



Focus on “why”: CEOs need to lead with purpose to create thriving organizations

Jim Hart is President and CEO of Senn Delaney, a firm that has partnered with hundreds of CEOs and their senior teams around the world to create thriving, high performance teams and cultures. He discusses why organizational purpose is one of the most powerful driving forces in successful companies and leaders.

What can you share with CEOs about why they should focus on purpose?

It makes good business sense to focus on purpose, both from a bottom-line perspective as well as employee engagement. In our work with clients, we have found that leaders with a strong, clear purpose and who have aligned the people in their organization around living that purpose tend to have outstanding business results and thriving cultures. Many studies affirm this.

Can you cite some of these studies?

In 2010, PR and communications firm Burson-Marsteller and IMD, one of the world’s top executive business schools, surveyed more than 200 leading European companies across 10 industries on corporate purpose. The Corporate Purpose Impact study found that having a strategically coherent and well communicated corporate purpose is associated with up to 17 percent of better financial performance and builds trust with stakeholders.

Adam Grant, associate professor at University of Pennsylvania’s Wharton School and a noted researcher on work motivation, recently did a study of several call centers. He found that engaging people in “why” — even in surprisingly simple ways — can have a big impact. He did a controlled study at a university call center seeking to raise scholarship funds. Before calling people, one group read stories from scholarship recipients. The aim of these stories was to remind workers of the purpose; the “why” of their work and its effect on others’ lives. The effect was powerful. They doubled pledges and raised more than twice as much money as they had in previous weeks and significantly more than their counterparts in two other control groups.

In addition, we became acutely aware of the power of purpose on leadership performance through our partnership in the 2008 Organizational Performance Study with three leading university business schools and subsequent Senn Delaney research, interviews and survey data. We found that purpose is one of three key principles that create the Thriving Mindset that top-performing leaders demonstrate. We have since created a teachable, repeatable approach that keeps leaders on a life-long Thriving Mindset journey that has purpose at its heart, along with vitality and learning.

Can you cite a company that credits high performance to having a clear purpose?

USAA is a strong example of how a company with a defined purpose has created a distinct competitive advantage. The company

has enjoyed robust growth, garnered top ratings for financial strength and regularly ranks at the top in customer satisfaction. CEO Gen. Joseph Robles attributes a big part of USAA’s success to the passionate commitment of leaders and frontline employees to USAA’s six cultural pillars and to working from a higher purpose of going above and beyond to serve military families because it is the right thing to do.

What should CEOs consider if they want to bring their organizational purpose to life?

Here are five key questions we ask CEOs to consider when we are helping them to define their organizational and personal purpose:

- 1) What is your purpose in leading?
- 2) Do your employees know what your company’s purpose really is — “why” you exist?
- 3) Do employees feel like they have a personal connection to that purpose and their role in achieving it?
- 4) Do your clients and customers clearly understand your purpose and what it means to them?
- 5) Are you willing to make the hard decisions that need to be made to remain true to your organization’s purpose?

Any final advice?

Motivation allows people to achieve goals but does not inspire them. Purpose is what moves people beyond motivation to inspiration. Inspiration that comes from clarity of purpose makes people happier, more authentic in their work and motivated from within, propelled by the belief that their ideas and contributions make a meaningful difference. Any CEO who wants to succeed through inspiring their workforce should embark on the journey to understanding and living their purpose.

To learn more about best practices of CEOs in leading senior teams and shaping cultures to enhance the spirit and performance in their organizations, contact Jim at **(562) 981-5298**, jhart@senndelaney.com or visit www.senndelaney.com.



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