

# 3 WAYS A GROWTH MINDSET BENEFITS COMPANIES AND EMPLOYEES

A company's theory of intelligence influences diversity, satisfaction, and more.

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Pretend you're looking for a new job. Now imagine there are two companies searching for someone with your skills and interests, both offering competitive wages and benefits. When you go to the Careers page for each company, you read the following:

**COMPANY A:** *We're a company of pioneers. It's our job to make bold bets, and we get our energy from inventing on behalf of customers. Success is measured against the possible, not the probable. For today's pioneers, that's exactly why there's no place on Earth they'd rather build than here.*

**COMPANY B:** *If you're looking for a place that values your curiosity, passion, and desire to learn, if you're seeking colleagues who are big thinkers eager to take on fresh challenges as a team, then this is the place for you.*

Which company do you want to work for, A or B? After reading about Company A, you may ask yourself "Am I a pioneer?" or "Am I willing to make bold bets?" If that doesn't sound like you, Company B might be a better fit. Would you be excited to learn new things and collaborate to solve challenges? If not, then you might prefer working for Company A.

What each of these hiring descriptions suggests is the company's lay theory of intelligence. According to research by Dr. Mary Murphy, Associate Professor of Psychology at Indiana University, organizations can exhibit either a fixed or growth mindset. To recap, people who believe intelligence is inborn (a fixed mindset) wilt in the face of struggle and turn their energy elsewhere, whereas people who believe intelligence is the product of hard work (a growth mindset) double down their efforts and devise new

strategies when facing a challenge. Thus, Company A's search for "bold" "pioneers" suggests they want employees with fixed traits that they possess even before they're hired. Company B, with its focus on "curiosity" and a "desire to learn," signals a belief that employees will grow in their new roles. And whether an organization conveys a fixed mindset (like Company A) or a growth mindset (like Company B) can have differing downstream effects on current and future employees, and either help or hinder organizational goals to increase diversity. Here are three important lessons about an organization's lay theory of intelligence that we can learn from Dr. Murphy's groundbreaking research.

## #1. AN ORGANIZATION'S LAY THEORY OF INTELLIGENCE INFLUENCES HOW ITS PROSPECTS AND EMPLOYEES THINK ABOUT THEMSELVES.

In a series of studies, undergraduates read the minutes of a recent meeting of a prestigious tutoring club on campus in which the club endorsed either a fixed or growth theory of intelligence. Then these students applied for admittance into the club. Students preferred the 'growth' to the 'fixed' club, but in both written materials and live interviews, they were more likely to present themselves as 'smart' to the fixed club, but as 'motivated' to the growth club. While it makes sense to adapt your self-presentation strategy to fit the ethos of the organization (i.e. tell them what they want to hear), students also shifted their own self-concept toward the values of the club. In other words, in just a short amount of time, students applying to the fixed club rated intelligence as more central to who they are, and students applying to the growth club rated motivation as more central to who they are. This finding has far-reaching

implications, as our lay theories affect more than just academic performance, including our stress levels and overall physical health. In an era when some companies are doing more and more to improve employees' quality of life, adopting a growth mindset may be an overlooked yet effective approach.

## **#2. AN ORGANIZATION'S LAY THEORY OF INTELLIGENCE AFFECTS HOW ITS PROSPECTS AND EMPLOYEES VIEW THE COMPANY.**

A fixed or growth mindset suggests how a company treats and values its employees, and is interpreted differently by different groups of people. In another series of studies involving undergraduates, a company's mission statement was framed in either fixed or growth terms. Although both men and women trusted the growth company more than the fixed company after reading their mission statement, the difference among women was much larger in magnitude and statistically significant. More importantly, women's distrust of the fixed company was driven by the belief that their management would not perceive women as competent. This pattern held true even when the company's website portrayed them as having gender equity in their ranks. This finding suggests that a fixed mindset signals to women that management may adhere to stereotypes about women's inferiority in the workplace, and therefore women will not be treated as well as men and will run into the infamous glass ceiling.

## **#3. AN ORGANIZATION'S LAY THEORY OF INTELLIGENCE INFLUENCES DIVERSITY.**

While most people prefer an organizational environment that promotes growth, this perspective can have an especially profound impact on women and people of color in the workplace. Members of these groups may experience social identity threat when an organization views people as naturally talented (or not). Such a fixed mindset implies

that negative cultural stereotypes may undermine an employee's hard work and ultimately dictate whether management views them as being good enough for the job, a raise, or a promotion. Depending on when and how these messages are conveyed, a company may ward off great female and minority applicants who experience this threat in the application process, or increase turnover of these employees who feel mistreated or held back from desirable projects, promotions, and other accolades.

## **SO WHAT DOES THIS MEAN FOR EMPLOYERS AND WORKERS?**

Promoting a growth mindset at the organizational level can foster increased trust in the company as well as a more diverse, inclusive workplace. These efforts start with a company's written materials, including mission statement and job descriptions, and extend into resources available to employees. For example, investment in employee development, such as the Starbucks College Achievement Plan that pays for Starbucks employees to attend Arizona State University, signals a company's belief in growth. And we know that instilling growth mindsets will motivate employees to participate in and complete their training.

Moreover, rewards (both monetary and social) should be given for original ideas, hard work, and persistent efforts, not just for results. In fact, many organizations have embraced the idea of rewarding failure. For example, NixonMcInnes holds a monthly "Church of Fail" where employees "confess" their mistakes at work to exuberant applause. More importantly, employees then discuss how they will handle the situation differently next time, making this an occasion for growth for everyone. By taking these steps and more, organizations may be in a better position to recruit the best of the best, regardless of gender or color, and improve employees' overall view of their employer.

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