



## Linking leader inclusiveness to work unit performance: The importance of psychological safety and learning from failures

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### ABSTRACT

Despite burgeoning interest in how groups and organizations learn from failures, little is known about how leader behavior influences these learning processes. We analyzed longitudinal data collected at a large hospital and found that leader inclusiveness was positively associated with members' perceptions of psychological safety at Time 1, and that this relationship was stronger for members in low-performing units. Unit psychological safety climate appeared to facilitate learning from failures within the work unit (Time 2), which was positively associated with subsequent unit performance (Time 3).

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### 1. Introduction

In an attempt to better cope with volatile and uncertain environmental conditions, many organizations have reorganized their structures around work groups (Ilgen, 1999; Kozlowski & Bell, 2003, 2008). Researchers have responded by making substantial strides toward understanding group leadership, composition, and processes in field settings (Mathieu, Maynard, Rapp, & Gilson, 2008). Accumulating evidence points to the importance of group learning for enhancing work group performance (e.g., Edmondson, 1999). In particular, theory concerning high reliability organizations (i.e., organizations that operate in trying conditions yet manage to avoid catastrophes) underscores the role of learning from past failures to ensure more reliable and effective systems (Weick & Sutcliffe, 2001). Learning from failures is essential because feedback from failure can catalyze change toward more adaptive practices (Carmeli & Sheaffer, 2008), as well as for improving strategic decisions (Carmeli, Edmondson, & Tishler, 2012). Failures are embedded in the processes through which organizations search and adapt to the changing environment (Lant & Mezas, 1990). The insights from past experiences of failure help to develop more reliable and crisis-prepared organizational systems (Carmeli & Schaubroeck, 2008; Tucker & Edmondson, 2003; Weick & Sutcliffe, 2001).

The present research was conducted in a conventional hospital environment. Hospitals are organized around clinical units or departments (e.g., Anesthesia, Critical Care, and Dermatology). They operate under demanding and unforgiving conditions, and thus learning from the failures they encounter can be a vital source of new knowledge needed to improve their practices. Nembhard and Edmondson's (2006) review of the literature suggests that we know relatively little about ways by which leaders facilitate learning in these work units. In particular, research is needed to understand how leaders encourage unit members to learn from failures (Cannon & Edmondson, 2005).

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