

mindset

BOOK DIGEST

BUSINESS: MINDSET AND LEADERSHIP

This chapter is structured around the counter examples of **fixed-minded leaders**, such as Lee Iacocca (Chrysler Motors) or Albert Dunlap (Sunbeam), and the inspiring stories of **growth-minded leaders**, like Jack Welch (GE), Lou Gerstner (American Express, RJR, IBM) and Anne Mulcahy (Xerox).

Carol Dweck was able to study their mindsets thoroughly thanks to their autobiographies.

When a leader's behavior is driven by a **fixed mindset**, it creates a **culture centered on worshiping talent**, which in turns drives the employees into the compulsion to look and act talented. **Psychological safety cannot blossom** among teams and as Carol Dweck puts it:

“a company that cannot self-correct cannot thrive.”

Jim Collins, author of the book Good to Great studies how companies rose to greatness and found that the **type of leader was the key** in each and every one of them.

And NO, she adds:

“...they were not the larger-than-life, charismatic types who oozed ego and self-proclaimed talent. They were self-effacing people who constantly asked questions and had the ability to confront the most brutal answers—that is, to look failures in the face, even their own, while maintaining faith that they would succeed in the end.”

The **root** of the **growth mindset** is after all the **belief in human development**.

Mindset and management decisions

When putting graduate students in business either in a **growth** or a **fixed mindset**, researchers Robert Wood and Albert Bandura proved that it **impacted greatly their performance as managers**.

The first group was told that the task they were asked to perform would measure their current capacities. The performance would reflect it. The second group was told that practice allows for management skills development and that's what the task would therefore offer them, an opportunity to hone their skills. Folks in the second group (**growth-mindset!**) not only ended up more productive, they also maintained a healthy sense of confidence.

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Fixed-mindset leaders in action

It is important to note that a fixed mindset in a leader creates a rather scary situation: They not only have the tendency to compare themselves to people who are worse off than them (a fixed-mindset tendency) but **they have the power to make people worse off**, and a mindset leading them to feel better about themselves when they do.

“When leaders felt they are inherently better than others, they may start to believe that the needs or feelings of the lesser people can be ignored.”

Carol Dweck quotes Jim Collins again, who wrote:

“the minute a leader allows himself to become the primary reality people worry about, rather than reality being the primary reality, you have a recipe for mediocrity, or worse.”

Indeed everyone’s **focus** is put on **protecting** themselves **from judgment**, instead of learning, growing or moving the company forward.

“It starts with the bosses’ worry about being judged, but it winds up being everybody’s fear about being judged. It’s hard for courage and innovation to survive a companywide fixed mindset.”

Growth-mindset leaders in action

Jack Welch was able to turn GE from a 14 billion dollar business to a \$490 billion company in 20 years, by learning from his mistakes and freeing his own mind from a fixed one, thereafter embodying a growth mindset. He believed in his employees and not only respected them but wanted to learn from them and nurture them. He writes that:

“If we’re managing good people who are clearly eating themselves up over an error, our job is to help them through it.”

He also states that **true self-confidence** is *“the courage to be open—to welcome change and new ideas regardless of their source.”*

Carol Dweck adds that

“real self-confidence is not reflected in a title, an expensive suit, a fancy car or a series of acquisitions. It is reflected in your mindset: your readiness to grow.”

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[Anne Mulcahy](#) saved her company by becoming a CEO who knew every answer her people did not seem to have when she took over—or at least she knew where to direct them in order to find them. She had to make a lot of tough decisions (like cutting her employees payroll by...30%) but made it her duty to stay compassionate and to stay connected to the impact it had on everybody, and her priority to tend to the morale of her troupes.

Carol Dweck reminds us that the growth minded leaders she tells us about were:

“all believing that leadership is about growth and passion, not about brilliance.”

In an interesting virtuous cycle, they also all ended up full of gratitude.

Groupthink

[Groups](#) can be driven towards one mindset or another too. If led by a growth mindset, people will more easily state their honest opinions, express disagreements and communicate around management decisions. Everything is a learning experience after all. The fixed-mindset, on the other end, creates the [phenomenon of Groupthink](#). Following blindly the “genius” leading the group, no one argues or takes a critical stance and the consequences can be disastrous.

To counter this phenomenon, Alfred P. Sloan, famously asked his entire team to reconvene at a latest time because everyone was... in agreement. He was then CEO of General Motors and asked his group of high-level policy makers to give themselves the time to gain more understanding of the situation in order to develop some disagreement!

Other remarks

Once again Carol Dweck reminds us that [praises can be an hindrance to growth](#) if driving us into a fixed mindset. It matters in the workplace too.

Her advice?

“Instead of just giving employees an award for the smartest idea or praise for a brilliant performance, they would get praise for taking initiatives, for seeing a difficult task through, for struggling and learning something new, for being undaunted by a setback, or for being open to and acting on criticism.”

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Studies also show that a growth mindset will make you a [better negotiator](#).

It also greatly impacts [our managing abilities](#): If a manager does not [believe in personal changes](#), they cannot lead a team towards changes. Talent is the starting point. Managers need to remember that in order to be able to drive them to grow and to then notice their employees improvement. The growth mindset also allows the manager to gather valuable feedback on their own ways.

The author explains how important it is to:

“train leaders, managers, and employees to believe in growth, in addition to training them in the specifics of effective communication and mentoring.”

She shares how to [structure workshops driving the creation of a growth-minded environment](#), allowing people to thrive:

- *“Presenting skills as learnable*
- *Conveying that the organization values learning and perseverance, not just ready-made genius or talent*
- *Giving feedback in a way that promotes learning and future success*
- *Presenting managers as resources for learning”*

“With a belief in human development, such programs give meaning to the term “human resources” and become a means of tapping enormous potential.”

[Leaders are made](#), not born. Focusing heavily on talent can squash the people it was meant to bolster, driving them into arrogant patterns and a learning-avoidant state of mind. But as she puts it:

“Create an organization that prizes the development of ability—and watch the leaders emerge.”

Organizational mindset

Yes, [organizations can have a mindset as a whole](#), creating either what she calls a “[culture of genius](#)” or a “[culture of development](#)”. A fixed mindset drives people to want to be the superstar, the natural, the shining star. It makes people more likely to cut corners if they have to. A growth mindset has been shown to allow both employees to have a better view of their organization and supervisors to rate their employees more highly! Win-Win.

And the good news is that [research shows that it is possible to weave a fixed or a growth mindset in the very fabric of an organization](#) and shift the culture from a focus on genius to a focus of development.

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Fixed mindset curse:

“When people believe in fixed traits, they are always in danger of being measured by a failure. It can define them in a permanent way. Smart or talented as they may be, this mindset seems to rob them of their coping resources.”

Growth mindset blessing:

“When people believe their basic qualities can be developed, failures may still hurt, but failures don’t define them. And if abilities can be expanded—if change and growth are possible—then there are still many paths to success.”