Cultures

of

Growth

How the New Science of Mindset
Can Transform Individuals,
Teams, and Organizations

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Foreword

One momentous day in 2006, Mary Murphy walked into my office. At the time, she was a much-admired graduate student in our department at Stanford. So, I was delighted when she made an appointment to talk with me and I couldn't wait to hear what she had to say. Little did I know that after that conversation there would be no looking back.

Let me give you some pre-Mary background. Decades of research on mindsets had shown that a person can believe that their important abilities, such as their intelligence, are simply fixed and can't be developed. Case closed. We called this a "fixed mindset," and we showed that it often leads people to shy away from challenges that could reveal low ability; to interpret mistakes or setbacks as reflecting a lack of ability; and therefore, to give up more easily in the face of difficulty. Other people, we found, held more of a "growth mindset"—the belief that abilities can be developed over time through, say, hard work, good strategies, and lots of help and support from others. And we showed that this belief often leads people to take on challenges that can increase their abilities, to learn from mistakes and setbacks, and therefore to persevere more effectively and accomplish more in the long run.

When Mary came to my office that day, she said something like this: I love your work and I think it's important, but you've been treating a mindset as something that simply exists in a person's head. Yes, people do tend toward different mindsets and that can make a big difference—but the environment, the social context, the culture, the organization a person is in can also have a mindset. This mind-

set can be embodied in the dominant philosophies and practices of the group or organization, and it can powerfully affect the people there, no matter what their individual mindset might be.

Now, we already knew that although people can favor one mindset or the other, they don't just sit there in that mindset no matter what. A big setback or failure, for example, can send people into a fixed mindset even if they are usually in more of a growth mindset. But Mary's idea was more profound than that. She maintained that no matter what personal mindset someone holds, the work or school environment they're in will have a large impact. That is, people can have all the growth mindset in the world, but there are places where they won't be able to use it. Those places are fixed mindset environments, or, what she calls "Cultures of Genius."

How, exactly, can a work or school environment have a fixed mindset? Its philosophies and practices may be infused with the idea that abilities are simply fixed and cannot be developed—the idea that some people are smart and some just aren't. Such an environment may value immediate perfect performance with no periods of confusion or struggle. It may value the appearance of genius over the fact of learning and growth. It may value those who seem to have that touch of genius over those they think do not. And, regardless of a person's own mindset, the environment's mindset will often win. It's hard to take on big challenges or to value and learn from setbacks when you're being judged as smart or not, worthy or not.

In short, Mary's message was: The environment you're in can have its own mindset culture. It can be a culture that believes in and values the development of all people's ability. Or it can be a culture that believes in and values fixed ability, a culture that expects some people to have more of it and some people to (permanently) have less of it.

How did I react to Mary's announcement in my office? I was super excited. I saw at once that this was a really new and really important idea—an important idea for research and, even more so,

an important idea for society. So I said, "Let's do it!" And before we knew it, Mary had launched her now-renowned program of research.

In this research, Mary has demonstrated over and over that organizations and teams that hold a growth mindset and infuse their policies and practices with it have employees who are more motivated and committed, more mutually supportive, and more creative and innovative. They are also less likely to cheat, cut corners, or steal each other's ideas. In college courses, instructors who create a growth mindset culture have students who are more motivated, learn more, and achieve higher grades. These Cultures of Growth honor every person, support them to grow their abilities, and create the conditions for every person to make a valuable contribution. In these cultures, great ideas and great contributions come from many people at all levels and in all segments of the organization—not just people who have been identified as brilliant, talented, or having "high potential."

I can't stress enough how new and valuable this perspective was. It meant that it was no longer enough to simply teach members of an organization or classroom to hold a growth mindset. It was no longer just their personal responsibility to act in growth-mindset ways. It was now the responsibility of the leaders of the organization or classroom to create a growth mindset culture, one in which their actual practices motivated, supported, and rewarded learning and growth for everyone. But Mary's impact didn't end with this understanding. She inspired all of us doing mindset research to study how we could help create these cultures—by setting out to develop and rigorously test practices for teachers or managers that they can learn to use effectively. My original excitement about Mary's idea has only grown with time.

Mary has now studied and worked with countless organizations around the world—both "Cultures of Genius" and "Cultures of Growth." She has learned exactly what they look like, how they op-

erate, and how each mindset plays out. In this book, she shares this fascinating and incredibly valuable information so that all organizations and groups can get on the path of growth—creating cultures that support everyone to fulfill their potential and contribute to the productivity, innovation, and success of the whole. Imagine if this happened on a national or even global level. This is the book that can make it happen.

—Carol S. Dweck, PhD

Lewis and Virginia Eaton Professor of
Psychology at Stanford University

Author of *Mindset: The New Psychology of Success*

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Introduction

Picture it: You're starting a new job, and you've got that big, fresh, first-day energy. For years you've wondered what it would be like to work here, and now you've landed it—a coveted position at one of highest-profile organizations in your field. You know it will be a challenge, but you're up for it. Plus, it's such an incredible opportunity to learn—you can't wait to dive in!

You look up at the clock and see it's time for your first Monday morning team meeting. As the conference room fills, there's a buzzing in the air. The man seated next to you introduces himself. "So, you're new; where'd you graduate from?" he asks. You tell him and he nods. "Not bad," he replies, "I graduated from MIT with a double degree." The meeting begins and when the boss asks project leaders for status updates, each brags about their wins. When it's revealed that a key deadline has been missed, the atmosphere becomes tense; lots of finger pointing about who's responsible, but no clear answer. Finally, the boss asks for ideas about how to solve a thorny problem the team has been stymied by. You're tempted to raise your hand, thinking you have a good suggestion, but you hold back. Considering what you've just witnessed, you worry about missing the mark. What if your idea *isn't* very good? What will your boss and the others think of you? You decide that maybe it's better just to keep quiet.

By the end of the meeting, you have a sinking feeling in the pit of your stomach. You can't help but wonder if perhaps you've made a mistake. Maybe you don't have what it takes, after all.

Now, let's rewind and consider another possibility.

You're feeling that big, fresh, first-day energy and you look

up at the clock. It's time for the Monday morning team meeting. After introductions all around, the boss says, "I know you're going to bring valuable skills and experiences to the team. We're happy you've joined us." The status updates proceed, and the project leads share their successes, as well as a struggle they are dealing with, and the team offers suggestions to help them work it out. A big deadline was missed and instead of finger pointing, the team discusses what can be learned, how they will change their processes to make sure it doesn't happen again, and what they're going to do to meet the next milestone. Finally, the boss asks for ideas about how to solve a thorny problem the team has been stymied by. You wait for a few others to talk, but realizing you have a suggestion that hasn't been offered yet, you speak up and your idea is greeted with enthusiasm.

By the end of the meeting, you're feeling a part of something. You can see how the team collaborates to work through problems, innovates solutions, and takes risks together. You're excited to take on whatever challenges and opportunities tomorrow holds!

It's a tale of two cultures: a fixed mindset culture—what I call a Culture of Genius— versus a growth mindset culture—a Culture of Growth. As you can begin to see from just these two brief examples, when it comes to individual, team, and organizational performance, the culture you're in matters. From the very beginning.

Throughout this book, I'll explain the difference between these mindset cultures, but at the outset it's worth noting that when Satya Nadella became CEO of Microsoft, one of the first things he did was to make a public commitment to transform the company's culture. He knew that Microsoft's success relied on its ability to produce the most innovative and creative products, and then he asked: "How can a growth mindset help us achieve that?" In other words, how do companies not only put growth mindset into practice, but also use it to solve some of their hardest problems?

In 2014, when Nadella took over, Microsoft's stock price was roughly $36. In November 2021, it hit a high of over $340, and when tech stocks crashed in 2022 it remained a strong performer. Mic-

rosoft shifted from its heavy dependence on Windows to rivaling behemoth Amazon Web Services in its share of the cloud computing market, becoming, in 2021, only the second company in US history (after Apple) to receive a $2 trillion market valuation. Microsoft is often held up as a case example of employing this or that strategy, and so seeing them highlighted in yet another book could prompt a sigh. And yet most of the successes for which the company has been heralded stem from a single ideal: Nadella's determination to shift Microsoft into a growth mindset culture. Today, as the computing world focuses on the promise of artificial intelligence, Microsoft is trying to improve workplace culture by tasking the technology with helping all of us inhabit our growth mindset more often. In the wake of some cringeworthy stumbles from their chatbot Tay (and more recently, Bing) Nadella directed his engineering team to find ways to tune their products to be more inclusive and growth-oriented. My collaborators and I have joined these efforts and are working with Microsoft to create AI-powered tools that will help teachers and managers create growth mindset cultures in their classrooms and teams.

But what, exactly, is a growth mindset culture? What is its true promise, what does it look like in practice, and what does a transition to this type of culture entail? In this book, I'll show you. Additionally, I'll show that growth mindset cultures don't just work for large corporations, they also boost outcomes in schools, nonprofits, sports teams . . . essentially anywhere there's two or more people working together. (It's worth noting that three of the four teams to make it to the 2023 NBA final four playoffs were growth oriented, meaning they had coaches or team leaders who've publicly advocated for a growth-minded approach.) We'll also look at the latest science on individual mindset, and how it intersects with what we've learned about mindset culture.

Microsoft's transformation owes much to Nadella's reading of Stanford psychology professor Carol Dweck's *Mindset*, first published in 2006 and now read by more than seven million people in

more than 40 languages. Mindset refers to our beliefs about the malleability of intelligence: whether it's largely fixed, or whether it can be developed. Fixed mindset beliefs assert that people either "have it" or they don't, while growth mindset beliefs suggest that intelligence is something you can develop and expand. The concept of mindset has been nothing short of revolutionary in its impact on our understanding of individuals. People's mindsets can tell us how they respond to challenges and setbacks, the goals they are likely to pursue, and their behavior. Operating in a fixed mindset can lead people to give up when they are frustrated, take fewer risks when it comes to their learning and development, and conceal mistakes.

I first became acquainted with Carol when I began working with her as a graduate student in 2006. I was struck by how mindset matters not just individually, but in the context of other people—and especially in groups. The biggest influence on whether you're operating from your fixed or growth mindset at any given moment *isn't* necessarily between your ears—it's outside of you. That's right: Mindset isn't just in your mind. Now as her colleague, I have spent more than a decade working with Carol to examine how mindset operates at the group and organizational levels. The results are transformative and fundamentally shift our understanding of how systems and teams work. And they speak to the power of how we impact one another.

Imagine a fish swimming in a lake. Saying that mindset is a purely individual characteristic is like saying that how that fish behaves comes down to the fish, alone. It completely overlooks what's going on in the water (or the other fish swimming around). Similarly, the mindset culture in which *we* swim significantly impacts our thoughts, motivation, and behavior.

I know that these days, especially in Westernized countries, we're all about personal agency. No matter what's going on around us, we can learn to master our minds so that, ultimately, all is under our control—or so popular thinking goes. This meme is often used to blame individuals and blind us to organizations' failings. I'm not

here to undercut anyone's agency or abilities, but I am here to bring to the fore the powerful influences that surround us. We survey the landscape around us to see what the norms are, what is expected of us, and how we can succeed and gain admiration. We derive this information from the culture.

An organization may have a culture that worships and rewards fixed ability. As a result, it may admire and praise those who are deemed brilliant and judge and blame people who don't measure up. How would you act in this culture? What would you strive for? Going against the culture would be like swimming upstream. Sure, it's possible, but the truth is, it's unlikely.

A growth mindset culture is one that values, fosters, and rewards growth and development among all members. Of course, there's the bottom line to think about, but such organizations believe that prosperity and success stem from people learning, growing, and developing in ways that move them and the company forward.

The mindset culture we're swimming in also starts to affect us on a deeper level, shifting how we see ourselves. Often without even knowing it, we may begin to adopt our organization's mindset as our own, and that ripples outward to how we see and value others. We start reinforcing the mindset culture, making it stronger and creating a continuous and intensifying cycle.

Every gathering of people has a mindset culture. Yet the reality is that most organizations have *no idea* what their mindset culture is, or how it influences the group and their outcomes. Throughout this book, I'll be highlighting how mindset culture shows up in many groups whether in workplace contexts, schools, families, sports, or others and I'll use the term "organization" to refer to these different groups. I'll also use "leader" and "employee" as shorthand, to make for easier reading. But know that fostering a growth mindset culture is possible in almost any setting, well beyond the workplace.

Rather than something that lives inside us, mindset can best be understood as a system of interaction among three concentric circles: Your personal mindset can be affected by the local mind-

Cultures of Growth, on the other hand, also want smart people, but they want them to be highly motivated and excited about further developing their abilities by learning, trying new strategies, and seeking help when they're stuck. As a result, people's job applications are likely to highlight not only their successes, but also the challenges they overcame to get there, their commitment to their work, and their desire to develop further. A Culture of Growth centers the belief that talent and ability can be honed and enhanced through good strategies, mentoring, and organizational supports.

Just as individual mindset is a strong predictor of behaviors and outcomes, so, too, is mindset culture. Research clearly shows that organizational mindset can forecast the success of individuals, teams, and organizations. It affects whether people collaborate; whether they come up with innovative ideas and solutions; whether they are willing to take risks; whether they engage in ethically problematic behavior like hoarding information, hiding mistakes, and stealing ideas; and finally, whether the company can benefit from the insights and talents of people from diverse groups, or whether their perspective remains limited. You'll see in this book how Satya Nadella created a Culture of Growth that has shaped Microsoft's investment strategy, its capacity to collaborate with Apple and other competitors, and its ability to rebound from technical failures. And you'll see other Cultures of Growth success stories, like how two sisters are using a solution-oriented approach to disrupt the wine market and make top-quality products accessible to a broader and more diverse group of consumers, and how a belief in all students' ability to learn revolutionized instruction and drastically improved outcomes at a community college.

Fortunately, organizational mindset can be consciously shaped. Working with leaders, managers, and individual contributors, my team and I have seen firsthand the power of Cultures of Growth to spur people's motivation and boost individual and organizational performance. We've discovered how to help organizations change to embody and promote a growth mindset. We've uncovered what

set culture of your group or team, which, in turn, is influenced by the organization's larger mindset culture. Just as with individuals, organizational mindset culture is not fully fixed or growth, but instead functions on a continuum. Over the past decade of research, my team and I have identified the two ends of the mindset culture continuum: Cultures of Genius and Cultures of Growth.

Culture of Genius sounds appealing, right? But consider several leaders emblematic of a Culture of Genius: First, Theranos CEO Elizabeth Holmes, who dropped out of Stanford to found a now-infamous blood-testing company with the backing of Stanford faculty members who thought they had discovered the next Silicon Valley disruptor. After Theranos's leadership not only failed to deliver on its promise but also lied about their problems, Holmes was found guilty of fraud and conspiracy. Then there is Arif Naqvi, who similarly masqueraded as an impact investor whose Abraaj private equity fund was aimed at supporting conscious capitalism. Like Holmes, Naqvi dazzled investors who were impressed with his apparent genius, but it was all smoke and mirrors. In reality, Naqvi stole $780 million from the fund. We also have Charlie Javice, CEO of Frank, a financial aid assistance company Javice billed as the "Amazon of higher education." Javice wowed early investors and quickly became a darling of tech media but was later charged by the Justice Department with "falsely and dramatically inflating the number of customers of her company" to entice JPMorgan Chase to acquire it for a hefty sum.

A Culture of Genius aligns with the fixed mindset. It is one where the overarching belief is that talent and ability are innate, and you either have "it" or you don't. Cultures of Genius value brilliance and smarts above all else—especially if they seem to come naturally. Cultures of Genius focus almost exclusively on high fixed intelligence, so people who apply for jobs in these organizations often feature their IQs, test scores, and academic and intellectual awards and achievements, hoping to be deemed worthy and among the chosen few.

shapes a company's mindset culture, and how to change policies, practices, and norms to help people into their growth mindset.

Furthermore, we have discovered the link between mindset culture and diversity and inclusion. Namely, organizational mindset shapes whether companies identify, recruit, and retain people from diverse groups. This has led us to create the Equity Accelerator, the nation's first focused research organization to apply social and behavioral science to the challenge of creating—and sustaining—more equitable learning and working environments. Fostering inclusive growth mindset cultures is a big part of what we do there and what I'll show you how to do it in your own teams.

Throughout this book, we'll cover the groundbreaking research that reveals how you and your team can inspire growth mindset together. We'll see how well-known companies and organizations in a variety of industries have changed the way their people work together to create Cultures of Growth. We'll explore the worlds of education, nonprofits, sports, and more to see how Cultures of Growth flourish everywhere—as, for example, when a school superintendent in New York State reversed massive inequities for children of color in his district by reshaping the district's mindset culture. And how a combination bakery–foundation has applied growth mindset principles to its hiring and development, creating career opportunities for formerly incarcerated people while running a hugely successful business.

Importantly, I'll also show you how to prompt yourself toward growth mindset, *and* inspire those around you, fostering a Culture of Growth team. This book is full of many exercises, tools, and practices you can start today to change how your organization works together. You'll identify what cues trigger you personally toward your fixed and growth mindsets (spoiler: we all have both within us) and learn how to take the cues that move you into your fixed mindset and flip them around—turning them into situations where you can be inspired and develop. From this vantage point, you'll be able to help others do the same—building the mindset culture you want.

This book will change what you know about mindset, while also providing clarity as you learn new evidence-based insights and actions you, your team, and your organization can benefit from. In Part 1, we'll do a mindset reset, recasting our understanding of how mindset works. In Part 2, we'll examine organizational mindset in depth, looking at how it plays out in five key areas:

- Collaboration, and whether we're more likely to compete with our colleagues or work together;
- Innovation, and whether we can access new ideas or are stuck repeating the past;
- Risk-taking and resilience, and whether we're willing to take chances or feel compelled to play it safe;
- Integrity and ethical behavior, and whether people take shortcuts or break rules to meet performance expectations, hide mistakes, or enhance their reputation; and
- Diversity, equity, and inclusion, and whether we seek to recruit and retain a workforce with multiple talents and perspectives, or hire based on a narrow prototype for success.
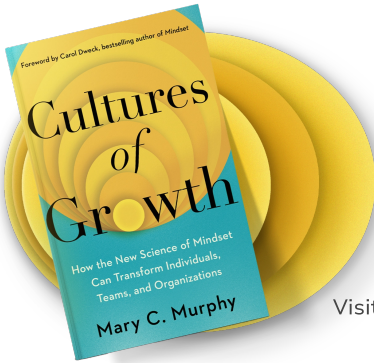
I'll show you how to identify your organization's mindset and mindset influences, explaining how to shift toward growth and stay there. In Part 3, we'll look at how mindset cues affect us as individuals. I'll introduce the four common situational cues that shift us into our fixed or growth mindset:

- When we face situations where our efforts will be evaluated;
- When we encounter difficult challenges;
- When we receive critical feedback; and
- When we're faced with the success of others.

You'll learn how to recognize which situations tend to trigger you along the continuum, and how you can invoke your growth mindset more often.

Yet even though, as individuals, we are powerful, we can only do so much alone. The best and biggest work of our lives comes from collaborating with others to realize our fullest potential collectively. Mindset is a team effort, and I encourage you to share what you learn. The very nature of a Culture of Growth is to strive for growth for everyone. This can only happen if we shift toward our growth mindset, roll up our sleeves, and work together.

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>
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Mary C. Murphy is a Professor at Indiana University in Psychological and Brain Sciences and the Founding Director of Stanford's Summer Institute on Diversity. She's also the CEO of Equity Accelerator, an organization aiding schools and companies in fostering equitable environments using behavioral science. An expert in motivation, performance, and intergroup relations, Murphy received the 2019 U.S. Presidential Early Career Award for Scientists and Engineers.

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