

Better than a Purpose-driven Business



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It's great that increasingly more companies today are communicating and, hopefully, operationalizing their "business purpose" to create value for all stakeholders – not just shareholders – and serve the greater good. This movement with its roots in corporate social responsibility of the 1970's was ignited in recent years by the Business Roundtable "redefining" the statement of purpose of a corporation in August 2019 and BlackRock Chairman Larry Fink's seminal annual letter to CEOs in January 2018.

But, being a "purpose-driven business" is not enough. To optimize performance and productivity, purpose-driven businesses must be fueled by "purpose-driven employees."

In the April 22, 2020 issue of the *McKinsey Quarterly* the authors asked: "What would it take for employees to bring enthusiasm, creativity, and collaboration to work, in addition to discipline?"

The answer: "Connecting your people's individual purpose with organizational purpose is the critical link."

The authors go on to say: "Remember, purpose is personal. By embracing that reality, you can create alignment between people and the organization that enables and ennobles

everyone.”

Some months deeper into the COVID pandemic, the *McKinsey Quarterly*'s August 18, 2020 issue featured an article on “Igniting Individual Purpose in Times of Crisis,” highlighting results from an ongoing research project by the management consulting firm on the intersection of organizational purpose and individual purpose that examined how the two interact and fuel each other through the medium of the employee experience. The authors explain, “Creating strong links to an individual purpose benefits individuals and companies alike – and could be vital in managing the post-pandemic uncertainties that lie ahead.”

The article goes on to say: “During times of crisis, individual purpose can be a guidepost that helps people face up to uncertainties and navigate them better, and thus mitigate the damaging effects of long-term stress. People who have a strong sense of purpose tend to be more resilient and exhibit better recovery from negative events. Indeed, our research conducted during the pandemic finds that when comparing people who say they are “living their purpose” at work with those who say they aren't, the former report levels of well-being that are five times higher than the latter. Moreover, those in the former group are four times more likely to report higher engagement levels.”



“And if this wasn’t enough individual purpose benefits organizations, too,” claim the authors of “Igniting Individual Purpose in Times of Crisis.” They go on to say that, “Purpose can be an important contributor to employee experience, which in turn is linked to higher levels of employee engagement, stronger organizational commitment, and increased feelings of well-being. People who find their individual purpose congruent with their jobs tend to get more meaning from their roles, making them more productive and more likely to outperform their peers. Our own research finds a positive correlation between the purposefulness of employees and their company’s EBITDA margin.”

Graeme Bignell, Senior Client Partner at Korn Ferry, a global organizational consulting firm, says in “Finding the Lost Link Between Company and Individual Purpose,” “The reality is that

companies cannot talk about the organization's purpose without considering the individual purposes of their people and finding points where organizational and individual purposes intersect."

"The challenge is to connect the personal with the collective," says Bignell.

"Often we see this disconnect play out when businesses publicly commit to a purpose- and values-led approach to business (think of corporate social responsibility policies for instance) and assume that it will be enough to attract the right people. I increasingly believe it isn't. Organizations must be willing to reach beyond their purpose to consider the individuals who work to enact it."

"By enabling individuals to pursue their own purpose alongside the organization's purpose, companies attract people who are far more engaged. If individual purpose is aligned and supported by an organization, then individuals are more likely to authentically bring their whole selves to work. They'll go above and beyond what's expected because they're primarily driven by internal, not external, motivation. If we can do that, we'll have happier, more effective employees, better commercial outcomes, less turnover, less cost and highly engaged individuals."

This is why purpose-driven companies would be well-advised to support employees in discovering their individual life purpose and then invite them to find the "alignment" with the organization's purpose to create stronger engagement that will help drive the business forward. Ordinarily, many companies do not want to delve into what they deem to be the "personal" area of individual life purpose that deals with questions of who we are at our essence, what matters most to us and how we serve others.

However, these are extraordinary times and employees are

pondering these questions and evaluating whether their lives, including work, are meaningful and fulfilling. Forward-thinking organizations and leaders would be well-served by helping employees navigate these challenging and uncharted waters.

During times of crisis, effective leaders are important sources of trust, stability, meaning, and resilience. They also play a vital “sensemaking” role for those around them. So, it makes sense for leaders to help employees discover their individual life purpose and then invite and challenge them to live it more fully at work.

One of the few leaders to speak publicly about the link between “individual purpose” and “organizational purpose” is Satya Nadella, CEO of Microsoft, who wants his employees to be able to live their individual purpose through the vehicle of Microsoft so they can say: “I don’t work for Microsoft. Microsoft works for me.” This makes sense for a company whose business purpose is to “Empower every person and every organizations on the planet to achieve more.”

Imagine how difficult it would be to hire away an employee who is encouraged to live their purpose at work. And imagine how much easier to recruit a prospective employee to a company where they are invited to live their life purpose at work!

When Nadella was asked the secret behind Microsoft’s resurgence and achievement of a trillion-dollar valuation in April 2019, becoming only the third company to do so after Apple and Amazon, he talked about the “key to unlocking a company’s full potential.”

Nadella explained, in an Inc. Magazine interview, that it comes down to the company’s culture and how the culture can work for employees. He said that a strong company culture happens when each employee is able to bring their personal passions and philosophies to work in a way that creates

meaning for them. Nadella said it's "the biggest unlock any corporation can do" and what Microsoft is trying to do.



McKinsey consultants agree, saying in "Igniting Individual Purpose in Times of Crisis," "These are challenging times, and people who are able to draw energy and direction from a sense of individual purpose will weather them with more resilience, and will recover better afterward. Companies that embed and activate individual purpose in the employee experience can benefit as well, including through improved performance. And, of course, purposeful work and a purposeful life are enduring benefits in and of themselves—ones that everyone should have the opportunity to seek."

[Click here to learn about The Rise of Purpose-driven Individuals and Organizations.](#)

About the Author: After an award-winning PR & Marketing career and co-founding three agencies, Patrice Tanaka started Joyful Planet, working with individuals and organizations to discover and actively live or operationalize their purpose and unleash greater success, fulfillment and joy in their personal lives, workplaces, and communities. Joyful Planet is Patrice's vision of 7.7 billion people living their purpose and leveraging their talent, expertise and passion in service of others. Life and organizational purpose are the subjects of Patrice's best-selling books, *Beat the Curve* and *Performance360*. She has been honored by PRWeek (Hall of Fame inductee), PRSA Foundation (Paladin Award), PRSA (Paul M. Lund Award for Public Service), New York Women in Communications (Matrix Award), among others. Patrice is Immediate Past Co-Chair of the Diversity Action Alliance, a PR industry-wide coalition of 15 influential organizations committed to action on diversity, equity and inclusion.

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