Expectations Create Outcomes: Growth Mindsets in Organizations

About the Author:

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Introduction

Ursula Burns joined Xerox Corporation as a summer intern in 1980, shortly after earning her bachelor’s in science in mechanical engineering from the Polytechnic Institute of New York University. She was hired on full time in 1981, after completing a master’s in science in mechanical engineering from Columbia University. Over the years, Burns, who once worked as the executive assistant to then CEO Paul Allare, rose through the Xerox ranks, being named president in 2007, chief executive officer in 2009, and chairman in 2010. Burns became the first African-American woman to become CEO of a Fortune 500 company.

Until recently, there has been a predominant belief that employees either have what it takes or they don’t; that intelligence, skills, and abilities are fixed and cannot be substantially developed. They can be honed, perhaps, but not truly developed in employees. There is emerging evidence, however, that with the right attitude—that of a growth mindset—employees, like Ursula Burns, can learn and thrive. This research dovetails with leadership practices most HR professionals know to be effective in the field.

Carol Dweck, a psychology professor at Stanford University, has spent her career studying motivation, personality, and development. Decades of research led Dweck to identify two types of mindsets: fixed and growth. People with fixed mindsets view talent as a quality they either have or do not have. People with growth mindsets believe that intelligence, skills, and abilities can be developed, and they tend to enjoy challenges and strive to continually learn (Harvard Business Review staff, 2014). Much of Dweck’s research has focused on the mindsets students and educators use to understand themselves and to guide their behavior, but it was her commercially successful book, Mindset: The New Psychology of Success (Ballantine Books, 2008) that caught the attention of the business world. Bill Gates listed it as one of the best books he read in 2015, writing in his blog that it was relevant to business leaders who want to cultivate talent.

This white paper explores:

- Fixed versus growth mindsets, how they are developed, and how they can change over time;
- The implications to organizations when managers and leaders interact with fixed versus growth mindsets;
- The strategic reasons why organizations should encourage the development of growth mindsets at all organizational levels;
- Some common misperceptions about growth mindsets;

“In a growth mindset, people believe that their most basic abilities can be developed through dedication and hard work—brains and talent are just the starting point. This view creates a love of learning and a resilience that is essential for great accomplishment.”

- Carol Dweck
A five-year study conducted by consulting firm Senn Delaney with Carol Dweck and her colleagues that tracked the difference between organizations with fixed versus growth mindsets, and;

How HR and talent management professionals can encourage the development of growth mindsets in their organizations.

The Fixed Mindset

People with fixed mindsets view intelligence as static—it is something one has or does not have (Dweck, n.d., Mindsets). They believe that basic qualities like character and creativity are fixed traits and are the reasons for their success—rather than effort—and they tend to live in a world of absolutes (Moore, 2016). In her studies with students, Dweck found that children with fixed mindsets tend to give up more easily, lack motivation, and cheat at games more readily than children with growth mindsets.

To an employee whose mindset is fixed, very little performance improvement can be achieved through effort alone. As a result, status becomes very important. After all, if you cannot make significant improvements through effort, you are left with jockeying for position through politics and persuasion. Fixed mindsets, therefore, can lead a person to try and appear smart even when they are struggling with a task. Employees with fixed mindsets will tend to cover up their failings and avoid talking about mistakes because they believe that if they make an error, little can be gained from exposing their deficiencies to others. Since that is the case, fixed-mindset adults tend to avoid challenges, get defensive, or give up easily. They might view effort as fruitless, and feel threatened by the success of others.

Adults with fixed mindsets believe everything should come naturally to them. They do not handle setbacks well because it calls their core self into question. When employees believe their skills are fixed, constructive feedback is of little use. Feedback can leave fixed-mindset middle performers feeling inadequate, and high performers will often ignore feedback because they already feel a superior status to their peers. As a result, says Dweck, fixed-mindset adults may plateau early and fail to achieve their full potential (Dweck, n.d., Mindsets). When they feel threatened because of a setback, they tend to blame others, lie about their achievements, and consider cheating (Dweck, n.d., Even Geniuses).

Managers and Leaders with Fixed Mindsets

Fixed mindsets in managers can be especially dangerous. Managers are often promoted because of their innate talent for the tasks at hand. Fixed-mindset managers see their success as a result of their internal, unchangeable skill. In turn, they view any failings by their employees as emblematic of low intelligence, incompetence, or poor work ethic. They expect all employees to be as good at the task as they were and often blame any departmental struggles on the weakness of their staff.

One study found that managers with fixed mindsets often fail to recognize positive changes in employee performance. They are also less likely to coach employees about how to improve performance or to offer constructive feedback. In organizations with fixed-mindset cultures—where
being smart and talented is prized above all other behaviors—employees at all levels tend to hoard resources (even from their teammates), to lie more frequently to colleagues and clients, to blame others when things go south, and to ignore or abandon learning opportunities that foster growth and innovation (McQuaid, 2015).

Managers and leaders with fixed mindsets can also be controlling and often downright abusive toward their employees. Because they are easily threatened by the achievement of others, subordinates are in a constant state of fear (Mindset Online staff, n.d.). Managers and leaders with fixed mindsets:

- Continually try to prove themselves as superior (and make others do the same);
- Emphasize hierarchy in groups to maintain their leadership positions;
- Claim credit for accomplishments and do not share credit with others, and;
- Try to prevent others from gaining power (Jones, 2015).

These traits in the workplace can lead to devastating consequences. Fixed-mindset managers sometimes hire people who are underqualified or with low experience to avoid being overshadowed. Similarly, some fixed-mindset managers fail to share important projects that could be growth opportunities for high-potential employees, or they steal credit from others’ successes. This leads to a loss of talent in organizations, particularly of young talent who are often the most mobile.

As a manager’s or leader’s span of control increases, success is not found in task completion, but in organizing people with various skill levels toward a shared vision of success. Leaders with fixed mindsets will look for “exceptional” people who are already fully realized high performers based on their belief that their talents are innate. This “strategy of exceptionalism” may work in small organizations, but by definition, there are a limited number of exceptional performers. Fixed mindset leaders will be continually frustrated because the majority of employees fail their exceptionalism test.

Fixed-mindset managers fundamentally misunderstand their roles as leaders. Many formally exceptional individual contributors who make their way into management see themselves as the arbiters of task quality and quantity. They set the standard as an individual contributor and now judge everyone as either passing or failing that standard. This leadership, though, adds little to no value to organizational performance. These leaders do not make anyone better at their jobs because they believe development is a waste of time and money. They rely on carrots and sticks to pressure employees for performance, or to work harder, yet gain no efficiencies.

There is hope, however. The study on managers with fixed mindsets also found that growth-mindset intervention can help fixed-mindset managers change their mindsets. When they do change, they offer more accurate performance appraisals to their employees and more helpful coaching (Heslin and VandeWalle, 2008). And this can trickle down throughout an organization.

The Growth Mindset

People with growth mindsets believe their abilities can be developed (Dutton, n.d.). They believe that qualities can change and that they can further develop their intelligence and abilities through
hard work, good strategies, and input from others. Intelligence and talent are starting points for people with growth mindsets. Continued learning adds to that intelligence and talent (Moore, 2016). As Dweck (n.d., Mindsets) writes, people with growth mindsets:

- Believe that intelligence can be developed;
- Embrace challenges;
- Persist in the face of setbacks;
- View effort as the path to mastery;
- Learn from criticism, and;
- Find lessons and inspiration from the success of others.

People with growth mindsets welcome challenges and setbacks because they see them as opportunities to learn and to problem solve. Challenges and setbacks aren’t failures in their eyes, but rather chances to learn and grow. Neuroscience confirms this. When people make mistakes, new neural connections are formed—so brains actually grow when mistakes are made (Dutton, n.d.).

Employees with growth mindsets welcome challenges, work harder and more effectively, and persevere in the face of struggle which makes them more successful learners and better contributors to their organizations than employees with fixed mindsets (Briceno, 2015).

Dweck’s research has found that employees with growth mindsets are:

- 47 percent more likely to say their colleagues are trustworthy than their fixed-mindset peers;
- 34 percent more likely to have a strong sense of ownership and commitment to their organization than their fixed-mindset peers;
- 65 percent more likely to say their organization supports risk-taking than their fixed-mindset peers, and;
- 49 percent more likely to say their organizations foster innovation than their fixed-mindset peers (McQuaid, 2015).

Organizations with growth mindsets—those where learning and growth are highly valued—build cultures that are more collaborative and innovative. These organizations also place a high premium on learning from both successes and failures and tend to have employees who behave more ethically (McQuaid, 2015).

**Managers and Leaders with Growth Mindsets**

Whereas managers and leaders with fixed mindsets tend to leave bodies in their wake—a practice that never works—managers and leaders with growth mindsets cultivate and support their employees. Managers and leaders with growth mindsets:

- Actively seek ways to improve;
- Surround themselves with able and talented people because they are not threatened by them;
- Admit their mistakes and learn from them;
- Forecast the skills they and their teams will need in the future (Jones, 2015);
• Ask for feedback because it is seen as a learning opportunity (McQuaid, 2015), and;
• Reward efforts and not only outcomes (McQuaid, 2015).

Studies have also found that managers and leaders (indeed, all employees) with growth mindsets make better negotiators because they are more deft at going past obstacles and reaching agreements that are a win/win for both sides. Another study found that managers and leaders with growth mindsets tend to notice improvements in their employees’ performances and are more willing to coach employees (Mindset Online staff, n.d.).

Growth-mindset leaders understand their roles as managers of talent. A leader with a growth mindset has a fundamental belief that people can get better at their jobs if given the appropriate feedback, growth assignments, and development. This sets growth-mindset leaders up for success in managing large groups of people. A key trait of an effective leader is differentiation in managing performance. Effective leaders understand that everyone is at a different place in their ability or experience and the growth they should expect from them is commensurate with their individual next step forward.

Managers and leaders with growth mindsets encourage growth mindsets in their employees, and this can have a powerful impact on an organization’s culture and employee productivity. It can also improve employee motivation, retention, and loyalty, and can spur collaboration, innovation, and creative problem solving at all organizational levels.

Common Misperceptions About Growth Mindsets

The rising interest in applying fixed and growth mindsets to business led Dweck to recently publish an article in the Harvard Business Review (January 2016) to address some common misperceptions about growth mindsets. One misperception is to confuse being flexible, open-minded, or having a positive attitude with having a growth mindset, that notion that “I’ve always had it.” Dweck cautions that having a fixed or growth mindset is not an either/or thing. People, she notes, are actually a mixture of fixed and growth mindsets. In addition, people can move from one extreme to another, depending on where they are in life. The person who becomes a CEO at the age of 45, for example, can suddenly believe he has all the answers—and moves from a predominantly growth mindset to a fixed mindset (Harvard Business Review staff, n.d.).

Like most psychological characteristics, a growth mindset is not binary, generalizable to all situations, or even permanent. A growth mindset is not a genetic trait like blue or brown eyes. A person might believe that his or her ability to play basketball is fixed, yet also believe that he or she has the potential to learn accounting. Life events may change people’s minds about a trait as well. Someone who once believed they lacked the skills to be a salesperson may discover that, when given new responsibilities, they have the talent and the ability to learn new skills that will make them great at sales.

A large focus in education on growth mindset is to focus rewards on effort rather than outcomes. This notion is sacrilege in the business world where managers have been trained to reward outcomes, not effort. In fact, family friendly leaders often adhere to the principle that when the work is done, the
employee can go home, thereby rewarding efficient work. Although the focus on effort may seem contradictory, it is actually consistent with this principle of management.

In fact, Carol Dweck has addressed this directly by saying that it is critical to reward not just any effort, but learning and progress. This is an important distinction because it has implications for middle and high performers. Rewarding middle performers’ efforts to improve will have obvious benefits over time, assuming they make progress. The less intuitive result is that most high performers are often unchallenged and overloaded with unrewarding tasks. There is a natural tendency to give high performers more tasks because they do them well. A focus on outcomes often doesn’t stretch a high performer’s ability to do more complex tasks, just more tasks they have already mastered. The central takeaway in Dweck’s theory is that all employees should be seen as able to improve at their jobs, and managers should be responsible for giving them the tasks that create that growth.

So, what about low performers who don’t make an effort, or whose efforts fall short? A key difference between education and business is that a teacher’s responsibility is to engage all children with any ability. In business, however, employers cannot retain employees who are unwilling or unable to perform their basic duties. The best outcome is to find a position where that employee can grow and contribute to the organization. A business’s obligation, however, is not to provide jobs for their own sake, but to provide a quality product or service made by the people they employ. The best companies are filled with the best people, but they are also filled with people who believe they can get better.

**Why Organizations Don’t Learn**

After ten years of research, Brad Staats of UNC Kenan-Flagler Business School has concluded that there are four biases that stand in the way of continuous organizational learning. In his award winning article, “Why Organizations Don’t Learn,” Dr. Staats explains that organizations often don’t learn because people focus too heavily on success. Business leaders often claim that learning comes from failure, but many organizations reflect a preoccupation with success. While a focus on success is not entirely surprising, it can inhibit risk-taking and impede learning. An overemphasis on success can encourage leaders to adopt a fixed mindset and the perception that failure is to be avoided at all costs.

Professor Staats has applied his research to help organizations overcome this obstacle to organizational learning. For example, UNC Executive Development partnered with one of largest telecommunications companies in the United States to help its business leaders understand and appreciate the value of a growth mindset. This Fortune 500 company embraces a growth mindset and the belief that no matter how good you are, you can always improve as a leader through effort and practice.

You can read about the other biases identified in Staat’s research in the UNC Executive Development white paper, [*7 Steps to Creating a Lasting Learning Culture*](#).
Growth Mindsets in Organizations

In 2010, Dweck and her colleagues partnered with consulting firm Senn Delaney to conduct a five-year study about whether organizations tend to have fixed versus growth mindsets. An organizational mindset was defined as the belief that the organization and its employees have about the nature of talent and ability. Organizations with fixed mindsets, they found, tend to cultivate a “culture of genius,” in which talent is worshipped—and in which employees either have talent or they don’t.

Organizations with growth mindsets, on the other hand, operate from a “culture of development.” Growth-mindset organizations believe that people can grow and improve with effort, and to that end, set good strategies and good mentoring programs.

The study found that in organizations with fixed mindsets, employees said that just a small number of “star” workers were highly valued. They also found that employees at fixed-mindset organizations were less committed and didn’t think their organizations “had their backs.” They also reported being worried about failing and pursued fewer innovative projects because of it. Employees at fixed-mindset organizations also kept more secrets, tended to cut corners, and cheated to get ahead (Harvard Business Review staff, 2014).

Employees in the study at growth-mindset organizations were more committed to their organizations and reported being likelier than their counterparts at fixed-mindset organizations to feel a sense of ownership and commitment to their employers. Employees at growth-mindset organizations were also more likely to say their organizations acted ethically. They also said their organizations were more likely to support risk taking, innovation, and creativity, and they had more positive views of their supervisors. Mistakes at growth-mindset organizations were also more likely to be viewed as learning opportunities.

The study concluded that cultivating a growth mindset in organizations was a key factor in creating better agility and innovation and in developing an engaged, collaborative, committed, and truly trusting workforce (Senn Delaney staff, 2015).

Women and Organizational Mindsets

Researchers Katherine Emerson and Mary Murphy conducted a series of three studies that examined how organizational mindsets can affect levels of stereotype threat, trust in the organization, and the ways in which employees engage with the organization. They found that women in organizations with fixed-mindset cultures expected to be negatively stereotyped, and this lead to high levels of distrust in the organization and more disengagement among female employees. Negative stereotypes about women included the belief that they were too meek to run the company. In organizations with growth-mindset organizations, women reported significantly more trust, although, like their female counterparts in fixed-mindset organizations, still expected to be perceived as less competent than male employees.

How to Encourage the Development of Growth Mindsets in an Organization

Although growth mindset is in its infancy in the business world, many leadership behaviors experienced in organizations with growth mindsets are what HR and talent management professionals have tried to entrench in their organizations for years. There are some key strategies that HR professionals have control over that can help drive an organization toward a growth mindset.

In Talent Management

Dweck notes that hiring is especially important in organizations with a growth mindset. Growth-mindset organizations, she writes, are more likely to hire from within, whereas fixed-mindset organizations tend to look outside for new talent. Fixed-mindset organizations emphasize credentials and past accomplishments. Growth-mindset organizations value potential and passion for learning. During the hiring process, HR and talent management professionals should screen for new hires who want to grow and collaborate, and not those who want to rest on their laurels and bask in their past achievements (Harvard Business Review staff, 2014).

A word of caution is in order when it comes to assessing growth mindset for hiring and promotions. As the notion of growth mindsets catches on in the business world, hiring and development assessments will be created and sold as a “test” for growth mindset. This is antithetical to the idea of growth mindset. If one believes that there is a growth mindset, then part of that belief is in the plasticity of the brain and that everyone can improve by not classifying them as being one way or another. A growth mindset measure, particularly for selection, would more than likely drive fixed thinking in an organization by simply shifting from one categorization to another.

Maximizing Talent with Growth Mindset

UNC Executive Development has partnered with a variety of organizations to help them identify and develop talent. For example, UNC partnered with a Fortune Global 500 company that specializes in energy management and automation solutions to design and deliver a program to help their leaders think differently about the practical drivers of employee engagement and performance. Business leaders from this French multinational corporation came together in this executive development program delivered around the world to discuss how a growth mindset can serve as a multiplier to attract and optimize talent.

That said, these findings resonate with a well-established and validated predictor for leadership—learning agility. Those with high learning agility better handle ambiguity and attack novel situations by pulling unrelated experiences from their past to resolve the situation. Those with low learning
agility are more rigid and task-based and do not deal well with ambiguity. When viewed through the 
 lens of fixed and growth mindsets, those with high learning agility have similar characteristics as 
 leaders with growth mindsets.

Learning agility has been shown to be an excellent predictor of leadership success. As a leader 
 ascends the ranks of an organization, problems and solutions increase in novelty and ambiguity. 
 Leaders who see these challenges as surmountable through effort and personal growth are more likely 
 to succeed. These characteristics are consistent with both learning agility and a growth mindset.

HR is largely in control of high-potential development programs that are a pipeline for future leaders. 
 Using learning agility as an element in the selection process can improve the chances that leaders with 
 high-growth mindsets progress in an organization’s hierarchy. It can also be used to start 
 conversations with managers who display fixed-mindset characteristics toward their employees.

In Leadership Development

The foundation of a growth mindset is that, through learning and development, employees can 
 improve regardless of their current ability or past performance. HR and talent management 
 professionals can have a big impact on the organizational culture by ensuring that individual 
 contributors and leaders have access to effective learning and development resources. There are 
 several core concepts that affect organizations and are more common in growth-mindset cultures.

Before leaders can foster a growth mindset in others, they must understand themselves. Self-
 awareness is critical to a leader’s ability to understand his or her own actions and motivations toward 
 employees. For example, UNC Executive Development uses leadership/personality assessments, case 
 studies, and experiential activities to increase self-awareness in leaders and to drive growth mindset. 
 Dweck recommends asking some simple questions, as well, that can start the self-reflection 
 conversation:

- Are there ways I could be less defensive about my mistakes?
- Could I profit from feedback I receive?
- Are there ways I could create more learning experiences for myself and my team?
- How do I act toward others?
- Am I a fixed-mindset boss, more focused on my success then my employees’ well-being?
- Have I ever re-affirmed my status by demeaning others?

Leaders who use a coaching style of leadership are also more likely to develop employees with a 
 growth mindset. Coaching skills that encourage listening, asking questions, and understanding 
 employee motivations improve employee engagement and job performance. A typical fixed-mindset 
 leader would focus more on rewards and punishments to drive behavior since he/she believes ability is 
 fixed. When ability is fixed, growth is not an option and managers are left with rewarding the winners 
 and punishing the losers. Organizations that want to build agility in their employees would do well to 
 focus on leadership coaching skills.
How Individuals Can Develop a Growth Mindset

At the end of the day, mindset is about each individual’s attitude. To encourage employees to develop a growth mindset, encourage them to:

- Not be helpless. Teach them to learn from their experiences and move forward.
- Be passionate. There will always be someone who is more talented—but they can make up for it by being passionate.
- Take action. Growth-mindset people know that fear and anxiety are paralyzing emotions. The best way to deal with them is to take action.
- Go the extra mile. Try to get a little better every day.
- Expect results. Growth-mindset people know they will fail from time to time—but that doesn’t stop them from expecting results.
- Be flexible. Things will not always go as planned. Embrace adversity.
- Not complain when things don’t go their way. This is a hallmark of a person with a fixed mindset.

Source: Bradberry, 2016.

In Performance Reviews

A major HR process that is affected by fixed versus growth mindsets is the performance review. There have been several calls for re-thinking the traditional annual performance review in the last few years, and growth mindset research would support that shift. Traditional performance reviews are well intended because they try to create fairness and a method to measure aggregated performance for the use of the organization. Unfortunately, they don’t actually positively affect performance. (For more information on this topic, see UNC Executive Development white paper *Transforming the Traditional Performance Review Process*.)

For performance reviews to be of use to an organization, employers often rate an individual’s performance to allow for comparison to others. This helps employers when it comes to promotions and compensation, but it fosters a fixed mindset in both the manager and the employee. Labeling someone as average compared to their peers is ego deflating and sends a message that their status in the organization is set. In addition, if the employee does not agree with the manager’s assessment, it causes disaffection, and potentially, negative productivity.

Performance feedback should occur more frequently than once a year and should be tailored to the individual. A leader’s job is to improve everyone on the team, and not to simply declare the winners and losers. This can only occur when leaders understand their employees’ current performance levels and personal goals and believe that they can improve. An evaluation with a growth-mindset focus would give the highest praise to the person who grew the most relative to his or her past performance, not to the most productive employee who has made no personal growth in the same period of time.
Conclusion

Employers are increasingly demanding more from their employees. To survive, they need employees who are innovative, creative, and not afraid of taking calculated risks. New research challenges the idea that employees either have those skills or they don’t. Organizations with growth mindsets can develop employees who learn and thrive. Framing the development of knowledge, skills, and development in the context of fixed versus growth mindsets can help HR and talent management professionals communicate to senior leaders how their organizations “mindsets” can help the bottom line.
About UNC Executive Development

Our approach to program design and delivery draws upon the power of real-world, applicable experiences from our faculty and staff, integrated with the knowledge our client partners share about the challenges they face.

We combine traditional with experiential and unique learning to ensure that all individuals gain relevant new skills that they can easily implement within their own organizations. Through action learning and business simulation activities, we challenge participants to think, reflect and make decisions differently.

Our Approach: The Partnership

Our team customizes each leadership program through a highly collaborative process that involves our clients, program directors, faculty and program managers. We are dedicated to following-up with our clients and individual participants to ensure that their learning experiences have been meaningful and impactful. This integrated approach consistently drives strong outcomes.

Our Approach: The Results

Our executive education programs are designed with results in mind, and we are focused on successfully meeting our clients’ business and academic expectations. Below are a few examples of the results our client partners have achieved:

- Big data analytics
- Leadership refocused with new strategy and cohesive vision
- Strategic plans created for the global marketplace
- Supply chains streamlined
- Products redefined
- New markets targeted
- Cost-saving measures developed
- Silos leveled
- Teams aligned

Participants leave empowered to bring in new ideas, present different ways to grow business and tackle challenges. The result is stronger individuals leading stronger teams and organizations.

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Sources


Sources (continued)


