

WHY DIRECTORS NEED A BOARD MINDSET

In 2006, after decades of research, Stanford University psychologist Carol Dweck, Ph.D., introduced a simple but revolutionary idea: the power of mindset. Her research indicated that how we think about our talents and abilities determines our success in every human endeavor—school, work, sports, the arts, and business. In her groundbreaking book, *Mindset: The New Psychology of Success*, Dweck noted that people with a *fixed mindset*—those who believe that abilities are permanent—flourish less often than those with a *growth mindset*—those who believe they can develop abilities.

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Others since Dweck have introduced the terms “poverty mindset” and “scarcity mindset.” Poverty mentality influences behaviors consistent with beliefs that money shouldn’t be spent; we have limited opportunities; risk brings too much danger; success is temporary and non-replicable; and generally remaining in the back of the pack is safest. This sort of scarcity mindset tells us there will never be enough, so we must steadfastly guard what we have.

Conversely, an “abundance mindset” assures us we can attain and replicate success. We will always have enough, so we can afford to take risks. We have the talents to handle most situations we encounter successfully. (And in those times when we can’t, we will be resilient enough to bounce back quickly). Dweck offered a simple but revolutionary view of achievement: how we see our intelligence, personality, and talent influences how we learn, work, live, love, and succeed or fail in life.

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In 2005, David Geary introduced, *The Origin of Mind: Evolution of Brain, Cognition, and General Intelligence*. In this work, the author discussed Charles Darwin’s opinion that understanding the evolution of the human mind and brain stands at the heart of evolutionary sciences. Geary drew from Darwin’s observations to propose an integrated theory of why and how the human mind has developed to function as it does. He posited that human motivation, emotional, behavioral, and cognitive systems

have evolved to process social and ecological information. He further argued that the ultimate focus of all these systems is to support our attempts to gain access to and control of resources—the social, biological, and physical resources that support survival.

Today most experts agree the conventional “nature or nurture” questions don’t really help us understand human behavior. We now know that our genes and the environment cooperate as we develop. However, we also now understand that we have more capacity for lifelong learning and brain development than we previously imagined. More than 100 years

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ago, Alfred Binet, the French psychologist who developed the first practical IQ test, noted that the people who start out the smartest don’t end up the smartest. Binet never used the word “mindset,” but his writing suggests he understood the concept a century ago.

In *The Merger Mindset: How to Get it Right in the High-Stakes World of Mergers, Acquisitions, and Divestitures*, Constance Dierickx and Linda Henman concluded that the view directors adopt for themselves profoundly affects the way they lead their lives—and how they engage in high-stakes decision making. Drawing from Dr. Dweck’s work, the authors

explored how believing that a *fixed mindset*—one that tells people their talents and qualities resist change—creates an urgency to prove themselves repeatedly and continuously. This kind of mindset erects roadblocks to success and keeps them in a constant, confusing spiral. They see their gifts—or the lack thereof—as the hand they were dealt and must live with.

Conversely, a *growth mindset* causes us to believe that the hand we’re dealt is just the starting point for development. We view our talents as attributes we can cultivate through our efforts and strategies. These are the kinds of directors every board needs. Directors with

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a growth mindset have a passion for learning, innate curiosity, highly honed analytical reasoning skills, and a strong achievement drive that will spur them to action.

Although directors may differ in every significant way—in their initial talents, aptitudes, and temperaments—everyone can change and grow through application and experience. Dweck asked, “Do people with this mindset believe that anyone can be anything, that anyone with proper motivation or education can become Einstein or Beethoven?” No, but they believe a person’s true potential remains unknown (and unknowable) and that no one can foresee what an individual can accomplish with years of passion, toil, and training. Gone are the days of directors discussing every topic ad nauseum. Here to stay are days of pivotal decisions and strategic actions.