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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PART I

Something New

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 though 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 underperforming 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

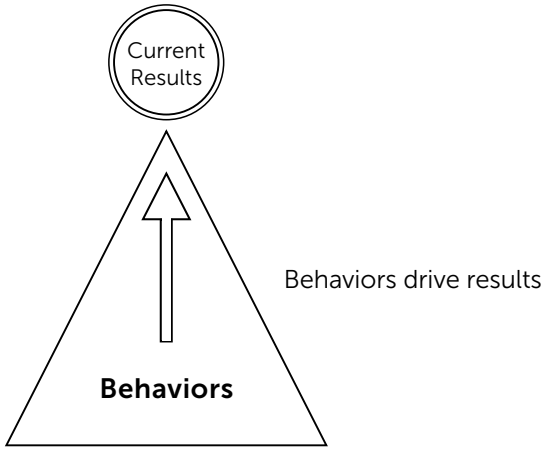
lives as well—and vice versa. This is why we include corporate, home, and individual stories. Lessons learned from each will apply across the board.

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.*

2 • *What Shapes Behavior*

Countless books on personal improvement and organizational transformation recount the behaviors and actions of people who have achieved remarkable results with the promise that, by replicating their behaviors, you can achieve similar outcomes. This formulaic approach to improvement takes as its starting point the simple idea that behaviors drive results. This idea is illustrated in diagram 1: the behavioral model. In this diagram, the triangle represents a person's or an organization's behaviors or actions. The model presumes that the collective behaviors of a person or organization are what produce the results that person or organization achieves.

Diagram 1. **The Behavioral Model**



The idea that behaviors drive results seems almost self-evident. But how many of us have tried to replicate a behavioral formula—adopting the same leadership practices or mimicking the same interpersonal approaches of those who have achieved enviable results—only to throw up our hands in frustration? "Well, that didn't work!"

These experiences suggest that what is implied by this model is misleading. We want to suggest that the model is misleading for at least two reasons.

Consider, first of all, a simple story. A person we'll call Mia attends a workshop on improving communication. Over the course of two days, she learns an array of new skills. She learns to ask more open and inviting questions. She is taught how to respond when someone becomes verbally aggressive or, on the other hand, when someone becomes evasive or completely shuts down. She practices paraphrasing what others say to demonstrate that she is paying attention. She learns to use more tentative language to invite better responses from others. She also learns how to offer better nonverbal cues: presenting a pleasant look and demeanor, maintaining better eye contact, and so on.

Mia returns to work determined to put her learning into practice. In particular, she wants to see if these skills will help her in her interactions with a colleague named Carl, with whom she has struggled. The truth is that she very much dislikes and distrusts Carl. She tenses up whenever he is around.

What do you think is likely to happen when Mia begins to apply these new skills in her conversations with Carl? Could Mia's behavioral changes make her seem so different to Carl that their interactions will significantly improve as a result? Perhaps. However, Mia is likely to feel different *to* Carl only to the extent

that she actually feels differently *about* Carl, regardless of what new skills she uses or behaviors she adopts.

If Mia feels the same way about Carl as she always has, and if Carl senses this, he might begin to wonder what Mia is up to. He might even get upset, feeling that Mia is trying to hide significant issues beneath a veneer of superficial change.

If Carl were to respond to Mia in this way, one would say that the new behaviors Mia adopted ended up not making much of a difference. In fact, the whole experience could even *increase* the tension between them. Mia's new and better skills could result in *worse* outcomes rather than better outcomes.

This doesn't mean that Mia's new skills were damaging in and of themselves. It does suggest, however, that something in addition to behavior plays an essential role in both our successes and our failures. And if that's true, then the effectiveness of our behaviors depends to some significant degree on something that is deeper than behavior. The behavioral model doesn't account for this. Consequently, the model is incomplete and therefore misleading.

The behavioral model is misleading for a second reason as well. To consider how, let's think about Chip Huth and his SWAT squad. Their story is powerful in part because it is so surprising. We don't imagine SWAT officers stopping in the middle of an operation to mix baby bottles. It's not just that most SWAT officers would choose not to mix baby bottles; it's that the very idea would never occur to them in the first place. Why not? Because it is not an idea that would spring from the prevailing mindsets of most people who operate in that kind of role.

The way we use the term, *mindset* is more than a belief about oneself. It refers to the way people see and regard the world—how they see others, circumstances, challenges, opportunities,

and obligations. Their behaviors are always a function of how they see their situations and possibilities.

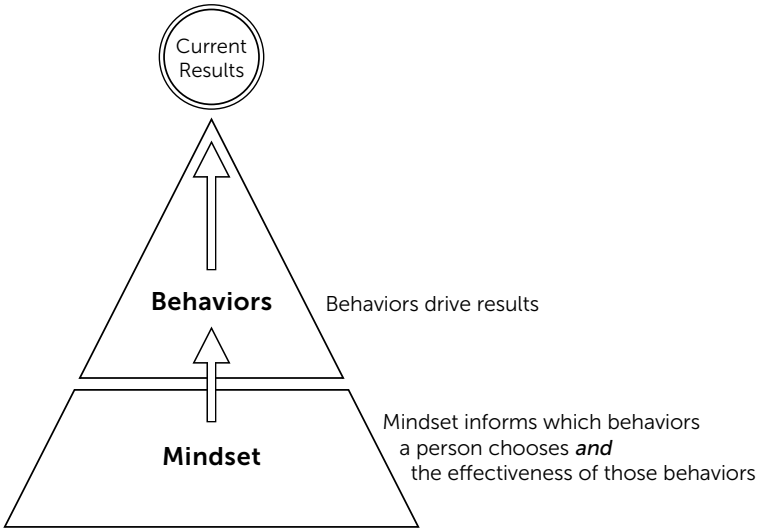
So we are suggesting two core problems with a purely behavioral approach for improving performance:

1. Like seeing the need to make baby bottles, the behaviors people choose to engage in (that they sense are right and helpful given their situation) will depend on how they see their situation and those with whom they interact. So while behaviors drive results, behaviors themselves are informed and shaped by one's mindset.
2. As in Mia's story, in whatever a person does, his or her mindset comes through, and others respond to this combination of behavior *and* mindset. This means that the effectiveness of an individual's behaviors will depend to some significant degree on that individual's mindset.

We capture these realities in diagram 2: the mindset model. In the area of organizational change, what does the mindset model suggest? It at least suggests that change efforts built upon the incomplete behavioral-model approach, where a person or organization tries to improve performance by focusing only on behavior change, will fail much more often in comparison to efforts that focus on changing both behavior *and* mindset.

Studies conducted by McKinsey & Company corroborate this. One study finds that "failure to recognize and shift mindsets can stall the change efforts of an entire organization."[1] A second McKinsey study finds that organizations that "identify and address pervasive mindsets at the outset are four times more likely to succeed in organizational-change efforts than are

Diagram 2. **The Mindset Model**



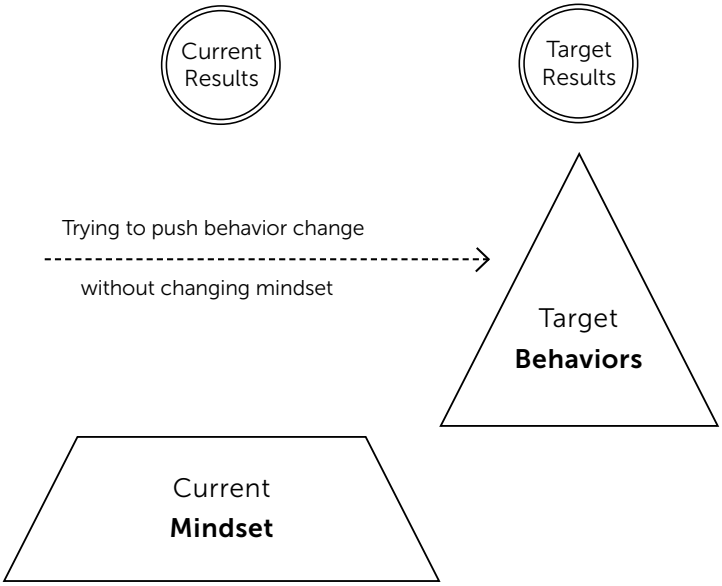
companies that overlook this stage."[2] Think about that. Those who attempt to effect change by concentrating on changing mindsets are *four times* more likely to succeed than those who focus only on changing behavior.

With these findings in mind, consider two different performance-improvement approaches. In the first approach, a person or organization attempts to push behavior change while neglecting mindset change, as shown in diagram 3 on the next page.

If a person or company tries to get people to adopt new behaviors that aren't supported by their underlying mindset, how successful do you think such a change effort will be?

In response to this question, one executive we were meeting with said, "Some leaders, through charisma, willpower, or constant micromanaging, may be able to drive this kind of change in

Diagram 3. **The Behavior-Push Approach**



the short term, even without an accompanying degree of mindset change. But in my experience, it won't last. When that leader leaves, if not sooner, things will snap back to where they were."

Others in the meeting agreed. "Without a change in the prevailing mindset in an organization," one of them said, "behavior-change efforts tend to be resisted. While 'compliant' behavior by employees might be achievable, at least to some degree, 'committed' behavior won't happen without a change in mindset. And it's committed behavior that makes the biggest difference."

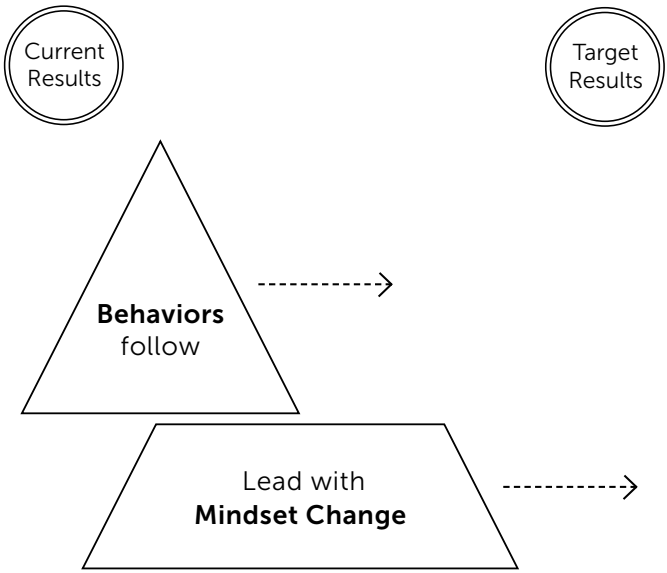
Is the same thing true in your experience? In your work life and in your home life, what have you noticed happens (or

doesn't happen) when people try to push behavior change in a culture where the mindset remains unchanged?

Contrast the behavior-push approach with an approach that includes a focus on mindset change. Diagram 4 shows the approach Chip initiated within his SWAT squad when he started working on mindset change.

A focus on mindset change among Chip's team members led to dramatic improvements in their behaviors and results. As their story illustrates, when you sufficiently improve the mindset—either of an individual or of an organization—you no longer have to specify everything each team member is supposed to do (the way those who operate from a behavioral model often assume). As the mindset changes, so does the behavior, *without having to*

Diagram 4. **The Leading-with-Mindset Approach**



prescribe the change. And where certain behaviors still need to be stipulated, the suggestions won't be systematically resisted. For these reasons, mindset change facilitates sustainable behavior change.

Moreover, as the mindset changes, people begin thinking and acting in ways that hadn't been imagined before. Chip had never thought about a scenario where his team might need to prepare baby bottles to help mothers calm screaming children. Consequently, he'd never taught or mentioned this to his team. However, because he had put in the effort to establish a different mindset in the members of his team (beginning with his own), he didn't have to think about or mandate it in advance. When this new and unanticipated situation came up, one of his men thought of the right thing to do on his own. The underlying mindset prompted the most helpful behaviors in the moment.

In the next chapter, we begin to explore the mindset that makes this possible.

3 • *Two Mindsets*

Louise Francesconi was president of one of the legacy Howard Hughes companies during a period of consolidation within its industry. The company's chief competitor had recently purchased the company Louise led. After the purchase came a directive: Louise and her executive team had to cut $100 million from the cost side of the business. They were given thirty days. This directive came with an implied "or else." Louise asked us to help them with this challenge.

You can imagine the pressure on Louise and her leadership team. The acquiring company's executives were about to determine their immediate career opportunities. Cutting $100 million was their job interview.

So the members of Louise's team had no choice but to deliver, not just on this group directive, but also in their individual capacities as leaders of separate product lines. Not surprisingly, this created tension within the team: the executives focused on how they each could preserve their own parts of the company, implying that their colleagues should shoulder the bulk of the cost-cutting burden. They did not say this directly to one other, but it became clear as they each briefed the team on what they themselves could do to cut costs. They all offered token cuts in their operational areas, combined with well-prepared arguments for why further cuts would be damaging to the company. To a person, they agreed that the only way to cut $100 million was to

lay off a bunch of people. And each of them wanted those layoffs to come primarily from others' parts of the business.

The situation wasn't going anywhere, and Louise grew frustrated. She knew they were going to find $100 million to cut. They had to. But it was going to be painful, and she worried about what that might do to her team and the company going forward.

In our work with organizations, we have seen this kind of impasse many times. At its heart, the problem is pretty simple: incentive structures, company metrics, career goals, and personal egos all conspire to keep people focused on themselves and their own perceived needs and challenges, usually to the detriment of the team and the enterprise. In short, organizations and their people get inwardly focused, and as a result, they get stuck.

Fortunately for Louise and her team, they found a way to get unstuck. Two very important incidents occurred that enabled this to happen. The first was that the group began to consider who would be affected by layoffs if that was the route they decided to go. On a flip chart, these executives began listing those most likely to be affected. As each category of persons was added to the list, the team discussed what layoffs would mean for that group.

Early on, this conversation felt strained. They were talking about people, not because they were inclined to, but because they'd been asked to. But as the list of names and groups grew, they broke into a discussion that began to engage them. They started to really consider those who would be put at risk. *What would this mean for the union? What would this mean for family members of people who might lose their jobs? What would this mean for the community?* As they realized the difficulties that

layoffs would present, they gradually became committed to finding alternatives to layoffs where possible.

This was a shift in their shared mindset. It led to a second breakthrough. The Arbinger consultant who was working with Louise's team asked the executives to pair up. They were each to spend the next two hours meeting one-on-one with two or three of their colleagues. The assignment was twofold. First, they were asked to learn as much as they could about one another's areas of the business. Second, over the course of this sharing, each was to think about what he or she could do to help the other preserve the vital parts of his or her segments of the business. The task was not to help their colleagues to *cut* their budgets but rather to identify what they each could do to help the colleagues *save*—that is, *preserve*—their budgets.

Asking people to figure out what they could do to keep their colleagues from having to cut money might seem an odd way to cut $100 million. However, surprising things started to happen during these one-on-one meetings. As colleagues learned more about their team members' respective parts of the business, they found themselves *wanting* to help their colleagues with their challenges. They began offering to make some cuts in their own areas of the business to preserve key parts of their colleagues' areas.

As one of Louise's executives learned more about the work of his colleague, he started to wonder if it wouldn't make good business sense, and save a great deal of money, if he folded his own division into his colleague's. Consider what this meant: a leader who reported directly to the president of the company was considering stepping down a level and reporting to someone who, up to that moment, was his peer. He shared this idea aloud.

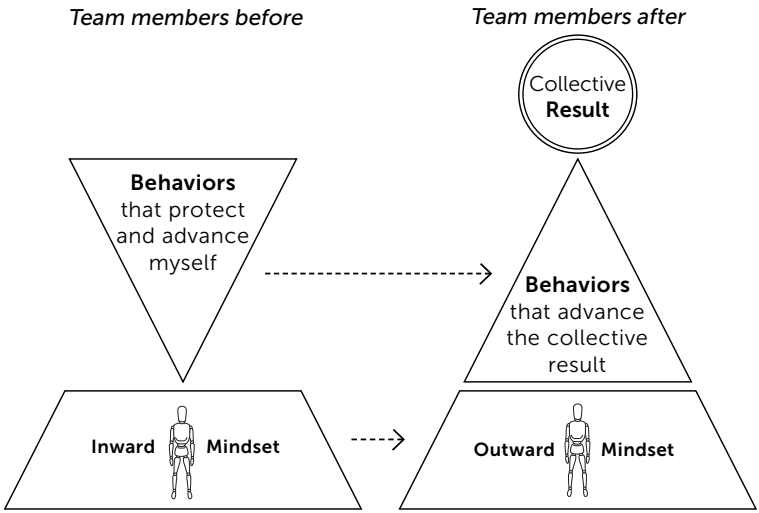
Like SWAT team members mixing baby bottles, this is the sort of thing that doesn't happen very often. The reason it doesn't is because people can't consider such a move from the perspective of the kind of mindset that normally prevails in organizations—especially in pressure-filled situations like the one Louise and her team were in.

This single move, where one executive folded his portion of the business beneath one of his colleagues, saved the company $7 million. This was the first of a number of collaborative steps that enabled them to cut the full $100 million while improving rather than harming the organization. A challenge that had the potential to divide the team or result in indiscriminate cuts that could have damaged the business over the longer term ended up becoming the impetus for innovative thinking that made the business healthier and better.

The way Louise and her team came together to meet the challenge of cutting $100 million became their mode of working together. They began collaborating this way year after year. Early on, the members of her executive team needed a full day to collaboratively set the annual goals for their highly complex organization. After a couple of years, they were able to pull this off in half a day. Ultimately, they found they could complete the process in an hour, as the annual goal-setting work became simply an extension of the way they worked together on a daily basis. Over this period, they doubled the business at a time experts thought it couldn't grow more than 5 percent.

Let's examine some key differences between the way Louise's team initially tried to tackle the challenge of cutting $100 million and how they later were able to accomplish their goal. Diagram 5 shows these differences.

Diagram 5. **Louise's Team**



The team had a collective target result. They needed to cut $100 million in costs. In the beginning, they were understandably concerned about their own futures with the company. All were strongly motivated to preserve their own positions and status in the organization. With this mindset, they could consider only those options that would advance their own agendas. We illustrate this by pointing the behavior triangle at the person. We call this way of operating an *inward mindset*.

When they broke free from the constraints of self-concern, the team members were able to consider options that hadn't occurred to them when their mindsets were inward. Focusing together on the collective result, their mindsets turned *outward*. We illustrate this by pointing the behavior triangle at the collective result.

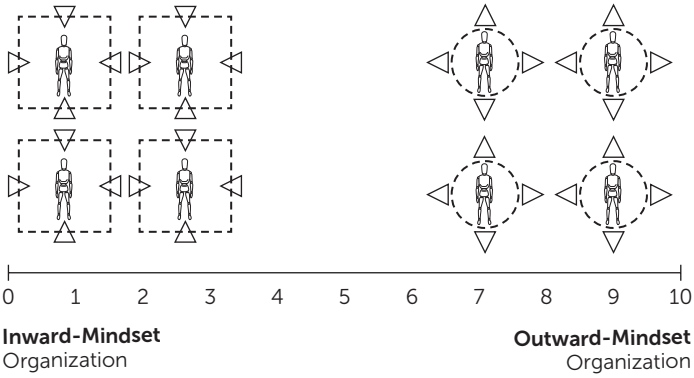
Notice how people think about and do different things depending on their mindset. With an inward mindset, people behave in ways that are calculated to benefit themselves. With an outward mindset, people are able to consider and behave in ways that further the collective results that they are committed to achieve.

These two mindsets—an inward mindset on the one hand and an outward mindset on the other—form two ends of a continuum, as illustrated in diagram 6. Consider, for example, an organization in which every person operates with an inward mindset and where the practices, policies, and processes continually invite the same. No organization is completely this way, but consider this extreme case as the left end of the mindset continuum. Then consider an organization composed of people, processes, and practices that are entirely outward. Again, no single organization operates with a completely outward mindset, but consider that possibility as the extreme right end of the continuum.

In our work, we both assess and invite clients to self-assess where they are on this continuum. We do this to get a baseline against which to measure progress. It is interesting to see how people rate their own organizations. If an entirely inward mindset is 0 on the scale and an entirely outward mindset is 10, a relatively small percentage of groups assess their own organizations at higher than 5 on this continuum, with most self-assessing at somewhere between 2 and 4.

On average, people rate *themselves* more highly on this continuum than they rate their organizations. So within a company you end up with the following incongruity: employees rate themselves as 7s but the organization as a 3. This is a manifestation of

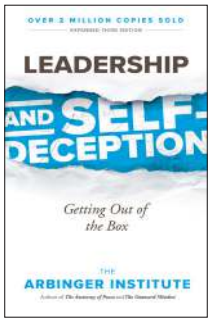
Diagram 6. **The Mindset Continuum**



the problem of self-deception that we wrote about in *Leadership and Self-Deception*.

Whatever the scores are, the objective is to move individuals and organizations further to the right on the mindset continuum. Why? Because accountability, collaboration, innovation, leadership, culture, and value to customers all improve as organizations increasingly apply an outward mindset in their strategies, structures, systems, processes, and day-to-day work.

We hope you enjoyed this excerpt from *Leadership and Self-Deception.*



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