



## Organisational purpose

Defining your purpose in the New World of Work.

[morganphilips.com/consulting](https://morganphilips.com/consulting)

---

# What's inside

<b>INTRODUCTION</b>	<b>3 - 4</b>
<b>FINDING A GREATER PURPOSE</b>	<b>3</b>
<b>WHY ARE YOU DOING WHAT YOU DO?</b>	<b>4</b>
<b>VISION, VALUES... AND PURPOSE</b>	<b>5</b>
<b>THE BUSINESS CASE FOR PURPOSE</b>	<b>6 - 7</b>
<b>PURPOSE IS KEY TO ATTRACTING TOP TALENT</b>	<b>7</b>
<b>CORPORATE PURPOSE SHOULD ALIGN WITH INDIVIDUAL PURPOSE</b>	<b>8</b>
<b>WHAT DOES A PURPOSE-DRIVEN ORGANISATION LOOK LIKE?</b>	<b>9 - 10</b>
<b>MATCHING ORGANISATIONS WITH TALENT</b>	<b>10</b>
<b>FURTHER READING</b>	<b>11</b>

*“Purpose affirms a company’s reason for being, ethically, emotionally and practically... with authenticity.”*



## Finding a greater purpose.

What is your company's purpose - its reason for being? A profound question that deserves a profound answer. It needs to empower employees, inspire customers, and capture the attention of stakeholders.

But because of the outward-focused nature of this question, purpose often gets confused with social responsibility. Unlike social responsibility, which in most cases is about ticking a few boxes and carrying on with business as usual, an organisation's purpose drives strategy and structure, decision-making, recruitment and employee development, as well as customer and stakeholder relationships - its influence permeates all aspects of the company.

### 5 reasons why you need to take purpose seriously:

#### 1 — Stronger employee engagement.

People are far more likely to be engaged at work if they believe in what your organisation stands for.

**89% of business executives said organisations with shared purpose will have employee satisfaction.**

Source: EY - The Business Case for Purpose, 2015

#### 2 — More talented team members.

Purpose-led organisations are also more likely to attract top talent with similar values and beliefs.

**For six in 10 millennials, a "sense of purpose" is part of the reason they chose to work for their current employers.**

Source: Deloitte, The Deloitte Millennial Survey, 2015

#### 3 — Higher engagement

If your employees are convinced you're the best in the business, your customers will be more likely to believe it too.

**When customers are aligned with a brand promise, they give that brand twice as much share of their wallet.**

Source: Gallup: A Company's Purpose Has to Be a Lot More Than Words, 2015

#### 4 — Better business success.

More engaged employees and customers means your organisation is more likely to meet, and exceed, its business objectives.

**79% of business leaders think purpose is central to business success.**

Source: PwC Putting Purpose to work: A Study of Purpose in the Workplace 2016

#### 5 — Outperform the competition.

Greater business success means your organisation is more likely to outperform the competition.

**Companies with a highly engaged workforce that believe in the business improve operating income by 19.2% annually.**

Source: Towers Watson Strategies for Growth 2010

# Why are you doing what you do?

Purpose is the reason for something being done or created. In a business setting, it is the 'why' behind your organisation's existence. In contrast to vision and values statements, which describe an organisation's current business objectives and standards, purpose takes on a deeper significance that should stand the test of time – the reason why you exist in the first place. Purpose galvanises people to ignite long-lasting positive change, driving growth and innovation. Purpose is an aspirational reason for being and inspires a call to action.

*So, what is your company's purpose? Why does it exist? Why is your company doing what it's doing?*

It's a simple enough question to ask, but most companies struggle to produce an answer beyond 'making a profit' (that's a result), 'keeping the shareholders happy' (also a result), and 'to be the leader in...' (a mission statement).

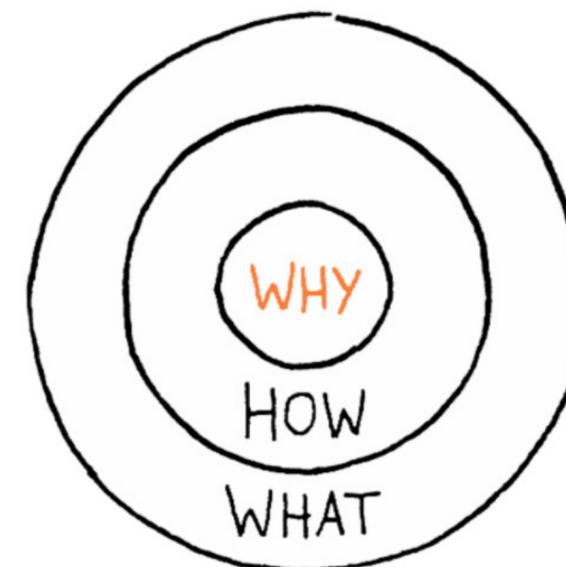
For some companies, to answer this all-important question might demand a major evolution in thinking. Why does your organisation's existence matter? What would be lost to the world if it stopped existing? Why would anyone dedicate their precious time, energy, and passion to your company? (Note again: the answer may not be money.)

Every organisation on the planet knows what they do, and many organisations know how they can do it successfully, but very few organisations can explain why they do it. That 'why' is the purpose, the cause, the belief.

Organisations need to dig a little deeper to uncover an authentic reason for their existence if they expect employees, stakeholders and customers to buy into it.

Simon Sinek's Golden Circle model illuminates this problem. Being able to articulate your corporate purpose is the key to success in today's ever-changing business environment, which is moving so fast that 'VUCA' has already become old hat.

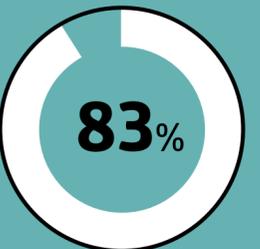
## Simon Sinek's Golden Circle Model



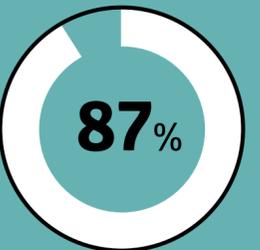
What seems to be more of a constant, however, is that being driven solely by profit and performance underpinned by clichéd, uninspiring and un-motivating vision and values statements isn't a sustainable business model.

### Key facts:

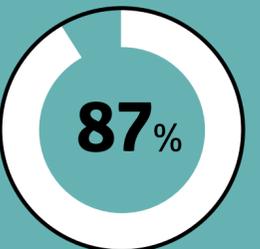
*of CEOs are confident that purpose is a guide for decision-making.*



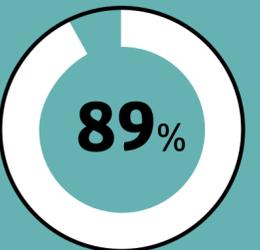
*of consumers believe performance is best over time if purpose goes before profit.*



*of millennials base buying decisions on positive social efforts of a company.*



*of executives said organisations with purpose will have employee satisfaction.*



## Vision, values... and purpose

Purpose affirms a company's reason for being, ethically, emotionally and practically...with authenticity. Purpose is outward-focused with customer empathy, and no matter how it's communicated, purpose enables an organisation to realise its true brand and create its desired culture.

### *Why do organisations need a purpose?*

Humans respond best to messages that resonate with emotions, so answering the big "why" question is probably the most important piece of communication an organisation or individual can adopt.

At a time where change is a constant variable, employees crave stability from the organisations they choose to work for. But, perhaps more importantly, they crave a sense of organisational drive and purpose that will flourish in today's unstable economic and political environment.

Communicating the reason for your company's existence is more likely to:

- > Inspire action
- > Raise motivation
- > Improve co-operation
- > Heighten trust
- > Enable change
- > Establish a sense of belonging and common purpose.

With purpose, everyone more readily appreciates that they are part of something bigger, sharing in a common goal and resulting in greater engagement, passion and connection with their company.

*"Purpose is playing a central role in engaging staff in their work and acting as a focal point for rewarding effort that has an impact beyond numbers or productivity."*

Purpose in Practice, Claremont Communications 2016

### *Purpose builds trust.*

Corporate secrets are a thing of the past. With customer review sites such as Yelp or TripAdvisor, and employee review sites like Glassdoor, the internet is rife with information about your business.

Today's employee is far more likely to favour organisations with ethics that are on par with their own.

To earn the trust of employees and customers alike, organisations need to be transparent about what goes on behind closed doors.

By establishing a strong purpose, an organisation is stating their intent to customers and employees from the get-go, and demonstrating this intent in their behaviour.



- **Vision**  
is where your organisation wants to be in the future. It's a useful compass for direction but lacks an emotional connection with the customer, employee or candidate.
- **Mission**  
describes what the organisation does, its competitive advantage and the market it's in. But it's hardly a major motivator for employees.
- **Values**  
describe standards of expected behaviour and culture – a good way to attract talent ...if it is believable.
- **Purpose**  
is outward-focused in a way that makes people connect with your organisation on an emotional level. By finding a way to express an organisation's impact on the lives of customers, students, patients etc. you can build that connection, and truly inspire the workforce.

## The business case for purpose.

Digitally native organisations are becoming the poster children for how purpose doesn't have to be mutually exclusive to profit; do it right and you have a winning recipe for thriving instead of surviving. It's a key ingredient for a strong, sustainable and scalable organisational culture in which employees are mobilised, not managed.

*Here are some facts that demonstrate the power of purpose as the bedrock of organisational culture and productivity:*

### Stock market benefits:

**15x**  
*more brand performance*

*The stock of wellknown brands performs 15 times better than the overall stock market because of a strong sense of purpose.*

**Outperform the competition**

*Over a decade-long period, purposeful companies outperform their counterparts in stock price by a factor of 12.*

### Customer benefits:

**75%**  
*of CEOs*

*Three quarters of CEOs believe purpose creates short and long-term value and customer retention.*

**2x**  
*share of wallet*

*When customers are aligned with a brand promise, they give that brand twice as much share of their wallet.*

### Engagement benefits:

**Better business performance**

*Three quarters of CEOs believe purpose creates short and long-term value and customer retention.*

**An engaged workforce**

*When customers are aligned with a brand promise, they give that brand twice as much share of their wallet.*



### Best in class

Best in class organisations that established, embedded and exploited a purpose experienced very positive results, according to Winning with Purpose, SAP 2016:

- > 64% saw 10%-30% revenue growth over three years
- > 81% have top scores in customer satisfaction
- > 67% have top scores in employee satisfaction

## Purpose is key to attracting top talent.

When it comes to the war for talent, purpose has entered centre stage in attracting high potential and future leaders.

A number of factors are important to talented job seekers - diversity, work-life balance, salary and benefits, to name a few. But purpose is the number one factor people look for when searching for companies to join, according to a recent LinkedIn report that surveyed over 26,000 respondents.

Research by Edelman has identified a clear link between brands' and leaders' communicated purpose and trust in companies, while research by Deloitte has demonstrated how important purpose is to employee engagement.

It is little wonder, then, that while the average millennial tenure at a company is said to be around two years, that figure jumps to five years when there is alignment with purpose.

Far from being something trapped in a seldom-considered mission statement, purpose is becoming central to how a company communicates and behaves, and how it defines its culture. It may be the most significant, sustainable competitive advantage it has.

## The greater good.

In order to attract and retain top talent, purpose-led organisations should seek to make a positive impact on society, and make their team a part of it.

It may be obvious but it's the alignment between a person's purpose and the organisation's purpose that is crucial.

This can be achieved by supporting employees to understand their own purpose on a personal level, and determining how it fits with the organisation.

Unilever has incorporated purpose and social good into its employees' performance reviews, for instance. This means employees are measured by their impact on people and the planet as well as their financial performance.

## Meaningful work.

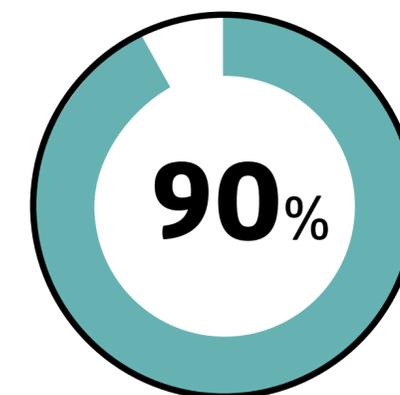
When we find our work meaningful, we are more likely to enjoy it, be more productive, feel committed to our employers and satisfied with our jobs – that's according to a new study by Purdue University.

Surveying 600 university alumni about their jobs at three different points over a six months period, the study asked participants to rate the task significance of their work and how meaningful they find their jobs in general.

Greater belief in task significance at an earlier point in time was often followed by increased ratings of work meaningfulness three months later, regardless of previous meaningfulness levels.

*of employees in purpose-driven companies  
report feeling more engaged.*

Gallup



# Corporate purpose should align with individual purpose.

Starting with an anchor of purpose can result in a real competitive advantage. But it's not good enough to simply state it and expect everyone to roll over in awe. While purpose comes in many forms – saving people money, time and effort (Amazon), or to accelerate sustainable transport by shifting to electric (Tesla) – it varies significantly in its power to motivate.

## Developing an authentic corporate purpose.

Some organisations have had to learn the hard way that you can't force employees to share your purpose. No matter how emotive a statement may be, it won't necessarily translate into motivation and loyalty.

Research reported by the co-founder of marketing and advertising firm Enso, Sebastian Buck, found that people can readily identify purpose in many companies, but motivation varies significantly depending on whether it is aligned with an individual's purpose on a personal level.

Articulating your company's purpose in a way that resonates clearly has a number of business benefits, from engaging the workforce to gaining market share.



**1/3** of US workers strongly agree that the mission or purpose of their company makes them feel their job is important.

Source: A company's purpose has to be a lot more than words, Gallup, 2015

## Purpose and motivation.

Research by advertising firm Enso found:

- > Over 70% of people can identify a purpose in big brands like McDonald's and Walmart
- > Only 43% said the purpose of these brands was aligned with their values; around 25% of people found that purpose motivating enough to support the company
- > The figures are worse for companies whose purpose has been questioned: 60% understood Volkswagen's purpose, but only 11% said it aligned with their values, and only 2% would support the company.

Companies with an easily identifiable and meaningful purpose perform better:

- > 70% of people can identify Amazon's purpose (beyond making a profit) and 52% said that they would support it.

## Authenticity comes from within.

It's up to organisational leaders to make this purpose become real and relevant - the best way to achieve this is by looking at your employees.

There's often conflict between what companies want their purpose to be and the brand and culture their employees create through their actions.

According to Gallup, roughly a third of the US workforce strongly agree that their company's mission or purpose statements makes them feel their job is important.

Organisations need to practice what they preach by actively making an effort to demonstrate the steps they are taking to live out their purpose.

For instance, Starbucks stores in America donate all unsold food to food banks – this aligns closely with the brand's purpose: "To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time."

Make it clear what steps you are taking to reduce your impact on the environment, or what causes your organisation is supporting, and allow your employees and customers to get behind it too. This will create a shared sense of purpose.

# What does a purpose-driven organisation look like?

Purpose is valuable in that it connects the heart and the head, providing inspiration to think what else could be done. Unlike business objectives that are determined by today's market, purpose is a philosophy, and will likely be just as valid in a 100 years' time as it is now.

While creating and establishing an organisational purpose sounds relatively simple, it can be a complex process. Some of the questions you may find yourself trying to answer could include: What do we do to serve humanity? How do we create joy or belonging? What would the world do if we stopped existing?

## A purpose statement must:

- > Be customer/external focused
- > Be aspirational, motivational, inspirational, authentic and emotional
- > Stand the test of time
- > Take social/human impact into consideration as well as corporate objectives
- > Be practical
- > Act as guidelines for standards, helping to determine what should be done and what shouldn't.

## Examples of inspiring purpose statements:

	<p>To organise the world's information and make it universally accessible &amp; useful.</p>		<p>Bring inspiration and innovation to every athlete* in the world. *If you have a body, you are an athlete.</p>		<p>Making sustainable living commonplace.</p>
	<p>Contribute to society through the development of superior, original technology and products.</p>		<p>To create a better everyday life for the many people.</p>		<p>Promote and spread happiness.</p>
	<p>Helping support the health, well-being and healing of both people and the planet.</p>		<p>To enable people and businesses throughout the world to realise their full potential.</p>		<p>Enrich, not exploit.</p>

---

## Matching organisations with talent.

When searching for fresh talent, most organisations tend to try and pair a candidate's competencies with the skills outlined in the job description. But the key to engagement, loyalty and productivity requires a deeper level of analysis.

Instead, employers need to determine if an individual's sense of purpose (their integrity) aligns with the organisation's purpose, and also look to match the candidate's mindset with the company culture. These elements will have a greater impact in the long run than purely finding a candidate with the right skillset to do the job.

*“Without integrity, motivation is dangerous; without motivation, capacity is impotent; without capacity, understanding is limited; without understanding, knowledge is meaningless; without knowledge, experience is blind.”*

Dee Hock, founder and former CEO of Visa

---

## Our approach.

We take the person-work environment fit seriously.

A person's skills need to be matched to the job description and the individual's mindset needs to fit with the company culture. In addition, the candidate's purpose also needs to be aligned to the organisation's purpose.

Morgan Philips Hudson Talent Consulting is a research-based talent solutions organisation with an understanding of the complexity in ensuring the right candidate gets the right job, and armed with the tools and methods to do so. Our formula is a multi-faceted, multi-layered approach that elevates both the individual and our client organisations to be the best they can be.

---

## Further reading.

Want to learn more about how to create a sense of purpose for your organisation? Here are some useful links:

---

### **Are vision and values holding back your corporate culture?**

Why organisations need to focus their efforts on building an engaging and authentic corporate culture.

[Find out more](#)

---

### **How to create a corporate culture your employees actually care about.**

Here's how an organisation can focus on their 'DNA' in a way that resonates with employees.

[Find out more](#)

---

### **New World of Work Executive Briefing.**

Forget about the "future of work". Attitudes to work, organisational structures and effective leadership styles have already changed and continue to evolve. The new world of work is not a future concept, it is here today.

[Find out more](#)

---

### **Learn more about PULSE MINDSET™.**

PULSE MINDSET™ is an online tool used for talent selection, assessment and development. It measures the mindset of an individual in terms of what motivates them and their preferred working styles, by looking at five core mindset categories.

[Find out more](#)

---

### **VIDEO: How today's workplace is evolving.**

Our business psychologist, Dr Tim Sparkes, asks how you can lead in a rapidly changing environment.

[Find out more](#)

---

### **The Leadership Blueprint.**

We've developed a leadership blueprint to assist you with identifying and mapping out the leadership potential in your organisation.

[Find out more](#)



---

## Morgan Philips Hudson Talent Consulting

[morganphilips.com/consulting](https://morganphilips.com/consulting)

© Morgan Philips Group 2018. All rights reserved

MORGAN  
**PHILIPS** Hudson  
— TALENT CONSULTING —