



IMPACT REPORT

Growth Mindset Supports Organizations Through Disruption



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EXECUTIVE SUMMARY



Three key benefits:

- Behavior change at scale
- Increased employee engagement
- Greater workplace satisfaction

Why Growth Mindset Now?

Organizations are in the midst of tremendous change and disruption. At the time of this report, 96% of business leaders are concerned about corporate productivity in the face of a pandemic,¹ while 81% of full-time employees' lives were significantly disrupted by it.² Meanwhile, the need to digitally transform organizations has not receded. The majority of companies' revenue growth depends on digital offerings and operations, requiring new skills and a new mindset to stay afloat.³ In short, the need for a workforce that is adaptive and resilient during disruption has never been more pronounced.

Benefits of Growth Mindset Initiatives

Trend forecasts have long included the importance of a growth mindset. Named "key to digital transformation"⁴ and identified as the #1 soft skill in

2020,⁵ growth mindset has already enabled major business transformation efforts pre-crisis.⁶ So, what benefits can organizations expect if they invest in cultivating their own growth mindset during change and disruption? The NeuroLeadership Institute has been monitoring the ongoing efforts companies have made, and we've collected data on the impact growth mindset initiatives have had on organizations' ability to adapt to major forms of change and disruption. Our research has found that growth mindset led to three key benefits:

- Behavior change at scale
- Increased employee engagement, and
- Greater workplace satisfaction

Five case studies illustrate those benefits as companies went through a variety of significant change and disruption. In each case, growth mindset initiatives helped employees adapt to the new reality and, therefore, support successful transformations.

1 I4CP: The Covid-19 hit on productivity is accelerating in most companies, <https://www.i4cp.com/coronaviri/i4cp-the-covid-19-hit-on-productivity-is-accelerating-in-most-companies>.

2 How Leaders Are Responding to COVID-19 Workplace Disruption, GALLUP, April 2020: <https://www.gallup.com/workplace/307622/leaders-responding-covid-workplace-disruption.aspx>

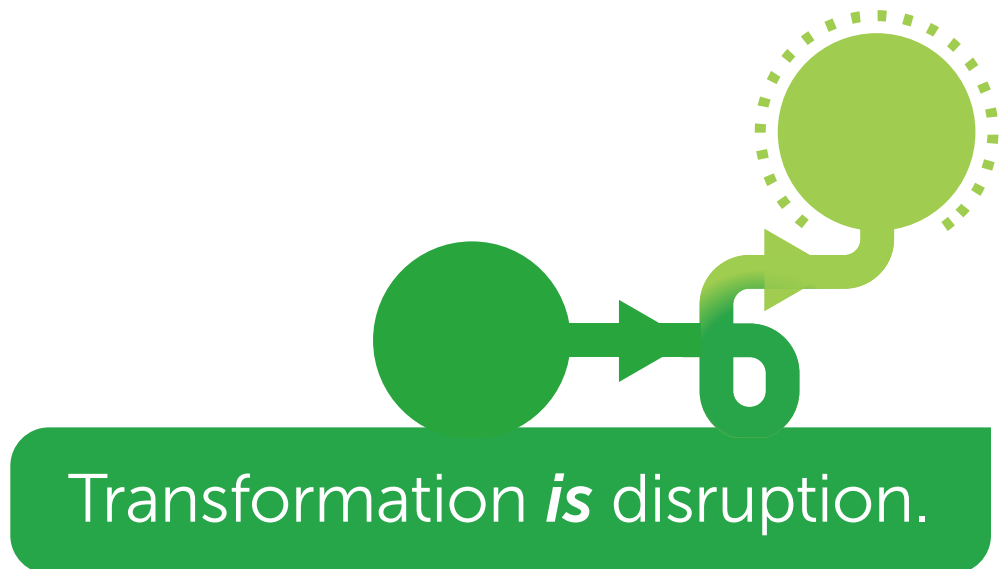
3 IDC Press Release, IDC Launches New Framework to Accelerate Digital Transformation and Help Enterprises Become Digital Natives (IDC, Oct 2017), <https://home.kpmg/xx/en/home/insights/2019/03/it-at-market-speed.html>

4 Coming of Age, Digitally: Learning, Leadership & Legacy. Research Report by MIT Sloan Management Review and Deloitte, 2018. <https://sloanreview.mit.edu/projects/coming-of-age-digitally>

5 Udemy: Top 10 Soft Skills in 2020 for the Workplace, <https://blog.udemy.com/top-10-soft-skills-in-2020-for-the-workplace/>

6 Idea Report: Growth Mindset Culture. Industry Research, NeuroLeadership Institute, 2018

GROWTH MINDSET IN ORGANIZATIONAL CONTEXTS



If we go by the numbers, the picture is clear: Transformation *is* disruption. According to one report, reorganization disrupts the work-life balance in nearly 90% of firms.⁷ Making matters worse, only 25% of transformation efforts actually improve organizational performance⁸—meaning leaders often inflict great damage on the stability of their teams but have little to show for having made people worse off. One reason leaders encounter this pitfall is that they sometimes neglect to align the right talent strategies with the change being implemented. In addition, they may forget to “really” invite their workforces along on the journey—initiating it more for appearances than effectiveness.

In recent years, a handful of forward-thinking companies have begun to realize that the human mind plays an essential role in whether change management programs succeed.⁹ Why? Because change is cognitively taxing for the brain¹⁰, and

for any transformation effort to succeed, leaders must first give careful consideration to how their employees think about that change and the role they are expected to play. On that basis, growth mindset has emerged as an enabler of organizational change, in leaders’ hope that employees will be: more resilient in the face of difficult work situations; motivated to continuously learn new capabilities; feel supported to develop a greater tolerance for risk and innovation; and create more inclusive and satisfying work environments.

Whether organizations have found that success is a question we have been studying over the past few years—both with organizations that have partnered with us as clients and those we have studied independently.



7 Mercer Global Talent Trends, 2019: <https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html>

8 A Leader’s Guide to “Always-On” Transformation, Boston Consulting Group 2015: <https://www.bcg.com/publications/2015/people-organization-leaders-guide-to-always-on-transformation.aspx>

9 Hit Refresh...How Microsoft’s “growth mindset” enabled it to become the world’s most valuable company, again. <https://www.thegeniusworks.com/2019/02/how-microsofts-growth-mindset-enabled-it-to-become-the-worlds-most-valuable-company-again/>

10 Why Change Is so Hard – and How to Deal with It, Andrea Derler, PhD. & Jenny Ray, PhD: <https://neuroleadership.com/your-brain-at-work/growth-mindset-deal-with-change>

BEHAVIOR CHANGE AT SCALE



Typical approaches to measurement look at one number: Net Promoter Score (NPS). Essentially, this is a sentiment analysis that tracks whether people enjoyed what they learned. While NPS has been a popular approach for some time, a compelling body of research shows a clear self-reporting bias. That is, we tend to confuse fluency with effectiveness. At NLI, we measure success based on the number of desired new habits an organization's change management can generate. In other words, what is the actual behavior change taking place? Companies track these metrics through engagement or pulse surveys during and after the learning initiatives.

Through our client work, we've continuously gathered metrics on growth-mindset learning initiatives in various organizations. For instance, from early 2018 through the end of 2019, we tracked the behavior change of 734 employees working in five different organizations across our growth-mindset-specific learning solution, GROW: The Neuroscience of Growth Mindset.¹¹ As our guiding metric we used Behavior-Change-Percentage, or BCP, a score that reliably measures the frequency with which participants engage in new behaviors.

Given that awareness sits at the center of any change process, behavior change awareness, as measured by BCP, becomes a key metric for NLI's approach to organizational change.

The BCP metrics from our GROW solution show that:



Below, we present a more detailed picture of the five organizations and how the roll out of our growth mindset solution led to relevant, desirable behavior change in employees.

¹¹ Industries represented are: telecommunications, financial services, manufacturing, and retail.

WHAT LEARNERS SAY



"[My company] is changing; I need to change as well. There will be many challenges out of my comfort zone, so the growth mindset is a key element to keep going."

"I am being completely honest when I do not know something or make a mistake. I have been having discussions about upcoming changes and letting them know it is okay to not know exactly how everything will roll out, that we will make mistakes, and will work together to figure things out."

"I learned that I need to be willing to ask for help—this will also signal to my team that I have a desire to learn and explore new ways of doing things."

"The most powerful insight I had during this learning was: Sharing mistakes helps to foster openness and vulnerability that ultimately lead to success and strong relationships, and that a constant focus on progress forward, no matter how small, will help drive a sense of achievement and further motivate others toward success."

NOKIA: GROWTH MINDSET INITIATIVE SUPPORTS CULTURAL TRANSFORMATION POST-MERGER



90%

of feedback
conversations are
perceived as more
constructive



Nokia's
"Manager
Behavior Score"—a
metric that measures
managers' ability to
listen and encourage
growth—
jumped 10%

After its acquisition of Alcatel-Lucent, a French telecommunications company, Nokia wanted to support its new workforce by creating a culture characterized by improved quality conversations, a growth mindset culture, and less biased decision-making processes. More than 3,500 line managers went through a two-year learning program to enable an environment of trust and safety for the newly merged workforce.¹²

Metrics tracked indicate that:

- 90% of feedback conversations are perceived as more constructive
- Managers' ability to listen and encourage growth jumped by 10%

¹² Nokia Turns Two Cultures into One: Adjusting to a new reality requires a shift in mindset, decision-making, and more. NeuroLeadership Institute Case Study, 2018

CIGNA: CREATING AN AGILE ORGANIZATION



For Cigna, the concept of growth mindset was prompted by two needs. The first was the need for developing a more agile approach to work in a constantly changing marketing place that required rapid improvements and innovation.¹³ The second was a broad redesign of the company's performance management approach.

Metrics tracked indicate that:¹⁴

- 85% of employees say that they are able to apply growth mindset to the work they do, seek out feedback from a variety of sources such as managers, co-workers and/or mentors, and have check-in conversations frequently enough to meet their needs
- 78% of employees better understand how their contributions impact the organization's success, including an increase by 10% in one year

¹³ Growth Mindset Case Study Collection. NeuroLeadership Institute, 2019 <https://hub.neuroleadership.com/gm-case-study-collection>

¹⁴ Growth Mindset Case Study Collection. NeuroLeadership Institute, 2019 <https://hub.neuroleadership.com/gm-case-study-collection>

"The training turned our traditional way of thinking on its side and suggested we look at situations and encounters with others from a different lens."

78%

of employees better understand how their contributions impact the organization's success, including an increase by 10% in one year



AMERICAN TELECOM: ENABLING A WORKFORCE THROUGH DIGITALIZATION



A total of 700 employees went through NLI's GROW learning solution within a period of 30 days, involving teamwide video-watching sessions and discussions, as well as interactive, facilitated webinars. The goal of the initiative was to help employees to become more flexible in the face of change.¹⁵

Metrics tracked indicate that:

- 99% of employees feel prepared and inspired to thrive through change
- 91% discussed the growth mindset on a weekly basis
- 90% spot a fixed mindset and shift their thinking to a growth mindset at least once a week

¹⁵ ADAPT: Major American Telecom Company, Using growth mindset to embrace the workforce of the future. NeuroLeadership Institute Case Study, 2018



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INCREASED EMPLOYEE ENGAGEMENT



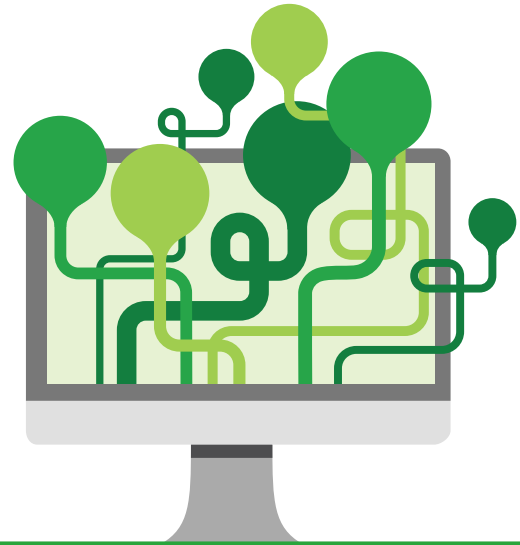
In addition to BCP scores, many organizations define and measure success with the cultivation of a growth mindset primarily via employee engagement scores.¹⁶

Typically, these take the form of growth-mindset-related questions that get added to the organization's regular pulse or engagement surveys. In general, organizations that implemented a growth mindset have reported increased employee engagement numbers and relatively low attrition in the face of major change.

¹⁶ Idea Report: Growth Mindset Culture. Industry Research, NeuroLeadership Institute, 2018

HP:

FINDING A GROWTH MINDSET AND REIGNITING A CULTURE



22%

jump in employee
engagement

"For me,
adopting a
growth mindset helps
with resilience when
confronted with big
challenges. What used
to be anxiety now
turns into positive
energy."



When HP Inc. separated from tech giant Hewlett-Packard Company in 2015, the company saw an opportunity to reinvent its culture of agility, innovation, and risk-taking. Worldwide, 6,200 managers went through a leadership development program powered by growth mindset, in order to enable the workforce to retain its innovative spirit throughout the change process.¹⁷

Metrics tracked indicate:

- 88% of participants feel a sense of belonging at work vs. 67% in a control group¹⁸
- 84% of participants would recommend HP as a place to work vs. 64% in a control group¹⁹
- Employee engagement scores jumped by 22% within one year

¹⁷ HP Finds Its Growth Mindset – and Reignites a Culture. NeuroLeadership Institute Case Study 2018

¹⁸ Numbers compare two groups of managers: those who went through the program and a control group of managers who had not yet gone through the program.

¹⁹ Numbers compare two groups of managers: those who went through the program and a control group of managers who had not yet gone through the program.

BIOPHARMA COMPANY: FROM TRADITIONAL TO INNOVATIVE

The company's transformation from a traditional pharmaceutical company to an innovative biopharma company led to a revamp of its performance management processes, underpinned by the concept of growth mindset. NLI delivered ongoing change management efforts to 24,000 employees globally with a focus on building both a feedback-rich culture and future-focused coaching conversations. In both cases, the goal was to support the company's transition to its new business model.

Metrics tracked indicate:

- 93% of employees say feedback helps improve their performance
- 88% of employees and 97% of managers say quality conversations improve their performance
- 14% increase in employee engagement in one year of program involvement



HIGHER WORKPLACE SATISFACTION

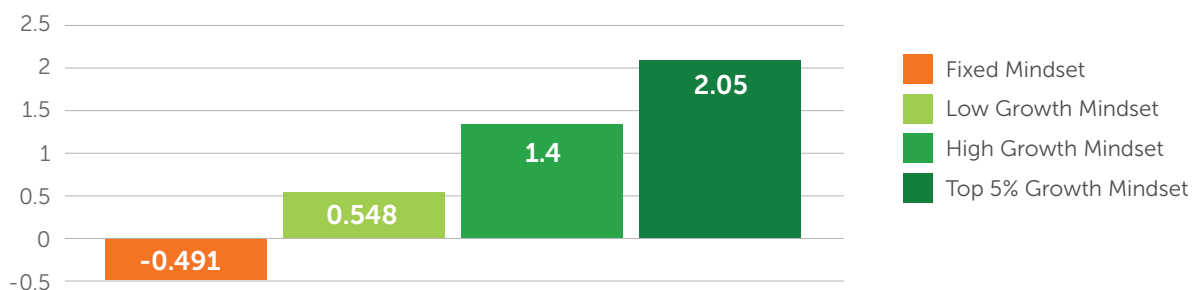
The final benefit to implementing growth mindset across an organization, our research has found, is greater workplace satisfaction.

To that end, NLI's research team deployed a key assessment tool, the Organizational Climate Survey (OCS), via a survey with 503 participants. The OCS consists of seven carefully crafted questions and gives organizations a quick and easy way to examine the strength of their growth mindset culture and scans for three key characteristics of a growth mindset culture:

- 1. Culture of learning:** Do employees feel they have opportunities to cultivate new skills and capabilities at work?
- 2. Culture of innovation:** Do employees feel comfortable taking risks to explore new ways to do things better?
- 3. Culture of feedback:** Do employees feel they receive support and guidance from their managers on ways to improve?

The study also examined how the OCS relates to workplace satisfaction in a separate, short pulse survey, in which we found a statistically significant correlation between growth mindset cultures and workplace satisfaction. In other words, the more one views their workplace as reflecting a growth mindset culture, the greater the workplace satisfaction—with those individuals working more in a fixed mindset culture actually reporting overall negative workplace satisfaction. (See *Graphic: Workplace satisfaction by fixed or growth mindset culture*)

Workplace Satisfaction by Mindset Culture



$n=503$; $r=0.54$; $p<.001$



CONCLUSION

Suffice it to say, growth mindset isn't going anywhere. And as long as organizations are incorporating learning solutions tailored to building growth mindset, NLI will remain committed to tracking the impact those programs are having. We've identified three metrics that are especially worth tracking: behavior change, employee engagement, and workplace satisfaction. As our research continues, we may identify other metrics that allow us to refine our understanding of growth mindset's potential to impact organizations and their employees.

This report in particular is meant to serve decision-makers by revealing growth mindset's impact in other organizations when deployed successfully. It's also meant to show how employees have begun engaging in more desirable behaviors as a result of embracing growth mindset on a consistent basis.

While the concept of growth mindset doesn't necessarily mean anyone can become anything, it should reinforce to employees at all levels that skills in general are fluid; they are not set in stone. The sooner leaders can help their teams grasp that insight, research suggests the earlier and more effectively they can transform their cultures.

HOW NLI CAN HELP



The NeuroLeadership Institute combines brain science, industry research, and practitioner expertise to develop solutions that employees can apply immediately to their work.

Through consulting and scalable learning, we effect behavior change in a matter of months.

Partnership Options



Corporate Memberships

How can I stay up to date with the latest science and application?



Research Briefings

How can my team and I really understand a key topic?



Thinking Partnerships

How can I leverage science insights to develop our talent strategy?



Scalable Learning Solutions

How do I change my people's behavior in a key area quickly?

CONTACT US



The NeuroLeadership Institute is a pioneer in applying brain science to organizations. With operations in 24 countries, we combine global scale with local talent.



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