



**Failure is the  
Best Teacher**

*Before We Begin ...*

## How to Think About Setbacks

- Events and their outcomes are information – not final verdicts
- Emotional reaction (or anticipation) distorts
- The leader models how to handle failure
- Stability and learning matter most
- Progress is not linear



## Events Are Not Verdicts

- Treat events as data, not judgments. A project loss or a key departure feels personal
- But it's also compressed information about assumptions, timing, risk, and unseen variables
- Nothing meaningful is built without friction



## Why it Feels Personal

- Leadership is visible and outcome-driven
- Because leaders are accountable for results, wins feel like validation and losses like condemnation
- The emotional pull makes it hard to interpret events objectively



## Fundamental Attribution Error

- We instinctively over-credit ability and over-blame people
- When things go wrong, we look for who failed. When things go right, we internalize it as proof of competence
- Situational factors get underweighted in both cases



## When Results Become Identity

- If events become verdicts, failure becomes threatening
- Emphasis shifts toward protecting reputation and authority instead of extracting insight
- Teams sense this immediately. They manage optics instead of surfacing truth



## The Problem with Pure Focus on Results

- Negative outcomes often teach the deepest lessons
- A financial loss compresses estimation accuracy, communication gaps, risk exposure, timing, and external shocks in one moment
- Leaders who examine losses without defensiveness learn faster than those who only analyze success



## When High Performers Leave

- Departures feel like loss or betrayal
- Sometimes they are. Often, they reveal structure gaps, incentive misalignment, succession issues, or cultural issues
- They can also create space for others to stretch and grow



## Emotional Regulation, not Detachment

- Treating events as data does not mean indifference
- Money is lost. People are affected. Reputations matter
- The discipline is emotional regulation – preventing feelings from distorting interpretation



## Overcorrection vs Stability

- Leaders who react emotionally tend to overcorrect
- Controls tighten. Risk tolerance collapses. Confidence wavers
- Leaders who treat setbacks as information stabilize faster and ask better questions



## What Teams Learn from You

- Teams learn how to process setbacks by watching the leader
- If setbacks are indictments, teams become defensive. If setbacks are data, teams become adaptive
- Psychological safety comes from predictability — errors examined, not weaponized



## Progress is not Linear

- Leadership growth is uneven
- Setbacks often precede clarity. Confusion often precedes improvement
- The job is not to force meaning too early, but to hold steady long enough for understanding to catch up
- This isn't optimism. It's discipline



## Action Plan

### 1. Treat outcomes as data

- Separate emotion when drawing conclusions

### 2. Analyze conditions, not just people

- Ask what variables shaped the result

### 3. Beware of ego

- Identity complicates learning

### 4. React deliberately

- Stability prevents overcorrection

### 5. Model discipline in tough times

- Teams learn resilience *by watching it*

