

## Great Leadership: How to Lead On Purpose

By Jeff Vanderwielen PhD. and John Izzo Ph.D.

Why are some leaders effective at truly engaging with their teams? And why do many, despite their best efforts, manage to motivate top performers but can't get the whole team rowing in the same direction? We found that to create a common goal, it's vital to ramp up your purpose as an organization. Here, we will share from our forthcoming book [The Purpose Revolution: How Leaders Create Engagement and Competitive Advantage in an Age of Social Good](#) reasons why some leaders fail at purpose, and offer proven practices to get your people connected and engaged for success.

### Make Time for Purpose

Great leaders know that **purpose should be a large part of everything they plan, say and do as leaders**, but sadly, many fail to actualize their purpose. A recent Ernst and Young/Harvard study shows that most senior leaders and business owners see the value of being purpose driven and most likely have a set of personal values leaning toward the decent-human-being side of the equation. Yet in our experience, most businesses, small and large, have leaders who are losing at purpose—or at the very least are failing to achieve the high levels of engagement with their staff that they intend to build.

Our experience over the past 25 years shows that most leaders spend an inordinate amount of time focused on the numbers side and beating their competition, without truly embracing the balancing force of purpose. It's not that leaders don't care about their people, but they're often too busy with noses to the grindstone, working *in* the business instead of *on* the business. But why spend countless hours working, if you haven't truly figured out *why* you're doing it? Your employees are asking themselves that same question every day.

### Don't Fake It

Many leaders have a hard time getting on board with purpose. They may not have had training or mentoring on how to lead purpose, lack the necessary resources or not have the right mindset to activate purpose in themselves and others. Being uncertain about what authentic purpose is some try to fake it until they make it. But no matter how hard you try, you can't fake purpose. In working and speaking with hundreds of company leaders, HR representatives, and employees at all levels, we've found that for your company to be successful in the long run, it needs to stand for something, and that something needs to be authentic! Winning companies start with their true purpose, a higher reason for being as the foundation of their organization. Why? Because you won't know when you've arrived if you don't know your destination.

Take Dell Technologies, as a great example of a company that hit pause and found its purpose. Founded by Michael Dell in 1984, the company grew massively in its first 20 years. When he left the company in 2004, however, it fell on hard times. Fast-forward three years, and in 2007 Dell

returned to refocus the company on its core purpose, going so far as to take the company private in an effort to make it the “largest start-up in history.” Since that time the company’s performance has improved, with increased customer satisfaction and its highest employee satisfaction scores ever. The company has continued to grow because it got really clear on its purpose and knew as an organization what it stood for.

### **Money is Not a Purpose**

A company focused on purpose can make money, but profit can’t be the primary focus. Employees need to work for something greater, to feel like their job roles fill a larger need in society. If your company is engaged in construction, your worker’s real purpose is creating a safe home for people to live in, not fastening pieces of wood together. And a happier, more engaged worker is better for the bottom line. Research shows that companies which activate purpose are even more profitable than those that don’t. So ask yourself if profit or purpose is the main driver in your organization?

Leaders need to know that most people who work for them probably don’t care how much money the company makes, how fast it grows or its increase in sales. Instead, employees care about being on a winning team, they want the company to make enough money to keep jobs secure, and want opportunities to contribute to making better products and services.

A strong driver of employee engagement is feeling pride in a job well done, of producing something that meets a real need. Employees also feel a deeper satisfaction when their work contributes in some way to their personal values and goals, and great leaders can help them achieve this.

### **Unbolt Purpose from the Wall and Give It Life**

Years ago, we consulted to a large company that had a grand purpose and values statement posted prominently on the wall of every office, framed behind a nice pane of glass. One day a middle manager casually said, “That is exactly where the values are in this company—on the wall and under the glass but never alive in the room.” Unfortunately, we see this situation all the time: leadership failing because their purpose is stuck on the wall.

Many leaders create idealistic statements that sound nice, and mistake them for purpose. It’s all well and good to make fancy declarations, but unless they are, as Walter Robb of Whole Foods told us, “a living document, alive in the daily work and decisions,” they won’t activate purpose in your organization.

A principle to keep in mind is that *the conversation about purpose is more important than the articulation*. A well-articulated purpose is good, but what determines its effectiveness is how alive the conversation about that purpose is throughout the company.

## **Purpose is NOT About Marketing**

Another reason leaders fail to engage their teams through purpose is because they treat purpose as a marketing program, just any other plan to win talent and customers. They ask, “Isn’t it OK to simply focus on the fact that employees and customers want us to have purpose and therefore we ought to pursue it like we would every other business strategy?” At face value this seems like a reasonable question.

The fact is that people see through the focus on purpose solely for the sake of business, instead of a greater goal. We have worked with more than 500 companies around the world, and it is obvious to us that employees can detect the difference between purpose that is genuine and purpose that is forced and purely about looking good as a business. The same is true for individual leaders. Our people can tell when we’re not into purpose and care mostly about the numbers, even if we don’t intend to communicate that.

We believe the Volkswagen emissions scandal came about because VW used purpose as a marketing strategy, not a core belief. The decision to deceive regulators on emissions from diesel cars was likely made because VW’s focus on clean vehicles was a strategy that worked for promoting and selling their vehicles as “clean alternatives.” If they actually had a purpose-focused desire to reduce air pollution and greenhouse gas emissions, they would have fixed the technology instead of lying about it!

In many organizations, the distinction between “doing what’s right” and the business case may feel like a semantical difference. However, remember that your purpose must be *authentic* and not be another short-term business strategy or gimmick to garner customer attention.

The reason is simple: if you want to truly activate purpose, it’s best for your marketing to *amplify a purpose that already exists* rather than promote a different one as a strategy. If your marketing team advances a vision that’s out of line with the company’s reality, employees will sniff it out. When they do, they will become disengaged and cynical about your motives.

## **Five Practices to Activate Purpose in Your Organization**

1. Shift the dialogue from profit to purpose. Dedicate time in meetings for purpose, create purpose metrics or add purpose targets to scorecards.
  2. Emphasize a long-term view to keep your purpose present in major decisions.
  3. Align your brand’s core competencies with your social platform by making a clear, authentic purpose statement.
  4. Every leader and team member should own purpose, sustainability, and social responsibility not just the marketing team.
  5. Systematically take purpose “off the wall” and into the work - read the mission statement at meetings, tell purpose stories in onboarding, and vet every big decision with purpose in mind.
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