



new study findings
**why fostering
a growth mindset
in organizations
matters**

Culture-shaping firm Senn Delaney, a Heidrick & Struggles company, is pleased to share findings from a two-year study of several Fortune 1000 companies to examine the impact of an entire organization's mindset.

In partnership with Senn Delaney, the research was completed by Stanford Psychology Professor Carol Dweck and her colleagues, Mary Murphy, Jennifer Chatman and Laura Kray.

This latest research adds a new dimension to Senn Delaney's understanding of the correlation between a 'growth mindset' culture of development and positive behaviors in organizations.

Findings point to the importance of cultivating a growth mindset culture of development as key factor in creating greater agility and innovation and developing an engaged, collaborative, highly committed and trusting workforce.



senn delaney
the culture-shaping firm

HEIDRICK & STRUGGLES

Does your organization have a growth mindset culture of development or a fixed mindset culture of genius?

Background

Senn Delaney has been conducting five years of ongoing, collaborative research with professors at Stanford University, University of Southern California, University of California, Berkeley and the University of Michigan Ross School of Business.

What's new

Our goal was a deeper inquiry into understanding this question: Can organizations as a whole show these growth mindset characteristics? A two-year study of several Fortune 1000 companies examined the implications of an entire organization's mindset.

The root of this new study is about how a growth mindset, which the research team calls a "culture of development" versus a fixed mindset, which it calls a "culture of genius" affects such cultural characteristics in organizations as collaboration, innovation, creativity, risk taking and ethical behaviors.

Organizations have either a fixed or a growth mindset

An organization's mindset is the belief that it and its workforce have about the nature of talent and ability. Our new research has found that some companies foster a fixed mindset "culture of genius," in which talent is worshipped. This type of organizational culture asserts that employees either have it or they don't, when it comes to skills and learning capabilities.

Other organizations, however, foster a growth mindset "culture of development." This type of organizational culture asserts that people can grow and improve with effort, good strategies, and good

mentoring. Culture-of-development organizations foster growth mindset, actively seeking to stretch their employees and promote new skills.

Do these different organizational mindsets make a difference? If so, then how?

The research team also wanted to see how an organization's mindset influenced employees, as well as supervisors' evaluations of their employees.

The study

To define what kind of culture each company had, we asked a diverse sample of employees at each organization which culture they thought their company had — a culture of genius or a culture of development. The responses at each company were aggregated to see what the consensus was.

Then, instead of focusing on how people's personal beliefs about themselves affected their own outcomes, as previous research has done, this new research explored how the company-wide beliefs influenced workers' satisfaction, as well as their perception of the organization's culture: the level of collaboration, innovation and ethical behavior that was embraced in each company.

This ongoing study is the first empirical study of how organizational mindsets influence employees and supervisors (and it was conducted in known Fortune 1000 companies). It will be of interest to CEOs and organizational leaders seeking to better understand their organizational mindset, and whether it is serving them or may need to shift.

The findings

Here's what our research found.

Greater trust

People in growth mindset "culture of development" companies have more trust in their company and a greater sense of ownership over their work. In fact, they expressed 47% higher agreement with statements about trust.

Stronger commitment to company

In line with this, employees in culture-of-development companies reported that they were more committed to their company and more willing to go the extra mile for it. They are 34% likelier to feel a sense of ownership and commitment to the future of the company. Indeed, those who worked in culture-of-genius companies said they were more interested in leaving their company for another.

Stronger support for risk-taking

It's nice that employees in culture-of-development organizations feel trusting and committed, but what about agility and innovation? That's something that organizations should and do care greatly about these days. Perhaps a company has to sacrifice some comfort and loyalty to be on the leading edge. Perhaps a belief in genius motivates innovation. But we learned that it doesn't.

It is the employees in culture-of-development companies — the companies that believe in people's growth — who are more likely to say that their organization supports (measured) risk taking, innovation, and creativity. For example, they agreed more strongly with statements like: "This company genuinely supports risk-taking and will support me even if I fail," or "When people make mistakes, this company sees the learning that results as value added." or "People are encouraged to be innovative in this com-



findings support creating a growth mindset culture of development

- **Trust:** Employees in growth mindset culture of development companies expressed a 47% higher agreement with statements about having more trust in their company
- **Engagement:** Employees in growth mindset culture of development companies are 34% likelier to feel a sense of ownership and commitment to the future of the company.
- **Innovation:** Those in growth mindset companies showed 65% stronger agreement that their companies support risk-taking and 49% stronger agreement that their organizations foster innovation.
- **Ethics:** Those in growth mindset culture of development companies disagreed 41% more strongly than those in fixed mindset companies that their organizations were rife with unethical behavior.

pany — creativity is welcomed.”

Those in culture-of-development companies showed 65% stronger agreement that their companies support risk-taking and 49% stronger agreement that their organizations foster innovation than those in the culture-of-genius companies.

Employees in the culture-of-genius companies not only say that their companies are less likely to support them in risk-taking and innovation, they also say that their organizations have more unethical behaviors: “In this company there is a lot of cheating, taking shortcuts, and cutting corners.” or, “In this company people often hide information and keep secrets.”

According to Dweck, this means that when organizations place a high premium on natural talent, everyone wants to be the superstar and may be more likely to cheat or cut corners to do so.

The reverse was true in how people in culture-of-development companies view company ethics. In fact, 41% more strongly disagreed that their organizations were rife with unethical behavior.

More positive view of employees by supervisors

So, employees in culture-of-development companies had more positive views of their organizations. Is that admiration reciprocated?

Yes, supervisors in these companies had significantly more positive views of their employees — and on the dimensions companies should care about. Supervisors in the culture-of-development companies rated their employees as more innovative, collaborative and committed to learning and growing.

They also viewed their companies as having far greater management potential — all things that make a company more agile and more likely to stay in the vanguard.

What people say

When asked to talk about their companies, people within the organizations involved in the study spoke spontaneously and passionately on a few themes around accountability and innovation.

People in a health care organization with a more culture of genius talked about the lack of initiative and the entrenched resistance to change at a time when the industry requires transformational change to survive. The common responses of people in their company? “It’s not my job.” “It’s somebody else’s responsibility.”

By contrast, people in the study who work in another health care organization that has made the cultural shift toward a growth mindset culture of development, had more positive perspectives.

Reports one manager, describing the change, “...the focus began to shift towards improvements (innovative ways)... and less blame on why others were impeding their success...In the past, the solutions were vague and blaming, now they are focused and specific.”

This manager goes on to talk about initiating daily “huddles” with his group about the pressing issues of the day. They have responded, he says, “by taking greater ownership of the bigger picture and being more innovative in their way of thinking.” He adds, “I’ve seen my department

become more receptive to change.”

People in a top-performing retail company that had shifted its culture from a fixed to a growth mindset looked back on the company’s former mindset days and talked about the active squelching of ideas: “Every differing perspective was instantly questioned, and any dissenting perspective was quickly come against.”

Members of a more fixed-mindset service organization scrutinized their company, starting at the top. They talked about how the current leadership, reflecting a lack of trust, “micromanages tasks well below the appropriate action level.”

Conclusion

Most leaders today recognize that agility, innovation and collaboration are vital to achieving their organization’s goals. This new research supports Senn Delaney’s earlier research on the value of an organizational growth mindset.

This latest research adds a new dimension to our understanding of the correlation between a growth mindset and positive behaviors in organizations, and suggests that a growth mindset may well be a key factor in determining which companies gain and keep their edge.

Building and fostering a growth mindset culture of development

What can leaders and companies learn from this research? What can they do to help their leaders and organizations to shift from a fixed mindset to a growth mindset? Professor Dweck warns that “Focusing on pedigree...is not as effective as looking for people who love challenges, who want to grow, and who want to collaborate.”

Since cultures are shadows of their leaders, notes Hart, it is critical for leaders to embody a growth mindset in order to create broad and sustainable agility, innovation, commitment and engagement.

culture of development mindset versus culture of genius mindset

Employees have higher levels of...	trust ownership commitment loyalty
and lower levels of...	unethical behavior
Employees believe the company fosters more...	innovation collaboration risk-taking
Supervisors view employees as more...	innovative collaborative committed to learning and growth
and having more...	managerial potential

Hart adds that organizations can begin by understanding what their current organizational mindset is by participating in the ongoing, research-based study to assess the level of fixed versus growth mindset as compared to established norms.

Organizations that want to foster a growth mindset culture of development will need to create an intentional focus on hiring people who have growth mindset attributes, says Hart. People with growth mindsets have a sense of growing and wanting to get consistently better at what they do. They are curious and have a passion for learning and stretching themselves at every stage of their careers.

Senn Delaney and Heidrick & Struggles have unique tools to assess both leaders and organizations for leadership traits and organizational behaviors to demonstrate growth or fixed mindset, says Hart.

Senn Delaney was founded in 1978 with the sole mission of shaping leadership mindsets to create healthy, high-performing cultures. We have guided more than 115 Fortune 500 CEOs and their senior leadership teams to transform from fixed mindsets to growth mindsets, and we have developed growth mindsets in hundreds of organizations as a cornerstone of our culture-shaping process.

We also partner with our parent company, Heidrick & Struggles, the premier CEO and senior executive search, culture-shaping and leadership consulting firm in the world, to use this expertise as another key and unique element for successful leadership evaluation, placement and engagement.

To enroll your company in the organizational mindset study, please call Senn Delaney at **562-426-5400**. ■

about Senn Delaney

Senn Delaney is the culture-shaping firm of Heidrick & Struggles International, Inc., the premier provider of Executive Search, Culture Shaping and Leadership Consulting services worldwide.

Founded in 1978, Senn Delaney was the first firm in the world to focus exclusively on transforming cultures, essentially creating the corporate culture consulting industry. A singular mission of creating healthy, high-performance cultures has made us the leading international authority and successful practitioner of culture shaping that enhances the spirit and performance of organizations.

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