Why & How to Build a Purpose-Driven Organization

What 21st century business leaders must do to transform the way people engage their hearts and minds in shared purpose, resulting in greater fulfillment and better organization performance.
Have You Noticed That ‘The Game Has Changed’?

Over the past ten years, millennials in the workforce have rapidly become the largest segment of workers. By 2025, they will comprise 70% of the US workforce (PEW).

Compared to their predecessors, this generation brings to their jobs different work expectations. Key among these is they’re seeking meaning beyond just paying the bills. A PWC global study of millennials in the workplace indicated two of the leading factors in millennials’ employment choices were “opportunities for personal development” and “career progression in the organization.” And according to a 2015 Deloitte study on Millennials in the workplace, “For six in 10 Millennials a “sense of purpose” is part of the reason they chose to work for their current employers.”

Understanding this trend has led to mainstream exploration of what it means to be a purpose-driven organization as well as how to put in place new management systems that work for upcoming generations.

Based on 15 years of research and field trials, we have learned that modern management systems operate on a few core principles AND must do a few basic things. We share these with you in the hope that it will help you on your journey.

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1 https://www.pwc.com/m1/en/services/consulting/documents/millennials-at-work.pdf
Core Principles

Everyone Wants to (rather ‘needs’ to) Win

What motivates people? Answering this question is a must. If you’re going to build an organization that unlocks the potential of your staff, and therefore your organization, you must figure out WHY they come to work.

Behavioral psychologists, philosophers, and theologians have been asking this question for centuries. In his book, The Hero’s Journey, American scholar Joseph Campbell shares his findings from decades spent studying ancient stories of many different cultures. A ‘universal’ theme in these tales is the celebration of the journey of the “hero.” A problem confronts the ‘hero’, the hero resolves to do something about it, then fights against the problem, and after a long-difficult battle, overcome it. The hero wins. What Campbell finds in these universal stories is an expression of the innate drive humans have to ‘win’.

On the other hand, Judeo-Christian theologians hypothesize that humans were created by God and in His image for the specific purpose of overcoming this undeveloped world. And they were designed with the tools to do so – imagination, the ability to work with others and an insatiable desire to invent, create and build.

Whether seeing “motivation” from a humanist or a biblical worldview, you get the same idea. People have a deep desire to “win” hard-wired in our nature.

“Work is as much a basic human need as food, beauty, rest, friendship, prayer, and sexuality; it is not simply medicine but food for our soul. Without meaningful work we sense significant inner loss and emptiness.”

- Tim Keller, Author of “Every Good Endeavor”
There Are Many Different Ways to “Win”

There are as many ways to win as there are people on the planet. Think of the people you know who live with passion. It may range from the researcher looking for a cure for cancer to grandma fixing a feast at Thanksgiving. *A purpose-driven leader helps others discover the meaning that’s inherent in the work they’re doing today, and reinforces the value of who they are and what they’re contributing to benefit others.*

For some, “purpose-driven” means doing other social good beyond an organization’s provision of products and services to its customers. A great example is TOMS Shoes. They give a pair of shoes to needy children for every pair they sell. This kind of purpose has attracted many loyal supporters.

For others all work has rewarding purpose if it makes the life of someone else better. From the surgeon to those who keep the operating room clean, they are both critical. How about the person who builds the brakes for your car or repairs the electric lines to your house? It is humbling and enlightening to think about the enormous amount of work that has to be done every day by many ‘someone’s’ to make our ‘everyday’ a reality. It matters to me a great deal that those people do their work well. And, I hope they take satisfaction from doing it. A healthy society depends on people using their unique abilities at work to benefit others. When we all do this, we all live better.

“Everyone has his own specific vocation or mission in life; everyone must carry out a concrete assignment that demands fulfillment. Therein he cannot be replaced, nor can his life be repeated, thus, everyone’s task is unique as his specific opportunity to implement it.”

- Viktor E. Frankl, Author of “Man’s Search for Meaning”
Leaders Need New Skills and Tools to Engage the Changing Workforce

Given that millennials’ have expressed their desire for meaningful work, it is incumbent on leaders at every level in the organization to develop new skills and tools to be effective in this new era.

For example, millennials, by and large (and most people, in fact), realize more of their potential when working in collaborative small groups. This requires new team building and management skills. Another example is adopting “agile” management processes, allowing groups to adjust and to change rapidly without creating chaos.

If you want to build an organization that truly rocks your part of the world, then frontline leaders, all the way on up, have to master the skills required to engage and align people around shared purpose.

‘Profit’ and Purpose-Driven are Not Incompatible

Generating profit is not contradictory to being purpose-driven. Actually, having healthy profits is a necessity to invest for the future, providing more and better products, services and jobs. Profit is public “feedback” confirming that an organization has utilized its resources effectively enough to produce something they value at a price they are willing to pay. To do this well, organizations must understand whom they are serving and why. This is the essence of defining purpose.

However, sometimes leaders can get off-track and make profit the primary purpose. It is not. Profit does not exist without satisfying customers -- profit is a by-product of purpose. A ‘profit at all costs’ mindset is not sustainable, because it eventually leads to trade-offs that are not acceptable to customers or employees. When they get a choice, both groups will go elsewhere.

Most people realize that being part of a healthy organization financially is part of what it means to win. Their future depends on it and so does the community. However, millennials in particular want to associate with organizations that understand that profit is a by-product of living and working purposefully.
“The myth that profit maximization is the sole purpose of business has done enormous damage to the reputation of capitalism and the legitimacy of business in society. We need to recapture the narrative and restore it to its true essence: that the purpose of business is to improve our lives and to create value for stakeholders.”

— John E. Mackey, Author of “Conscious Capitalism”

What 21st Century Management Systems Must Do (i.e. the HOW)

Given the assumptions above, organizations need a new type of management system. It must be strong in strategy and execution functions, but it is also must equip front-line leaders to engage people at all levels in shared purpose. This is the key to unlocking potential, increasing fulfillment and improving performance. The following is a snapshot of six basic disciplines that our research shows need to be established if you want to build a high-performing, purpose-driven organization.
Strategic Vision – What Will Make Us Different?

The essence of strategy is answering the tough question of what will make us different as an organization. What is the passion behind the organization, why does it exist, what is valued? Who are we serving? Who are we competing against?

Answering these broad questions is necessary, but not sufficient to engage people in purpose. These long-term vision aspects have to be translated into clear and measurable objectives that clarify how resource is to be allocated. And what kinds of work needs to get done. Although workers will be attracted to an organization by its mission and values, work groups and individuals will ultimately need to understand how their day-to-day contribution fits into this purpose. The clearer and more robust the strategy definition is, the easier it is to make that connection and align around it.

Modern management systems have to enable the development and communication of clear strategy.

Strategic Change Management – What is Our Change Roadmap?

The excitement and energy that flows out of the strategic visioning process quickly leads to confusion and disillusionment without a clear ‘change roadmap’. The purpose of the roadmap is lay out a path for achieving the new vision. This roadmap has to be carefully crafted considering the workload required to just keep the organization working on a day to day basis.

This change roadmap serves as discussion vehicle for introducing strategic change into the organization. Modern management systems use some sort of change management model that guides workgroups, one at a time, through the phrases in this diagram. From the ‘what’, ‘why’, ‘how’ of the change to ‘applied learning’ and eventually ‘sustained mastery’ each step matters.
The takeaway in this abbreviated forum is that introducing change can be one of the most engaging activities there is OR it can cause much pushback and disengagement, which may take months or years to recover from.

Twenty-first century management systems must equip leaders to manage change effectively.

**Operational Alignment – How Do We “Run and Change” the Business at the Same Time?**

What many strategic planning processes fail to recognize is that 90%+ of most people’s time is consumed keeping the business running. (Some might say more than 100%!) This means pushing change too fast puts people in a position where they feel like they cannot “win.” They can’t fulfill their current responsibilities AND invest in rapid strategic change at the same time. The third discipline that organizations must develop is the ability to align resources properly, thereby reducing the conflict between keeping things working smoothly and making the changes necessary for future success.
This capability is particularly important if you want to perform better than other organizations. Why? Because research shows that in most organizations, up to a third of work time does not contribute to their strategy. By applying disciplined alignment processes, that waste can be replaced with higher priority work. And without such processes, the temptation is to conclude that more resource is needed, which often makes the problem worse.

To keep people engaged and tap their full potential means that today’s management systems have to equip managers to know where and how resource is being used and how to deploy it most effectively. Without such knowledge, people will become overloaded, discouraged and resort to a lot of reactive firefighting.
Teamwork-Driven Execution – How Do We Work Together to Do What Is Important Each Day?

All strategic and operational planning exists to prepare teams to work together to get the most important things done every day. This is literally the foundation for winning. Indeed, winning can also be seen as a ‘war’ of competing demands and changes in circumstances that require great agility. Although we as individuals want to win, behavior research (Kurt Lewin) shows that groups of people who collaborate and make decisions together are more committed to their purpose than those who work alone. We appear to have this innate desire to collaborate and cooperate in pursuit of purpose. Few truly thrive being alone.

It is into this situation that the leader/manager is called upon to do the most interesting and challenging work of all. Help groups leverage each other’s strengths to accomplish what no individual could on their own. In doing so, you have the maximum amount of potential being unleashed toward the organization’s purpose.

Unfortunately, all too often we thrust company leaders into this role without giving them the training and tools to develop the wide variety of skills they need.³

³ A number of recent studies suggest that employer-paid training is on the decline in the United States. A 2015 study published by C. Jeffrey Waddoups, Professor of Economics at the University of Nevada Las Vegas, provides empirical evidence on the issue by analyzing data on employer-paid training from the Survey of Income and Program Participation, a nationally representative data set. The findings reveal a 28% decline in the incidence of training between 2001 and 2009. Published December 9, 2015. https://doi.org/10.1177/0019793915619904
In other words, management systems that support purpose-driven leaders need to provide leadership training that introduces basic competencies for how to coach people, build plans, set goals, track results, run effective meetings, coach in regular one-on-one sessions, assess strengths and weaknesses, maintain agility, and more. Training alone, however, is not adequate. In today’s fast-paced world, leaders need to have the competencies they’re trained in be reinforced in both the management processes they use and the software that implements those processes.

“‘Firms of Endearment’ devote considerably more time than their competitors to employee training. For example, The Container Store’s first year employees get an average of 263 hours of training versus the retail industry’s average of eight hours.”

- Rajendra S. Sisodia, David B. Wolfe, Jagdish N. Sheth, Authors of “Firms of Endearment: How World-Class Companies Profit from Passion and Purpose.”

Continuous Improvement – What Should We Improve Next?

Sometimes leaders misunderstand the role continuous improvement plays in an organization. Continuous improvement is not strategy. Strategy is about what you’re going to do to achieve your vision and to be different from your competitors. Continuous improvement is about trying to improve the processes used to operate the organization. Many times these processes are similar to those of competitors. They may lower costs, but they do not make you different from competitors, unless you are competing on price.

Continuous Improvement has another strong benefit, especially with the growing influx of millennials into the workforce. Since continuous improvement is driven from the bottom up, it gives people on the front lines opportunities to take initiative and use their creativity to improve the organization. People are most
engaged when they’re able to take initiative in identifying and solving problems, as opposed to just being told what to do, day-in and day-out. It is

Modern management systems increase engagement by integrating continuous improvement into the strategy execution process. This way, workers on the front lines are not just connected to purpose, but encouraged to use their own unique knowledge and skills to improve the organization’s achievement of purpose.

“Businesses must view people not as resources but as sources. A resource is like a lump of coal; you use it and it’s gone. A source is like the sun—virtually inexhaustible and continually generating energy, light, and warmth. There is no more powerful source of creative energy in the world than a turned-on, empowered human being. A conscious business energizes and empowers people and engages their best contribution in service of its noble higher purposes. By doing so, a business has a profoundly positive net impact on the world.”

— John E. Mackey, Author of “Conscious Capitalism”

Organization Development – How Can You Prepare Your Organization for the Future?

Organizations that have clear purpose and strategy, as well as a workforce genuinely engaged in that purpose, will grow. And growth requires change. In my second book, Execution Revolution, we introduce the “execution paradox,” which says that organizations eventually outgrow their own ability to execute.

The reason is that complexity increases much faster than the headcount growth. The chart below illustrates what happens to you as a manager if you group size goes from 3 people to 25 people. That is an 8 fold increase in headcount (which the lower line represents). However, the number of possible interactions of your group of 25 has increased by 117 fold (the curved line).
Practically, this means communication and alignment become less effective as organizations grow. Based on our work with hundreds of clients, the number one complaint of disengaged employees is poor communication. They use “communication problems” as a coverall phrase for sudden changes in direction, misunderstood assignments, “the left hand not knowing what the right is doing,” etc. This kills engagement.

Twenty-first century management systems must equip today’s business leaders to consider the consequences of growth and change. They must ask ‘how can we be prepare for it?’ Organizational development processes can help gather and assess the facts required to identify growing gaps in leadership skills and organizational processes. From this, leadership can form a clear agenda to drive strategy and operational plans...all are essential to maintain an engaging work environment.
Making It Last

Many business people readily accept that the processes briefly described above are essential practices for building an effective organization, one that engages the hearts and minds of people and improves performance. This acceptance makes sense, because these six disciplines are an assembly of many separate best practices forged by countless practitioners over many years.

What is not as evident is that it is not enough for next generation management systems to just automate and streamline processes. The necessity and the challenge is equipping leaders to transform the culture to one of engaging everyone to maximize and align their potential to shared purpose. Systems and processes cannot do that on a sustainable basis – only people can.

This means that modern management systems have to be optimized to support a new generation of purpose-driven leaders who want to engage purpose-driven workers. This cannot be done with the old models for management and leadership. It requires consciously training leaders in basic competencies AND reinforcing applied learning using those same competencies.

In our experience, this requires ongoing, onsite coaching and mobile software to sustain these competencies. Otherwise, organization entropy takes over and good intentions fall by the wayside. One of the most frequent comments we hear from CEO’s, when speaking to their coaches is, “Don’t let us stop doing this.” All too often, they have been victims of exciting new initiatives that don’t get done or don’t last if they do.
About the Author

Gary Harpst is the Founder of Six Disciplines.

The Six Disciplines Company, founded in 2001, is head-quartered in Findlay Ohio and uses regional coaches to deliver our services. Six Disciplines is a management system for purpose-driven leaders. This system equips leaders to engage people in shared purpose – unlocking potential, increasing fulfillment and improving performance.

This system provides leaders with:  1) *Six proven processes* --for aligning strategy, operations and individuals around shared purpose  2) *On-the-job training* -- that introduces and reinforces 30 leadership competencies 3) *Ongoing, onsite coaching* -- to guide and provide lasting results and 4) *Mobile software* --to manage plans, dashboards, continuous communication and collaboration.

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