we must become attuned to the nuance. The moments that require us to go and the moments that require us to stay. The moments that require us to do and the moments that require us to wait.

We have entered an era in which the environment is chaotic, complex, dynamic, and perpetually shifting. This is not new to you. But perhaps you are harbouring some hope that in times to come things might feel more manageable and under control again.

Sorry to break this to you, but it's not likely. Over time, perhaps we become more accustomed to co-existing with chaos and as we befriend our new roommate – we start to deeply understand it's nature and simply adapt to its quirks and peculiarities.

What seems quite certain is that moving forward we will all need to master the incredible art of recalibration. Rapidly adapting ourselves to the nuances in the environment. Knowing what to pay attention to and what to ignore. When to shift and when to hang on for a moment. Knowing when to take the opportunity and when you can afford to pass it up.

I wish that I could write a manual that would give you the perfect roadmap towards success in 2022 and beyond. But alas, even entertaining the idea that such a manual could exist would not only reveal the naivety of the author, but that they do not fully grasp the notion of a wicked environment.

**Psychologist Robin Hogarth lays out two different learning environments. In one, the rules are clearly defined, feedback is immediate, and all information is available. He calls this a Kind learning environment. Golf is a perfect example of this. The second type of learning environment is one in which feedback is not immediate, the rules are not clearly defined, and you do not have perfect information. Does that sound (and perhaps feel) familiar? This type of environment is called a Wicked learning environment.**



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The best we can do is to become creatures of nuance and masters of recalibration. Fine tuning our senses and becoming more intentional with how we respond to change.

As you will see in this manual:

- **There are times to go slow and times to move fast**
- **There are times to extract value from what is working and times you should go exploring**
- **There is a time for learning and a time for execution**
- **There is a time for resilience and a time to rebuild**

Knowing when to do what – that's the superpower. And it's available to those who are willing to live an examined life. Those who cultivate a self-awareness that is not simply tied to maintaining the status quo but that will invite them to transcend present ways of thinking and doing.

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# THE 5 CALIBRATIONS

*How we calibrate instruments (and ourselves) matters.*

## **The Mars Orbiter**

In the 1990s, the Mars Orbiter was sent into space. Along the way to its intended destination, scientists noticed that the orbiter was overcompensating. Because of the asymmetry of the satellite the scientists expected some rotation that would be counteracted by thrusters. However, the thrusters overcorrected and made 10 times more adjustments than expected.

Eventually the overcorrection led to the Orbiter going off its intended trajectory and presumably burning out in the atmosphere of Mars.

When the incident was investigated, it was found that there were two groups of scientists working on the Orbiter. One set of scientists used the metric system (Newtons of force per second) whilst the others were using the imperial system (Pounds of force per second).

It was this error in calculation and calibration that was responsible for the untimely demise of the Mars Orbiter.

## The One Degree Principle:

There is a famous principle that states that if a plane veers only 1 degree from its intended route, the deviation will initially be barely perceptible. But over distance, that 1 degree error results in the plane being 1 mile off target for every 60 miles flown.

## HOW THE CALIBRATIONS WERE SELECTED

This manual outlines 5 calibrations that leaders and teams must consider to be successful in the future. My suggestion is that you go through these slowly. Identify your current calibration, the calibration that you'd need for success, and then do the work required to make the change.

Everything presented in this manual has been subject to a rigorous process of curation.

The calibrations I share stem from the work that I do with organizations across the world. It's a combination of looking at trends to anticipate how leaders will have to adapt, reflecting on the challenges that my clients have been facing, and private coaching conversations that I have had with many leaders across varying industries and business sizes.

They are not all encompassing. There might be other calibrations that are more important for your specific situation. However, I do believe that the calibrations presented in this manual carry a universal appeal.





# CALIBRATION 1: EXTRACT & EXPLORE

## The Cheeseburger Please

When we go to a restaurant, my wife tends to try out new dishes. Dishes that she has seen online or heard of but haven't had the opportunity to try. I, on the other hand, stick to what I know. I choose the cheeseburger. Every time.

This means that at the dinner table we are embracing different strategies. My wife is exploring new items, I am extracting value from what works. Both strategies have certain upsides and downsides.

My wife might just discover her favourite new dish. But she's also rolling the dice with every order, not quite sure if she will have a good experience or not.

The upside for me is that there is a certain level of consistency that I can expect, however I never know what I'm potentially missing out on.

We are engaged in explore & extract trade-offs every day in every area of our lives. At the dinner table getting it wrong might result in an unenjoyable meal. At the boardroom table, getting it wrong might result in financial losses, retrenchments, and at worse, the downfall of the business.

Navigating this trade-off is much harder than you might think.

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***“There are no solutions. There are only trade-offs.”***

***— Thomas Sowell***

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We are of course encouraged to maximise what is currently working. For most, this is what they are paid to do. Ensure maximum productivity, output, and revenue, for today. If you know what's working – why would you mess around with other ideas?

To be clear, this is not a bad thing. When you have a limited amount of time and energy to deploy, you want to make sure that it's put to good use and will yield a certain return on time and energy. However, there is also good reason to explore. To engage in experimentation and wander beyond the realm of what you know and what you regularly do.

The utility of exploration mode is that you might stumble across the idea, innovation, or disruption that catapults you forward like nothing that you have ever experienced. However, for some it becomes a game of chasing but never catching the golden butterfly. In the process, they neglect today and only ever concern themselves with tomorrow.

Mastering this trade-off is the key to business and leadership success in 2022 and beyond.

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## Extract

The first calibration then is to find the sweet spot between extraction and exploration. Between continuing to do what works versus changing to try new things.

Extracting is about unearthing as much value as possible from your current business and from what is working in the moment. There is good reason to do this. It allows you to build a solid foundation from which your business can operate.

People who become obsessed with the future often neglect creating anything of significance in the present. They are fuelled by visions and dreams, however businesses run on cash. And without a strategy for value extraction in the present, they run the risk of not seeing their visions brought to life.

But this is not just about business. In fact, this calibration also takes aim at our personal development and experiences.

The World Economic Forum has said that by 2025, 50% of the workforce will have to retool and reskill. This means that the job you have in the moment will change in years to come. Therefore, your ability to extract value from your current skillset diminishes each day.

The counterweight needed for the extraction mindset is one of exploration.

## Explore

As mentioned above, extraction timelines are getting shorter as we progress into the future.

There was a time for extracting value from developing film for cameras. There was a time for extracting value from renting out DVDs.

Those times have passed. But the good news is that there are new opportunities to explore. This is of course a scary proposition. We often allow the success of today to get in the way of creating success tomorrow.

This happens because we are unwilling to seek the unknown and journey into the unfamiliar. Exploration is the act of infusing your business and life with new ideas and new technology

Rapper Tory Lanez, sold his latest album as an NFT (non-fungible token). Here's how it worked. He released a million NFTs, sold for a \$1 each. Purchasing the NFT means that you own the digital rights to it. You cannot buy the album online or at any retail store. Once the NFTs were sold out, you could only secure a copy by purchasing it on an NFT marketplace from someone who purchased one of the original NFTs released. He made a million dollars in a matter of minutes from initial sales. However, because NFTs can be programmed, he also made 10% commission on any sales that happened in the marketplace.

He has found an entirely new way of serving his community and monetising their fandom. You only discover new riches when you are willing to leave behind what you know and explore that which you don't know.

This can be challenging. Especially in today's world, because it all just seems so foreign, however it's an important thing to do.

## The Local Maxima Trap

I was speaking to a client at a global tech company, and he was beyond frustrated with the extraction mindset in his team. He said that they were unwilling to take risk, to try something new, or to think beyond convention.

Over time, a team like this smothers itself if it doesn't rise above the smog and pollution of old and outdated ideas to breathe in the fresh air of summing new peaks.

I find Scott Young's idea of the local maxima trap to be a great explanation of the challenges of the extraction/exploration trade-off.

A local maxima is a smaller hill next to a mountain. Making your way to the top of a hill requires effort and perseverance. More than that, it feels good since getting to the top was most likely the goal that inspired you to take those first steps to begin with.

Once you reach the top though, you have a decision to make. You can stay and enjoy the views, extracting maximum pleasure. Or you can find the next mountain to climb.

We are incentivised to stay. The views are great from here.

However, you might be missing out on even better views. The view from the top of the mountain. However, to get to the top of the mountain, you would

first need to descend your hill and then start the climb all over again. It makes perfect sense why we then rather decide to stay. After all the effort invested to get to where we are today, why would we descend the hill?

The problem with the local maxima scenario described above is that it's static. It says that perhaps your hill has great views but there could be better views and therefore you need to explore. The catalyst for climbing another moment is the fear of missing out or not reaching your full potential.

There is truth to this but there is also something else to consider.

The motivation to explore new mountains and views is not a luxury. It's a survival mechanism. This is not lazy Sunday afternoon mountain scaling. This is you rapidly exploring better grounds because the mountain you are on is being ravaged by fire and eroded by gale force winds.

Staying on the hill provides great views until it doesn't.

## **To Explore Or Extract**

It should be clear by now that danger lurks in the extremes. Those who only extract the success of today run the risk of getting caught in crosswinds and fires. However, those who only explore might never reach any mountain top at all, or might never stay for long enough to savour the view.

You might find that you, your team, and your organization have a certain tendency towards one or the other. It's quite natural that some of us are good at repeating what works and others cannot stay in one place for too long before feeling the need to go off on a new adventure.

The challenge is to make sure that you are well-calibrated in this regard.

That we reap the rewards from exploiting what works. And gather the information from exploring new terrain.

### **What prevents us from exploring?**

1. The impulse to keep doing what is working. That's obvious.
2. The fear of failure in trying something new.
3. The overwhelm experience of having to take on something new that's so far out of your comfort zone it might as well be alien in origin.

### **What prevents us from extracting?**

1. The fear of missing out on the next big thing.  
#CryptoToTheMoon
2. Seizing the opportunity due to lack of will or skill.
3. Prioritising.



## Areas For Exploration

- Web3. Also known as Web 3.0. This is perhaps the most daunting of all.
- Areas for personal growth.
- Areas for team growth.
- Hiring from new locations.
- Exploring best ways of working remotely and hybridly.
- Exploring new tech and automation in your business.
- Exploring new markets brought closer through shifts in the landscape.

A quick shorthand – explore new tech, new opportunities, and meeting new people.



## Explore, Then Exploit

In a great article on “hot streaks”, Derek Thompson summarises the research around this topic as Explore, then Exploit.

Hot streaks are periods of time when things are going exactly the way they are supposed to. You are creative, at the top of your game, and winning. It’s you perfectly exploiting your current situation.

However, what Dashun Wang found in his research is that these hot streaks are typically a result of a period of exploration. One cannot happen without the other.

## Dual Track Approach

As an individual, your approach to this trade-off is that you must strategically allocate time in a way that allows you to explore then extract. Even 30-minutes a day spent exploring new ideas, research, and technology can make a significant difference.

As an organization, your teams must be able to work on two tracks simultaneously. Jeff Patton advises that one team should be on both Discovery and Development tracks. My good friend and international keynote speaker, John Sanei, has a slightly different view. He believes you should ideally have separate teams dedicated to each track. A today team (for extracting) and a tomorrow team (for exploring). The key is to ensure you are on multiple tracks.

In a great talk, Astro Teller, CEO of X (Alphabet), says that one of the most important things that must happen in an organization is that people are given the expectation that they must explore, take some risk, and think bigger.

### RECALIBRATE

**Are you currently extracting or exploring?  
Do you perhaps need to do something different?**

# CALIBRATION 2: TRANSFORMATIONAL & TRANSACTIONAL

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***“The leader has to be practical and a realist yet must talk the language of the visionary and the idealist”.***

***—Eric Hoffer***

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## **Transformational Leadership**

In 1973, the world was first introduced to a leadership style that would go on to dominate leadership literature.

James McGregor Burns introduced us to the idea of transformational leadership and said that it can be seen when ***“leaders and followers make each other to advance to a higher level of moral and motivation.”***

However, Bernard Bass in 1985 is really the one who popularised the idea and he said that:



***“Transformational leaders...are those who stimulate and inspire followers to both achieve extraordinary outcomes and, in the process, develop their own leadership capacity. Transformational leaders help followers grow and develop into leaders by responding to individual followers’ needs by empowering them and by aligning the objectives and goals of the individual followers, the leader, the group, and the larger organization.”***

How can you not love that?

When you think of transformational leadership you are probably thinking of the likes of:

- Jacinda Ardern
- Steve Jobs
- Martin Luther King
- Nelson Mandela
- Sarah Blakely

We judge these leaders as transformational for the changes that they have brought about in the world and the way that they transformed their organizations.

But the ultimate test for the transformational leader is what their relationship looks like with those that follow them.

Bernard Bass gave us a framework for transformational leadership.

It’s called the 4 I’s, and this stands for:

- **Idealised influence**
- **Inspirational motivation**
- **Intellectual stimulation**
- **Individual consideration**

## **Idealised Influence**

Is about modelling behaviour and attitudes. Leading by example is not a new concept, yet we so often fail to live up to it. This has become even more important in recent years as the corporate world has been rocked by scandals that undermine what leaders should stand for.

Idealised influence is not about presenting a facade either. It must be a true representation of the leader and the change they want to see in the world.

In short – be a beacon for strong moral and ethical foundations.

## Inspirational Motivation

This emerges when a leader can communicate and inspire people through the alignment to a vision. But more than that, it's helping each person to see how what they are doing relates to the bigger vision that is being accomplished.

One CEO told the following story:

*Two guys are digging a ditch, so I asked one of them, "What are you doing?" He says, digging a ditch, what's it look like I'm doing? I asked the other guy the same question and he says, "I'm building a hospital."*

Transformational leaders allow others to feel like an important part of the mission, irrespective of what they are doing.

## Intellectual Stimulation

Invites others into the conversation and encourages critical thinking and problem solving.

It's not for the leader to have all the answers, but rather for them to spark the curiosity that would allow their team to think creatively and push their cognitive abilities.

This of course also means creating an environment where conversations can be had, and people included.

## Individual Consideration

This ideal encourages leaders to act like coaches and advisors to their colleagues. Expressing true concern for their wellbeing and success.

The past few months have shone a light on the importance of the individual.

More than ever, leaders must also be coaches and advisors.

There to make sure that individual participants are finding ways to live up to their full potential.

## Transactional Leadership

Some hold up transformational leadership as the ideal and only leadership style to aspire to, and in the same breath scold the idea of transactional leadership.

However, I believe that transactional leadership gets a bad rap. Sure, it's not for every situation. In the same way that transformational leadership is not for every situation.

Transactional leadership is best applied in times of crisis and when the outcome of a project is linear.

This is because transactional leaders are more outcome and process driven. When there is a lot of uncertainty, people find solace in being given explicit direction. Have you ever said to someone, "Just tell me what to do"? Well, that's a call for transactional leadership.

In the most basic sense, transactional leadership is based on rewards and punishment. The exchange between leader and follower is about achieving performance goals.

Sometimes we need harsher accountability and someone keeping an eye over us. In its most extreme version this can become micromanaging, so we have to balance it out.

In the 1980s and 90s, researchers, including Bernard M. Bass, Jane Howell and Bruce Avolio, defined the dimensions of transactional leadership:

- Contingent reward, the process of setting expectations and rewarding workers for meeting them.
- Passive management by exception, where a manager does not interfere with workflow unless an issue arises.
- Active management by exception, in which managers anticipate problems, monitor progress and issue corrective measures.

In your mind you might hold this idea that transactional leaders are cold and ruthless. And in many instances, this might be right. However, modern transactional leaders are different. They support, they encourage, and they provide mature accountability.

They believe in the potential of the people that they are working with and instead of scolding them for not performing, they are constantly inviting them to play at a higher level. Accountability is not a slap on the hand. It's a challenge to do and be better.



## Two Broad Worlds of Leadership

You most likely have a specific leadership style. However, the power of this calibration is to ask what the situation needs.

Some leadership theories would suggest that we allow people to stick to the style that they are naturally good at. But this isn't very growth minded of them. Leaders can, and must, be willing to explore new ways of leading.

Transformational and transactional leadership form part of two larger worlds of leadership – selling and telling.

Sometimes, you need to sell the vision, the journey, the destination.

Other times, you need to tell people the steps they need to follow to get there.

The best leaders will be those who can live in the beautiful middle. Selling in the morning and telling in the afternoon.

### RECALIBRATE

**Which leadership style comes most naturally to you?  
In which situations do you need to incorporate the other style more?**



# CALIBRATION 3: FRAGILE & ANTIFRAGILE

## Antifragility

Antifragility has easily been one of my favourite ideas over the past few years (even pre-pandemic) and only increased in utility over the past two years.

Nassim Taleb, arguably one of the world's best thinkers, coined this term in his book – antifragile.

The easiest way to explain the concept is through the following example.

Imagine I arrived at your house with a parcel that had a red fragile sticker on it. We would handle the package with care and if we dropped it we would both expect to hear some sickening breaking sound as the contents are decimated. My coffee brewer recently arrived with a fragile sticker and I opened it with bated breath knowing how easy they break.

Well, Nassim Taleb then asks – what is the opposite of fragile?

Most people would say resilient or robust. But that's not quite true. Let's play the previous scenario through again, but this time the parcel has a green sticker on that says resilient.

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***“Wind extinguishes a candle, but energizes a fire.”***

***– Nassim Nicholas Taleb***

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This time we wouldn't worry about it as much. We wouldn't be reckless, but we would be less concerned about dropping it because if we did, we have the expectation that nothing would happen to the parcel. The contents would be in the same exact condition as before. It's resilient.

However, this means that resilience is not quite the opposite of fragile. The fragile item when exposed to stress broke. The resilient item when exposed to stress stayed the same. There was no change in its condition.

This led Nassim to coining the term antifragile. The idea that certain things become stronger and better when exposed to stress, chaos, and variability. When fragile breaks, antifragile grows. When fragile shatters, antifragile bonds.

Simply put, antifragility allows people, systems, and structures to become better because of the stressors of life.

### Examples of antifragility would include:

- **Muscle.** When stressed becomes stronger.
- **Systems.** When components in a system fail and the system learns from it, the system becomes more antifragile. For example, the entrepreneurial ecosystem becomes stronger when smaller businesses fail, and others get to learn from it.
- **Having options.** For example, the lawyer whose side-hustle is learning to code. If automation at some point disrupts law, then they are not disrupted by it. They can move into a new direction or even be a part of the disruption.

This does not mean that there isn't utility in fragility. It's through discovering fragilities that we can orient ourselves to be better. If we were only robust, we'd never change, and business would always just be the same. There would be no catalyst for improvement.

## Personal Antifragility

Personal antifragility is the idea that when things go wrong, you aren't destroyed by them. Instead, you learn from your experiences in such a way that you build yourself (your business) out so that you are ready for the inevitable obstacles that life will place on your path.

### An Example

When I work with leaders and teams around the concept of antifragility, the first thing I have them do is a Fragility Assessment. It contains questions such as:

- **Where are you exposed to outsized risk?**
- **Where might you become easily undone?**
- **What threat might wipe you out?**

What you are looking for are instances where you are highly exposed to risk, vulnerable, fragile.

A good example would be loadshedding. For those outside of South Africa reading this: Loadshedding is when the power is cut to neighbourhoods to minimise the load on the power grid. This can sometimes mean that you are without power for 7.5 hours per day consisting of three 2.5 hour blocks.

This obviously has a tremendous impact on businesses. It also highlights the fragility of depending on one source of energy.

If I only relied on the grid for power, then as a virtual keynote speaker I'd be fragile. An interruption to my power supply means that I cannot continue my presentation. So, to become antifragile, we start layering in redundancies. We over-insure against failure.

**Step 1** – Plan ahead and know the schedule.

**Step 2** – Build a tech setup that allows for portability (if you need to move locations).

**Step 3** – Acquire an uninterrupted power supply that can run the internet and various other devices.

**Step 4** – Have a mobile internet hotspot.

**Step 5** – Find a backup location that is not loadshedded.

Removing the single point of failure means that you can keep going whilst others can't.

The process then is to identify the single point of failure and to create additional pathways leading to a similar result and to create backups where needed. Thus, increasing optionality.

**Other ways of increasing optionality in life:**

- Enough resources (especially money) to sustain you while you make new decisions
- Skills that can be applied to different contexts
- Side-hustles
- Projects that teach new skills
- Exploring new ideas and pathways.

**Other single points of failure:**

- Trading money for time
- Having only one big client
- Having only one skill



## Your Own Chaos Monkey

Netflix has what is known as a chaos monkey. It's a script that at random intervals creates havoc in the Netflix server system by randomly disabling important processes.

By responding to the chaos monkey, Netflix becomes more antifragile.

You don't need to create a chaos monkey for yourself. Life has already done that for you. However, you must learn to appreciate the randomness and realise that it's through responding to the randomness that you can be better.

Change is constant. Your only response to it must be changing your perspective, diversifying your skill set, and simultaneously getting ready for the next challenge. This won't only prepare you for change – you'll be built for it.

There are times to intentionally inject some chaos into your life as well. Referencing back to what we discussed at the start of the manual, when you are exploring, you are purposefully engaging in chaos and randomness.

You never know what might happen when you set out on a new route. You might find a treasure, but you will inevitably find dragons. And you better be prepared to take them on.

When exploring, always remember to make decisions that are reversible in nature. You want to avoid decisions that create an existential risk.

**RECALIBRATE**  
**Where are you most fragile?**  
**What can you start doing today to become more antifragile?**

# CALIBRATION 4: LEARNING ZONE & PERFORMANCE ZONE

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***“The key to pursuing excellence is to embrace an organic, long-term learning process, and not to live in a shell of static, safe mediocrity. Usually, growth comes at the expense of previous comfort or safety.”***

***– Josh Waitzkin***

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## Thinking in Glances

At the core of adaptability is your ability to learn a new skill at a pace that matches the environment that you are operating in. In my experience, adaptability consists of three different components:

1. The willingness to explore new territories
2. The ability to rapidly learn new skill
3. The willingness to converge your attitude and skill into action.

We have already covered the 1st component in speaking about Calibration #1.

However, just as prominent as leaders' reluctance to explore beyond what they know is their belief in the illusion that they are learning when they are not.

To be fair, this is not completely their fault.

This deception in learning is perpetrated by the algorithm and timeline-driven world that we live in. For many leaders, learning is driven by what is on their feed for the day. They jump from article to article, skimming headlines, listening to podcasts at 2x speed, browsing Twitter threads and Instagram carousels.

They feel good. They feel that they are learning. But they are not.

I call this phenomenon *thinking in glances*. When we glance at potentially life and business changing ideas and then just move on to the next piece of content or the next distraction. Never

contemplating the idea long enough for it to become ingrained in how we make decisions and engage with the world.

Real learning changes how you think and how you do things.

Well, at least they have leadership development opportunities throughout the year I hear you say. My response, it's too slow and not enough. Learning is an on-going, continuous process. Not a once-off event once a quarter.

How can we then encourage leaders to better engage with real learning?

Well, they need a framework.

Of course! They spend all of their time in the performance zone.

Personally, I fully understand the impulse to focus on performance. It feels good and productive. It's where we show what we are made of. More than that, and importantly, it's what we get judged on (performance reviews) and paid for (salary).

In fact, my high-performing clients often tell me that they feel guilty if they aren't operating in the performance zone. That's how conditioned we are.

However, I am sorry to say, the future doesn't care about your feelings. It cares about whether you are adapting or not. And if you are not spending time in the learning zone, then you are not deeply learning new things.

**By now, I am sure that you have picked up on the correlation that the learning zone is where exploration happens, and the performance zone is where extraction happens**

In the learning zone, I am cultivating a new skill, such as giving better feedback and practising it in a safe space. In the performance zone, I am delivering that new skill to the best of my ability in situations that matter. Extracting value from the moments of practice that came before.

In the learning zone, I am learning about new industries such as web3. In the performance zone, I am starting to incorporate it into how I do my work. I am starting to see new opportunities.

## The Learning Zone & Performance Zone Framework

In a brilliant Ted talk, Eduardo Brinceno shares that top performers (and by extension those who are adaptable) strategically split their time between being in one of two zones.

The performance zone and the learning zone.

In the **performance zone**, your goal is to perform at your best. You are minimising mistakes. It's game time and only your best will suffice.

In the **learning zone**, you are working towards improvement and mistakes are acceptable. In some cases, even encouraged. In the learning zone there is no judgement. Only an honest assessment of what can be improved.

**Can you see the obstacle that most leaders will run into?**



## The Adaptability Roadmap

In the ideal world, leaders would have an area of focus that they are investing learning effort into. This could be a specific skill or an area of interest. Less random consumption, more intentional learning.

My suggestion is that you create your own Adaptability Roadmap. This is a curriculum created by you, fuelled by your curiosity, and high in utility (because the learning is actually used and based on real needs).

As a bonus, I think that leadership teams should have a monthly “Learn & Share” session. Each team member is afforded the opportunity to share what they have been learning about. This serves at least three functions:

1. Accountability from the team to engage in continuous and real learning.
2. Creating shared mental models and a shared language in the team. Asymmetry in team learning is a big issue. If we have a shared understanding of a certain idea or concept then we can debate it, use it, and improve it. However, without a common understanding first, there is nothing to work from.
3. Being able to teach what you are learning further deepens the learning.

### RECALIBRATE

**Are you strategically splitting your time between the learning & performance zone?**

**Do you have an Adaptability Roadmap?**

# CALIBRATION 5: HARMLESS & DANGEROUS

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***“It is dangerous to exist  
in the world. To exist is to  
be threatened. We must  
live with threats.”***

***– Adam Levin***

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***“You can’t predict risk  
with absolute clarity.  
What you can predict is  
that threats will come.”***

***– Stanley McChrystal***

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If the past two years have taught us anything it's that threats exist and our response to these threats determines the kind of future that we will create.

A quote from author Don Mcullin says that "everything you love is threatened." I believe he is correct. And if you deny this, then you are being naïve and reckless.

Your life is essentially a combination of the multiple roles that you play. You assume these roles because they are important to you and to the people around you.

You are a leader, a partner, perhaps a parent, a lover, a friend. But look deeper at these roles and you realise that you are also a pioneer, a guardian, a visionary, an explorer, an adventurer, and the hero.

Well, let me tell you that if you are not able to effectively deal with the threats that are present in your personal life and in your business, then you are not only a harmless individual, but you are also unable to properly fulfil these roles that you have taken ownership of or that have been bestowed on you.

You are no guardian if you cannot protect your team and loved ones from threats.

You are no explorer if you trip over the first obstacle placed in your path.

You are no visionary if you cannot see the potential threats that might set in motion a series of events that prevent yourself and others from fulfilling that vision. What I am saying, is that in every instance, you must be a threat to the threat. A danger to the danger.

You must be dangerous.

Of course, we are talking about threats that are overcome by wit, determination, and skill. Not a knife. Let's quickly talk about the three different responses towards threats.

## Harmless & Survival Mode

When we are ineffective against threats, then it's not long before we find ourselves in some form of survival mode. Survival mode is a feeling that many of us (all of us) know all too well. I am sure that you have experienced it many times over the past two years. I know that I have.

The dominant feeling when in survival mode is one of powerlessness. You feel that you are the victim and that you cannot see a way out of your current situation. You feel defanged and declawed.

Escaping survival mode can be extremely difficult. It possesses a certain gravitational pull. The longer you spend in survival mode, the stronger the pull, and the more effort will be required to escape.

## Reckless

On the other end of the response spectrum, we find that some people are reckless in how they respond to threats.

You could argue that a harmless response is reckless too since you are wasting potential, and by not dealing with the threat in front of you, you are allowing it to continue wreaking havoc in your business or personal life.

However, a truly reckless response is when your response to a threat is ill-considered and has the potential to hurt yourself or those around you.

For example, you have heard many times that you should not make important decisions when you are angry. This is because you are likely to make poor decisions that will have negative (and perhaps lasting) consequences for all parties involved.

Recklessness is wasting resources, taking on exaggerated risk, not thinking it through.

As you can imagine, reckless people often end up in survival mode too. A self-inflicted punishment for an inappropriate response to a threat.



## Dangerous

The final and most appropriate response to any threat is that you meet it head on and that you are effective against it. That you overcome it.

Let's imagine that you are heading out to climb a very steep mountain. Aside from being very steep, the mountain is also treacherously maze-like, and covered in snow.

Here are your options:

**Option A** – you head out and climb the mountain on your own, without a guide, without specialized clothing for the cold, without training for it, and without the right climbing gear.

**Option B** – you climb the mountain with an experienced guide, with specialised clothing for extreme weather, you spend months training for it, and you have all the best gear that will enable you to get to the top.

You chose Option B, yes? Why? Because when the threats are laid out for you like that, and it is within your capacity to do something to mitigate those threats, then why the would you not do everything in your power to protect yourself?

Now, let's make it more personal.

Your goal is to have a great relationship with your partner, but there are certain threats that might prevent that from happening.

You are always busy and never spend quality time together. Your partner is spending more and more time with someone else who notices them. You don't put in the effort to make them feel special. You bring your frustration home from work and lash out at the slightest irritation.



Like it or not, your relationship is in danger.

**With the threats to your relationship laid out like that, and it being within your capacity to do something to mitigate those threats, what will you do?**

Now let's think about your business.

Your goal is to build a sustainable business that delivers a healthy profit whilst at the same time creating an incredible environment for the people that are working there.

But, of course, there are certain threats that might prevent that from happening and could even tear down the very foundation that your company is built on.

There's a new technology coming out that might disrupt your industry. A new competitor just launched with a massive PR campaign and more and more people are talking about them. There is distrust in your teams. They feel like you aren't looking out for them. People are overwhelmed by all the changes that are happening in the world.

**With the threats to your business and your people laid out like that, and it being within your capacity to do something to mitigate those threats, what will you do?**

## Why Goal Setting Is Broken

Since Edwin Locke introduced us to goal setting in the 1960, the world has erupted with frameworks for making sure that the most elaborate of visions can become material through a tried and tested process.

Quite interesting is that most frameworks neglect to spotlight an important consideration for any goal that you are working towards. Let's have a look at the SMART framework. Arguably the most popular goal setting framework, it advocates for goals that are Specific, Measurable, Achievable, Relevant, and Timebound.

What is desperately missing from this, which blows my mind, is that we don't also take into account the resistance that we might experience. This form of goal setting does not consider the myriad of obstacles, distractions, temptations, and roadblocks that one will encounter on your way to the promised land of goals fulfilled.

Perhaps the R in SMART should also stand for resistance. Or perhaps the T for Threats. This seems like a smarter and action-oriented way of approaching goals.

We must exist with our threats and meet them head on.

## RECALIBRATE

**Are you currently dangerous or harmless towards the threats in your business and life?  
What are the threats that you are not paying attention to?**



# TRENDS

## Methodology

To curate the 8 trends below we started by researching 40 of the best trend reports we could find. Each trend was listed and then assigned a code. These codes were then further categorised for us to create a comparative analysis between the trends. The trends below are ranked according to prominence.

## My Biggest Insight

When we set out to research the top trend for 2022, my hope was that the data would reveal something interesting and novel.

It didn't.

Initially I was disappointed, until I realised that 'no insight' is the insight. We are always searching for the hidden. We hope to uncover a secret that might give us the edge.

There are no secrets. Instead, we all have access to the basics that we must get right. We have the changes that we must adapt to. And we have the preparation that we must do for what is coming down the road.

With that in mind, below are the 8 trends that recurred most frequently in our research. Do not allow their obviousness to dilute their importance.






# The Top 8 Leadership Trends for 2022

## **Leadership Trend #1: Cultivating a Flexible Work Culture**

Employees desperately want more say over where and how they work, evident by the 4.4 million people who have quit their jobs and joined the “Great Resignation.” 61% of office workers and more than half of young employees reported they would consider looking for a new job if their employer didn’t offer hybrid work. To alleviate the impact from a high-turnover workforce, and to effectively lead an organization, cultivating a more flexible work culture will be key in 2022.

## **Leadership Trend #2: Fostering Adaptive Leadership**

Prominent within the research is the instability of the workforce. To have a high performing team, leaders will need to create a culture that embraces change and has an adaptable mindset. Adaptive leadership is a practical leadership framework that helps organizations adapt to change to respond to recurring problems. To successfully lead in a volatile and ever-changing market, successful leaders will anticipate the future needs of their company and articulate those needs with their organization to build a collective understanding. Through exhibiting adaptability, leaders will build more dynamic teams that embrace change and create innovative solutions.



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## **Leadership Trend #3: Promoting Diversity, Equity, and Inclusion**

Moving into 2022, diversity, equity, and inclusion will remain a critical component to a successful work environment. Due to the impacts of Covid-19 in terms of depression, stress, and anxiety, creating a place where employees feel safe and welcome will be a main focus for leaders moving into 2022. In addition to cultivating a more ethical and enjoyable work environment, research has shown that focusing on DEI can increase profitability. Additionally, in 2022, conversations surrounding equity between remote/hybrid and in-person workers will surface. Effective leaders will be proactive in creating policies and procedures that encourage diversity, equity, and inclusion throughout all areas of their organization.

## **Leadership Trend #4: Embracing Reinvention and Innovation**

2020 and 2021 were years of unplanned reinvention. In 2022, leaders will be intentional with how they adapt and innovate. As more workers report a need for a greater purpose in their work, and a younger generation of professionals enter the workforce, leaders will start thinking about how they can reinvent the workplace to better meet the needs of the people within their organization. Furthermore, effective leaders will embrace technological innovation, and upgrade technology infrastructure.

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## **Leadership Trend #5: Prioritizing Employee Well-Being**

A recent study revealed that employees who feel cared-for at work are three times more likely to have job satisfaction. With the rising levels of employees reporting burnout and poor mental health, leaders in 2022 will prioritize employee-wellbeing. This involves creating a supportive environment by focusing on the whole person, not just their work responsibilities. Focusing on offering employees resources that encourage a holistic wellbeing, as well as cultivating skills for discussing mental health within their organization, will be a priority.

## **Leadership Trend #6: Creating Career Paths and Succession Plans**

The Future of Jobs Report stated that by 2022, 54% of all employees will need significant reskilling and upskilling due to rapidly developing technological advancements. In 2022, leaders will spend more time investing and developing employees' skills. As organizations face the current talent shortage, it is even more imperative to prioritize internal mobility, reskilling, and upskilling their existing employees. Leaders can keep their talent in the pipeline by creating career paths and defining succession plans.

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## **Leadership Trend #7: Focusing on the Employee Experience**

Over the next three years, 92% of organizations will be prioritizing EX enhancement to combat the influx of employees who are resigning. In 2022, leaders will work to define an employee experience (EX) strategy to transform the culture of the workplace. Cultivating a positive EX will help organizations build more trust, inspiration, and motivation, which will lead to higher growth and profitability.

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## **Leadership Trend #8: Developing Emotional Intelligence**

Developing emotional intelligence, and the ability to identify one's and others' emotions and understand how they drive behaviour, will be key to effective leadership in 2022. Harnessing this skill will allow leaders to have better self-awareness, social skills, and resilience. Exhibiting strong emotional intelligence will enable leaders to have increased conflict management, persuasiveness, and they will be better equipped to empower employees to lead organizational change.

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# SUMMARY OF REFLECTIONS

Below are reflections for you and your team to consider as you move into 2022.

1. Are you optimising for extraction or exploration?
2. How can you better optimise for both?
3. Which leadership style comes most naturally to you?
4. In which situations do you need to incorporate the other style more?
5. Where are you most fragile?
6. What can you start doing today to become more antifragile?
7. Are you strategically splitting your time between the learning & performance zone?
8. Do you have an Adaptability Roadmap?
9. Are you currently dangerous or harmless?
10. What are the threats that you are not paying attention to?

# HOW I CAN HELP

I work with organizations, teams, and leaders to integrate ideas that better prepare them for the future and that makes them more effective in the present.

## Speaking

The Leadership Manual can be presented to your organization or team either as a keynote or workshop.

The keynote (online or on-stage) is a 45-min presentation that covers some of the calibrations and trends at a high level. During our preparation meeting we'll curate which trends and calibrations best match the needs of your team and organization at the moment.

## Workshop

If you would like to go deeper and book out some time for your team to truly consider the various calibrations for themselves then a workshop is the way to go.

The workshop lasts for three hours and can be done either online or in-person. The workshop also consists of curated trends and calibrations. If you would like to do all of them then we would need multiple workshops.

## Contact

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## SASFIN: THE BANK THAT SUPPORTS GROWING SOUTH AFRICAN BUSINESSES

Since our early days as a trade finance house, we have helped countless businesses grow. Many of these businesses have developed into successful enterprises and we are extremely proud that our backing played a key role in their growth.

This endeavour has, for decades, been a most personal and rewarding journey for us. While we built them, these entrepreneurs built Sasfin and we remain dedicated to this sector of our economy, working closely with our clients to develop solutions that support doing great business in South Africa.

We believe strongly in the power of partnerships and collaborating with experts in the local business and entrepreneurial space. We are therefore proud to support Erik Kruger's annual Leadership Manual, which is an invaluable tool for South African business leaders.

As a bank that works closely with SMEs, we understand how critical leadership insights are in the growth and development of high performing teams.

SMEs are the life blood of our economy and by supporting the growth of SMEs, we are supporting South Africa's economic growth.

We will continue to invest into this sector and, as a dedicated Business Bank, we look forward to continuing to grow and evolve alongside our clients through every phase of their businesses.

**Michael Sassoon**  
**CEO, Sasfin Holdings Limited**

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