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## GROWTH MINDSET VS. FIXED MINDSET: WHAT'S THE DIFFERENCE?



10 MAR 2022

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 Entrepreneurship & Innovation, Entrepreneurship Essentials

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A common misconception about entrepreneurship is that you're either born with what it takes or you're not. In reality, [entrepreneurial skills](#), like any others, can be learned and strengthened.

“Do you have to be a creative genius to succeed?” asks Harvard Business School Professor William Sahlman in the online course [Entrepreneurship Essentials](#). “Do you have to be young, or technical, or a college dropout, or risk-seeking to become an entrepreneur? I don’t think so. Every person can find opportunities, attract necessary resources, and build teams to bring successful products and services to customers.”

This mindset—that ability and intelligence can be achieved through effort—is called a growth mindset, and it’s an invaluable asset in the startup world.

Here’s a primer on the difference between growth and fixed mindsets, why a growth mindset is essential for entrepreneurship, and how you can achieve and maintain one.

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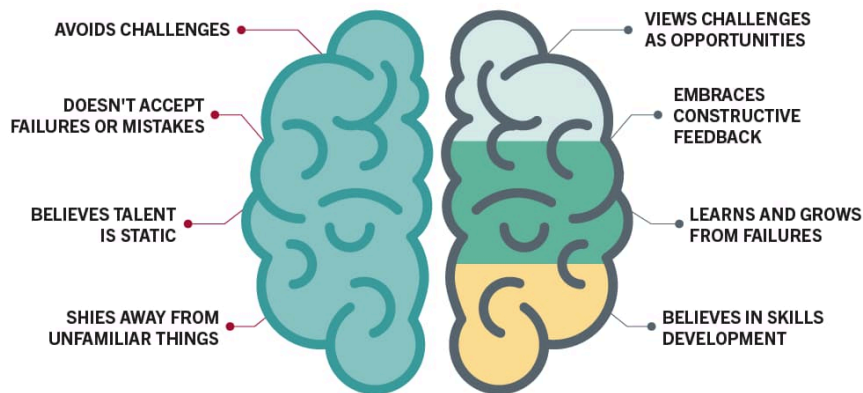
## GROWTH MINDSET VS. FIXED MINDSET

Someone with a **growth mindset** views intelligence, abilities, and talents as learnable and capable of improvement through effort. On the other hand, someone with a **fixed mindset** views those same traits as inherently stable and unchangeable over time.

For example, as an aspiring entrepreneur, you need basic finance skills to create your business's budget and prepare its financial statements. If you have a fixed mindset, you may think, "I've never been good with math, let alone financial statements. I'm not cut out to run my own business."

Now imagine you approach the situation with a growth mindset. You might think, "I don't have a background in finance, but I can learn and practice those skills until I feel capable."

### Fixed Mindset vs. Growth Mindset



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The concept of growth and fixed mindsets was coined by psychologist Carol Dweck in her 2006 book, *Mindset: The New Psychology of Success*.

According to Dweck, challenging situations can be catastrophic for those with fixed mindsets because of the implication that if they don't already have the skills or intelligence to complete a task, there's no chance of improvement.

When you have a growth mindset, you believe you can gain the knowledge and skills necessary to succeed, which makes every challenge a learning opportunity. Given the numerous challenges entrepreneurs face, a growth mindset can be a powerful tool as you work toward your venture's success.

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## 4 REASONS ENTREPRENEURS NEED A GROWTH MINDSET

While a growth mindset can benefit anyone, it's crucial for entrepreneurs. Here are four ways a growth mindset can serve you as you launch and grow your business.

### 1. It Allows You to Move into New Fields

When you have a growth mindset, your past doesn't define your future. This can be an asset if you have expertise and experience in another field and want to pursue entrepreneurship.

For example, [Indya Wright](#), former commercial banker and deputy clerk at the Washington, D.C. Superior Court, launched her own public relations and production firm, [Artiste House](#). Rather than let her previous career define her potential, she knew she could learn the language of the startup world through hands-on experience and taking [Entrepreneurship Essentials](#).

"You need to find ways to equip yourself with the skills necessary to sustain your business," Wright says. "You're investing in your own success."

### 2. It Fosters Resilience

**Resilience**—the capacity to recover from and move through difficult situations—is critical in the entrepreneurial world. When challenges, setbacks, and failures inevitably arise, your business's survival depends on your ability to persevere and learn from difficult situations.

In [one of Dweck's studies](#), her team analyzed students' brain activity while reviewing mistakes they made on a test. Those with a fixed mindset showed no brain activity when reviewing the mistakes, whereas the brains of those with a growth mindset showed processing activity as mistakes were being reviewed.

A fixed mindset can physically prevent you from learning from mistakes, while a growth mindset can empower you to perceive mistakes as learning opportunities.

### 3. It Enables You to Iterate on Your Product

"It's most productive to think of entrepreneurship as an iterative process—a way of managing that involves continually searching for a winning combination of opportunities and resources," Sahlman says in [Entrepreneurship Essentials](#).

This continual process of testing an idea, learning from the results, and reiterating the product is only possible with a growth mindset.

An entrepreneur with a fixed mindset is likely to view negative feedback as a sign they don't have the ability to make a valuable product. This can result in avoiding feedback for fear of rejection, untested products and bad product-market fit, or giving up on a venture altogether.

An entrepreneur with a growth mindset, on the other hand, receives negative feedback and constructive criticism and uses it to improve their product offering. With a growth mindset, uncovering your product's weaknesses doesn't translate to an inability to create a valuable product. Rather, it enables you to create the best version of it for your target market.

***Related:*** [5 Steps to Validate Your Business Idea](#)

### 4. It Keeps You Humble

Finally, a growth mindset constantly reminds you that there's always more to learn. By knowing you have the capacity to improve, a growth mindset can keep you humble throughout your entrepreneurial journey.

This can be especially useful in combatting stagnation. People's needs, attitudes, and motivations change over time, so periodically reassess your product-market fit. If you get too comfortable with your initial knowledge, you could miss opportunities to grow with your target audience and meet their needs as they arise.

# HOW TO BUILD A GROWTH MINDSET

Adopting a growth mindset isn't just beneficial; it's transformative—especially in entrepreneurship. Here are five practical steps and strategies to help you develop one.

## 1. Embrace Challenges

View challenges as opportunities rather than obstacles. Each one is a chance to learn and grow, not a barrier to success. Start by tackling small challenges and gradually take on bigger ones as you build confidence and resilience.

## 2. Celebrate Effort, Not Just Success

Shift your focus from only praising outcomes to recognizing and rewarding effort. Understand that consistent effort over time is the key to mastery. Try to celebrate small victories and incremental progress, which are vital steps toward achieving larger goals.

## 3. Cultivate Curiosity

Stay curious and always be willing to learn. Whether reading about new industry trends, attending workshops, or asking peers for their insights, new knowledge can help you continually grow and adapt.

## 4. Prioritize Learning Over Approval

Focus on what you can learn in every situation rather than seeking others' approval. This perspective shift reduces fear of judgement and frees you to pursue more ambitious, innovative projects.

## 5. Surround Yourself with Growth-Minded People

Build a network of peers, mentors, and collaborators with a growth mindset. Their attitudes and behaviors can serve as models for you to emulate. Engaging with people who challenge and encourage your development can accelerate your growth.



# MAINTAINING A GROWTH MINDSET AS AN ENTREPRENEUR

If you realize you've been living with a fixed mindset, you can make the switch to one centered on growth by first giving yourself ample opportunity to learn new things.

Start by networking and sharing knowledge with other professionals, which can open you up to new ideas and innovative practices. Regularly reading and engaging in brainstorming and creative problem-solving with peers can also broaden your perspective and enhance your creativity.

Additionally, taking online courses can be an accessible, rewarding way to maintain your growth mindset and remind yourself you can learn new skills to make your entrepreneurial venture a success.

To solidify your commitment to a growth mindset, set specific learning goals and track your progress. This structured approach ensures you'll both acquire new knowledge and apply it to improve your business. By sustaining a growth mindset, you can achieve long-term entrepreneurial success.

***Are you interested in bolstering your entrepreneurship skills? Explore our four-week online course Entrepreneurship Essentials and our other entrepreneurship and innovation courses to learn to speak the language of the startup world.***



#### **About the Author**

*Catherine Cote is a marketing coordinator at Harvard Business School Online. Prior to joining HBS Online, she worked at an early-stage SaaS startup where she found her passion for writing content, and at a digital consulting agency, where she specialized in SEO. Catherine holds a B.A. from Holy Cross, where she studied psychology, education, and Mandarin Chinese. When not at work, you can find her hiking, performing or watching theatre, or hunting for the best burger in Boston.*