

# 5 Psychological Concepts Every Manager Needs to Know to Bring Out the Best in People

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Leaders don't have to be organizational psychologists to inspire and motivate people. Just experiment with these concepts to make work better for all.

There is no shortage of well-established psychological concepts and excerpts of studies decoding human nature for the purpose of making work a more inclusive, fair, and rewarding experience.

Although they are delivered to us in bite-size chunks on LinkedIn, Instagram, and countless podcasts by bona-fide cognitive scientists such as Laurie Santos, professor of Psychology at Yale University, organizational psychologist and professor Adam Grant of the Wharton School of Business, and others, are the right people listening?

The annual Gallup survey that measures employee engagement globally showed that only 32% of employees are engaged at work. They attribute the low level of involvement and enthusiasm to issues such as lack of clarity around managers' expectations, connection to the company's mission or purpose, opportunities for learning and growth, opportunities to do what employees do best, and a sense among employees that management doesn't care about them.

In my work as an executive coach to Fortune 500 companies, I often see firsthand how leaders miss costly opportunities to engage and inspire their teams to create the conditions for optimal performance. They're either unaware of key psychological concepts that would equip them for more transformational leadership or dismiss studies as mere academic theory. If they do put stock in the research and even experiment with more evolved ways of engaging employees, they then revert back to base behaviors when the pressure of leadership gets to them, and they just want to get things done. Command and control becomes their default MO.

We don't have to be organizational psychologists to inspire and motivate people, but we should tune in to the experts, and experiment with applying their findings on the job if the goal is to make work more rewarding for everyone and move the organization forward together.

## PSYCHOLOGICAL SAFETY

The concept of psychological safety has gained significant traction, with its emphasis on creating a nurturing environment for open expression and risk-taking. For good reason: When employees feel safe to share their thoughts and ideas without fear of negative consequences, they're more likely to engage in the behaviors that lead to innovation and collaboration, and boost their well-being within an organization.

However, this doesn't mean that managers should reflexively avoid the uncomfortable but necessary conversations that are vital for progress just to maintain harmony. To achieve true growth, a delicate balance must be struck between psychological safety and intellectual discomfort.

Managers should encourage constructive conflict and respectful dissent, while embracing diversity of thought, to push individuals beyond their comfort zones and spur breakthroughs. Striking this balance unlocks creativity and drives real engagement in the workplace.

## GROWTH MINDSET

A growth mindset is the belief that one's abilities and intelligence can be improved over time through learning, effort, and embracing challenging opportunities. Research by Stanford University psychologist Carol Dweck found that individuals with a growth mindset consistently reached higher levels of achievement than those with a fixed mindset, who believe that ability is an innate trait, avoiding effort and dismissing feedback that could help them improve in areas that don't "feel" natural.

Managers can encourage a growth mindset culture by challenging employees with meaningful work, clarifying expectations, setting clear performance goals, and providing feedback frequently. Managers should avoid simply praising effort, however, as this can come across as the dreaded "consolation prize" when people fall short of their goals. It's better to point out and celebrate instances where someone made changes in their approach, where effort led to progress, however small.

## EQUITY THEORY

Equity theory suggests that humans have an innate need for fairness. We constantly evaluate the balance between our inputs (effort, skills, time) and outcomes (rewards, recognition, promotions) compared to those of our colleagues. We have a built-in scale in our minds, calibrated for equilibrium.

If we feel our efforts are undervalued by management or our rewards are lacking, a sense of injustice emerges, and dissonance grabs hold of our spirits, leading to discontent, grumbles by the water cooler, and even retaliatory behaviors. Because when inequity strikes, people strive to restore balance. They may adjust their inputs by slacking off, or putting more focus on seeking recognition, as they constantly compare themselves to others.

Managers therefore need to ensure that rewards, promotions, and opportunities align with the efforts and contributions of their dedicated team members. By nurturing a culture of fairness and transparency, they can inspire motivation, loyalty, and an environment where productivity soars.

## SELF-DETERMINATION THEORY

Research suggests that people are motivated when they feel a sense of autonomy, competence and relatedness. Managers who have a difficult time letting go of control and need employees to check in with them on every operational detail, not only limit their team's capacity to grow, they also become bottlenecks that stymie productivity and progress.

On the other hand, when employees are trusted by their managers, they will commit to finding ways that make their organization more efficient, as long as they're given autonomy to make decisions and execute the improvement measures they find most useful to the task at hand.

Giving up the need for control may take some coaching by their own leaders or an executive coach. Once managers are capable of acting more as coaches themselves, providing their employees with direction and support, and frequent helpful feedback, even going so far as letting employees reshape their jobs to fit their personal strengths and motivations—what the Stanford Graduate School of Business calls “job crafting”—they will reap the benefits of an engaged and inspired workforce that moves the entire organization forward.

#### GOAL-SETTING THEORY

In most organizations where I’ve coached leaders, setting challenging goals can help motivate employees to perform their best. The specific underpinnings supporting this concept, however, are where managers sometimes get wobbly and fail to get sturdy results.

If managers are crystal-clear with employees on expectations, aligned with them on the capabilities and resources required to perform the job, in agreement on what success looks like and how it is measured, and in frequent contact for progress updates and feedback, employee engagement and motivation will go up.

One caveat for managers to heed is the lingering shadow of recent performance. If the team or the organization has just come off a major success, employees are more likely to look at upcoming challenges with optimism and a can-do attitude.

However, if recent results have been weak or the team has experienced major loss of some kind, they may view difficult terrain ahead as a threat rather than an opportunity, and as a result may engage in defensive tactics or protective behaviors that run counter to the ambitious goals the company and its leaders set.

This is again where managers need to coach and show compassion, helping employees rediscover their strengths and find their purpose in the work. Frequent communication, guidance, and regular feedback can lower anxiety and get everyone rallied around even the most audacious goals.