Organization Practice

Psychological safety and the critical role of leadership development

While the benefits of psychological safety are well established, a new survey suggests how leaders, by developing specific skills, can create a safer and higher-performance work environment.

When employees feel comfortable asking for help, sharing suggestions informally, or challenging the status quo without fear of negative social consequences, organizations are more likely to innovate quickly,[1] unlock the benefits of diversity,[2] and adapt well to change[3]—all capabilities that have only grown in importance during the COVID-19 crisis.[4] Yet a McKinsey Global Survey conducted during the pandemic confirms that only a handful of business leaders often demonstrate the positive behaviors that can instill this climate, termed psychological safety, in their workforce.[5]

As considerable prior research shows, psychological safety is a precursor to adaptive, innovative performance—which is needed in today's rapidly changing environment—at the individual, team, *and* organization levels.[6] For example, successfully creating a "network of teams"—an agile organizational structure that empowers teams to tackle problems quickly by operating outside of bureaucratic or siloed structures—requires a strong degree of psychological safety.[7]

Fortunately, our newest research suggests *how* organizations can foster psychological safety.

Doing so depends on leaders at all levels learning and demonstrating specific leadership behaviors that help their employees thrive. Investing in and scaling up leadership-development programs can equip leaders to embody these behaviors and consequently cultivate psychological safety across the organization.

A recipe for leadership that promotes psychological safety

Leaders can build psychological safety by creating the right climate, mindsets, and behaviors within their teams. In our experience, those who do this best act as catalysts, empowering and enabling other leaders on the team—even those with no formal authority—to help cultivate psychological safety by role modeling and reinforcing the behaviors they expect from the rest of the team.

Our research finds that a positive team climate—in which team members value one another's contributions, care about one another's well-being, and have input into how the team carries out its work—is the most important driver of a team's

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[1] Lee Baz-Sanchez, Noa Dagan, and Brooke Weddle, "Thriving during a pandemic: What moves the needle on organizational health," July 2020, McKinsey.com.

[2] Sundiatu Dixon-Fyle, Kevin Dolan, Vivian Hunt, and Sara Prince, *Diversity wins: How inclusion matters*, May 2020, McKinsey.com.

[3] Sapana Agrawal, Aaron De Smet, Sébastien Lacroix, and Angelika Reich, "To emerge stronger from the COVID-19 crisis, companies should start reskilling their workforces now," May 2020, McKinsey.com.

[4] Jonathan Emmett, Gunnar Schrah, Matt Schrimper, and Alexandra Wood, "COVID-19 and the employee experience: How leaders can seize the moment," June 2020, McKinsey.com; Tera Allas, David Chinn, Pal Erik Sjatil, and Whitney Zimmerman, "Well-being in Europe: Addressing the high cost of COVID-19 on life satisfaction," June 2020, McKinsey.com.

[5] The online survey was in the field from May 14–29, 2020, and garnered responses from 1,574 participants representing the full range of regions, industries, company sizes, functional specialties, and tenures. Of those respondents, we analyzed the results of 1,223 participants who said they were a member of a team that they did not lead, where a team is defined as two or more people who work together to achieve a common goal. CEOs were included in the findings if they said that a) their organization had a board of directors and b) they were not the board's chair, so that they could think of their board when asked questions about their team.

[6] Amy C. Edmondson, *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth*, first edition, Hoboken, NJ: John Wiley & Sons, November 2018; Shirley A. Ashauer and Therese Macan, "How can leaders foster team learning? Effects of leader-assigned mastery and performance goals and psychological safety," *Journal of Psychology*, November–December 2013, Volume 147, Number 6, pp. 541–61, tandfonline.com; Anne Boon et al., "Team learning beliefs and behaviours in response teams," *European Journal of Training and Development*, May 2013, Volume 37, Number 4, pp. 357–79, emerald.com; Daphna Brueller and Abraham Carmeli, "Linking capacities of high-quality relationships to team learning and performance in service organizations," *Human Resource Management*, July–August 2011, Volume 50, Number 4, pp. 455–77, wileyonlinelibrary.com; M. Lance Frazier et al., "Psychological safety: A meta-analytic review and extension," *Personnel Psychology*, February 2017, Volume 70, Number 1, pp. 113–65, onlinelibrary.wiley.com; Nikos Bozionelos and Konstantinos C. Kostopoulos, "Team exploratory and exploitative learning: Psychological safety, task conflict, and team performance," *Group & Organization Management*, June 2011, Volume 36, Number 3, pp. 385–415, journals.sagepub.com; Rosario Ortega et al., "The emotional impact of bullying and cyberbullying on victims: A European cross-national study," *Aggressive Behavior*, September–October 2012, Volume 38, Issue 5, pp. 342–56, onlinelibrary.wiley.com; Corinne Post, "Deep-level team composition and innovation: The mediating roles of psychological safety and cooperative learning," *Group & Organizational Management*, October 2012, Volume 37, Number 5, pp. 555–88, journals.sagepub.com; Charles Duhigg, "What Google learned from its quest to build the perfect team," *New York Times*, February 25, 2016, nytimes.com. Amy Edmondson's 1999 research previously found—and our survey findings confirm—that higher psychological safety predicts a higher degree of boundary-spanning behavior, which is accessing and coordinating with those outside of an individual's team to accomplish goals.

[7] For more about networks of teams, see Andrea Alexander, Aaron De Smet, Sarah Kleinman, and Marino Mugayar-Baldocchi, "To weather a crisis, build a network of teams," April 2020, McKinsey.com.

psychological safety.[8] By setting the tone for the team climate through their own actions, team leaders have the strongest influence on a team's psychological safety. Moreover, creating a positive team climate can pay additional dividends during a time of disruption. Our research finds that a positive team climate has a stronger effect on psychological safety in teams that experienced a greater degree of change in working remotely than in those that experienced less change during the COVID-19 pandemic. Yet just 43 percent of all respondents report a positive climate within their team.

During the pandemic, we have seen an accelerated shift away from the traditional command-and-

control leadership style known as authoritative leadership, one of the four well-established styles of leadership behavior we examined to understand which ones encourage a positive team climate and psychological safety.[9] The survey finds that team leaders' authoritative-leadership behaviors are detrimental to psychological safety, while consultative- and supportive-leadership behaviors promote psychological safety.

The results also suggest that leaders can further enhance psychological safety by ensuring a positive team climate (Exhibit 1). Both consultative and supportive leadership help create a positive team climate, though to varying degrees and through different types of behaviors.

Exhibit 1

Leaders can increase the likelihood of team members' psychological safety by demonstrating specific behaviors.

Relationship between leadership behaviors and outcomes,[1]
standardized regression coefficients

—— Significant effect
---- Conditional effect[2]
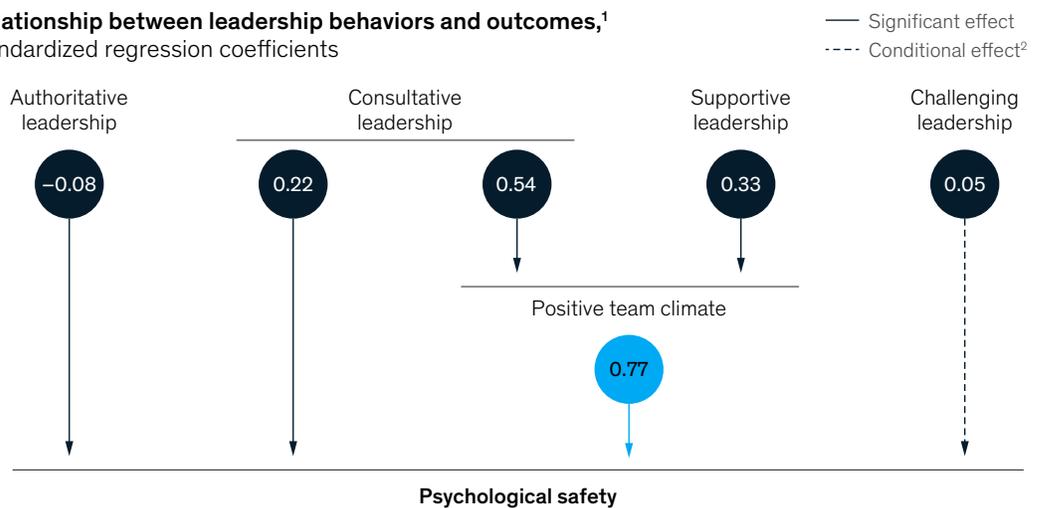
[1]Nonsignificant effects omitted for parsimony.
[2]The effect of challenging leadership on psychological safety depends on the presence of a positive team climate.

[8]Past research by Frazier et al. (2017) found three categories to be the main drivers of psychological safety: positive leader relations, work-design characteristics, and a positive team climate. We conducted multiple regression with relative-importance analysis to understand which category matters most, and our results show that a positive team climate has a significantly stronger direct effect on psychological safety than the other two. Based on these results, we tested a structural-equation model (SEM) in which the frequency with which team leaders displayed four leadership behaviors predicted psychological safety both directly and indirectly via positive team climate. Exploratory analyses were conducted to determine whether the effect of the leadership behaviors affected psychological safety at different levels of team climate.
[9]"Psychological safety, emotional intelligence, and leadership in a time of flux," *McKinsey Quarterly*, July 2020, McKinsey.com.

Positive team climate is the most important driver of psychological safety, and most likely to occur when leaders demonstrate supportive, consultative behaviors, then begin to challenge their teams.

With consultative leadership, which has a direct and indirect effect on psychological safety, leaders consult their team members, solicit input, and consider the team's views on issues that affect them.[10] Supportive leadership has an indirect but still significant effect on psychological safety by helping to create a positive team climate; it involves leaders demonstrating concern and support for team members not only as employees but also as individuals.[11] These behaviors also can encourage team members to support one another.

Another set of leadership behaviors can sometimes strengthen psychological safety—but only when a positive team climate is in place. This set of behaviors, known as challenging leadership, encourages employees to do more than they initially think they can. A challenging leader asks team members to reexamine assumptions about their work and how it can be performed in order to exceed expectations and fulfill their potential. Challenging leadership has previously been linked with employees expressing creativity, feeling empowered to make work-related changes, and seeking to learn and improve.[12] However, the survey findings show that the highest likelihood of psychological safety occurs when a team leader first creates a positive team climate, through frequent supportive and consultative actions, and then challenges the team (Exhibit 2). Without a foundation of a positive climate, challenging behaviors have no significant effect. (For more on how leaders' behaviors can shape employee mindsets, see sidebar, "The employee experience, based on leaders' behaviors.")

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[10] The standardized regression coefficient between consultative leadership and psychological safety was 0.54. The survey measured consultative-leadership behaviors by asking respondents how frequently their team leaders demonstrate the following behaviors: ask the opinions of others before making important decisions, give team members the autonomy to make their own decisions, and try to achieve team consensus on decisions.
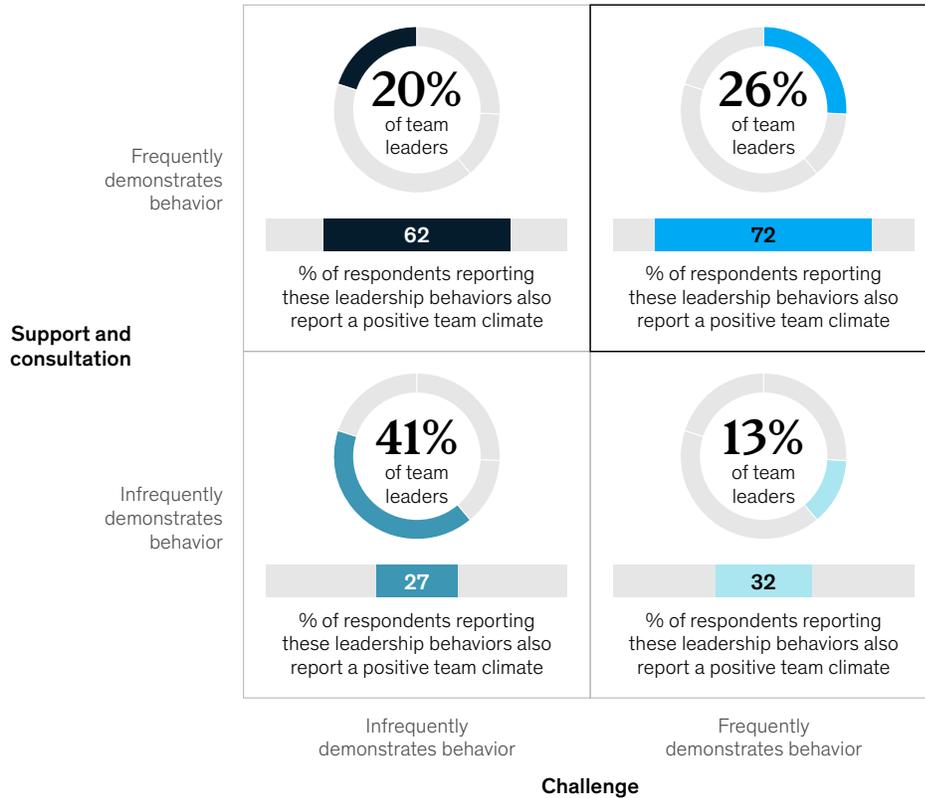
[11] The survey measured supportive leadership behaviors by asking respondents how frequently their team leaders demonstrate the following behaviors: create a sense of teamwork and mutual support within the team, and demonstrate concern for the welfare of team members.

[12] Giles Hirst, Helen Shipton, and Qin Zhou, "Context matters: Combined influence of participation and intellectual stimulation on the promotion focus–employee creative relationship," *Journal of Organizational Behavior*, October 2012, Volume 33, Number 7, pp. 894–909, onlinelibrary. wiley.com; Le Cong Thuan, "Motivating follower creativity by offering intellectual stimulation," *International Journal of Organizational Analysis*, December 2019, Volume 28, Number 4, pp. 817–29, emerald.com; Jie Li et al., "Not all transformational leadership behaviors are equal: The impact of followers' identification with leader and modernity on taking charge," *Journal of Leadership and Organizational Studies*, August 2017, Volume 24, Number 3, pp. 318–34, journals.sagepub.com; Susana Llorens-Gumbau, Marisa Salanova Soria, and Israel Sánchez-Cardona, "Leadership intellectual stimulation and team learning: The mediating role of team positive affect," *Universitas Psychologica*, March 2018, Volume 17, Number 1, pp. 1–16, revistas.javeriana.edu.co.

Exhibit 2

Leaders can exercise supportive, consultative leadership to establish a positive team climate, then begin to challenge the team.

Reported leadership behaviors and associated positive team climate

Support and consultation

Frequently demonstrates behavior

20% of team leaders

62

% of respondents reporting these leadership behaviors also report a positive team climate

26% of team leaders

72

% of respondents reporting these leadership behaviors also report a positive team climate

Infrequently demonstrates behavior

41% of team leaders

27

% of respondents reporting these leadership behaviors also report a positive team climate

13% of team leaders

32

% of respondents reporting these leadership behaviors also report a positive team climate

Infrequently demonstrates behavior

Frequently demonstrates behavior

Challenge

What's more, the survey results show that a climate conducive to psychological safety starts at the very top of an organization. We sought to understand the effects of senior-leader behavior on employees' sense of safety and found that senior leaders can help create a culture of inclusiveness that promotes positive leadership behaviors throughout an organization by role-modeling these behaviors themselves. Team leaders are more likely to exhibit supportive, consultative, and challenging leadership if senior leaders demonstrate inclusiveness—for example, by seeking out

opinions that might differ from their own and by treating others with respect.

The importance of developing leaders at all levels

Our findings show that investing in leadership development across an organization—for all leadership positions—is an effective method for cultivating the combination of leadership behaviors that enhance psychological safety. Employees who report that their organizations

The employee experience, based on leaders' behaviors

Employees' experiences look very different depending on how their leaders behave. Amy Edmondson, the Novartis Professor of Leadership and Management at Harvard Business School, explains below how specific combinations of the leadership behaviors we tested in the survey can shape an employee's mindset and quality of work.

— *When a leader isn't supportive, consultative, or challenging: "The apathy zone."* Employees who work under leaders who infrequently display each of these three behaviors are often afraid of interpersonal engagement, reluctant to ask others for help, and are not motivated to offer improvements or suggestions for the team's work. They tend to be disengaged and apathetic.

— *When a leader is highly supportive and consultative but doesn't challenge the team: "The comfort zone."* Employees working with such a leader typically feel comfortable voicing their opinions and appreciated by colleagues and managers for being themselves. However, because they do not feel particularly challenged, they do not display ambition, nor do they tend to make major strides as a team. Often these team environments are more focused on creating collegiality within the team than on providing customer satisfaction.

— *When a leader is neither supportive nor consultative but challenges the team: "The anxiety zone."* Employees working under this type of leader often face the kind of anxiety that gets in the way of collaborating, asking

for help, and thus contributing their best work. They feel alone and in over their heads but do not feel able to ask for help. They believe their work is important and are challenged by it, but they do not feel supported or enabled to do it well. Because of that, they tend to keep work-related ideas to themselves.

— *When a leader is highly supportive and consultative and also challenges the team: "The learning zone."* Employees can achieve a "flow state" where they feel properly supported and challenged, and also feel capable of rising to the occasion. They feel energized by their work, able to complete the work, and enabled to take necessary risks in the process. These employees often request help from one another—and also offer it.

invest substantially in leadership development are more likely to also report that their team leaders frequently demonstrate consultative, supportive, *and* challenging leadership behaviors. They also are 64 percent more likely to rate senior leaders as more inclusive (Exhibit 3).[13] However, the results suggest that the effectiveness of these programs varies depending upon the skills they address.

Reorient the skills developed in leadership programs

Organizations often attempt to cover many topics in their leadership-development programs.[14] But our findings suggest that focusing on a handful of specific skills and behaviors in these learning programs can improve the likelihood of positive leadership behaviors that foster psychological
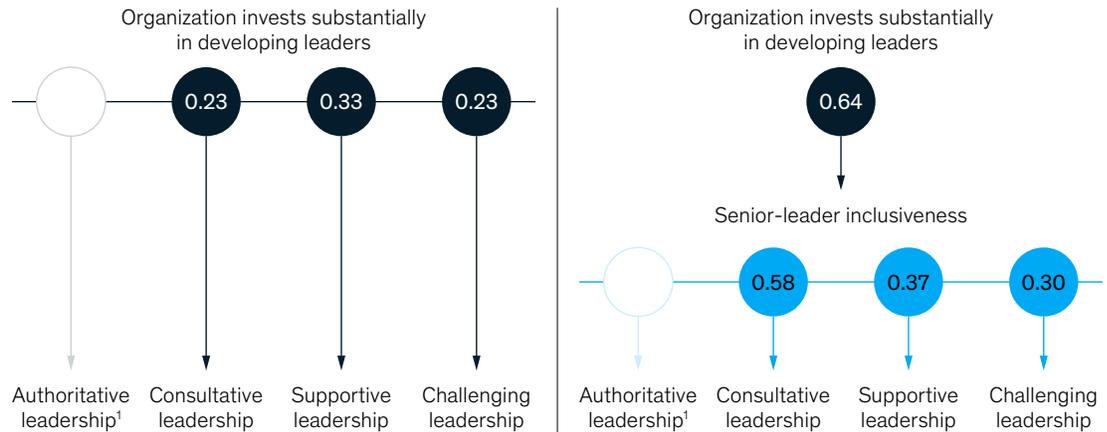
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[13] We measured investing in leadership development by asking about agreement with the following statements: "my organization places a great deal of importance on developing its leaders," and "my organization devotes significant resources to developing its leaders."

[14] Chris Gagnon, Bill Schaninger, and Haimeng Zhang, "Why rigor is the key ingredient to develop leaders," April 2019, McKinsey.com.

Exhibit 3

Organizations that invest in leadership development are more likely to see leader behaviors that foster psychological safety.

Relationship between organizational investment in developing leaders, senior-leader inclusiveness, and leadership behaviors, standardized regression coefficients

Organization invests substantially in developing leaders

| 0.23 | 0.33 | 0.23 |

Authoritative leadership[1] | Consultative leadership | Supportive leadership | Challenging leadership

Organization invests substantially in developing leaders

0.64

Senior-leader inclusiveness

| 0.58 | 0.37 | 0.30 |

Authoritative leadership[1] | Consultative leadership | Supportive leadership | Challenging leadership

[1]Nonsignificant effects.

safety and, ultimately, of strong team performance. Some of the most commonly taught skills at respondents' organizations—such as open-dialogue skills, which allow leaders to explore disagreements and talk through tension in a team—are among the ones most associated with positive leadership behaviors. However, several relatively untapped skill areas also yield beneficial results (Exhibit 4).

Two of the less-commonly addressed skills in formal programs are predictive of positive leadership. Training in sponsorship—that is, enabling others' success ahead of one's own—supports both consultative- and challenging-leadership behaviors, yet just 26 percent of respondents say their organizations include the skill in development programs. And development of situational humility, which 36 percent of respondents say their organizations address, teaches leaders how to develop a personal-growth mindset and curiosity.

Addressing this skill is predictive of leaders displaying consultative behaviors.

Development at the top is equally important
According to the data, fostering psychological safety at scale begins with companies' most senior leaders developing and embodying the leadership behaviors they want to see across the organization. Many of the same skills that promote positive team-leader behaviors can also be developed among senior leaders to promote inclusiveness. For example, open-dialogue skills and development of social relationships within teams are also important skill sets for senior leaders.

In addition, several skills are more important at the very top of the organization. Situational and cultural awareness, or understanding how beliefs can be developed based on selective observations and the norms in different cultures, are both linked with senior leaders' inclusiveness.

Exhibit 4

The skills addressed least often in development programs promote behaviors that foster psychological safety.

Skills addressed in leadership-development programs that are predictive of positive team-leader behaviors and senior-leader inclusiveness

	Supportive and consultative leadership	Challenging leadership	Senior-leader inclusiveness
■ Significant effect			
Most commonly addressed ↑			
Group dynamics			
Open-dialogue skills	■		■
Self-awareness			
Cultural awareness			■
Developing high-quality social relationships in teams	■	■	■
Mindful listening		■	
Situational awareness			■
Unconscious biases			
Situational humility[1]	■		■
Least commonly addressed ↓ Sponsorship[1]	■	■	

[1]Situational humility and sponsorship are only predictive of consultative-leadership behaviors, not supportive-leadership behaviors.

Looking ahead

Given the quickening pace of change and disruption and the need for creative, adaptive responses from teams at every level, psychological safety is more important than ever. The organizations that develop the leadership skills and positive work environment that help create psychological safety can reap many benefits, from improved innovation, experimentation, and agility to better overall organizational health and performance.[15]

As clear as this call to action may be, "How do we develop psychological safety?" and, more specifically, "Where do we start?" remain the most common questions we are asked. These survey findings show that there is no time to waste in creating and investing in leadership development at scale to help

enhance psychological safety. Organizations can start doing so in the following ways:

— *Go beyond one-off training programs and deploy an at-scale system of leadership development.* Human behaviors aren't easily shifted overnight. Yet too often we see companies try to do so by using targeted training programs alone. Shifting leadership behaviors within a complex system at the individual, team, and enterprise levels begins with defining a clear strategy aligned to the organization's overall aspiration and a comprehensive set of capabilities that are required to achieve it. It's critical to develop a taxonomy of skills (having an open dialogue, for example) that not only supports the realization of the organization's overall identity but also fosters learning and growth and applies directly

to people's day-to-day work. Practically speaking, while the delivery of learning may be sequenced as a series of trainings—and rapidly codified and scaled for all leaders across a cohort or function of the organization—those trainings will be even more effective when combined with other building blocks of a broader learning system, such as behavioral reinforcements. While learning experiences look much different now than before the COVID-19 pandemic,[16] digital learning provides large companies with more opportunities to break down silos and create new connections across an organization through learning.

— *Invest in leadership-development experiences that are emotional, sensory, and create aha moments.* Learning experiences that are immersive and engaging are remembered more clearly and for a longer time. Yet a common pitfall of learning programs is an outsize focus on the content—even though it is usually not a lack of knowledge that holds leaders back from realizing their full potential. Therefore, it's critical that learning programs prompt leaders to engage with and shift their underlying beliefs, assumptions, and emotions to bring about lasting mindset changes. This requires a learning environment that is both conducive to the often vulnerable process of learning and also expertly designed. Companies can begin with facilitated experiences that push learners toward personal introspection through targeted reflection questions and small, intimate breakout conversations. These environments can help leaders achieve increased self-awareness, spark the desire for further growth, and, with the help of reflection and feedback, drive collective growth and performance.

— *Build mechanisms to make development a part of leaders' day-to-day work.* Formal learning and skill development serve as springboards in the context of real work; the most successful learning journeys account for the rich learning that happens in day-to-day work and interactions. The use of learning nudges (that is, daily, targeted reminders for individuals) can help learners overcome obstacles and move from retention to application of their knowledge. In parallel, the organization's most senior leaders need to be the first adopters of putting real work at the core of their development, which requires senior leaders to role model—publicly—their own processes of learning. In this context, the concept of role models has evolved; rather than role models serving as examples of the finished product, they become examples of the work in progress, high on self-belief but low on perfect answers. These examples become strong signals for leaders across the organization that it is safe to be practicing, failing, and developing on the job.

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[16] "Rethink capabilities to emerge stronger from COVID-19," November 2020, McKinsey.com.