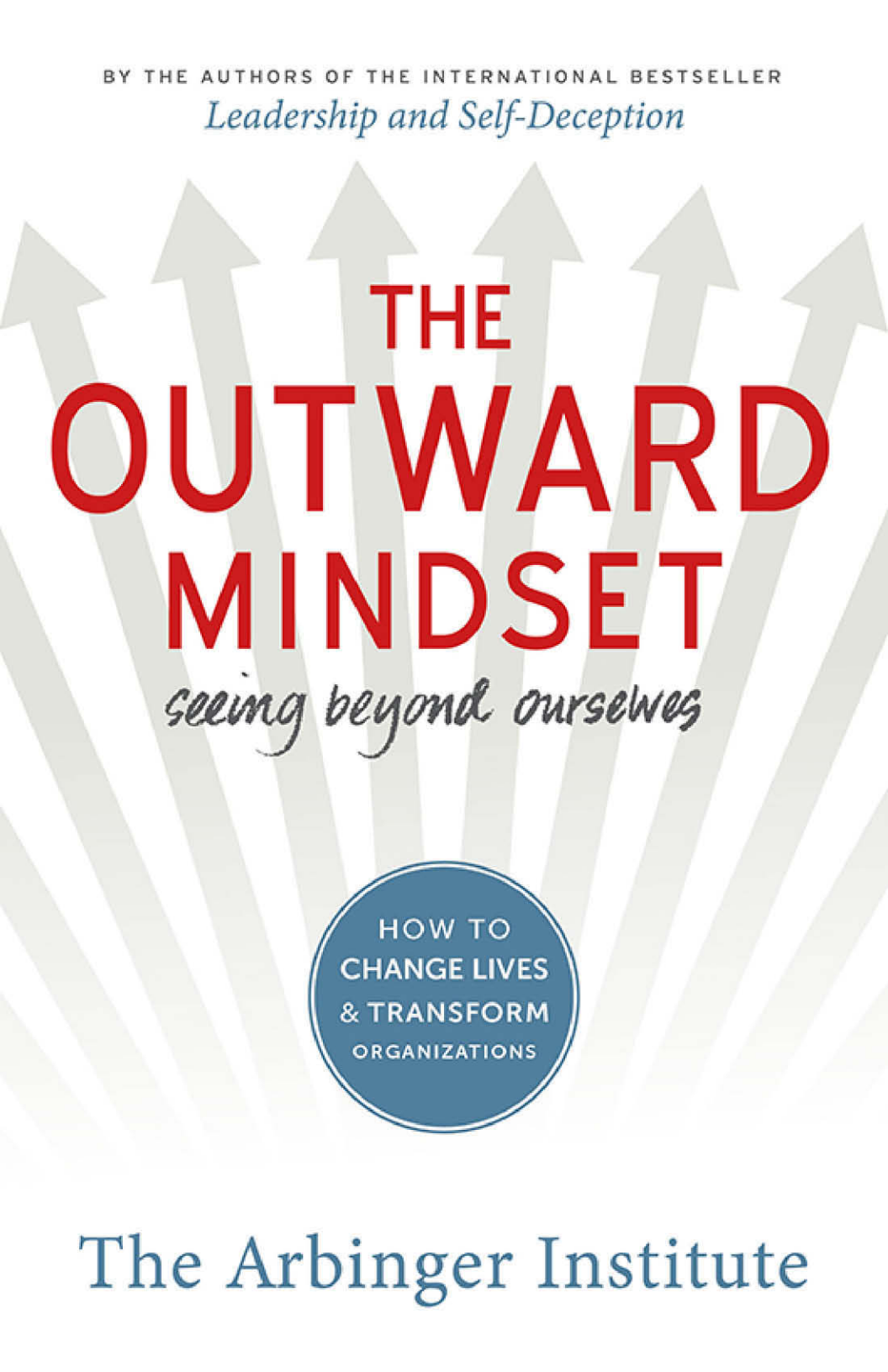


BY THE AUTHORS OF THE INTERNATIONAL BESTSELLER

Leadership and Self-Deception



THE
OUTWARD
MINDSET

seeing beyond ourselves

HOW TO
CHANGE LIVES
& TRANSFORM
ORGANIZATIONS

The Arbinger Institute

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“This book vividly illustrates the tangible benefits of an outward mindset both at work and at home. It has filled me with hope and motivated me to do better than I have been doing.”

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—**Neil McDonough, President and CEO, FLEXcon**

“Simple but meaningful concepts applicable to work and home. Hits the nail on the head in prioritizing mindset change over leader behaviors.”

—**Simon Kelner, Global Head of Talent Development, Merck**

“*The Outward Mindset* is an easy-to-digest essential guide for all—beginning with CEOs and other leaders, whose most important responsibility is to see everything through the lens of an outward mindset and to help others do the same.”

—**Alistair Cameron, CEO, ASICS EMEA**

“In today’s complex, fast-paced environment, an outward mindset is critical to success. This book shows how individuals and organizations can achieve such a mindset change. I highly recommend it.”

—**Rick Dreher, Managing Partner, Wipfli, LLP**

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—**Brad Botteron, CEO, Wachter, Inc.**

“An interesting and engaging approach to effect lasting change in organizations—one that conceivably lends itself to applications in diplomacy as well. *The Outward Mindset* is bound to be a winner for the organizations and leaders that adopt it.”

—**Emanuel Shahaf, CEO, Technology Asia Consulting Ltd.**

“*The Outward Mindset* merits deep reflection and attention both personally and organizationally.”

—**Joe Farrow, Commissioner, California Highway Patrol**

“*The Outward Mindset* is a must-read for anyone wanting to create personal and organizational excellence.”

—**Pierce Murphy, Director, Office of Professional Accountability, City of Seattle**

“*The Outward Mindset* captures the skills needed to lead agencies in the rapidly changing environment that we are all facing.”

—**Chris Connally, Chief of Police, St. Joseph Police Department**

“This book gets to the core issues of organizational behavior in a way I’ve never seen. I aspire to be more like the individuals in this book who are making such a profound impact by focusing on how they can help others achieve their goals.”

—**Lindsay Hadley, Executive Producer, 2012 and 2013 Global Citizen Festival**

“Transformational! An outward mindset guarantees better results and a better life.”

—**Jean-François Turgeon, President, Tronox**

“Any organization that strives for improvement, teamwork, and world-class results can gain a significant advantage by applying *The Outward Mindset* principles. As a bonus the book will help with personal relationships too!”

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*How much larger your life would be
if your self could become smaller in it.*

G. K. CHESTERTON

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Preface

Think of the following people:

- The three people in your life whom you most like
- The two people who've had the most positive influence on you
- Your best boss
- The person who inspires you to do *your* best
- Your three favorite coworkers
- The acquaintance you most respect

As you think about these people, consider why you like them, respond well to them, work hard for them, and revere them. Our guess is that many of the people you are thinking about have this in common: *you feel seen by them*. Something about the way they see and engage with you makes you feel as if you matter. You feel this way when you are with them because to them, you *do* matter. This book is about this characteristic you admire in others—a way of seeing that we call an *outward mindset*.

People often use the term *mindset* to refer to a core belief about oneself. However, in our experience over three decades helping individuals and organizations, the biggest lever for change is not a change in self-belief but a fundamental change in the way one sees and regards one's connections with and obligations to others. This book is about the difference between a self-focused

inward mindset and an others-inclusive outward mindset. It will help you become more outward in your work, your leadership, and your life. It will guide you in building more innovative and collaborative teams and organizations. And it will help you see why you like many of the people you do and what you can do to become more like them.

This book can be read on its own or in connection with our earlier books, *Leadership and Self-Deception* and *The Anatomy of Peace*. *The Outward Mindset* reflects our latest work on mindset change and shows specifically how to enable mindset change within individuals, teams, and families and across entire organizations.

Whereas our earlier books unfold as fictional stories, *The Outward Mindset* is composed of multiple real-life stories—most of them from our clients. Every chapter is built around one or more such stories. Where context suggests anonymity, we have changed names and details to obscure identities.

Developing an outward mindset is a matter of learning to *see beyond ourselves*. Our hope for you, the reader, is that this book will make such mindset change completely tangible to you and that you will achieve the results at work and at home that only an outward mindset can bring.

PART I

Something New

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1 • *A Different Approach*

Two black cargo vans snake down Wabash Avenue in Kansas City, Missouri. The passengers are members of the Kansas City Police Department (KCPD) SWAT team. They are about to serve a high-risk drug warrant—the fifth warrant service of that day. The targets of this warrant are sufficiently dangerous that the squad has obtained a “no-knock” warrant, meaning that they will storm through the door unannounced. The men are dressed in black from head to toe, their faces covered by masks that leave only their eyes exposed. Bullet-resistant helmets and body armor make them an intimidating sight.

Senior Sergeant Charles “Chip” Huth, leader of the 1910 SWAT Squad for eight years, is driving the lead van. He slows as the target residence comes into view, and his men stream from both vehicles as quietly and quickly as they can.

Three officers sprint around to the back of the house and take cover, supplying containment should the targets attempt to flee. Seven others, including Chip, run to the front door, six of them with their guns drawn. The seventh runs a well-used battering ram up to the door and slams it through.

“Police,” they yell. “Everybody down!” Inside is bedlam. Men attempt to scramble out of the room, some to the stairs and others down hallways. Young children stand as if paralyzed, screaming. A number of women cower in terror on the floor, some of them shielding infants who are screaming at the top of their lungs.

Two of the men—the two suspects, it turns out—go for their weapons but are taken down by officers. “Don’t even think about it!” the officers shout. Then they pull the men’s arms behind them and put them in cuffs.

With all the young children, the scene in this home is more hectic than most, but within five minutes, the two suspects lie facedown on the living-room floor, and the rest of the inhabitants have been gathered into the dining room.

With everyone’s safety secured, the officers begin their search. They move with purpose and precision. Chip notices his point man, Bob Evans, leaving the room, and he assumes Bob is simply joining the search.

A couple of minutes later, Chip passes the kitchen as he walks down the hall. Bob is standing at the kitchen sink. A moment earlier, Bob had been rifling through the kitchen cabinets looking for white powder—not for contraband to be used as evidence against those they are arresting but for a white powder that was of much greater immediate importance. He was looking for Similac. With babies crying and their mothers understandably in hysterics, this most alpha male of all the alpha males on Chip’s squad was looking for a way to help them. When Chip sees him, Bob is mixing baby bottles.

Bob looks at Chip with a faint smile and shrugs. He then picks up the bottles and begins distributing them to the mothers of the crying infants. Chip is delighted by this. He hadn’t thought of baby bottles himself, but he completely understands what Bob is up to and why.

This one act of responsiveness changed the entire scene. Everyone calmed down, and Chip and his men were able to explain the situation thoroughly and then smoothly turn the two

suspects over to the detectives. Nevertheless, mixing baby bottles was such an unusual and unpredictable act that many people in police work—including the members of this SWAT team just a few years earlier—would have considered it irrational. But in Chip’s squad, this kind of responsiveness is routine.

It wasn’t always this way. To appreciate the remarkable transformation that had come to the 1910 SWAT Squad, we need to learn a little of Chip’s challenging background and his history in the Kansas City Police Department.

Chip was born in 1970, the son of an alcoholic, abusive career criminal and a bipolar, schizophrenic mother. When Chip’s father was around, the family usually was running from the law—moving from state to state around the South. When his father was absent, Chip, his siblings, and their mother often lived out of a car, collecting cans and cardboard for recycling as a way to survive.

One time when his father returned, promising that things would be different, his abuse of the family escalated. Chip, age ten at the time, stood up to him, and this finally prompted Chip’s mother to call the one person her husband feared—her ex-Special Forces brother, who came to wrest the family away from the man. “I’m here to get my sister and the kids,” he told Chip’s father. “If you get up off that couch, it’s going to be the last thing you ever do.” That was the last time Chip saw his father.

Chip’s father hated cops, which is the primary reason Chip became one. He joined KCPD in 1992. After three years as a patrol officer, he was moved to a SWAT team. Four years later, he joined the police academy as a use-of-force and firearms instructor. He was promoted to SWAT sergeant in 2004. The chief of police thought that the 1910 and 1920 SWAT Squads, which

act as the strong arm of the Investigations Bureau of the police department, were out of control. Chip came in as a hatchet man to fix them.

What the chief may not have known, however, was that at the time, Chip was psychologically better suited to *lead* such a group than he was to change it. He made sure to outwork all his men so that he could kick their butts if necessary. Whenever he felt threatened, he responded with threats of violence, and he was just unstable enough that his team members were kept in line.

He was even more severe with the public. The way he saw things, there really are bad guys in the world (he should know since he grew up with one), and they need to be dealt with in a way that makes them sorry they ever committed a crime. Everyone the team members arrested, they took down *hard*. And they didn't much care how they treated people's property or pets. It wasn't uncommon for some of Chip's men to spit tobacco on suspects' furniture, for example, or to put a bullet through the skull of a potentially dangerous dog.

Chip's squad was one of the most complained-about units in KCPD. Some of that was to be expected, since SWAT officers tend to do more damage than regular officers on the street. But even so, the rate of complaints against the squad was alarming, and the cost of the associated litigation was a drain on the department. Chip didn't see a problem with this. He believed his squad was working with people in the only way it could. In fact, he thought the more complaints he and his squad received, the more proof they had that they were doing something right!

A couple of years after Chip took over the SWAT squad, another KCPD officer, Jack Colwell, helped Chip see some truths about himself that startled him—about the person Chip

had become and how his attitude and methods were actually undercutting his effectiveness and putting his men and their missions at risk. This revelation coincided with a troubling encounter Chip had with his fifteen-year-old son. Driving his son home from school one day, Chip could tell that something was on his mind and began asking question after question of his son, with no response. “Why won’t you tell me what’s bothering you?” Chip asked. “You wouldn’t understand,” his son responded. “Why?” Chip asked. Then his son gave Chip the answer that perhaps prepared him to hear what Jack had to say: “Because you’re a robot, Dad.”

This comment cut deep. Chip began thinking about the kind of person he had become. He had believed that suspicion and aggression were necessary for survival and success in a vicious, combative, and violent world. But now he started to see that being this kind of person did not put a stop to the viciousness and combat; it actually accelerated it.

These events started Chip on a journey of change, an endeavor that resulted in a complete transformation of the work of his squad. The team used to receive two to three complaints a month, many of them regarding excessive use of force. On average, these complaints cost the department \$70,000 per incident. However, because of the team members’ new way of working, they haven’t had a complaint filed against them in six years. It is rare, now, that they leave others’ personal property in shambles or shoot a dog. They even hired a dog specialist to teach them ways to control potentially dangerous animals. And they never spit tobacco. Chip told his men, “Unless you can tell me that chewing tobacco in people’s homes advances the mission, we’re not doing that anymore.” And, of course, they prepare baby bottles.

These changes have increased the cooperation Chip and his team receive from suspects and from the community, and the results have been astounding. In addition to shrinking community complaints against them to zero, in the first three years after adopting this approach, the 1910 SWAT Squad recovered more illegal drugs and guns than it had in the previous decade.

What transformed the team's approach and effectiveness? A different kind of mindset than the members ever had before: a way of seeing and thinking that we call an *outward mindset*.

Mark Ballif and Paul Hubbard, co-CEOs of a highly respected healthcare company, have built their organization utilizing an outward-mindset approach similar to the one Chip has used with his squad. A few years ago, they were meeting with the principals of a venerable private equity firm in New York City. With 32 percent and 30 percent compound annual growth rates in top-line revenue and profitability, respectively, over the prior five years, getting meetings like this one with potential capital investors hadn't been difficult for Mark and Paul.

"So you have turned around over fifty healthcare facilities?" the firm's managing partner asked.

Mark and Paul nodded.

"How?"

Mark and Paul looked at each other, waiting for the other to answer. "It all hinges on finding and developing the right leaders," Mark finally said.

"And what is the most important qualification you look for in a leader?" Mark and Paul felt as if they were being cross-examined.

"Humility," Paul answered. "That's what distinguishes those who can turn these facilities around from those who can't.

Leaders who succeed are those who are humble enough to be able to see beyond themselves and perceive the true capacities and capabilities of their people. They don't pretend to have all the answers. Rather, they create an environment that encourages their people to take on the primary responsibility for finding answers to the challenges they and their facilities face."

The other members of the equity firm in the meeting looked at the managing partner, who sat poker-faced.

"Humility?" he finally said, his tone condescending. "You're telling me that you've acquired fifty failing facilities and turned each of them around by finding leaders who have *humility*?"

"Yes," Mark and Paul replied without hesitation.

The managing partner stared at them for a moment. Then he pushed his chair back from the table and rose to his feet. "That doesn't compute to me." With little more than a handshake, he turned and strode out of the room, leaving behind a compelling investment opportunity in a company with a proven track record. What he couldn't comprehend was how the company's results depended on humble leaders who "see beyond themselves," as Paul had described.

Nearly fifteen years earlier, Mark, Paul, and another early partner decided to try their hand at building their own company. They had less than ten years of experience in healthcare between them, but they saw an opportunity to create a unique organization in an industry plagued with problems. So they began purchasing the clinically and financially beleaguered facilities their competitors were desperate to be rid of. They were convinced that the key missing ingredient in failing healthcare operations was not an absence of the right people or even the right location but an absence of the right mindset. They engaged in a

systematic approach to apply the principles that are presented in this book.

Mark explains their experience this way: “Some of our competition couldn’t get rid of facilities and their teams fast enough because they thought that the teams were simply defective. Our thesis was that we could take a poorly led and therefore under-performing facility and, by helping the existing team see what was possible, *they* could turn it around.”

As they acquired their first facilities, they encountered a pattern that would repeat itself, almost without exception, acquisition after acquisition. The outgoing leader, trying to do them a favor, would give them a list of the five or so staff members they would need to fire if they stood any chance of turning things around. “We would thank them for the list and then go to work,” Paul and Mark reminisced. “Invariably, four of the five people would turn out to be our best performers.”

Consider what this demonstrates. If those who had been identified as problems could, when working under new leadership and a new approach, become star performers, then organizational improvement, even turnaround, is less a matter of getting the wrong people off the bus than a matter of helping people see. It is a matter of changing mindset.

“Leaders fail,” Paul explains, “by coming in saying, ‘Here’s the vision. Now you go execute what I see.’ That’s just wrong in our view of the world.” Continuing, he says, “Although leaders should provide a mission or context and point toward what is possible, what humble, good leaders *also* do is to help people see. When people see, they are able to exercise all their human agency and initiative. When they do that, they own their

work. When people are free to execute what they see, rather than simply to enact the instructions of the leader, they can change course in the moment to respond to ever-changing, situation-specific needs. That kind of nimbleness and responsiveness is something you can't manage, force, or orchestrate."

Mark and Paul learned these lessons early on as they operated their first few facilities themselves. Reading situations attentively, they found themselves mixing plenty of baby bottles—taking responsibility to do whatever each situation required. As they acquired more facilities, they needed other leaders who could operate with an outward mindset—people who would mix baby bottles as necessary and help others learn to do the same.

This book is about how to help unlock this kind of collaboration, innovation, and responsiveness—how to experience a way of seeing, thinking, working, and leading that helps individuals, teams, and organizations significantly improve performance.

At first, you might feel like the private equity firm leader who walked out of the meeting with Mark and Paul. The ideas we will cover may not make perfect sense to you early on, and you might wonder whether these concepts can help you with the challenges you are currently facing. We invite you to stay in the meeting. You will learn an actionable, repeatable, and scalable way to transform your personal, team, and organizational performance.

Just as importantly, you will begin seeing situations outside of work differently as well. You will see new and better ways to interact with those you care most about, including those you find most difficult. Everything in this book that applies to people in organizations applies to people in their home and family

lives as well—and vice versa. This is why we include corporate, home, and individual stories. Lessons learned from each will apply across the board.

Our journey begins with an idea that Chip, Mark, and Paul believe to be foundational: *mindset drives and shapes all that we do—how we engage with others and how we behave in every moment and situation.*

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