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Steve Eaton

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Arbinger Institute's Jim Ferrell Shares Philosophy that Has Turned Around Major Companies

Huntsman Post

Arbinger Institute's Jim Ferrell Shares Philosophy that Has Turned Around Major Companies

By Steve Eaton



Setting goals and motivating others to help you achieve them may be a standard strategy for business, but it is, in many ways, a fundamentally flawed approach that is not the most effective way to move an organization forward.

That was the theme presented by Jim Ferrell to faculty and staff at the Huntsman School's on-campus, fall retreat when James Ferrell, cofounder and managing partner of the Arbinger Institute, spent the day with them.

The group had been asked to prepare for the meeting by reading one of The Arbinger Institute's international bestsellers, **Leadership and Self-Deception**. The book uses a parable format to tell the story of an extremely effective and profitable company that consistently teaches its employees to live "outside-the-box," an idea that goes far beyond mere innovation. As defined by Arbinger, being outside the box means trying to understand the needs of others first, while finding ways to help them achieve their goals. Instead of evaluating everything in terms of how it might affect oneself, leaders realize that a firm's growth is advanced by a focus on how their work affects others. And this begins by working to understand the needs of others.

The Arbinger Institute advocates that a car salesperson, for example, should truly understand the needs of his or her customers and try to meet them. It maintains that this approach will prove more successful than finding clever ways to manipulate and motivate people into buying cars just so the salesperson can meet his or her goals.



Mr. Ferrell promotes a life philosophy that results in people spending less time trying to justify their own behavior by blaming others. Even a focus on whether another part of the organization is “in the box” is a road to mediocrity, he said. Sometimes people may be difficult to work with, but even in those instances, Ferrell maintains that a resolute focus on how to best help them, within the realities of the business, is a more productive way to move the organization forward.

He believes that few people can spend all their time outside the box, in all settings. To the extent that individuals learn to think this way, however, transformational change, rather than merely marginal change, is possible.

“Whenever we get in the box, we end up, to one degree or another, creating the very problems we think we are trying to solve,” he told the group.

Mr. Ferrell explained that The Arbinger Institute, which has offices in 15 countries, focuses its energies on three practice areas—culture integration and change, conflict resolution, and organizational turnarounds.

One leader at a top 40 *Forbes* company, who is quoted on the Arbinger website, says the company hired a top consulting firm that ended up not being able to help them despite months of trying because the firm had become such a “basket-case.”

“Fortunately,” he said, “this (consulting) firm was familiar with Arbinger and referred us to them. And nothing has been the same since. We are now the most profitable company in our industry – doubling and even tripling the ROI of our nearest competitors.”

The same approach that improves organizational culture and results also has the ability to transform conflicts of all sizes and complexities, Mr. Ferrell said.

“The one thing that every party to a conflict knows for sure is that it is the other party’s fault,” he said, which means that this problem of not knowing and resisting the possibility that you have a problem is at the heart of every conflict.”

While the importance of focusing on the needs of students has long been emphasized at the Huntsman School of Business, Mr. Ferrell encouraged faculty and staff to consider ways each of them could improve by leading them through a series of exercises and case studies aimed at helping them see the practical benefits of leaving “the box” behind in their work with students, as well as with colleagues and the larger community. The school’s ability to achieve its purposes in the world and on behalf of all of its stakeholders will depend in large part, he said, on the degree to which it can conceive and execute its efforts in an “out-of-the-box” way.