

The cost of being inward: How a mindset shift can impact your bottom line



Any successful organization knows that lasting change requires, at the very least, the ability to transition. Imitating previous successes and old playbooks is simply not a viable option. Yet surprisingly, when it comes to the challenges of team performance, employee engagement, and leadership development, too many organizations seem content to settle for business as usual when what they really need is a mindset shift.

A failure to innovate on this front means that, despite any shiny new communication app or scheduling software, company results continue to be hobbled by siloing, conflict, disengagement, and lack of accountability. We are long overdue for a different approach, one that actually makes an impact.

At Arbinger we're convinced that every successful effort to make lasting positive change within an organization depends on a foundational mindset shift. Mindset—the way we view ourselves and others—predicates the behaviors that impact results.

The inward default

While performance issues like siloing, disengagement, lack of accountability, and unproductive conflict are often considered as separate concerns, they usually go hand-in-hand. These and other [team performance](#) challenges are not disconnected problems; they are symptoms of a deeper affliction we call an inward mindset. An inward mindset refers to the ingrained human tendency to ignore or diminish the needs and objectives of others, to view other people as vehicles that can help us get what we desire, obstacles that provoke our frustration, or irrelevancies to be disregarded. From within the confines of an inward mindset, we see our own wants as paramount; our interest in the inner realities of others extends only so far as it serves our own self-interests.

This mindset is far more widespread and subtly manifested than mere selfishness. For the most part, an inward mindset remains invisible to us, masked by justification and the misguided assumption that our perception perfectly aligns with reality. But as we objectify others—even in ways that may seem minor or disguised by an external “nice-ness”—we inevitably invite resistance and dysfunction, and so an inward mindset sparks and perpetuates conflicts, undermines collaboration, and exhausts effective communication. It is hardly a recipe for a thriving company culture, and the damage caused by the inward mindset is always manifest in painfully tangible ways.

The cost of being inward

The inward mindset is a hallmark of dysfunctional workplace culture, and the financial implications are staggering. According to the [Gallup State of Global Workforce](#), there is an annual loss of \$550 billion due to disengaged employees. The same report describes \$8 billion in lost revenue in workplaces lacking psychological safety. By some [estimates](#), quiet quitting and turnover from the great resignation have cost American businesses \$1 trillion.



Of course, business leaders are all-too-acquainted with the lost productivity and revenue stemming from these types of issues. But harder to quantify are the costs of missed collaboration and untapped creative synergies. How could the value of sincere good-will and collegiality within a workforce be accurately represented in dollar amounts? The absence of these factors makes itself keenly felt, however. It's been reported that [40% of employees](#) feel isolated at work, and that managers spend up to [40% of their time](#) on conflict resolution. When factoring in how poorly handled conflict results in mistakes, employee attrition, and a lower return on labor invested, a single conflict can easily cost a company well over [\\$250,000](#). In one Arbinger engagement with a client, the

organization's leadership identified the staggering cost of a single entrenched conflict at over \$12 billion.

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Truly effective leaders know that the bottom-line is only one factor in measuring company success—a factor that is immensely influenced by other factors like [employee retention and engagement](#). But, just like the employees they seek to motivate and persuade, leaders themselves are subject to the undermining effects of an inward mindset. They may view employees as a means to an end, relying on punitive policies to try and force productivity or on calculated rewards to bribe desired behavior. Either approach can, at least temporarily, change external behaviors. But neither inspires an authentically dedicated workforce rallied around a shared cause and eager to offer their best.

To accomplish truly great endeavors, leaders need to inspire their team, not dictate their actions. Yet all too often, attempts to cultivate desirable qualities in employees, like loyalty, initiative, commitment, and so on, fall short because they focus on changing behaviors alone, instead of supporting a mindset shift from an inward mindset to an [outward mindset](#).

The advantages of being outward

More is being demanded of businesses today than ever before. Where in the past, profit alone was king, modern consumers and employees are rightly concerned about ethical business practices, from environmental sustainability to workplace conditions. Forward-thinking organizations understand the imperative need to create people-centric workplaces, workplaces where an outward mindset is understood and cultivated.

An outward mindset encourages [employee accountability](#), engagement, collaboration, and innovation. It is distinguished by curiosity regarding the needs, objectives, and concerns of others, including managers, reports, peers, and clients. With an outward mindset, employees focus on achieving mutual results, rather than individual concerns. It involves a fundamental reorientation towards other people based on a recognition of our inherent interconnectedness.

An outward mindset shift isn't just an abstract ideal, it can have concrete, scalable, and repeatable impact. It opened the way for executives at [Raytheon](#) to cooperatively cut \$100 million in expenses during a challenging merger without laying off a single employee. An outward mindset transformed the [Kansas City Police Department](#), essentially eliminating SWAT team complaints that had been costing hundreds of thousands of dollars to litigate and which, most importantly, were eroding critical community trust. And the mindset shift from inward to outward helped [CenturyLink](#)'s largest division boost employee satisfaction by 20% and grow revenue by 17%, all during a massive reorganization initiative. Arbinger's work with thousands of clients across widely different industries confirms that an outward mindset empowers leaders and employees to adapt and thrive together.

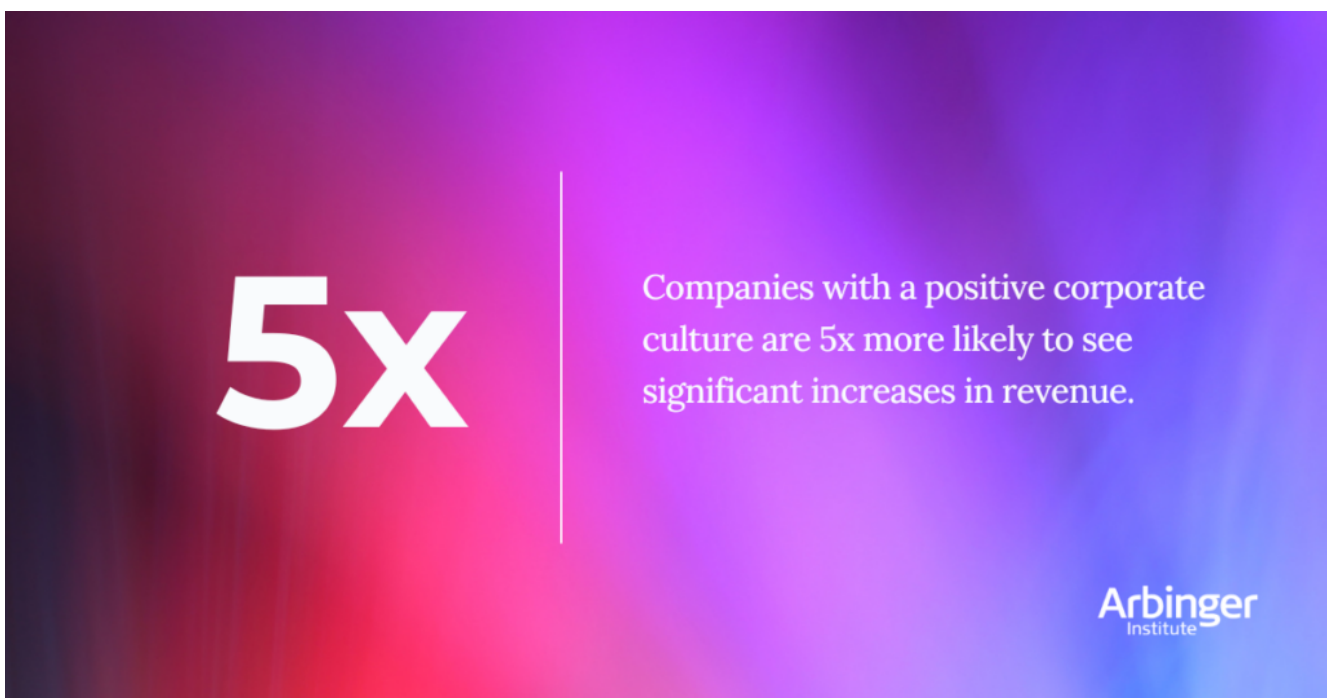
Check out CenturyLink's story here:

Seeing clearly changes everything

The mindset shift we advocate is not a prescriptive solution. It does not replace the need for technical acumen or eliminate human judgement. It can, however, unlock the powerful potential contained within each strained relationship and siloed business effort. When an outward mindset becomes ingrained into an organization's culture, people understand the reality of how their behaviors and attitudes impact others, and in turn become more helpful.

Employees transform from a disparate collection of self-concerned individuals to a real team. There are few spectacles more awe-inspiring than a group of people mutually committed to each other in pursuit of the same goals.

Of course, leaders need to be aware of the bottom line. But this concern, too, is powerfully shaped by the underlying mindset. In fact, our latest [research report](#) revealed that organizations with successful cultures are 5x more likely to see significant revenue increases.



Executives can care about profit from an inward mindset—wanting to ensure their own material comfort or status

or influence—and this focus may not be inherently problematic. But there is immense power in caring about the bottom line from an outward mindset, viewing it as an indicator of the value you provide to customers, as the means by which you provide stability for employees and their families, as a signal of your contribution to the community you serve. From an outward mindset, caring for the bottom line becomes synonymous with caring for people—inviting the investment of every member of the organization. And, at the end of the day, this employee investment is one of the best guarantees of success.

Organizations that meet the needs of their employees in a genuine and effective way create a culture that is a catalyst for improvement and growth. [Read more in our latest report.](#)



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