

# Mind set decides ways out: How to shape Growth-Mindset of employees

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**ABSTRACT:** *Nowadays, the speed, magnitude and frequency of environmental change are far higher than before. Various unexpected non-linear changes are constantly taking place. Many enterprises are vulnerable to negative Black Swan events. The chip event of ZTE is the best test. The development of the times also forces enterprises to innovate constantly, and employees are a pool of water reflecting enterprise behavior. If enterprises want to be full of vitality, the pool water must be activated. Based on this, this paper proposes to cultivate growth-mindset of employees, so as to shift their attention from excessive concern for self-expression to the work itself, to be frank about weaknesses and turn shortcomings into opportunities for progress, and then to activate organizational vitality and improve organizational anti-vulnerability ability.*

**KEY WORD:** *growth-mindset, fixed-mindset, creativity*

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## I. INTRODUCTION

Recently, Fast Company, a well-known impurity in the United States, released a list of the most innovative companies in the world in 2019. The company of Apple fell to 17th place, and the Meituan unexpectedly ranked the king, becoming the first non-American company to be selected as the most innovative company in the list. Just last year, the Meituan that had experienced the famous "Thousand Regiments War" and struggled for eight years in the highly competitive group buying market finally ushered in its own IPO moment, listed in Hong Kong, and became the top five Internet companies in China. As its founder, Wang Xing also ushered in a glorious moment in his life after many entrepreneurship failures.

Throughout Wang Xing's career path, from Xiaonei to Fanfou, Hainei... , in the face of the upsurge and downpour of online shopping market, it is no exaggeration to say that Wang Xing climbed out of the "heap of dead people". The reason why the Meituan survived in the fierce and fast-changing Internet age and found a breakthrough point in the window of the Internet economy to win the first-come victory was largely due to Wang Xing's growth-mindset of "Past no love, indulgence forward": strong curiosity and exploration, continuous iteration of new products, continuous creation of new frontiers in the field, creating core competitiveness.

### 1. What is Growth-Mindset?

Growth mindset, put forward by Carol Dweck, a professor of psychology at Stanford University, refers to the individual's belief that the world is full of interesting challenges to help them learn and grow, and that all problems can be solved with perseverance. The opposite is fixed-mindset, which holds that self-ability is unchanged and that the whole world consists of tests that examine their abilities.

In Jason S. Moser's experiment, researchers observed EEGs of individuals with two kinds of mindset patterns when facing errors. They found that when fixed-mindset individuals faced errors, their brains were almost inactive and they chose to escape. While the brains of growth-mindset individuals were running at high speed, and they actively analyzed errors and tried to solve them.

It is undeniable that these two modes of mindset are ubiquitous in our life. So, are there employees with these two different modes of mindset in the same organization? After investigating seven Fortune 1000 companies and interviewing employees in different fields, Dweck gave the answer: Every employee in an organization has different mindset patterns. Based on different mindset patterns, employees carry out different psychometric processes, which lead to different behaviors and choices.

## II. PSYCHOMETRICS OF EMPLOYEES WITH DIFFERENT MINDSET MODES

Due to the limitation of time and resources in the organization, employees have to choose between working time and effort. Secondly, there are many uncertainties in the process of creation, and there may be no linear relationship between effort and return. Therefore, before making decisions, employees with different mindset modes will conduct a rational measurement process of the relationship between work engagement and risk. Whether employees are task-oriented or performance-oriented, or create beyond the task itself depends on the results of psychometrics.

## **2.1 Psychometric Process of Fixed-Mindset Employees**

For fixed-minded employees, organizational rewards and punishments are the greatest driving force for their hard work. Only by providing additional rewards and compensating for cognitive aversion, can they devote more energy to learning and exploring new methods and skills. According to the prospect theory of Nobel Prize winner Kahneman, fixed-mindset employees often follow the principle of loss aversion in the face of work tasks. They conduct psychological simulation through "The choice of reference points → Demonstration → Judgment of the possibility of improvement". If the expected revenue generated is greater than the current revenue determined, but there is uncertainty, that is, the risk of creating sunk costs is higher, they will choose to "close as soon as they see it, and drop their bags in peace".

In their work, they prefer to engage in safe and defensive activities rather than high-value and high-risk creative activities in order to obtain positive evaluation and "maximize" remuneration. Because for them, proving their excellence is the most important. At the same time, they believe that their abilities are fixed and they "copy" familiar jobs in their posts day by day to create their own "perfect" human settings, and try to cover up their laziness in mindset with physical diligence, so that they fall into the trap of low growth.

After Huawei grew from an unknown private enterprise to a world-renowned top 500 company, the company made a lot of profits. The dividend distribution system made a large number of "Kai Chao elders" have stable salary expectations. Naturally, they did not have to struggle for "Five Dou Mi", so the idea of resting on the merit book began to spread in the company. Many managers relax their demands on themselves, enjoy life, and are no longer conscientious about their work. The employee state of "small wealth is safe" has undoubtedly become a serious obstacle to Huawei's progress. In the end, Ren Zhengfei had to declare war on the peace consciousness of middle-level cadres, and in 2007, Huawei 7000 cadres resigned collectively.

These middle managers are typical fixed-mindset individuals. They do not want to be enterprising, complacent with the status quo, work slack, lack of enthusiasm, concentrate on those routine work that will not make mistakes, follow the rules, rarely explore new methods to solve the problems encountered in the organization, fear of innovation failure, and restrict the development of the organization seriously .

## **2.2 Psychometric Process of Growth-Mindset Employees**

For growth-mindset employees, the greatest motivation for their hard work comes from their intrinsic interest. They do not rely on organizational preferences as a basis for behavioral choices, and often use psychometric measures such as "Focusing on the task itself → Whether it is challenging → Whether it can achieve self-growth". Individuals not only pay attention to the immediate benefits of performance incentives, but also to the satisfaction of higher emotional demands such as learning and self-development. Driven by self-development, growth-mindset individuals are more likely to make challenging psychological assessment rather than threatening assessment in the face of mistakes and failures. They regard failure as an opportunity for growth and actively seek feedback. Robert Wood's research shows that growth-mindset can help individuals reduce the hallucinations and burdens that arise from their abilities, and make them face the gains and losses and challenges calmly.

Elon Musk, the "Silicon Valley Iron Man", honored by the New York Times as the most successful and most important entrepreneur in the world, perfectly illustrates the essence of growth-mindset. Whether it's a Tesla electric car or a SpaceX rocket, Musk has to face not only successive failures in development, but also constant criticism from the outside world, including his super idols. Especially the news of rocket SpaceX explosion has become the focus of public opinion from time to time. As the chief executive officer and designer of rocket SpaceX, Musk has experienced the cynicism of people from all walks of life. But Musk, the "believer fighter", never feared and gave up his exploration of the future. As he said: "I will not give up unless I am trapped or dead." For Musk, failure can only improve, if never fail, it can only show that innovation is not enough. It is such a stubborn and growth-mindset practitioner who successfully proves to the world the ability of the goal to become a reality.

It is not difficult to see that due to fixed-mindset restrictions, many capable individuals are confined to the fear of risk and failure, and confine themselves to the existing cognitive range. They dare not cross the thunder pool half a step, so that they can not maximize their potential. Nobody likes change, but they can't refuse it. Learning ostriches burying their heads in the sand can't make difficulties and threats disappear. Matthew Turner, author of Turnover, interviewed 163 successful entrepreneurs and found that those entrepreneurs who turned upside down were successful because they knew how to deal with failures, correct mistakes and turn this dilemma into an opportunity to change their lives. Therefore, compared with the fixed-mindset employees, those who are not afraid of risks, embrace change, and pursue self-growth and excellence are the powerful forces to promote enterprises to cope with uncertain environment.

### **III. HOW TO CULTIVATE GROWTH-MINDSET**

#### **3.1 Breaking through the Comfort Zone of Mindset**

Psychologists divide the brain's perception of the outside world into three areas: comfort zone, learning zone and panic zone. It is found that getting out of the comfort zone and entering a new field of study will increase people's sense of insecurity, even fear, and then produce stress response, and improve people's focus on work. In the new field of work, employees will be forced to break through their original cognitive structure and knowledge level, optimize their working skills and improve their working ability. Although the greater the individual's challenge, the faster the brain changes and the higher the effectiveness, if the challenge is too difficult, it may lead to burnout. Scholar Daniel H. Pink pointed out in *Driving Force* that "assigning kingcup tasks to employees (work is neither easy nor difficult) is very important for employees to acquire flow experience and achieve expertise, that is, setting goals one or two levels higher than their existing competencies can stimulate employees' concentration and make the job itself the most satisfactory reward for employees.

In order to achieve this effective incentive, enterprises can adopt OKR system, that is, Objectives and Key Results. Enterprises need to define the goals of the company and team, and determine whether each goal achieves measurable key results, and set a few important goals for employees through top-down and bottom-up two-way communication. An important measure of OKR's desirability is whether the goals are challenging. High-level goals mean that employees have to make greater efforts to try a variety of innovative strategies to solve problems, so that it can stimulate the staff's challenge and focus.

In order to conform to Google's "think big" concept, OKR system has been enthusiastically sought in the Internet giant Google. For example, an OKR content of Google's R&D team is: "At Jupiter Base, a new system provides services for a large server with dense traffic delays less than microseconds and percentages." ("Jupiter Base" refers to the code name, and the specific data of OKR is only disclosed inside Google). This visual quantitative indicator of OKR is clear and full of challenges, which makes mindset still stuck in the old and blocked employees unfettered, break the stereotype of mindset, and devote themselves wholeheartedly to the continuous attention to the goal.

#### **3.2 Tolerate failure to solve the worries of innovation**

The rigid performance evaluation system (result-oriented) and steep reward structure commonly used by enterprises are easy to induce employees to "keep everything in line with the indicators". Emphasis is placed on appearance rather than substance. The decision-making basis of follow-up work input is based on the number of rewards. In order to motivate employees to work hard continuously, the organization has to increase the reward level. Finally it falls into a vicious circle of "ratcheting effect" (referring to irreversibility after the formation of people's consumption habits, which is easy to adjust upwards, but difficult to adjust downwards).

In order to avoid falling into the incentive cycle, organizations should focus on the input of employees rather than the output of results, that is, the evaluation system focuses on the assessment of employees' work process. In addition, organizations should be fault-tolerant, allow employees to fail and make mistakes when solving difficult problems, and encourage valuable failures. Especially in some technological innovative enterprises, there are more uncertainties and opportunities in their tasks, and thousands of failures may usher in a dawn of success, which can be described as glorious misery.

Microsoft is the pioneer of inclusive employee trial and error. Satya Nadella, CEO of Microsoft, gives every employee the opportunity to become a manager, encourages them to embrace challenges, be fearless of risks, fail quickly, move forward quickly, and open up a new road in uncertainty. In addition, the company strives to ensure that employees' intellectual risks are supported and rewarded, whether they succeed or not, as long as employees can provide market insights to promote the development of the enterprise; At the same time, it abandons the evaluation system of evaluating employees according to fixed indicators, and replaces by department managers who decide their members' rewards according to the overall performance of the team. It effectively avoids the short-sighted behavior of employees that damage the long-term interests of the company because of their pursuit of short-term performance.]

#### **3.3 Create "Growing Folder"**

To let employees see themselves growing is essentially to cultivate their growth-mindset. Amabile, a professor at Harvard University, collected data on motivation and mood of employees through a study of 26 teams in seven enterprises. The analysis found that the minor progress made by employees from work every day was the primary factor that ignited their enthusiasm for work. According to self-determination theory, progress will increase the individual's competency perception, satisfy the individual's need to control the environment, and make the individual more confident to face the next task.

Researchers in the field of positive psychology have found that people can get more benefits from regularly recorded life events. Recording events is a simple and effective way to create a sense of progress. Therefore, the organization can let employees create their own "growth folder" and record their achievements in

stages. Such as: completing a project alone, completing some important indicators, completing tasks beyond the post requirements and so on. This folder is best updated every day. The department head reviews the folder regularly with the staff to provide immediate feedback and affirm the progress of the staff. Employees will also feel competent for organizational work and improve their self-innovation expectations because of positive feedback, thus more focused on the process of innovation, resulting in the "Pygmalion effect" (when individuals are praised and affirmed by others, they will become more self-esteem, self-confidence, and generate a positive motivation).

### **3.4 Constructing Growing Organizational Culture**

Resources can be exhausted, but culture is the only thing that keeps growing. Culture is not a simple slogan, but a staff's creed and code of conduct. Culture must be assimilated by mindset, internalized by heart, then externalized into action, and transformed into a solid force of action. Through digestion and integration, it eventually penetrates into the staff's behavior habits.

Corporate culture is usually the external embodiment of the highest leader's personality. So if we want to build a growing organization culture, leaders should bear the brunt and give full play to their "catfish effect"(Catfish activate the survival of sardines by stirring the smooth and comfortable living environment of sardines). If the leader himself is a "catfish" with passion and vitality, then through the reform of the system, the transformation of the process, the rational allocation of posts and talents, we can stir the "sardines" employees in the sediment layer, and then make the whole organization flourish.

Ren Zhengfei, the godfather of Huawei, is a catfish leader. He is passionate, sunshine, with rare vitality and control over human nature. He is always optimistic and fearless, holding a spear to lead the team all the way through the thorns. This is Huawei's "wolf culture" and Huawei's perseverance, daring to take risks and unremitting wolf spirit.

Leaders should not only activate employees'enthusiasm for innovation, but also learn to give employees more autonomy, and institutionally endow them with high value recognition for the intrinsic motivation of self-learning, exploration and challenge. Haidilao cleverly uses decentralization to mobilize the minds of employees, not just to mechanically adhere to the rules of the process. In Haidilao, managers at all levels can directly decide financial decisions under 2 million without consulting. Every waiter has the right to reduce and discount customers, or even to exempt them directly, as long as the employees think it is necessary. Through decentralization, Haidilao fully releases the initiative and creativity of employees, and creates unparalleled high-quality services than other enterprises.

## **IV. DISCUSSION**

Different mindset patterns lead to different psychometrics, and different psychometrics lead to different behavioral responses. The so-called way of mindset determines the way out, our views on ourselves and our environment determine how we respond to failures and challenges, which may delineate the boundaries of our achievements. If an enterprise wants to last forever, it must not remain unchanged. Therefore, only by cultivating and shaping the growth-mindset of employees, making them break through the comfort zone of mindset, break through the mindset fracture zone, break through the original ability trap of individuals, and release the extraordinary potential hidden in ordinary employees, can enterprises create the advantage of uncertainty in the complex and changeable competitive environment and strive for the possibility of winning the future.

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