

IEDC Faculty: Learning from the best



A School with a View

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“WE NEED GROWTH-ORIENTED MINDSET ORGANIZATIONS DEDICATED TO CONTINUOUS LEARNING TO FACE THE CURRENT BUSINESS AND SOCIETAL CHALLENGES”.

Our society is not only facing the digital and technological revolution, but also demographic, socio-economic and environmental challenges. All these challenges have a severe influence on how our society works and will eventually have a severe impact on the business environment as well.

We have talked to Dr. Alenka Braček Lalić, the Vice Dean for Research and Co-Director of EMBA program at IEDC-Bled School of Management, Postgraduate Studies who shared her views about the current business challenges and gave recommendations about changes that need to be considered by different organizations and their leaders and managers.



What are the current and future business and societal challenges?

Digitalization and the technological revolution, which is currently in its fourth wave, have transformed our lives: how we live, how we work, how we think and how we learn.

Technological innovations have had a severe impact on the organizations (notwithstanding the size of an organization or the industry that an organization comes from) in terms of challenging their business models, strategies, internal processes, market shares, managing customers

and human resources, and their leadership styles, etc. Furthermore, automation and artificial intelligence are entering the business environment, arrogantly neglecting the main concern related to the balance between digital versus people and the fear that some jobs will become redundant in the

near future. Optimization of resources and efficiency are the predominant factors for pursuing this direction and are overshadowing the fear of their employees.

Apart from that, customers' needs and behaviours are changing constantly, also due to the innovations brought by the technological revolution. Some organizations have used this opportunity and started analysing big data in order to track changing behaviour and to stay relevant to customer needs.

Additionally, organizations have also been challenged by demographic trends that have resulted in generational gaps and increased migration flows, causing the issue of the best talents can be attracted and retained. New competitors that are fearlessly entering the business environment have a disruptive influence on existing organizations coming from traditional industries, their market shares and unique value propositions. Regulatory changes, on the other side, present a tremendous factor that requires constant adjustment.

All these challenges and uncertainties linked to the volatile business and social environment have led to different responses by organizations, some more ambitious and aggressive, others with some hesitation and fear. Being agile and adjusting to the changes has become one of the most important requirements across all industries and geographies to cope with volatility,

uncertainty, complexity and ambiguity, which have affected the whole business ecosystem and society itself. "Speed" has become one of the most important values in all industries. The more quickly an organization reacts to diverse and complex challenges the more successful and competitive it is compared to other actors in the market.

How can an organization increase or develop its agility?

In order to cope with the

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challenges faced by the business sector and society, an organization has to increase or develop its agility (at the institutional level and at the level of its employees as well). The main precondition for developing or increasing an organization's agility is its growth-oriented mindset, which is according to Carol Dweck (2012) focused on innovativeness, collaboration, and commitment to continuous learning and development. This mindset has to be developed at the individual and at the institutional level, and it has to be an integrative part of all the whole organization's ecosystem. Organizations with a growth-oriented mindset are open to new challenges and do not perceive these challenges as disruptions, but as new opportunities for further growth and development. These organizations are also more innovative and willing

to learn; continuous learning, exploring and experimenting are also part of this mindset. Constant development, continuous improvement and reinvention present further characteristics of the growth-oriented mindset.

The organizational culture and its features are heavily related to the mindset of their employees and of course to the mindset of their leader. In the volatile business environment organizations which have a critical number of employees with a growth-oriented mindset

will be agile and flexible in order to adjust to these new challenges by unlearning in order to relearn and develop new attitudes, skills and competences. They will not focus on the question: "What is wrong?" like the group of employees with a fixed mindset, but the question: "What do I want, and what does my organization want to achieve?" This group of employees understands that a change is the only constant in the volatile business environment and they embrace this knowledge.

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What is the role of leaders and managers in developing growth-oriented mindset organizations and their

employees?

Leaders and managers of organizations (private and public ones from all industries), will have to "walk the talk" in developing and creating an environment and conditions, structures and processes where employees with a fixed mindset will start following the growth-oriented group of employees. Moreover, leaders and managers will also have

to come to an understanding that leadership is not limited to selected group of employees only, but should be accessible to all levels through continuous improvement, learning and development in order to develop a growth-oriented mindset, which will be an important factor for coping with the challenges in these uncertain and complex times.

Both, leaders and managers

will have to become facilitators, enablers and coaches in developing growth-oriented organizational culture – their impact should be measured by how many leaders they create and not by how many followers they have – in order to create a critical mass of like-minded employees to successfully lead necessary change and transformation in the volatile business environment.

References: Dweck, C. S. (2012). Mindset: How you can fulfil your potential. London: Constable & Robinson Limited.