

BEST PRACTICES

FROM GERRY HOFFNER...

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Newsletter

Mindset: Why Executives Thrive...Or Barely Survive

Mindset shapes our mental world, influences our outlook, determines the scope of our goals, and ultimately sets us on a path of growth and fulfillment—or one of stagnation.

Executive suites are filled with high achievers who boast high IQs and stellar accomplishments. Still, some stagnate, while others thrive and continue to shine.

The mindset we develop over the years (heavily influenced by our parents and teachers) can exert a powerful grip on our attitude toward learning and achieving. In fact, it's the key to success and fulfillment, explaining why high IQ scores fail to adequately predict success.

More importantly, mindset may be an important clue as to why some executives fail and why some are more prone than others to “CEO disease.”

Carol Dweck, PhD, an expert in motivation and personality psychology (*Mindset: The New Psychology of Success, 2006*), has discovered in more than 20 years of research that our mindset is not just a minor personality quirk. It creates our whole mental worldview and determines whether we become optimistic or pessimistic. It shapes our goals and attitudes toward work and relationships, and it ultimately predicts whether we fulfill our potential.

Open and Closed Mindsets

Everyone has two basic mindsets: open or growth, or closed or fixed.

1. One mindset is open to growth and learning, believing one can always do better.
2. The closed mindset is entrenched in the belief that natural talents and abilities predetermine success.

With an open mindset, people believe they can always learn more, do more and improve. They are confident, yet humble enough to work harder to expand their potential. They accept criticism as important



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The **Best Places To Work** program is an exciting way to educate employers on what is required to attract and retain their best employees. The program is designed to:

- Identify The Best Places To Work In Your Community
- Educate Employers On The Best Ways To Recruit And Retain Employees
- Collect Important Employment Data From Your Community
- Promote Workforce Issues
- Market Professional Workforce Associations
- Energize Business and Government Leaders

All businesses participating in the **Best Places To Work** survey receive a 15-page report detailing exactly how they compete with other employers in the community. The report reviews 37 different employment measurements and three pages of Best Practices being utilized by employers in your community.

As the unemployment rate continues to decline, employers can expect turnover rates and the costs associated with turnover to increase. Employers need to monitor their competitiveness in the market. If you are going to compete for the best employees, then you must first know how you compare with other employers in your community. The Best Places To Work program is designed to provide you with that information.

To bring the **Best Places To Work** program to your community or to have a representative speak on recruiting and retention at your next event, call Personnel Dynamics Consulting or visit www.PersonnelDynamics.net.

With a closed mindset, people believe success is based on their innate talents; thus, they shouldn't have to work hard. They think their abilities are set in stone: Either you have them or you don't. You must prove yourself over and over again, trying to look smart and accomplished at all costs. This is the path to stagnation.

People with a closed mindset seek validation of their worth and want to be right, instead of showing an interest in feedback and willingness to make changes or adjustments.

If you have an open mindset, you know your talents can be developed and that great abilities are built over time. This is the path of opportunity – and success.

Test Your Mindset

Which mindset do you have about your own intelligence?

1. Your intelligence is something very basic that cannot change much.
2. You can learn new things, but you can't really change how intelligent you are.
3. No matter how intelligent you are, you can always improve.
4. You can substantially change how intelligent you are.

Statements 1 and 2 reflect closed-mindset thinking. Statements 3 and 4 indicate an open mindset. Where do you fall on the spectrum? You can fall somewhere in the middle, but most people lean in one direction.

You also have beliefs about your other abilities. Try substituting artistic talent, sports acumen or a particular business skill for intelligence.

The Pitfalls of Innate Talent

When you believe your natural abilities determine your success, you don't see a need to be willing to learn or work hard. People with closed mindsets spend their energy promoting and defending their superior talents, instead of being open to learning something new. They also refuse to admit their mistakes and correct their deficiencies, as they're driven to defend their positions of status and direct their energies to reinforcing their image of superiority. They want to prove their worth to others, and they tend to rely on their past accomplishments and status symbols.

If every piece of information and feedback about your precious traits represents either good news or bad news (as it does for closed-mindset people),

distortion inevitably occurs. Some outcomes are magnified, while others are explained away to maintain one's image and highly cherished sense of superiority.

Eminent psychologist and human intelligence expert Howard Gardner (*Extraordinary Minds*, 1997) points out that exceptional people have a special talent for identifying their own strengths and weaknesses. They have open minds and are willing to take in feedback about their own deficiencies so they can improve themselves and their organizations' performance.

People with a closed mindset, on the other hand, take in only the information that supports their views, and they're more concerned with appearing superior and right. As a result, they easily distort information so they'll look good.

A closed mindset also leads to "CEO disease," characterized by information that's filtered and distorted so only good news reaches the top. The executive team often plays its part by feeding the CEO's ego.

CEOs and the Big Ego

When did CEO and big ego become synonymous? Some trace it to the "wars for talent" of the '90s, when corporations actively sought out superstars to man the helms. The implied belief: Just as there are naturals in sports, there are also naturals in business.

Organizations believe they should spare no expense in recruiting talent. Experts at McKinsey & Company, the premier U.S. management consulting firm, insist that corporate success requires the "talent mindset."

The Tipping Point author Malcolm Gladwell, writing in *The New Yorker* (July 2002), describes this talent mindset as a "new orthodoxy of American management," explaining that it helps create cultures like Enron's and ultimately sows the seeds for their demise. When people's environment rewards their innate talent, they can have great difficulty when their image is threatened. As Gladwell writes: "They will not take a remedial course. They will not stand up to investors and the public and admit that they were wrong. They'd sooner lie."

Some trace the beginnings of superstar CEOs to Lee Iacocca. Journalist James Surowiecki, writing in *Slate*, notes that before Iacocca rose to prominence, CEOs were button-down organization men – well treated and well paid, but bland.

The problem is, people who use their CEO status

to preen are always looking for the next self-image boost. They seldom think about fostering long-term corporate health.

Others come to mind when we consider executive failures: Albert Dunlap of Scott Paper and Sunbeam, Jerry Levin and Steve Case of AOL Time Warner, and Kenneth Lay and Jeffrey Skilling of Enron. All had closed mindsets when they took in information and feedback to adjust course for long-term health.

They believed some people are innately superior, had the need to prove and display their superiority, and used their subordinates to feed this need instead of fostering employee development. In the end, they sacrificed their companies.

The Open Executive Mindset

In *Good to Great: Why Some Companies Make the Leap...and Others Don't* (2001), Jim Collins writes about the type of leader who takes companies to greatness. They're not larger-than-life, charismatic types who ooze big egos and self-proclaimed talent. Rather, they're self-effacing individuals who constantly ask questions and have the ability to confront the most brutal answers. They look failures in the face, including their own, while maintaining faith that they'll succeed in the end.

These executives, who Collins calls "Level 5 Leaders," have an open mindset:

1. They aren't continually trying to prove they're better than others.
2. They don't emphasize the pecking order, with themselves at the top.
3. They don't claim credit for other people's contributions.
4. They don't undermine others to feel powerful.

Instead:

1. They are always trying to improve.
2. They surround themselves with the most able people they can find.
3. They look squarely at their own mistakes and deficiencies.
4. They identify the skills that they and their companies will need in the future.

These traits allow them to move forward with confidence grounded in facts, not built on fantasies about their own talents.

Open-mindset leaders aren't afraid of debate and questioning. They prod – and then prod deeper – to uncover realities and weaknesses.

Recovering From a Closed Mindset

The power CEOs wield allows them to create a world that caters to their need for validation. It shields them from bad news, and it encourages them to drink the Kool-Aid of their companies' success, despite any warning signs.

There is, however, a cure for CEO disease. Anyone can change his or her mindset. It requires conscious practice and vigilance, as well as a willingness to be open to learning and changing. Even Iacocca may be recuperating from the need for constant self-promotion by aligning himself with causes he deeply values.

Still, it's not easy to let go of something that has felt like your "self" for many years and has served as your path to self-esteem. It's especially difficult to replace it with a mindset that requires you to embrace issues that feel threatening: challenge, struggle, criticism and setbacks.

Remember: People adopt a closed mindset because it protects them from feeling vulnerable. But opening yourself up to growth allows you to experience the fulfillment of your real potential. The resulting rewards will become self-reinforcing.

One key to successfully changing your mindset is to ask for help. It may be helpful to engage a coach to help guide you through your transformation.

Think of something you need to do or want to learn. Is there a problem you're forced to confront? Now, make a concrete, specific plan.

For example: "At 9 a.m. tomorrow, I'll make that call and set that appointment to discuss the situation. I'll ask questions and receive feedback, without acting defensive. I won't make excuses. I'll take in information, be receptive and thank others for their input. I can decide what to do later."

Detailed plans that cover when, where and how you're going to do something lead to high levels of follow-through and increase your chances of success. Even if you have negative feelings, you must carry through with your growth-oriented plan.

Change can be tough, but it's always worth it. An open mindset allows you to feel more alive and fulfilled, and it will increase your chances for success at your full potential.

How to Grow Your Mindset

Are you in a fixed or growth mindset in your workplace? Ask yourself the following questions, which will encourage an open mindset:

1. Do you feel people are judging you, or are they helping you develop?
2. Are there ways you could be less defensive about your mistakes?
3. Could you profit more from the feedback you get?
4. Are there ways to create more learning experiences for yourself?
5. How do you act toward others?
6. Where's your focus: on your power or your people's well-being?
7. Do you ever reaffirm your status by demeaning others?
8. Do you ever try to hold back high-performing employees because they threaten you?
9. Do you consider ways to help your people develop on the job through mentoring or coaching?
10. Do you think about how you can treat your people as collaborators and encourage teamwork?
11. Are you aware of elitism?
12. Do you try to create a culture of self-examination, open communications and teamwork?
13. Are you aware of signs of groupthink?
14. How can you encourage alternative views and constructive criticism?



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