ADEPTION™

How your mindset impacts your leadership capability.

Unpacking the relationship between a leader's mindset and their leadership 360 ratings.

How your mindset impacts your leadership capability.

Unpacking the relationship between a leader's vertical mindset and their leadership 360 ratings.

Introduction.

Our mindsets — our beliefs, habits, and sense of self — are powerful drivers of the approaches we bring to the pressures we face, including at work. They develop over our lifetimes, allowing us to better adapt and respond to the increasing complexity life brings as we mature and take on more responsibilities. Successful mindset development is what we often culturally acknowledge as the maturity or wisdom of age, distinct from the skill and expertise development that happens earlier in life.

At Adeption we look at mindset growth through the lens of leadership development. Thanks to the application of Vertical Development theory in leadership development, not only can we describe the different leadership mindsets, we can measure them and help leaders grow their mindset range. This is critical for leadership development, as mindset growth unlocks the capacity for leaders to navigate complex situations and have impact in ways they couldn't before.

In this paper, we illustrate this in depth, highlighting unique research that shows leaders who can access later mindsets tend to outperform other leaders in how they're rated by others. We explore four key insights that illustrate the need for mindset development as integral to leadership development:

1. Leaders with ability to access later mindsets were rated as better leaders by others across 5 key leadership competencies, on average.
2. Mindset growth creates a higher capacity for leadership development.
3. Leaders accessing later mindsets were rated the most highly by others in more senior leadership roles.
4. Leaders operating from later mindsets are less likely to overrate their own leadership competencies, and have greater self-awareness around how they are perceived.

What do mindsets have to do with leadership development?

When we talk about mindsets, we're referring to our lens on the world: how we make sense of it, and how we position ourselves in relation to it. In general, as adults mature they develop more fluidity in their mindset (the ability to inhabit multiple 'roles' as required), a greater ability to handle complexity and contradiction, and more awareness of their individual connection to a larger, interdependent system.

We refer to this mindset development as 'vertical' as it involves elevating our perspective to a higher vantage point. This can bring advantages to both the individual and those around them, including:

- A greater capacity to deal with ambiguous and complex challenges.
- Ability to tap into diverse perspectives and backgrounds.
- Resilience and responsiveness even as pressure and demands escalate.
- Appreciation of, and the ability to work across systems.
- A more stable, internally-defined sense of worth.

Leadership roles are defined by their need to do many of the things listed above. Yet, these are not skills or knowledge that can be learned in a classroom or webinar. Instead, they are capacities that come from building emotional, intellectual, and even physical and spiritual awareness. Many leadership development programs today treat leadership as a set of competencies and skills that can be taught and practiced. However, when mindset growth is ignored, teaching leaders more skills can be like pouring water into an already full cup.

Leaders can know what they 'should' be doing, but unless attention and efforts are made to increase their capacity to do these things well, there is an upper limit to their effectiveness. Vertical development addresses this by purposefully supporting leaders through programs that create the conditions to enable mindset growth. Returning to the cup analogy, we seek to grow the size of a leader's cup, allowing them to 'hold more water'.

Further reading

The How–To of Vertical Leadership Development Part 1, Nick Petrie

The How–To of Vertical Leadership Development Part 2, Nick Petrie

Mindset growth involves three key conditions:

- **HEAT EXPERIENCES:** Challenging or uncomfortable situations that disrupt our usual ways of thinking and acting without overwhelming us.
- **COLLIDING PERSPECTIVES:** Being exposed to and having to grapple with alternative views, opinions, and ways of thinking that challenge our own.
- **REFLECTION (SENSEMAKING):** Integrating these new experiences into our baseline ways of thinking, questioning, and acting.

The optimal scenario is that these conditions are elevated by a 'developmental eco–system' where continuous learning and experimentation are celebrated in the organizational culture, and support systems are in place that extend well beyond development programs.

Further reading

Adeption Insights Series: How Adults (actually) Develop

Vertical Leadership Mindsets.

Mindset growth can be divided into seven consecutive developmental stages. As adults develop, they move through these stages consecutively. However, not all adults will move through each stage at the same pace or to the same extent.

VERTICAL MINDSETS

Adeption tool

Vertical Development and Mindsets

In this paper we focus on the three mindsets we most regularly see when working with leaders (and which account for the mindsets most adults operate from):

- **Expert:** Motivated to gain mastery and expertise. Values their logical system, competence, and respects other experts. Strong individual contributor.
- **Achiever:** Driven by goals, achievement and meeting standards. Success focused. Beginning to appreciate systems and complexity.
- **Redefining:** Inspired by meaning and purpose. Less attached to the status quo. Thinks through systems, complexity, and change. Achieves outcomes through relationships.

These are purposefully brief descriptions of these mindsets. For expanded descriptions of how they manifest in leadership, see the Appendix.

The consecutive mindsets make intuitive sense when we consider the common trajectory of leaders. Passing through the Expert mindset allows individuals to stake a claim to their place and value in the world through the knowledge and skills they have. They can make excellent technical operators and impress with their skillset. This often gains them notice for advancement.

Career advancement exposes Experts to challenges that span wider than their previous, technical role did. Secure in their technical expertise they are now motivated to employ their skills wider to Achieve goals. Tension arises and appreciation for complexity begins in this stage, as they start grappling with system dynamics and the need for relationships to meet goals. Being results-oriented and effective at delivery, those operating from an Achieving mindset often stand out as high-potential leaders.

Promotion into a leadership position sets the stage for the Expert-Achieving to Redefining transition. This is a key transition period for leaders and one we often see at Adeption. In previous roles, success and goals were usually defined for Experts/Achievers, and they were rewarded for the work that they did. Now in a leadership position, they need to define goals and success themselves and work through other people to achieve them. In a complex, changing world, previous definitions of success and previous goals may lose relevance. Simply adopting other's definitions does not work, and retreating into expertise and micromanagement creates frustration and burnout risk. No single, obvious answer to this tension exists.

This need allows for the development of a Redefining mindset, which has the capacity required to handle this complexity, adopt and adapt to changes, and work through relationships. Only once this capacity is realized can leaders increase their effectiveness in traditional leadership competencies.

It is important to be mindful that this is a framework describing how people think when operating from different mindsets. Yet people are not one mindset. People tend to operate from a central mindset, but retain the capacity to flex into earlier mindsets as their context demands. This allows us to access the strengths that earlier mindsets have, while finding new ways of handling challenges earlier mindsets struggle with.

At Adeption, we have the powerful ability to measure a leader's 'center of gravity' mindset and the range of mindsets they tend to access using the Leadership Mindset Indicator (LMI)™. Building on the work of Susanne Cook-Greuter, a world authority on leadership maturity, this assessment analyzes a person's responses to a series of short, carefully chosen sentence stems to identify the mindsets they operate from. Understanding the mindsets leaders in your team/organization operate from, and the possibilities available from other mindsets, allows for powerful development conversations.

More information

Leadership Mindset Indicator (LMI)

Vertical Mindsets and leadership skills.

All of this sounds good in theory, but can we actually demonstrate the relationship between mindset and leadership ability? We are increasingly building our evidence base to do so. This is possible because Adeption combines our leadership development programs with pioneering assessments like the LMI and our leadership 360 assessment, Adeption 360. This allows us to start shedding light on how related a leaders' vertical mindset is to their performance ratings in key leadership competencies (by exploring correlations between LMI and Adeption 360 results).

More information

Adeption 360 assessment

We analyzed a sample of 81 leaders from one organization over a two-year period who completed both LMI stems and an Adeption 360 assessment at the beginning of a program. This data enabled us to assess their current mindset, and captured how their colleagues rated their leadership skills before they started the development program. With all leaders in the sample coming from a single organization within a short time period, this helps to control for other factors that may affect results, given these leaders were all working within a similar context and period of the organization's history.

Leaders were split into two groups based on their LMI scores: Early Mindset leaders (comprising those with scores in Expert and early Achieving, n = 25), and Late Mindset leaders (scores in later Achieving and Redefining, n = 56). The resulting research provides a unique view of the overlap between vertical mindset and leadership performance. In analyzing the data, we arrived at 4 key insights.

ADEPTION 360 KEY COMPETENCY CLUSTERS

Competency Cluster	What it captures feedback on
Character	A leader's positivity, integrity, courage, self-awareness, and resilience.
Capability	How well a leader applies expertise, solves problems, innovates, and makes decisions.
Results	A leader's ability to plan and organize, set standards, drive energy, and hold themselves accountable for achieving results.
People	How well a leader communicates, collaborates, promotes teamwork, builds relationships, and develops others.
Change	A leader's ability to champion change, think strategically, create vision and purpose, and connect outside the organization.

Key insight 1: Later mindset leaders tend to receive higher leadership ratings across all key competencies.

Across all five leadership competency clusters assessed in the Adeption 360, Late Mindset leaders received higher ratings on average than Early Mindset leaders. The differences ranged from 7.5% higher in Capability ratings, to 9.3% higher in Results. All were statistically significant at a high level.[1] Table 1 in the Appendix summarizes the results and the average difference between leaders at the two mindset groupings.

LATE MINDSET LEADER ADVANTAGE IN EACH COMPETENCY

Competency Cluster	Average increase in rating (%) between Early Mindset and Late Mindset leaders
Results	+9.3%
People	+8.7%
Change	+8.5%
Character	+7.7%
Capability	+7.5%

Thanks to the detail captured by the Adeption 360, we could drill down deeper, and explore which specific leadership competencies were most different between leaders at the different mindset groupings. 20 competencies had significant differences, with Later Mindset leaders being rated from 5.5 to 11.4% higher, on average.

Eight competencies had average differences greater than 9% (see Table 2 in Appendix for full data). These competencies draw on key abilities that are heightened with Later Mindsets.

ADEPTION 360 COMPETENCIES WITH THE LARGEST LATE MINDSET LEADER ADVANTAGE

Competency	Average increase in rating (%) between Early Mindset and Late Mindset leaders	Competency	Average increase in rating (%) between Early Mindset and Late Mindset leaders
Planning & Organizing	+11.8%	**Setting Standards**	+9.5%
Communicating	+10.7%	**Developing Others**	+9.4%
Creating Vision & Purpose	+10.6%	**Resilience**	+9.3%
Generating Drive & Energy	+10.3%	**Making Decisions**	+9.2%

1 All had p-values < 0.01 making them significant at the 1% level, based on a Wilcoxon Rank Sum test.

Key insight 2: Later mindset leaders have a higher ceiling for their leadership ratings than earlier mindset leaders. Stage change creates a higher capacity for development.

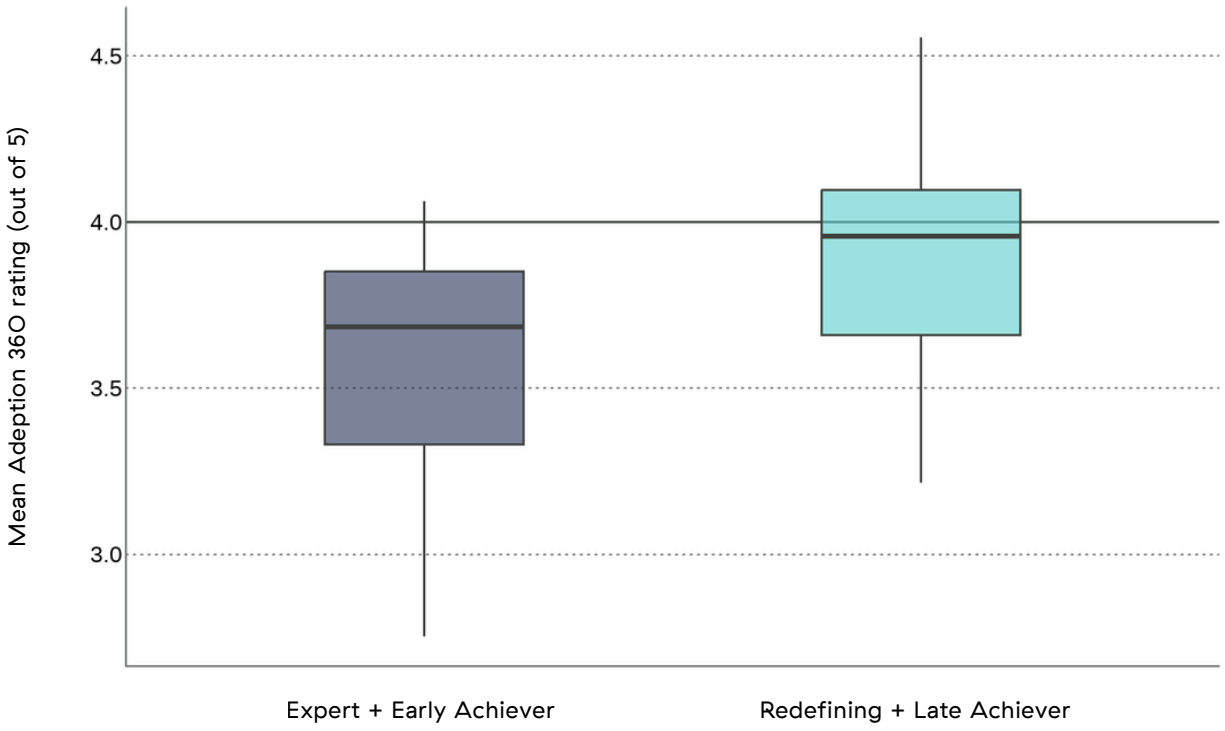
Although Late Mindset leaders had higher ratings on average, there is plenty of overlap between the two groups. In any competency, anywhere from half to 75% of Late Mindset leaders were rated in the same range as Early Mindset leaders (See Figure 1 in the Appendix).

This shows that mindset change alone does not instantly create more effective leaders. Intentional leadership development and mentoring is still required.

What's notable about these overlapping ratings is where the ranges end. Across all five competency groups, almost no Early Mindset leader had an overall rating above 4 (out of 5), whereas 25–50% of Later Mindset leaders did, depending on the competency. In the data, a 'ceiling' existed for Early Mindset leaders that Later Mindset leaders didn't have. This is most apparent in Figure 2, which shows leaders' overall Adeption 360 rating (the average of their five competency group scores).

This provides valuable evidence of the need to access later mindsets to enable the capacity for further leadership development. For leaders or organizations frustrated with the limitations of traditional leadership development approaches that don't seem to result in lasting changes, including the lens of mindset growth may help them unlock leaders' capacity to develop further.

OVERALL ADEPTION 360 RATING BY VERTICAL MINDSET.



Mean Adeption 360 rating is the average of a leaders external ratings across 5 Competency Groups.
Wilcoxon Rank Sum test of group differences. p = 5e−04

Key insight 3: These differences in leadership ratings are most notable to other leaders. Leaders need to flex between mindsets in their roles.

The rich data collected in the Adeption 360 allowed us to explore these findings even further. After splitting the ratings by the relationship between the leader and their rater (the leader's Manager(s), Peers, Direct Reports, or Other Stakeholders), it became clear that the correlation between mindset and rating varied depending on the relationship.

In particular, Leaders' managers noted even stronger differences between Early and Later Mindset leaders than the overall averages. A Later Mindset leader can expect to be rated between 15.2% and 17.3% higher by their manager in all 5 competency groups than their Early Mindset counterparts. Twenty individual competencies were significantly different. In five of these, Later Mindset leaders had average ratings over 20% higher: Creating Vision & Purpose, Making Decisions, Communicating, Planning & Organizing, and Courage.

Later Mindset leaders can also expect to be rated by their Peers 7.6% to 9% higher in all 5 competency groups. Again, competencies such as Creating Vision & Purpose, Communicating, and Making Decisions were amongst the highest differences. These findings speak to the observation that Later Mindsets have additional capacity to work up and across their organizations because they are better able to manage the complexity, think longer-term, and communicate across perspectives, than Earlier Mindsets can. Some of the skills more valued by earlier mindsets — such as professional expertise, problem solving, and analytical skills — had the lowest rating differences from the perspectives of Managers and Peers.

Interestingly, we found no significant rating improvement for leaders in Later Mindsets when these ratings came from their Direct Reports. Later Mindset leaders received at least 7% higher ratings from their Direct Reports in the areas of Communicating, Developing Others, and Creating Vision & Purpose, although these weren't statistically significant. A larger sample size may help to confirm these.

This perspective reminds us that earlier mindsets are valuable in organizations, and can help leaders succeed in achieving results with the teams they lead. The skills, expertise, and attributes that brought them into a leadership position are still valued by those who work directly with them. To achieve beyond this scope, new ways of thinking and working are required — a common realization for emerging leaders. Later Mindset leaders should not neglect or avoid earlier mindsets. Understanding when certain mindsets are required and flexing between them is key to help leaders take the best advantage of the strengths they have to offer.

Key insight 4: Later mindset leaders are less likely to overrate their competencies relative to how their colleagues rated them. Leaders become less 'blind' to their own shadows.

One of the more confronting aspects of receiving a 360 assessment report is reviewing the areas where your self-ratings are notably higher than those of your raters. These gaps provide insights into where a leader is being perceived less competently than how they feel they are acting. When accompanied by the right support mechanisms, we find this feedback can be a powerful driver of development.

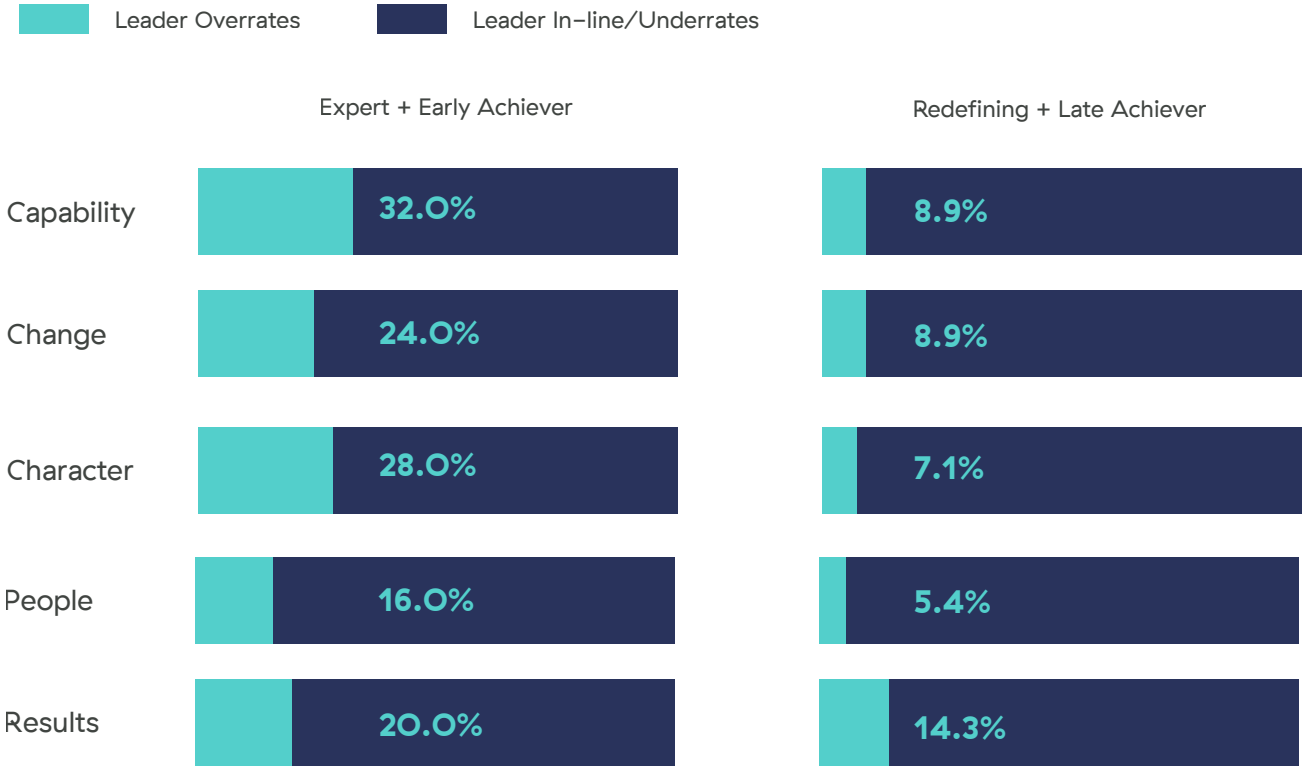
We explored the prevalence of these gaps in our research. In our sample we discovered that overall, the majority of leaders do not overrate themselves relative to their colleagues.[2] However, in several Competency Groups, Early Mindset leaders were more likely to overrate themselves than their Later Mindset counterparts (see Figure 3). These differences were most significant in Capability, Change, and Character.

2 Cases where leaders rated themselves at least 0.2 points higher than their colleagues did.

This isn't to say that earlier mindset leaders are more likely to be egotistical or arrogant in their ratings (there were no differences in how highly leaders rated themselves between the mindsets). It does imply that overall, Later Mindset leaders are more in tune with how they are perceived and/or where the shadows of their leadership lie.

Identifying our shadows — the aspects of ourselves that conflict with the image we hold of ourselves — is an important, if bracing, part of the development process. The shadow metaphor works in another direction too; our shadow selves are the version of us that appear to others, the one our internal selves casts outwardly through the way we behave and interact with the world. Leaders need to understand the shape their shadow casts to understand how their leadership is working. The awareness of this arises in the transition from Achieving to Redefining.

PROPORTIONS OF LEADERS WHO RATED THEMSELVES HIGHER THAN THEIR COLLEAGUES DID (OVERRATED) IN EACH COMPETENCY GROUP, SPLIT BY VERTICAL DEVELOPMENT MINDSETSS



Integration and conclusion.

The findings in this research help affirm the value of vertical development in leadership development. Leaders who operated from later vertical mindsets were rated as better leaders across multiple key leadership competencies than those at earlier mindsets. The difference in mindsets allowed for a higher capacity in later mindset leaders.

These findings were not one-dimensional. Simply operating from a higher mindset did not automatically make a leader's ratings higher. What was observed at the aggregate level is that the range of ratings were higher: leaders in earlier mindsets had a limit to their ratings that was not seen in later mindset leaders. This implies that the unlocking of new mindsets (the transition into Redefining) allows for additional capacity for growth in the practice of leadership.

Vertical development is not simply a race to the top. Each mindset brings with it strengths and challenges. The contexts we bring these mindsets to matter. This was seen in two key ways. First, it should be explicitly noted that the Earlier Mindset leaders were not rated poorly in the leadership competencies. The majority were rated between 3 and 4 on a five-point scale. Early mindsets have value, including in leadership, and the advantages they bring are crucial in the development of an individual into a leader. This is also seen in the observation that leaders' direct reports did not rate Early Mindset leaders differently to those operating from a later mindset.

Differences appeared in how leaders were rated by other leaders, their manager(s) and their peers. This speaks to the value and contexts where later mindsets assist leaders. Organizations who need their leaders to be able to operate effectively across the organization — and in increasingly complex conditions — should pay attention to the power that unlocking new mindsets can bring.

Appendix.

Leadership attributes by each vertical mindset.

Mindset

Expert

Characteristics:

Rules by logic and expertise.

Searches for improvement and rational efficiency.

Leadership style:

- Is immersed in the self-referential logic of their own belief system, regarding it as the only valid way of thinking
- Interested in problem solving
- Critical of self and others based on their belief system
- Chooses efficiency over effectiveness
- Perfectionist and accepts feedback only from "objective" experts in their own field
- Dogmatic, valuing decisions based on the incontrovertible facts
- Wants to stand out and be unique as an expert
- Sense of obligation to wider, internally consistent moral order
- Consistent in pursuit of improvement
- Strong individual contributor

Mindset

Achiever

Characteristics:

Meets strategic goals.

Delivery of results by most effective means.

Success focused.

Leadership style:

- Effectiveness and results oriented
- Long-term goals
- Future is vivid, inspiring
- Welcomes behavioral feedback
- Feels like initiator, not pawn
- Begins to appreciate complexity and systems
- Seeks increasing mutuality in relationships
- Feels guilt if does not meet own standards
- Blind to own shadow, to the subjectivity behind objectivity
- Seeks to find ways around problems in order to deliver, may be unorthodox
- Adopts rather than creates goals

Mindset

Redefining

Characteristics:

Innovates processes.

Relativistic position with fewer fixed truths.

Self, relationships and interaction with the system.

Leadership style:

- Focus on self and less on goals
- Increased understanding of complexity, systems operating, and working through relationships
- Deepening personal relationships
- Takes on different roles in different situations
- Increasingly questions their own assumptions (part of rise in self absorption) and assumptions of others
- Attracted by change and difference more than by stability and similarity
- Increasingly aware of own shadow

TABLE 1: Mean Adeption 360 Competency Group ratings

Competency Group	Mean Rating (out of 5) – Early Mindset Leaders	Mean Rating – Late Mindset Leaders	Percent Difference	p-value
Results	3.516	3.844	9.3%	0.0016
People	3.556	3.864	8.7%	0.0012
Change	3.484	3.780	8.5%	0.0005
Character	3.731	4.017	7.7%	0.0039
Capability	3.685	3.962	7.5%	0.0030

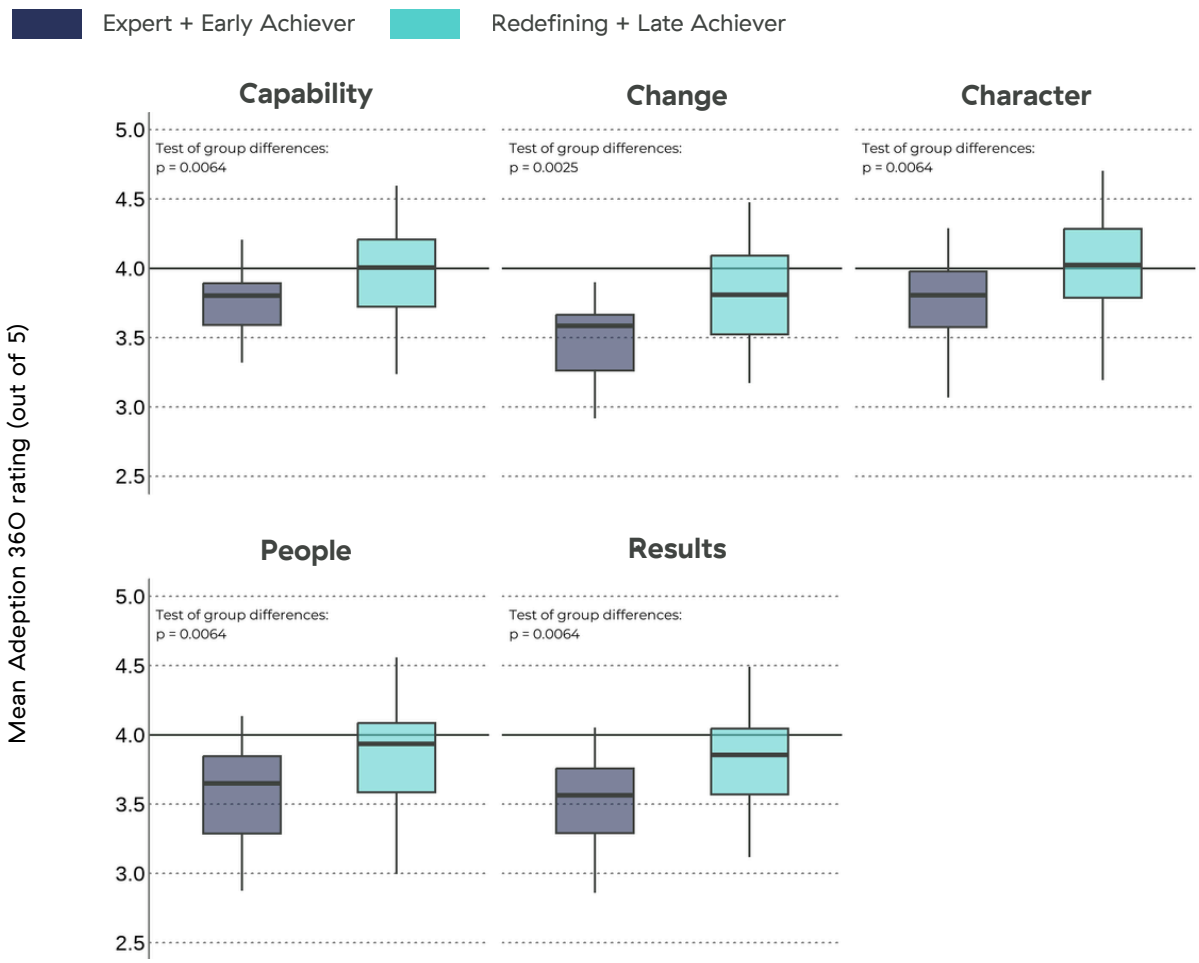
TABLE 2: Mean Adeption 360 Competency Ratings with the largest differences

Competency	Mean Rating (out of 5) – Early Mindset Leaders	Mean Rating – Late Mindset Leaders	Percent Difference	p-value
Planning & Organizing	3.405	3.808	11.8%	0.0035
Communicating	3.521	3.898	10.7%	0.0008
Creating Vision & Purpose	3.355	3.710	10.6%	0.0008
Generating Drive & Energy	3.556	3.924	10.3%	0.0010
Setting Standards	3.582	3.922	9.5%	0.0009
Developing Others	3.413	3.733	9.4%	0.0055
Resilience	3.688	4.030	9.3%	0.0048
Making Decisions	3.569	3.896	9.2%	0.0048

TABLE 3: Later Mindset Leader advantage (%) in Competency Groups, by rater relationship

	Average increase in rating (%) between Early Mindset and Late Mindset leaders[3]			
Competency Group	**Manager**	**Peers**	**Direct Reports**	**Other Stakeholders**
Capability	15.2%*	7.6%*	1.2%	5.5%
Change	17.3%*	9.0%*	5.0%	3.8%
Character	16.4%*	8.8%*	2.1%	3.6%
People	17.2%*	8.6%*	7.3%	4.0%
Results	16.9%*	8.6%*	4.1%	7.3%*

FIGURE 1: Adeption 360 Competency group ratings by Vertical Mindset



Adeption 360 rating is the overall rating from all non self participants

3 Differences found to be statistically significant at the 5% confidence level indicated by *

ADEPTION™

Be better

As work becomes more complex, organizations need leaders who can deal with more complexity — and more people thinking and acting like leaders.

Adeption delivers scalable leadership development experiences that bring together the human touch of group development and the capabilities of AI. We do this through a combination of facilitated group workshops, digital coaching, action learning, and building in peer and manager support systems.

Our approach brings development into the flow of work, empowering leaders with the skills, tools and support to grow their agility and continuously develop through self-driven practice and reflection.

Reach out to us at **hello@adeption.io** | **adeption.io**

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