

MINDSET MANAGEMENT AND ORGANIZATIONAL PERFORMANCE

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ABSTRACT

The study critically examines mindset management, a skill cultivated through experience. For anybody to build the right business infrastructure, you must think strategically; that is, having a good business mindset. Mindset is key to a manager's success and effectiveness. The management must cultivate specific understandable mindset to influence growth and achievement of the firm.

Keywords: Mindset, Management and Organizational Performance.

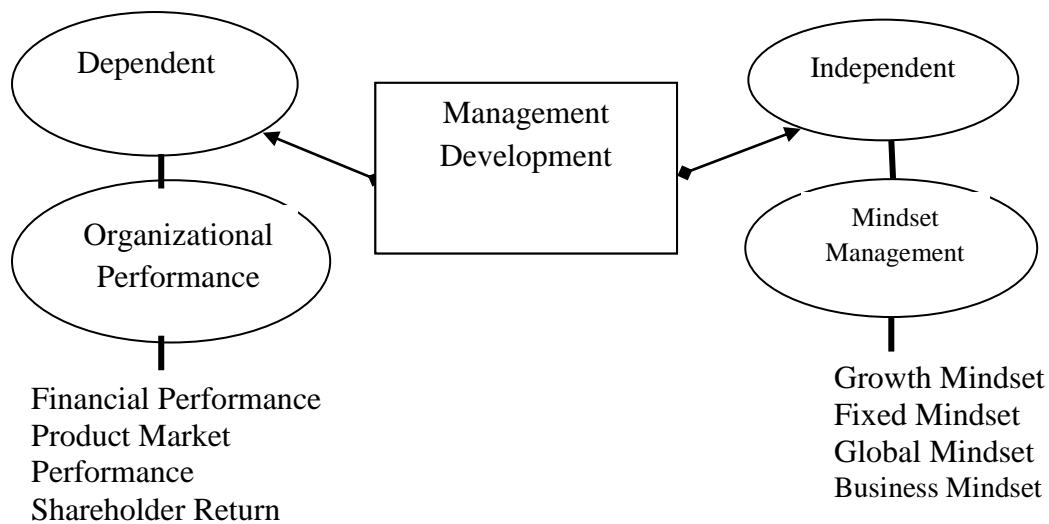
INTRODUCTION

The word mindset, in the context of organization invokes images of all–star athletes going for the goal. The self–development concept first was introduced in 1937 by Napoleon Hill in his book “*Think and Grow Rich*”. The work of Dweck was based on (fixed and growth). If you adopt any of this, it will affect self-life structuring, people and organization management.

Fixed mindset individuals always feel compelled to prove themselves. They believe the skill, aptitude and intelligence they have is purely a point of departure. And see their basic qualities as things that can be cultivated through work and experience. This view extends to personality and moral character as well. The growth mindset believes that a person’s true potential is entirely unknown.

For the sake of this article, a mindset is key to a manager’s success and effectiveness. For any manager to encourage growth, influence the success of any organization on a day to day operation, he must cultivate specific mindset and understand the mindset. What is organizational performance? This encompasses the real output or results measured against its intended output, goals or objective.

CONCEPTUAL FRAMEWORK.



THEORETICAL FRAMEWORK

The attention to mindset within the scope of study of cognitive psychology has been relatively unabated. In social science, mindset is evident. Mindset are the implied assumptions that people embrace about their abilities (Keating and Heslin, 2015).

The organizational performance was also on the self–directed learning. In which a process of learning takes the initiative, with or without the help of others, in identifying their learning needs, formulating learning goals, choosing learning resources, employing sustainable learning strategies, and assessing learning outcomes (Knowles, 1975: p. 167).

Self-Directed Learning (SDL) is also a kind of process that demonstrates individual's capability, personality, and learning pattern (Teng, 1995). Guglielmin (1977) claims SDL is an ability that represents individual's voluntary, independent and continuous learning habits.

The organizational performance is an indicator which measures how well an enterprise achieves their objectives (Ventatraman and Ramanujam, 1986). Organizational performance can also be assessed by organization efficiency and effectiveness of goal activeness is a ratio, implying that the two entities are required when defining and measuring effectiveness (example, return on assets).

The organizational performance, among other things, is determined whether senior management had issued accurate forecasts, that is to say if the directors have been too optimistic or not. Let's look at what performance means. The word performance is derived from the word "Parfourmen", which means "to do", to carry out or "to render". It refers to the accomplishment or execution. This refers to the accomplishment of a given task measured against present standards of accuracy, completeness, costs and speed. Also, it refers to the degree to which an achievement is being or has been accomplished.

PRODUCT MARKET PERFORMANCE

The issue between organization, their customers, and competitions are important for understanding the real effects of corporate finances (Maksimoria, 1996), although some progress has been made on this, it is fair to say that many real – word features of the impact of organizational financing in performance are not yet fully understood. This topic poses and tests a theory of product market competition in which organization face capital market imperfections and consumers face switching costs.

The theory was built on the work of Titman (1984), Maksimoria, (1986, 1988), on consumption, competition, financial contracting and liquidation.

SHAREHOLDER RETURN

Also known as the total shareholder return is a measure of the performance of different companies' stocks and shares overtime. It combines share price appreciation and dividends paid to show the total return to the shareholder expressed as an annualized percentage. How to calculate this growth in capital form purchasing a share in the company, take for instance, when dividends are reinvested each time they are paid. This growth is expressed as a percentage as the compound annual growth rate.

To calculate this is somehow difficult, but you can approximate. One year for instance;

- Price began = share price at beginning of the year.
- Price end = share price at the end of the year
- Dividends = dividends paid over year end
- TSR = Total Shareholder Return, TSR is computed as $TSR = (\text{price end} - \text{price begin} + \text{dividends}) / \text{price began}$.

THE MINDSET MANAGEMENT

Employee engagement is a critical factor to maintaining a productive workforce. Given its importance, organization continuously tries to identify ways to understand and increase engagement. One of such is the mechanism that has gained coverage in recent times, the concept of ‘mindset’.

“Mindset is the implicit theories or assumptions that people hold about the plasticity of their abilities” (Keating and Heslin, 2015). Renowned psychologist, Carol Dweck, describes a fixed mindset as the assumption that ability is a fixed entity and cannot be changed. That is, ‘you cannot teach an old dog new tricks’.

GROWTH MINDSET

This assumes that abilities are flexible and can be reshaped and developed through focused effort. “Talents are developed not discovered” (Dweck, 2006).

In addition, there have been tests administered by Blackwell to see if the fixed mindset of women can be changed to a growth mindset (Boaler, 2015). This is the mindset in which Boaler and Dweck believe people can gain knowledge. Boaler said “The key growth mindset knowledge was that effort changes the brain by forming new connections, and that students control this process”.

GLOBAL MINDSET

The global mindset emerged as an explanation (Javidan & Walker, 2013). One of the defining characteristics of the study of global mindset is the variety in which scholar’s conceptualized and operationalized the construct and yet, scholars typically agree that global mindset and its development increase global effectiveness for both individuals and organizations.

FIXED MINDSET

This is when people think and believe that their basic qualities, like intelligence or talent, are simply fixed traits. They spend their time documenting their intelligence or talent instead of developing them. They also believe that talent alone creates success without effort.

According to Dweck (2006), mindset is “attaching one’s sense of self – worth to extrinsic or fixed accomplishment such as academic scores, trophies, or professional status”.

BUSINESS MINDSET

A business mindset is knowing what the purpose of business is (to make money), sometimes your hobby is just a hobby. For anybody to build the right business infrastructure, you must think strategically; that is, having a business mindset. There are some of the examples:

- Knowing that the purpose of business is to make money.
- Thinking for yourself is letting other people think for you.
- Being more strategic about your business activity.
- Knowing what we need to connect to our businesses and that connection’s profitability.

- Understanding strategy and implementing it into your business practices.
- Being open to multiple streams of income and multiple business.
- To understand your emotional ties to your business.

Finally, a good strategist has business mindset (2003 – 2006 Efficio, in Sherese Duncan).

TRAINING; THE CONTRIBUTION IN KNOWLEDGE

Organization should train its employees to increase the efficiency and effectiveness of workers' performance.

Knowledge Management: When an organization has an effective management that is knowledgeable obviously affects and improves productivity.

High Performance Mindset: When an organization employs those that will get things done well with creativity and motivated mindset. Enhancing high performance employee engagement and good quality of life job satisfaction.

Managing Knowledge: There should be an adaptive strategy for management of knowledge in a complex organization. Therefore, for an effective management, they should create and share knowledge

CONCLUSION

Although more works remain to be done on identifying the influence of mindset management on organization performance, the article represents a step towards understanding this influence. This study found that mindset management is related to growth, fixed, benefit, global and business mindset. The fear of failure specifically in individuals with a more incremental mindset is more likely to seek negative feedback, which has been linked to financial performance, product market performance and shareholder return. Individuals with a more incremental mindset are also more likely to reflect on ways to improve their performance.

Finally, individuals with a more incremental mindset are less likely to fear performance in an organization; therefore, organization should thus take steps toward understanding the management mindset. By doing so, organization will be better able to design organizational performance development interventions specific to the individuals and their mindset.

RECOMMENDATIONS

Further research may attempt to find the mindset management on the organizational performance rating by using positive prior background information as primary anchor and thereafter provide a performance below expectation.

Using these procedures could reveal a fixed mindset; people will still provide higher rating, consistence with their anchoring bias to prior information. Also, growth mindset makes people to acknowledge and provide lower rating.

The potential studies may add a relative longer time between the participants' IPT measure, and the performance evaluation reduces respondents' demand or tendency to make a link between the mindset measure and performance rating.

Researchers may also attempt to conduct longitudinal research in this topic to have a better understanding of the degree of relation between the variables studied in this topic across a time, and integrating participants' change in behavior effects.

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