



Insights from The Clarion Institute

Mindset Shift: At the Heart of Moving Forward

By Jon Wheeler and the Partners of The Clarion Group

“I just can’t get enough people moving in the new direction—the *mindset* of this place is holding us back.”

Does this sound familiar? The Leading Team wants to implement change, but the mindset of the organization—individually and collectively—seems to resist the change, mire it down, and often kill it.

We at The Clarion Group find that mindset is a common challenge for top teams who are embarking on a new strategic direction. As far as the leadership is concerned, the need for change and the delegated responsibilities for making it happen are clear. Yet it doesn’t happen. The people who have to carry out the change seem unwilling. One disconcerted executive told us, “It’s like trying to run with an anchor around your legs.”

Shifting mindset is often at the heart of moving the business forward. How can leaders work with this challenge...to throw the switch that can transform the same set of goals, obstacles, time frames, and resource limits from an impossible thing to a possible thing? Let’s take a look at this concept called “mindset,” what it is, and what you can do to change it for the better.

What is Mindset?

Mindset reflects the way people—both as individuals and groups—think and react to new and evolving situations. To move a business in a new direction, the desired mindset would be reflected in eagerness to implement new ways and a willingness to move in new, uncharted directions; an entrenched mindset is often locked in to the current mental approach and past experiences.

Here are some characteristics of mindset as we see it:

Mindset comes from historical context and individual experience. Some of mindset is what people have been taught (“This is how we do things around here.”), and some is what people have learned (“This makes management happy, and that makes them unhappy.”). Past experiences are a platform for thinking and behaving.

Mindset manifests in behaviors exhibited. You don’t see the mindset, but you can easily read it from the actions and reactions of employees, teams, and departments.

Mindset is often rooted and reinforced in the values system of the company. It embodies the corporate “culture,” the combination of values, views, rules, and practices that govern behavior, although they are often unwritten and implied.

Mindset is made of mental models and paradigms. Here are some concrete examples:

- ***Operational versus strategic.*** This is perhaps the classic conundrum for management. Change can mean a temporary loss of productivity which rarely sits well with those who have operational mindsets. On the other hand, operational glitches, e.g., the engineers say that the new products can’t be manufactured, never strike strategic thinkers as significant roadblocks. The simple truth is that a mindset leaning too far toward either extreme is harmful.
- ***Me versus we.*** Sometimes individual employee’s personal interests or private fears create a reluctant mindset. For example, one might say, “I’m not good with new technology, and the old way works fine.” Still other employees may feel that they’ve gotten themselves into a routine, comfortable situation and just don’t want to have to work very hard at something new. Conversely, individuals or organizations that

lean too far to the “we” often are bogged down in building consensus. Maybe you’ve seen the symptom of too many people at a meeting.

- *“It’s not my job” versus “How can I help?”* Significant change always brings with it grey areas and confusion. How-can-I-help employees jump in to sort things out. They figure out ways to make it work. It’s-not-my-job employees turn their backs on these challenges and hope that the change will fail.
- *Risk adverse (“Why?”) versus experimental (“Why not!”)*. Many employees have a “why change” mindset. They are the status quo people who find comfort in knowing what their job is and how to do it well. These people are always threatened by change. “Why not” types find change stimulating; they are ready before you are.

Mindset takes many forms. The bottom line is that employees and employee teams and departments have concerns, fears, and dreams that may not be entirely in sync with those of the organization.

Why Does Mindset Need to Shift?

Business is always in a state of change. And by most measures, the pace of change is increasing dramatically. For most organizations, this means continual significant change or eventual failure. That’s sometimes easy to see from the top of the organization but hard to live with at lower levels.

Mindset must follow change at an equivalent pace. But mindset, by its nature, doesn’t want to change. The risk adverse may need to let go; the experimental may need to let be. Either way, there is inertia in the status quo. The comfort zone of the familiar is more appealing than the unknown possibilities of what can or will be.

When mindset and strategy aren’t in alignment, change is going to be difficult at best. Ongoing, that lack of alignment is going to be a drag on business performance. In today’s environment, organizations simply can’t suc-

ceed with significant misalignment between strategic direction and mindset.

So shifting mindset isn’t just necessary for accomplishing change, it’s necessary for optimal operating efficiency at all times.

Who’s Most Impacted by Mindset Shift?

The Leading Team often talks about mindset, referring in a vague sense to everyone else in the organization. In fact, we have seen mindset challenges at most levels in the organization, from top to bottom.

Changing mindset can be particularly hard for several specific groups of employees. For example:

- *Those who are successful now.* This can apply to individuals such as a person who has had extraordinary success with a certain approach and who would now have to change. It could also occur at a broader corporate level...a computer company in trouble because it resists shifting from selling once highly profitable products to new lower margin products.
- *Those who have the most to protect.* Again this can be individual (“I’ve spent three years developing a great team, and now *they* want to reorganize it.”) or corporate (a software developer not wanting to recognize a shift from PC-based to internet-based computing).
- *Those who feel entitled.* “I’ve brought the division up to this successful point. Now it’s my time to kick back and enjoy the fruits of my labors, and *they* want me to start all over.”

What is Leadership’s Particular Role?

Mindset shift is a top management role; it can’t be assigned or delegated to HR or communications. It is a job for the Leading Team. And it is a job that cannot be treated lightly.

Mindset shift requires leadership. Those planning and implementing changes must recognize the importance of mindset and must be

committed to devoting time and energy to anticipating and dealing with it. They have to help people let go of the old ways and see that a better world awaits.

Naturally, the top team must define the new direction and establish the new context. But a clear rationale and a detailed plan are not enough. The leaders must also inspire the organization from top to bottom, changing mindset and making every employee believe that the change is important and worthwhile and necessary. Metaphors are a way to convey the new destination and benefits; they can often successfully help people begin the mindset shift process. As a rule of thumb, the more substantial the change, the more inspirational and inclusive the leaders must be.

What Can Leaders Do?

Working with our clients, we have found several approaches that help top teams shift mindset and encourage buy-in for important transformations.

- ***Begin by reassuring employees about what won't change.*** Oftentimes, employees want to be reassured that some things won't change. For example, you may be able to tell them that you don't expect that people will lose their jobs, or that company values such as respect for the individual employee or commitment to ethical dealings won't change.
- ***Set high expectations, but be realistic.*** In designing your migration path, set challenging but achievable standards and schedules. Challenge the team, but don't kill its spirit.
- ***Tell stories from the field.*** Stories from actual co-workers demonstrate the desired mindset and ignite possibility. For example, "Look at what the team in San Jose

did when we piloted the new system there for six months," or "When Susan restructured her team in Tallahassee with the new integrated marketing approach, individual sales went up an average of 20 percent."

- ***Be prepared to sustain momentum.*** Don't be lured into thinking that management makes one inspiring speech and gives everyone a handout and the mindset is shifted. Management must maintain a continual, encouraging involvement. Hand-holding, reassuring, involvement, and interest are necessary throughout the change process. Acknowledge the difficulty and inspire each employee to reach for the future. Give them the capacity and tenacity to see it through.
- ***Recognize that some may not be able to make the shift.*** Some employees may just not "get" the new strategy, or they may be tired or unwilling to try a new mode of operating. In these cases, there may be a need for them to find a new role or leave the organization.

Shift Mindset for Positive Momentum

Mindset. It's hard to see, but important to anticipate and work with. The good news is that with a combination of planning and effort, management can foresee and overcome mindset problems. Make mindset shift an early part of your planning and design processes. When you get mindset shifted early in the game, managers, supervisors, and employees will clamor for the change—"Let's get on with it!" "Let's get this thing going now!" "How can we help?" Leveraging this positive energy into real momentum will enable you to keep up with market opportunities and ahead of your competition.

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