

To Be a Great Leader, You Need the Right Mindset

Organisations worldwide spend roughly \$356 billion on leadership development efforts. Yet, the BrandonHall Group, a human capital research and analyst firm that surveyed 329 organizations in 2013, found that 75% of the organizations rated their leadership development programs as not very effective. Why aren't companies getting more bang for their leadership development buck? The latest research suggests it's likely because most leadership development efforts overlook a specific attribute that is foundational to how leaders think, learn, and behave: their mindsets.

Mindsets are leaders' mental lenses that dictate what information they take in and use to make sense of and navigate the situations they encounter. Simply, mindsets drive what leaders do and why. For example, they explain why two different leaders might encounter the same situation (e.g., a subordinate disagreement) and process and respond to it very differently. One leader might see the situation as a threat that hinders their authority; another as an opportunity to learn and further develop. When leadership development efforts ignore mindsets, they ignore how leaders see and interpret problems and opportunities like this one.

You may wonder: if mindsets are so important, which ones should you help your leaders develop? Recent studies suggest there are four distinct sets of mindsets that affect leaders' ability to engage with others, navigate change more successfully, and perform in their leadership roles more effectively.

Growth and Fixed Mindsets.

A growth mindset is a belief that people, including oneself, can change their talents, abilities, and intelligence. Conversely, those with a fixed mindset do not believe that people can change their talents abilities and intelligence. Decades of research have found that those with a growth mindset are more mentally primed to approach and take on challenges, take advantage of feedback, adopt the most effective problem-solving strategies, provide developmental feedback to subordinates, and be effortful and persistent in seeking to accomplish goals.

Learning and Performance Mindsets.

A learning mindset involves being motivated toward increasing one's competence and mastering something new. A performance mindset involves being motivated toward gaining favourable judgements (or avoiding negative judgements) about one's competence. Leaders with a learning mindset, compared to those with a performance mindset, are more mentally primed to increase their competence, engage in deep-level learning strategies,

seek out feedback, and exert more of an effort. They are also persistent, adaptable, willing to cooperate, and tend to perform at a higher level.

Deliberative and Implemental Mindsets.

Leaders with a deliberative mindset have a heightened receptiveness to all kinds of information as a way to ensure that they think and act as optimally as possible. Leaders with an implemental mindset, as the name suggests, are more focused on implementing decisions, which closes them off to new and different ideas and information. Comparing the two, leaders with deliberative mindsets tend to make better decisions because they are more impartial, more accurate, and less biased in their processing and decision making.

Promotion and Prevention Mindsets.

Leaders with a promotion mindset are focused on winning and gains. They identify a specific purpose, goal, or destination and prioritize making progress toward it. Leaders with a prevention mindset, however, are focused on avoiding losses and preventing problems at all costs. Research has found that those with a promotion mindset are more prone to positive thinking, more open to change, more likely to persist despite challenges and setbacks, and demonstrate higher levels of task performance and innovative behaviours compared to leaders with a prevention mindset.

Once you have a better understanding of these mindsets, you can tailor your leadership training programs to unlock most effective ones in your managers. A great example of an organization that leveraged the power of mindsets in this way is Microsoft. From 2001-2014, Microsoft's market capitalization and stock price largely stayed the same. But, in 2014, when Satya Nadella took over, he made it his mission to revamp the leadership and the culture at Microsoft. In his book, *Hit Refresh*, Nadella explains that mindsets—particularly growth mindsets—were his primary focus when revamping Microsoft. With this leadership, the company's market capitalization and stock price has more than tripled.

This is just one example that shows that if organizations want their investment in leadership development to more fully pay off, it is essential that they prioritize mindset development — specifically by targeting growth, learning, deliberative, and promotion mindsets. As leaders cultivate each, their thinking, learning, and behaviours will naturally improve because they are seeing and interpreting their situations more effectively.

To Be a Great Leader, You Need the Right Mindset

Ryan Gottfredson and Chris Reina

Harvard Business Review, 2020