

LEAD
— WITH —
PURPOSE

GIVING YOUR ORGANIZATION A
REASON TO BELIEVE IN ITSELF

JOHN
BALDONI

Advance Praise for *Lead with Purpose*:

“The capacity to imagine and articulate exciting future possibilities is the defining competence of leaders. It’s also the toughest of all skills for leaders to learn. That’s what makes John Baldoni’s new book, *Lead with Purpose*, so vitally important. It focuses on the one thing that makes leaders leaders—giving people a reason to believe and a reason to commit themselves to something meaningful and significant. This book is just a delight to read. John writes with elegance and ease about the solid evidence, valid principles, and practical ways in which real-life leaders bring purpose to life. I highly recommend that you make this one of your must-read books of the year.”

—**Jim Kouzes**, coauthor of the bestselling *The Leadership Challenge* and *The Truth About Leadership*; Dean’s Executive Professor of Leadership, Leavey School of Business

“*Lead with Purpose* inspires and instructs with research, interviews, stories, examples, reflective questions, lessons, and action steps.”

—**Dan McCarthy**, Director, Executive Education Programs, The Whittemore School of Business and Economics, University of New Hampshire

“Without a doubt, *Lead with Purpose* will help you reconnect to your own purpose and be a better leader for it.”

—**Ora Pescowitz, M.D.**, Executive Vice President for Medical Affairs, University of Michigan; CEO, U-M Health System

“Purpose drives passion and superior results. John Baldoni reminds us that meaning can be found in our work, no matter what it is we do. *Lead with Purpose* will change the way you lead for the better.”

—**Chester Elton**, bestselling author of *The Carrot Principle* and *The Orange Revolution*

“Anyone who wants to learn to lead effectively in this new era will be glad they made time to read *Lead with Purpose*!”

—**Ari Weinzweig**, cofounder of Zingerman’s, named “coolest company in America,” *Inc.* magazine; author of *A Lapsed Anarchist’s Approach to Building a Great Business*

LEAD WITH PURPOSE

Giving Your Organization a Reason
to Believe in Itself

John Baldoni

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LIST OF EXPERTS

The following were interviewed for their views on the role that purpose plays in creating and maintaining strong, healthy organizations.

- Dan Denison, Professor of Organization and Management, IMD Business School, Lausanne, Switzerland, and Founding Partner/CEO of Denison Consulting
- Retired Brigadier General Thomas V. Draude, President and Chief Executive Officer, Marine Corps University Foundation
- Tammy Erickson, consultant, McKinsey award-winning author, and named one of the 50 most influential living management thinkers by Thinkers 50
- Marshall Goldsmith, preeminent corporate executive coach and named by the American Management Association as one of the 50 great thinkers and business leaders who have impacted the field of management over the past 80 years
- Jim Guest, President and CEO, Consumers Union
- John Maxwell, Founder of the John Maxwell Company, and considered America's premier author on leadership

LIST OF EXPERTS; A NOTE ON THE RESEARCH

- Thomas Monahan, Chairman and CEO, The Corporate Executive Board
- Vineet Nayar, CEO, HCL Technologies
- George Reed, Professor of Leadership, University of San Diego, and retired Army Colonel
- Michelle Rhee, Founder and CEO, Students First, and former Chancellor of District of Columbia Public Schools
- Nancy Schlichting, CEO, Henry Ford Health System
- Paul Spiegelman, Founder/CEO, Beryl Companies
- Michael Useem, Professor of Management and Director of the Center for Change and Leadership, Wharton School, University of Pennsylvania
- Roger Webb, President, University of Central Oklahoma
- Pat Williams, Senior Vice President, Orlando Magic, and best-selling leadership and motivation author

A Note on the Research

In researching this book, I worked with NFI Research to find out how managers and employees viewed purpose and the role it plays within organizations. Using the database of the American Management Association, we surveyed 1,100 individuals. Results of the survey are integrated throughout the book as a means of underscoring key points.

The results from this study prove a salient point about leadership and management in the twenty-first century. People know the right things to do. As you will see from the data points cited at the end of

LIST OF EXPERTS; A NOTE ON THE RESEARCH

relevant chapters, employees and managers have keen insight into how to promote purpose, not as some generic concept but in terms of specific suggestions. Many of these suggestions have been integrated into Action Steps that are itemized at the end of each chapter and fleshed out more fully in the Action Planner.

It is my belief that readers will find these suggestions to be worthy of consideration and, taken in conjunction with the opinions quoted by experts throughout the book, a firm foundation based in real-world practice that will help managers and employees alike not only find purpose within their organizations, but also to act upon it to achieve intended results.



Note: The entire report is contained in the Appendix.

PROLOGUE

Very little is needed to make a happy life. It is all within yourself, in your way of thinking.

—MARCUS AURELIUS

When organizations succeed, it is because they know *what* they do and *why* they do it. We say they have “purpose.”

Let me share a story. Not long ago I walked into an Apple store to inquire when the company might be introducing an external keyboard for the iPhone. The young man who handled my query was polite, but direct, “We are committed to the onscreen keyboard.” Note the word “we.” How many times have you heard a clerk in a store refer to the business as “we,” in particular to a customer who wants something the store does not carry? While some might have thought the young man arrogant, I did not. I considered him committed. His demeanor demonstrated that he believed in Apple, its product line, and its organizational purpose. This young man was acting on purpose, for purpose, and with purpose.

When I share this story with senior executives, I ask them: What would you give to have an entire company full of employees like the young man who assisted me? They smile wistfully, knowing that such commitment is rare. But in reality, it is only rare because companies

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do not take enough time to nurture such purposeful attitudes and results in the workplace.

It is up to leaders to make certain that organizational purpose is understood and acted upon. Based upon research and interviews with business executives in multiple sectors, I have concluded that there are seven key people-smart things that organizations must do to succeed in the new future.

1. **Make purpose a central focus.** Organizations that succeed are those that know where they are headed and why. It is up to leaders to use that sense of purpose to shape the destiny of their organizations and leverage the talents of the people in them to achieve intended results.

2. **Instill purpose in others.** While it may be a cliché to say that “people matter,” reality dictates that they do indeed matter. It is important to teach purpose to your people so that they have a sense of what the organization does and the role they play in it.

3. **Make employees comfortable with ambiguity.** The world as we knew it at the beginning of the century is over and it is never coming back. With this new reality comes a sense of unease. We had grown accustomed to growth as a universal right. No longer will that be true. What will be true however is that purpose can provide clarity in unsettled times. Having strong purpose can provide the direction that employees need to navigate through ambiguity.

4. **Turn good intentions into great results.** The world is tough and people matter, but you still have to get the work done. Purpose can be an enabling factor that provides the link people need to connect what they do to what the organization needs them to do. When

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that happens, employees can turn ideas into practical applications that satisfy customer needs.

5. **Make it safe to fail (as well as prevail).** Purpose is the engine of innovation. While innovation relies upon creativity for spark, it is purpose that turns ideas into practical concepts. No company will succeed all of the time, but it needs to allow its work force to think and act creatively (and occasionally fail) as a means of preparing the organization to meet new and emerging challenges.

6. **Develop the next generation.** Few senior executives will be in their current jobs in five or ten years from now. They may be heading other organizations or they may have retired. Savvy organizations are purposeful about how they develop future leaders. They integrate leadership development into how they run their operations.

7. **Prepare yourself.** Purposeful organizations need leaders who know themselves first; that is, they have an inner compass that points them in the right direction. Such leaders catalyze their own purpose to help their organizations succeed.

This is not by any means an exclusive list of factors affecting people-smart development. In fact, it is only a starting point. The final chapter of this book will explore how leaders can begin to think about, identify, and ultimately learn to cope or take advantage of the factors shaping their own businesses with regard to their own people development.

Purpose can be a driving force for an organization to achieve its intended results. Purpose forms the backbone of what an organization exists to do; upon which you can build vision and mission. A central challenge for leaders is to bring people together for common cause.

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That's purpose. Purpose is the why behind everything within an organization.

This book will show how leaders can unlock the purpose of their organizations and put it to good use for employees to apply to their own jobs. The net effect is to help individuals, teams, and organizations to optimize performance by understanding how to use purpose for good intention.

Leveraging Lessons to Meet Future Challenges

Leaders use purpose to build strong organizations. Importantly, leaders also challenge themselves as well as their employees to lead with, for, and on purpose. That becomes possible because purposeful people have an inner strength that we sometimes overlook: an ability to adapt. Yes, change can be hard, even painful, but executives are among the most capable and resourceful people on the planet. The ideas developed in this book will provide leaders with an approach and a methodology to leverage purpose that is robust, vibrant, and most of all, flexible and resilient.

How well leaders use purpose to create the vision, mold the mission, and shape the values will serve as a testament to their ability to bring people together for common cause. All of us cherish the opportunity to participate in endeavors that engage our intellect, capture our hearts, and enrich our spirits. Purpose can be the great enabler that links leaders and followers together in order to make a positive difference in their organizations.

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It is important for business and public sector leaders to understand their responsibility to instill purpose in the workplace in order to harness the talents of their people. Not only will they succeed in the present but they will also prevail for generations to come.

Purpose matters.

CHAPTER 1

LEAD FOR PURPOSE

“I like to see a man proud of the place in which he lives.
I like to see a man live in it so that his place will be
proud of him.”

—ABRAHAM LINCOLN

The mood in the room seemed to match the mood outside; it was a cold and overcast October morning. Talk was subdued and dark humor prevailed. The managers had gathered for a scenario planning session that I was helping to facilitate, but it was easy to tell that their minds were elsewhere. The media were reporting that this company was about to be bought by a competitor, so many in the room were feeling that any talk about the future, let alone talk of today, was moot.

The mood changed as soon as their boss, a vice president, rose to speak. He addressed the issue of the day and said that he had no further information to share. But he sympathized with how people were feeling, and he offered to meet with them and their teams anytime they asked. He then challenged the group to focus on why they had gathered. He wanted them to shift from thinking about what they

could not do to what they could do. Right now, that thinking was to focus on the immediate future.

The vice president did what all good leaders facing a crisis, or any serious problem, must do: Give the group a reason to believe. He did not dispense false hope, but he gave them something more powerful: purpose. When a group has purpose, its members will work together; they will pull together to make things happen. Purpose is the guiding beacon of every successful organization.



The beauty of the American management model is that it is based on action. That is why the model is emulated throughout the world: Americans know how to get things done. But sometimes getting things done happens at the expense of forethought. In their book *The India Way*, the authors, two Americans and two Indians, discuss one of the pillars of the Indian way that they label “holistic employee engagement.”¹ Central to engagement is purpose: People have to know what they are doing and why they are being asked to do it.

How to Discover Organizational Purpose

Purpose shapes vision, which, quite simply, is where you want to go. *Vision* is the lodestar that shines in the distance and serves as a guiding light. Vision is the process of becoming; organizationally, it is like saying what you want to be when you grow up. Very often, vision opens with an infinitive verb: *to be*. This is expressed as “to be number one,” “to be the most respected,” “to be the one of choice,” and so on. It is aspirational in nature.

Mission is what the organization does. It is purpose expressed as action. It is the what, why, and how of an organization: what it does, why it does it, and how it does it. For example, a mission statement for a bakery might focus on making bread and pastries with high-quality ingredients in an artisan style for customers seeking authentic flavor. Reading this statement, you discern purpose.

Values are what hold people together. They embody the beliefs by which people in the organization choose to abide. Take a hospital. Its values define the respect that employees must manifest toward patients as well as toward each other. Words like *dignity*, *ethics*, and *respect* are prevalent. Values, when they are implemented, become measures by which people hold each other accountable. The end of this chapter contains a guide to defining purpose.

Taken together, vision, mission, and values underscore the culture, the glue of an organization. While the concept of culture is broad and deep, when it comes to purpose, we can be very direct and to the point. Quite simply, *culture* is what the employees perceive as reality inside their organizations. It can be open, tolerant, and flexible, or it can be closed, intolerant, and rigid. Culture does not depend on purpose, but it is greatly influenced by it. Open cultures nurture purpose as if it were mutable and alive; closed cultures regard it as defined and inorganic.

Along with culture, corporate vision, mission, and values are essential to framing purpose, but they are only a starting point. Employees need to internalize them so that they are relevant. Something can become relevant only if it is understood, and that is where the manager comes into play. It falls to the manager to make the culture real. How he or she does this is central to the concept of purpose.

So, how does a manager make purpose relevant? Link it to the work! For some organizations, such as the bakery just mentioned, this

is easy. Make the dough, bake the goods, sell to customers, and watch them come back for more. Okay, how do you make purpose relevant if you are the distribution manager for a pipe supply company? You work with spreadsheets and you field phone calls from internal and external customers. How do you discuss purpose? You explain to your employees that logistics are the linchpin of the pipe supply operation. If distribution does not gather and warehouse pipe products from the factory or other sources, you have nothing to sell. If you cannot identify and ship products in a timely fashion, customers cannot buy. How you iterate this is critical to purpose.

Expression of purpose may begin with words—chiefly, explanations of what the organization does and why it does it. But words go only so far. Purpose, if it is to be sustainable, must be linked to organizational culture and values. That is vital. Here are some ways to reinforce this connection.

“Purpose comes down to having clear-cut, definite goals,” says Pat Williams, bestselling leadership author. “They are powerful motivating forces. Those goals have to be out in front of the organization. They’ve got to be written down [as well as] reminded and reviewed.” Regarding the Orlando Magic, the NBA team where Williams serves as a senior vice president, “We talk about two things all the time: winning a championship and keeping every seat full. No one in the organization can miss that.”²

Putting people first, says Michelle Rhee, onetime chancellor of the Washington, D.C., school district, “is about creating a culture that constantly recognizes people for the work they’re doing.” That requires the involvement of a leader who “ensures that people’s voices are heard.”³

Purpose in education is a straightforward proposition for Rhee. It stems from doing “what’s right and good for kids.” It was a mantra

she took personally and one that she preached throughout the community. That kind of clarity is something that every leader in any field should strive to drive throughout their organization. Reducing purpose to a simple statement is not easy, but it can be a valuable tool in clarifying intention for employees.

While working in another job prior to running the D.C. school district, Rhee learned that creating the right culture depends on doing the little things that matter to people—for example, being accessible to the CEO. It is important, says Rhee, that people have a voice with the leader at the top. “I think oftentimes it’s the smaller things that feel more personalized that make people feel valued and recognized.”⁴ When serving as chancellor of the school district, Rhee made a habit of reaching out regularly to all levels of the organization. She would personally call a principal or a teacher and thank the individual for the good work he or she was doing.

Dangers of Having No Purpose

Purpose may seem elusive, and it may be tempting to abandon the concept altogether, but consider the alternative: lack of purpose. This leads to organizational listlessness. People may be doing their individual jobs appropriately, but soon each will come to the realization that individual contributions are good, but not great. What is necessary is to get people to pull together for the common cause.

“I don’t think you can hit purpose enough as a senior leader,” says George Reed, a retired Army colonel who consults in the corporate sector. “It is one of those things that can be undercommunicated by an order of magnitude. You cannot oversell, overpronounce ‘Here’s why we’re here.’” If purpose is not communicated, Reed

believes, it will be lost in the “urgencies of the day” that cause people to forget their original intentions and their passion. “The senior leader who bangs that drum, who serves as the symbolic voice of the organization . . . reminds their people that what they’re doing is important.”⁵

Leaders Drive Purpose

It falls to the leader to ensure that employees know what makes the organization tick. Only a leader who knows him- or herself can do this effectively. Consider what your own purpose is. One question that I often use in my executive coaching is a time-honored one: *What gets you up in the morning?*

So often this question serves as an icebreaker. I have seen an executive’s eyes light up when asked. It gives the individual the opportunity to talk about what he or she likes to do and why. Many of the folks I have the privilege of coaching become very animated telling me about what excites them about their work. For many, it is the opportunity to do what they have always wanted to do. Engineers love solving problems, so that’s a common response. Finance people talk about the joy of a disciplined balance sheet. Senior managers speak about the satisfaction they feel at seeing all the parts of an organization functioning in harmony.

What these folks are addressing is individual purpose. In organizations, leaders define the meaning of *purpose* as “doing something for others.” Here are two questions leaders can use to clarify purpose:

1. **Why does my team need to know about purpose?** This is the number one question. You need to answer it for yourself first and

then explain it to your team. For example, if you are in finance, what makes your work purposeful? This becomes an opportunity to link your team's functional expertise. You are responsible for maintaining cash flow as well as providing guidance for planning decisions. How you explain that to your team will go a long way toward their understanding the implications of their work.

2. How can I make purpose more relevant to my team? Your team is looking to you for answers, so you need to make purpose explicit. The easy way to do this is to explain how the work your team does contributes to the smooth running of the organization. A better way is to tell stories about the work. Consider how your customers judge your work. You likely have examples of success that are worth sharing. Returning to our finance example, talk about how one of your colleagues complimented your team on making the budgeting process easier to understand, allowing him to complete the planning process in a more timely fashion.

These two questions quantify the role a leader plays in determining the purpose and meaning of work for the team. Many people, however, are searching for deeper meaning, satisfaction, enrichment, and happiness. While these may be existential issues, answers can be found in purposeful work. Let's take them one at a time.

Meaning

We want to know that our work matters to others—customers, colleagues, and managers. Consider meaning as the substance of what we do that has an impact on others. One thought that kept Viktor Frankl, a Jewish psychiatrist imprisoned by the Nazis in a concentration camp, alive was his desire to see his life's work published on a form

of therapy he called logotherapy. This determination forms the background of his book, *Man's Search for Meaning*, which chronicles his quest to ensure that extreme deprivation, suffering, and violence suffered by inmates such as himself had meaning.⁶

Satisfaction

Compensation provides the floorboard for job satisfaction. In October 2009, a study by McKinsey & Company revealed that six in ten employees regarded performance-based compensation as “extremely” or “very” effective. Just over 50 percent said that increases in base pay were as effective.⁷ (Only 35% found stock or stock options effective. People seem to want real money, not “maybe money.”)

As it relates to purpose, managers need to find ways to compensate their team fairly. Research has consistently shown that money is more of a satisfier than a motivator. Too little compensation is a demotivator, but lots of money does not ensure higher levels of engagement or effort.

Enrichment

Finding proper ways to motivate your team is essential, but so often managers forget that what people really want is recognition. This same McKinsey & Company study showed that the satisfaction employees seek from their jobs is more than just money. Two-thirds surveyed said that “praise and commendation from an immediate manager” was extremely effective, and over 60 percent said that “attention from leaders” was also effective. Buttressing the data is the fact that 62 percent surveyed said that a strong motivator was “opportunities to lead projects or task forces.”⁸ Compensation is essential, but emotional satisfiers are more rewarding.

The upshot of these findings is that managers need to find ways to recognize their employees' contributions. As regards purpose, it falls to managers to allow their people more opportunities to lead by delegating not simply responsibility but also authority. Those who accept the challenge and prove themselves are the future leaders of the organization.

Happiness

Researchers believe that emotions, particularly happiness, can be the result of the collective condition of people around you. "Your happiness depends not just on your choices and actions, but also on the choices and actions of people you don't even know who are one, two and three degrees removed from you," said Dr. Nicholas A. Christakis, a physician and social scientist at Harvard Medical School. "Emotions have a collective existence—they are not just an individual phenomenon." These conclusions result from a study coauthored by Dr. Christakis and James Fowler that analyzed the happiness levels of over 4,700 participants in the famous Framingham heart study.⁹

The implications for managers are clear. Managers can have an effect on how their employees feel at work. Most important, it falls to them to create conditions where employees can succeed. Managers do this by providing training and resources for employees to do their jobs, along with adequate time to do the work. Experience tells us that time and resources are often in short supply, but managers can help overcome such shortages through open and honest communication: Tell employees what they have to work with and how long they have to complete the job. Setting realistic expectations is essential.

How a manager communicates is critical to employee happiness. When conditions are tough, managers should be realistic but resolve

to spread good cheer. Talk about what employees are working on and how well you regard each employee's contribution. Help each person understand his or her particular role. Managers who are in the habit of looking at the bright side will position work as something positive. Likewise, happiness reinforces a sense of purpose because people like coming to work, want to be with their colleagues, and aspire to do a good job. It makes them feel good.

How to Instill Purpose at Work

Mission is essential to accountability, says Jim Guest, President and CEO of Consumers Union. "It helps to be working for a mission-driven organization where people can really embrace and take great pride and satisfaction in the mission and what they are doing to advance it." Guest adds, "We really do feel we're working to make society better, or to make people's lives better." For Guest, accountability depends on being trustworthy. His commitment to the organization is, as he says, in his DNA. "I believe in being open and honest."¹⁰ As a colleague puts it, "Jim rolls up his sleeves"; he is transparent because people can see exactly what he is up to. This fosters a high degree of trust as well as followership.

"Trust is something that doesn't happen overnight," says Roger Webb, President of the University of Central Oklahoma (UCO). "You can't make a good speech and greet your employees and all of a sudden [have them] trust you." Webb likens trust to building a bank account that you accumulate over time. It is important for a leader to show vulnerability at the same time: "You have to fight for them and appreciate their support in return."¹¹

Values augment the trust equation. At UCO, they're called the

three Cs: character, commitment, and community. Faculty members in all disciplines are expected to find ways to talk about these values. Webb himself teaches a freshman leadership class. Students are expected to integrate these values into their lives. UCO gives scholarships to incoming students who have exhibited leadership in high school, either at school, in an extracurricular activity, or in their community. UCO is a service-oriented university focused on producing educated men and women who remain in the state and contribute to their communities through civic activities.

“Leaders can make people feel comfortable if they develop trust . . . that’s the most important quality in business,” says Paul Spiegelman, founder and CEO of the Beryl Companies, a call center business specializing in healthcare based in Texas. Leaders demonstrate trust when it matters most. During the Great Recession, when many companies were eliminating 401(k) contributions, Beryl Companies doubled theirs. “I want people to thank me when they’re sixty-five,” jokes Spiegelman. But turning serious, he adds that such measures “create loyalty and that’s what creates trust.”¹²

People building a business need to decide whether they are in it for the short term or the long term, says Dan Denison, professor of management at IMD business school in Lausanne, Switzerland. The way to sustain growth over time “is through the next person they hire.”¹³ If that employee is developed in the right way, he or she will come to embody the organization’s DNA.

Denison knows something about building a business, since he is the founding partner and CEO of Denison Consulting. Together with colleague Bill Neale, Denison developed the Denison Organizational Culture Survey, a leading instrument for assessing organizational health and effectiveness.¹⁴ “The main thing you learn from managing a firm that I didn’t understand as an academic is that you speak

through your actions.” Executives can craft expert messages, but in times of uncertainty, employees look to their leader for more than words. They look for reassurance. Employees, says Denison, have a perennial question: “What about me?”¹⁵

Let People Know They Matter

“Demonstrate through your actions that people come first,” says Nancy Schlichting, CEO of the Henry Ford Health System, located in southeast Michigan. Given the economic hardship the region has endured in the first decade of the twenty-first century, the Henry Ford Health System has cut costs severely. One thing it did not cut was training and development. “It sent a message to our people that we were serious about our commitment to people,” reports Schlichting.¹⁶

For Schlichting, investment in people is only part of the equation. She makes herself available to anyone in the health system, saying, “People in our organization have complete access to me.” Sometimes that involves helping an employee’s child find a job in the health system, or even airing an issue with a supervisor. “I don’t interfere with the normal chain of command and people don’t abuse it.” Schlichting’s example sets the tone for managers throughout the system. “I don’t solve problems I shouldn’t solve,” she emphasizes, though at the same time, she expects managers throughout the system to be available to their employees. That affirms the “people first” equation that radiates throughout Henry Ford.¹⁷

Putting people first, according to Paul Spiegelman of the Beryl Companies, comes down to a belief in people. Spiegelman says you need to believe that people do come first and then you have to show this, first with words: “You’ve got to say it, say it often, and in multi-

ple different ways.” Backing words with actions is essential; doing right by your people. Purpose then comes together by demonstrating to your employees that you care about them, and they in turn reflect that care to their customers by delivering superior service. As Spiegelman says, “There is a link between building a people-focused organization and driving better outcomes and results for your customers.”¹⁸

Call center work is less than glamorous, yet it is vitally important to patient care. As Spiegelman explains, “We connect people to health care by making appointments with physicians, signing people up for community education programs, and making post-discharge calls to patients.” To work effectively, call center employees need to understand how their work “can improve the patient experience outside the four walls of the hospital.”¹⁹

Linking purpose to results through employee engagement is something of a calling for Spiegelman. In 2007, he wrote *Why Is Everyone Smiling?*, a book about his experiences as CEO and the fundamental role culture plays at Beryl. He then teamed with author Bo Burlingham to cofound the Small Giants Community, a nonprofit organization dedicated to helping small businesses network to learn from and share best practices related to leveraging the importance of meaning in the workplace.²⁰

Reach Out to Employees as Individuals

When Jim Guest arrived at Consumers Union as its CEO, he made a habit of introducing himself to employees. “I would just drop into people’s offices, total strangers, and say ‘Hey, what are you up to? What are you working on? What’s your job?’” Word soon got around

that Guest was truly curious as well as genuinely interested in what employees did and how they did it.

Guest continues the practice today by eating in the cafeteria with employees. “I’ll make it a point to sit down at different tables. I often sit with people I don’t even know . . . and just talk to them.” For Guest, such exchanges yield insights into what is really going on in his organization. “I often learn more from [conversations with employees] than I do from reports I get.” Guest also makes certain that new employees know that his door is open to them. He tells them “feel free to stop me in the hall or to make an appointment and come to my office.” True enough, not many do make those appointments, but Guest says, “I do get stopped in the hall.” Sometimes Guest will turn those impromptu chats into immediate invitations to his office. This is important to employees. As Guest says, “It’s easy to forget how much a small interaction with a chief executive can be so meaningful to people.”²¹

Communication is important to Guest’s leadership style. Prior to making decisions, he says, “I’m not looking for a consensus, but I am looking to consult or to gather information from people.” Communicating as he does with people at all levels in the company gives Guest a good sense of what’s going on in the organization.²²

Communications and Behavior

“The best form of communication is example,” says Tom Draude, President and CEO of the Marine Corps University Foundation and a retired Marine brigadier general. One story that brings this notion of example setting into sharp focus is from Draude’s experience in Vietnam, where he served three tours of duty. Once as a Marine captain, his rifle company endeavored to take a heavily fortified hamlet. Artil-

lery and air support could not dislodge the enemy so Draude decided to take his team in. The resulting attack resulted in the death of a young corporal, Fred Miller. As Draude explains, Miller's body was outside the lines and so he went to retrieve it.

The next day, the battalion commander arrived and asked about the blood on Draude's flak jacket; when he learned about Draude's retrieval mission, he went ballistic. Draude replied, "Sir, I understand what you are saying but you must understand that if it happened again I'd do the same thing because I'll never leave behind the body of a dead or wounded Marine."²³ Draude recalls thinking that his career was about to end very quickly, especially when the assistant division commander of First Marine Division arrived on the scene. The general asked who was in charge, and when Draude spoke up, the general "grabs my hand and starts pumping away slapping me on the back and saying, 'God, that was great, Captain. That was super. That's what we're looking for.'" Then the general turned to the battalion commander, knowing nothing of the reprimand, and said, "Colonel, with company commanders like this, how can you go wrong?"²⁴

Draude, who would one day serve as Assistant Division Commander in Operation Desert Storm, recalls that his action to retrieve Corporal Miller's body was not done to show his men that they wouldn't be left behind. Nonetheless, "that example certainly demonstrated to them that I cared about my people and the fact that they were important and are still important to me." In retrospect, Draude says, "it was a lot harder to confront my battalion commander than it was to lead a bayonet assault." The latter required physical courage, while the former required a willingness to speak truth to power.²⁵

After thirty years in the Marines, Draude became an executive with USAA, a financial services and insurance company for active military and veterans. He made it a habit of showing up when the work-

load was heavy and employees had to work weekends. Some would ask him why he was there. “Because you’re here,” he’d reply. Draude was not there to supervise, because he trusted his employees as experts in their jobs. By way of explanation, Draude adds wryly, “The most dangerous thing on a submarine is an officer with a screwdriver.” Turning serious, he notes, “You dignify what [employees] do by your presence.” At USAA, “we had a saying, ‘You can pretend to care but you cannot pretend to be there.’ There is no substitute for demonstrating your commitment that is as strong as just showing up.”²⁶

For Draude, presence means walking around and knowing employees by name. At USAA, he would make a point of talking to employees about their families, even noting the pictures of people that employees had posted in their cubicles and asking questions about them. Draude notes that these are small gestures, but “these are the things important to employees and they are right out there for you. All you have to do is be smart enough to observe.” That is what good leaders do as a means of connecting with their people. “You can’t fake sincerity, but if you sincerely care about your people you demonstrate it by knowing their names, showing up [where they work], and demonstrating a genuine interest in them,” Draude concludes.²⁷

Instilling purpose comes from matching what the organization stands for with what it strives to achieve. Driving that sense of purpose home to individuals within the organization is a challenge that every leader faces.

Defining Purpose

Defining purpose is a straightforward proposition. In its simplest form, purpose is the organization’s reason for being. It is a combination of vision, mission, and values.

To define an organization's purpose, you must ask three questions:

1. What is our vision—that is, what do we want to become?
2. What is our mission—that is, what do we do now?
3. What are our values—that is, what are the behaviors we expect of ourselves?

Answers to these questions will provoke thinking and discussion. Defining purpose, if it does not already exist, is an exercise in leadership. It is a means by which an organization comes to grips with how it sees itself.

True purpose does not exist in a vacuum. It must be put to good use. Leaders communicate it as a means to fulfilling an organization's vision, mission, and values. It also points people in the right direction so that they can achieve results for the organization, for the team, and for themselves.

Lead for Purpose: Survey Results

We surveyed over 1,100 employees and managers to get their ideas on the importance of purpose in the workplace. Their responses have been integrated into the end of every chapter as a means of amplifying and illustrating key points. Some of what they told us has also been turned into the suggested Action Steps for implementing purpose, and those suggestions are found in each chapter as well as in the Action Planner. Full survey results can be found in the Appendix.

What Employees and Managers Say

Over 90 percent of those surveyed believed that leaders instill purpose in the workplace by:

- Communicating the vision
- Linking work to results
- Showing how customers benefit from what employees do
- Doing what they promise
- Instilling confidence

Two-thirds of respondents believed that leaders could instill purpose using merit pay.

What Leaders Must Do

Organizational purpose must be clear, and it is up to leaders to make it so. They must sharpen the focus to make the vision clear. One way to do this is to communicate the purpose regularly, but also to link the vision to the mission and, by extension, to results. A good way to do this is to enable employees to see the fruits of their labors—that is, let them know how their products and services impact the lives of customers.

Setting the right example and living up to it reinforces a leader's authority and ability. Employees want to know that those in charge do what is asked of them—and more. Leaders must also radiate confidence; employees like to know that their leaders are up to the task.

How to Lead for Purpose

Leadership Questions

- How well have I taught purpose to my team?
- What can I do to instill clarity of purpose to my team?

Leadership Directives

- Describe the purpose of your organization in a single sentence; for example, “We make great cars and trucks”; “We deliver compassionate care to seniors”; “We provide training for adults seeking second careers”; “We make great food for a great low price.”
- Make it clear that employees who know the organization’s purpose can do their jobs with a greater sense of awareness of their own contributions.
- Link employee engagement to organizational effectiveness—that is, people matter.
- Demonstrate how you find meaning in your own work. Tell stories about your sources of inspiration.
- Challenge employees to find purpose in their own work. Ask managers to discuss purpose regularly at staff meetings.
- Live the values of the organization. Abide by your principles. Stand up for what is right.