POWERED

BY

PURPOSE

Energise your people to do great work

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Foreword by Paul Polman

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Praise for *Powered by Purpose*

'The world needs organisations to do good while making profit. *Powered by Purpose* is a practical guide for leading an organisation that fulfils both of these needs.'

Bill Winters, CEO, Standard Chartered Bank

'*Powered by Purpose* demystifies the black box of being purpose-driven. Sarah combines research, theory and experience into practical and actionable insights for those creating purpose-led teams and organisations.'

Morag Watson, Vice President, BP

'With the world, your customers and your staff expecting more from business than only generating shareholder value, Sarah has written a must-read for any leader wishing to power their organisation or team by purpose. If you read just one book this year – read this one!'

Jan Slaghekke, CEO, Sungevity
International – Powering Lives with Sunshine

'*Powered by Purpose* is a go-to text for leaders of organisations who can't quite remember their reason for being.'

Sarah Maguire, Chief Executive, Choice Support

'Occasionally a book comes along that is of its time – I believe that this book is one of those. Over the last decade conversations about "purpose" have risen up the strategic agenda in many organisations. Since the financial crisis in 2008, more and more people have looked to companies for more than just financial performance. "Why do we exist?" and "what is our role in society?" have become critical questions. This book goes to the heart of this challenge and provides a map for leaders to follow if they are to become what is needed as we move forward in 21st century. It is a pleasure to recommend it.'

Dr Andrew White, Associate Dean for Executive
Education, Saïd Business School, University of Oxford

	Command-and-control: Dominant leadership paradigm	Purpose-led: Emerging leadership paradigm
Model of leadership	■ Concentrated power – decisions taken by senior leaders often at a distance ■ Values control, charisma and credibility ■ Often leads to silos as specialisation is prized	■ Devolved power – decisions taken at the most 'local' level by those closest to the action ■ Values passion, shared purpose and belonging ■ Collaboration across a system to serve a collective venture
Model of the follower	■ Drive me ■ Feed me ■ Tell me	■ See me and include me ■ Inspire me and encourage me ■ Listen to me and respect me
Outcomes derived	**Narrow outcomes** ■ Maximise profit for shareholders in the near term ■ Growth through becoming bigger as a result of mergers and acquisitions, debt and cost cutting	**Whole outcomes** ■ Generate benefits for all stakeholders to improve long-term well-being of all ■ Growth emerging organically through the existing business being great at what it does

If we don't find such specific ways to change our mental models of leadership, there is a risk that purpose-driven business becomes an empty husk. While the CSR movement been around for 60 years, it has failed to live up to its promise. Just as CSR can become a cover story, with the ensuing accusations of 'green wash', there is the risk of 'purpose wash'. If organisations jump on the bandwagon without a real shift in leadership practice, purpose will become just another fad.[19]

We have seen that the benefits of becoming purpose-driven are potentially bountiful if done right. Leaders, however, face difficult choices, uncomfortable truths and new challenges as they respond to the rallying call of making businesses an agent of societal transformation. Despite the multitude of benefits that purpose-driven business offers, it is often met with suspicion. As Paul Polman, former CEO of Unilever and co-founder and chair of IMAGINE, wrote in the foreword to John Blakey's book *The Trusted Executive*, there is 'rampant scepticism' about redefining

the purpose of business in the corporate world.[20] Charles Moore writing in *The Spectator* accused 'woke' business leaders of having contempt for profits and big business.[21]

Creating a shared future in our fractured world is one of the most pressing challenges we face. For leaders this means changing loyalties from profit maximisation at all costs to bringing positive change that benefits us all, profitably. Only then will organisations live into their potential of becoming agents of human betterment. Only then will people come to trust the institutions that are responsible for building bridges to a better future. Only then will leaders finally be leading.

In our rapidly changing, digitally connected world, we cannot afford to repeat the mistakes of the past as mistakes get transmitted faster and more fully than ever before. At the present moment, we have the maximum opportunity to step away from outdated models of leadership and obsolete thoughts about human beings to create new ones. Change has never been this fast and will never be this slow again. How the world changes is, in large part, up to us. We need right action and committed leadership more than ever.

As leaders we must, as the saying goes, plant trees under whose shade we will never sit.

How to start to become powered by purpose

Take a pause to reflect on these questions:

1. What benefits would a purpose-led approach generate for your organisation and its stakeholders? Review the list of the seven key benefits of 'winning on purpose' (on page 28). Which are the most attractive to you and why?

2. What are the risks to your organisation of not being powered by purpose? Think about the potential impact of losing staff, failing to attract talent or declining customer loyalty. How can you ensure that your organisation is not left behind as the purpose-driven movement continues to gather momentum?

3. What are the main challenges you face in shifting in your leadership to become more purpose-led? Take a look at the table comparing the two leadership paradigms. Name a resource you can draw on to address this challenge. What's the first thing you'd notice if you deployed this resource effectively?

NOTES

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CHAPTER 3

INTRODUCING THE FOUR CAPACITIES OF PURPOSE-LED LEADERSHIP

*You never change things by fighting the existing reality.
   To change something, build a new model that makes the existing model obsolete.*

Buckminster Fuller

* * *

There was tension in the air as the board members and I filed into the meeting room. Gone was the chattiness of the conversations over coffee that we'd just been having. People avoided looking at each other as they sat down. I noticed my own thumping chest and clammy palms. The rarefied atmosphere of the executive suite was, at that time, a new experience.

The ice thawed a little during the morning as my more seasoned co-facilitator gave some input. I stayed silent, appreciating the opportunity to be a fly on the wall. In line with the agreement we'd made in advance, I readied myself to swing into action in the afternoon by gathering my observations. Facilitating a dialogue about how this newly forming team could bring about positive change was a great opportunity to do the work I love.

My excitement was, however, soon zapped. As our morning session had overrun, the food for lunch had been placed on side tables. As I lifted

plates onto the large table where the directors were sitting, one of them turned to me and said:

'So you've found a role then?'

By the cold glint in his eye and the stab in my stomach, I sensed this was more put-down than half-joke. Before I could make a wry or witty comeback, he continued:

'What are you doing here? Two facilitators but for the price of one, I hope?'

As I stumbled around setting down the plates, I did my best to compose myself to re-enter the conversation. I discovered, however, that I had no energy or enthusiasm to do so.

* * *

Looking back, this incident was a sharp reminder about how unhappy and unhealthy organisational life is for many people. Although I'd worked as an employee in large organisations a decade before, as a consultant I'd forgotten about the day-to-day reality of backbiting, bullying and 'macho' behaviour. Negativity, rivalry and a win-at-all-costs mentality all undermine performance and well-being, as many of us know first hand. All too often ruthless competition trumps healthy collaboration, and we all miss out.

The demands of the global economy for rapid decision making and an 'always on' mindset are overburdening leaders as well as employees, suppliers and customers. These pressures make unkind comments, backstabbing and selfishness, all of which have a negative impact on performance, more prevalent. To the extent that high levels of energy, an experience of being happily engrossed in one's work and a sense of purpose are missing, the organisations for which we work, we as individuals and the whole of society, lose out.

While the business case for purpose-driven business is strong (see Chapter 2), what is lacking is an in-depth exploration of the human leadership required to navigate this ambitious journey. This chapter addresses this shortcoming by introducing the critical missing piece: the *four core leadership capacities* that this new movement is calling for.

By developing these four capacities, leaders will be able to evolve a powerful purpose – for their organisation, team and themselves – and then deploy it effectively. This approach to leadership builds on, and is distinct from, the command-and-control leadership model (see page 38). To create a truly inspiring organisation, superior business results and wider social, environmental and human benefits, leadership styles need to evolve beyond