

TALENT

HOW COMPANIES CAN PROFIT FROM A “GROWTH MINDSET”

Stanford's Carol Dweck explores how a key psychological concept applies to organizations, too.

When Carol Dweck was a graduate student, in the early 1970s, she began studying how children cope with failure—and she quickly realized that “cope” was the wrong word. “Some didn’t just cope—they relished it,” she says. “For some people, failure is the end of the world—but for others, it’s this exciting new opportunity.” Dweck, now a psychology professor at Stanford, spent the next several decades studying this dichotomy, which she originally described using the clunky academic monikers “fixed mindset entity theory” and “incremental theory.” By the early 2000s, while writing a mass-market book on the topic, she’d come up with more appealing labels. She now refers to people who view talent as a quality they either possess or lack as having a “fixed mindset.” People with a “growth mindset,” in contrast, enjoy challenges, strive to learn, and consistently see potential to develop new skills. Dweck’s framework has had a significant impact: Her book *Mindset*, published in 2006, has sold more than 800,000 copies, and the concept of a growth mindset has come to permeate fields such as education and sports training.

Now Dweck is extending her work on mindset beyond individuals—and the extension has important implications for managers. Can an organization, like an individual, have a fixed or a growth mindset? If so, what are the effects on the organization and its employees? Since 2010 Dweck and three colleagues—Mary Murphy, Jennifer Chatman,

and Laura Kray—have collaborated with the consulting firm Senn Delaney to answer those questions.

To explore company mindsets, the researchers asked a diverse sample of employees at seven *Fortune* 1000 companies about the extent to which they agreed with various statements—for example, “When it comes to being successful, this company seems to believe that people have a certain amount of talent, and they really can’t do much to change it.” High levels of agreement suggested that the organization had a predominantly fixed mindset; low levels suggested a growth mindset. The researchers then conducted surveys to try to understand how the prevailing organizational mindset influenced workers’ satisfaction, perceptions of the organizational culture, levels of collaboration, innovation, and ethical behavior, and how it affected supervisors’ views of employees.

“In broad strokes, we learned that in each company, there was a real consensus about the mindset,” Dweck says. “We also learned that a whole constellation of characteristics went with each mindset.” For instance, employees at companies with a fixed mindset often said that just a small handful of “star” workers were highly valued. The employees who reported this were less committed than employees at growth-mindset companies and didn’t think the company had their back. They worried about failing and so pursued fewer innovative projects. They regularly kept secrets, cut corners, and cheated to try to get ahead.

Supervisors in growth-mindset companies expressed significantly more positive views about their employees than supervisors in fixed-mindset companies, rating them as more innovative, collaborative, and committed to learning and growing. They were more likely to say that their employees had management potential.

Dweck’s team hasn’t yet looked at whether growth-mindset organizations actually perform better, as measured by financial returns and other metrics. “That’s our burning question,” she says. But the findings so far

EMPLOYEES IN A
“GROWTH MINDSET”
COMPANY ARE

47%

likelier to say that their
colleagues are trustworthy.

34%

likelier to feel a strong sense
of ownership and commitment
to the company.

65%

likelier to say that the company
supports risk taking, and

49%

likelier to say that the company
fosters innovation.



PUT AWAY THE KNICKKNACKS

Asked about professional versus unprofessional office decor, research subjects suggested that unprofessional offices contain nearly **twice the proportion** of holiday decorations and other “personal symbols.”

“ACTING PROFESSIONAL: AN EXPLORATION OF CULTURALLY BOUNDED NORMS AGAINST NONWORK ROLE REFERENCING,”
BY ERIC LUIS UHLMANN, EMILY HEAPHY, SUSAN J. ASHFORD, LUKE [LEI] ZHU, AND JEFFREY SANCHEZ-BURKS

suggest that at a minimum, growth-mindset firms have happier employees and a more innovative, risk-taking culture.

How can managers help organizations embrace a growth mindset? “It takes dedication and hard work,” Dweck says. Often top management must drive the change; for instance, a new CEO might focus on maximizing employees’ potential. Dweck points to GE’s Jack Welch as an emblematic growth-mindset CEO: He hired according to “runway,” not pedigree, preferring Big 10 graduates and military veterans to Ivy Leaguers, and spent thousands of hours grooming and coaching employees on his executive team—activities that demonstrate a recognition of people’s capacity for growth.

As Welch’s example shows, one area in which mindset is especially important is hiring. Growth-mindset organizations are likely to hire from within their ranks, while fixed-mindset organizations reflexively look for outsiders. And whereas fixed-mindset organizations typically emphasize applicants’ credentials and past accomplishments, growth-mindset firms value potential, capacity, and a passion for learning. “Focusing on pedigree...is not as effective as looking for people who love challenges, who want to grow, and who want to collaborate,” Dweck says. Google appears to be making such a shift, she notes; the company has recently begun hiring more people who lack college degrees but have proved that they are capable independent learners.

Despite the survey results, not all employees will be happier in growth-mindset organizations, Dweck acknowledges. For example, people who believe they are more talented than others may prefer an organization with a “star” system, where their talent will be better recognized (and compensated). In general, though, the early evidence suggests that organizations focused on employees’ capacity for growth will experience significant advantages.



HBR.ORG To hear Carol Dweck discuss her work on individuals and growth mindset, visit the IdeaCast “The Right Mindset for Success.”

THE IDEA IN PRACTICE

“INSTEAD OF OUTPUT, THINK ABOUT EFFORT”

Timothy Perlick is the senior director of professional development at CME Group. He spoke with HBR about the organization’s use of Carol Dweck’s research. Edited excerpts:



How did you get started with “growth mindset”? In 2012 Phupinder Gill became our CEO. He recognized how much consolidation, technology, and globalization are changing our industry and believed our employees needed a growth mindset to think about the business in new ways. We hired Carol to speak with senior leadership and then with all employees. We recorded the sessions, and all new employees watch the video. Gill emphasizes the idea of highlighting the growth mindset. Instead of focusing on output, which can be seen as the result of talent (and emblematic of a fixed mindset), we think about effort. Instead of celebrating employee achievements, we say, “Thank you for your effort.”

Has this changed the way you hire? Yes. We’ve adopted behavioral interviewing techniques using mindset-focused questions. For example, “Describe a time you confronted a challenge. How did you work through it to overcome your doubts?” We don’t hire specifically for growth mindset, but we do look for that quality.

Do some employees dislike the shift? Definitely. Some find that they don’t fit, and some have left for other companies.

Has the cultural shift been successful? It’s too early to say it’s a huge success. But it has allowed us to formalize and institutionalize our innovation process and innovate more quickly.

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