

A photograph showing a business meeting. A person in a dark suit is sitting at a white table, holding a pen and pointing at a document. On the table is a laptop, a clipboard with a bar and pie chart, and some papers. The background is blurred, showing other people in a meeting.

How Can You Create a Purpose-Driven Organization?

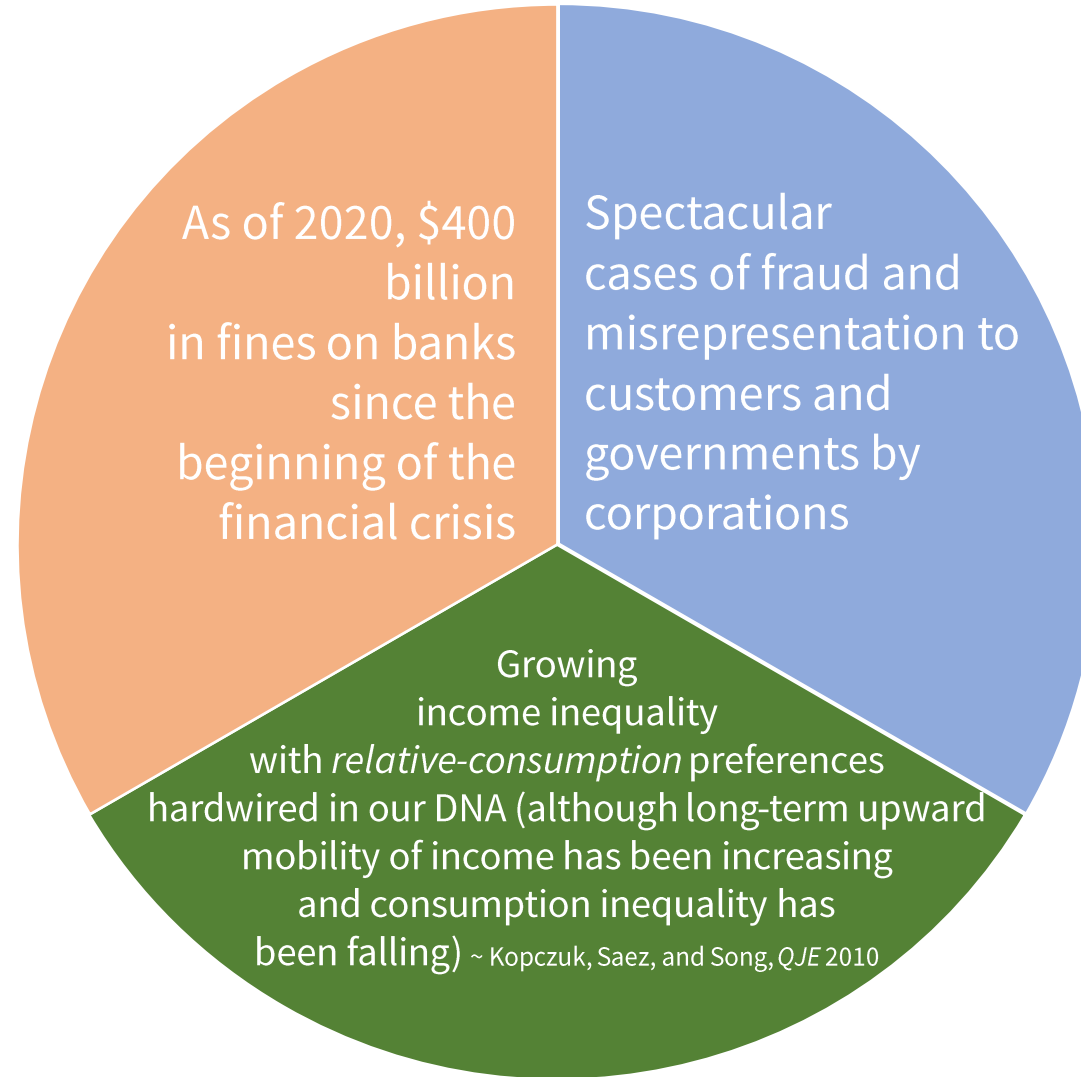
Anjan V. Thakor

John E. Simon Professor of Finance

Director of Doctoral Programs, Director of WFA-CFAR

Some Simple Observations

A Disturbing Picture





Even before the Covid crisis, despite record low unemployment, increasing upward wage mobility, record stock market levels and good GDP growth, stress levels were rising. Stress among PhD students nationwide has been rising fast and suicide ideation on college campuses has doubled in the last 10 years.

What explains all this?

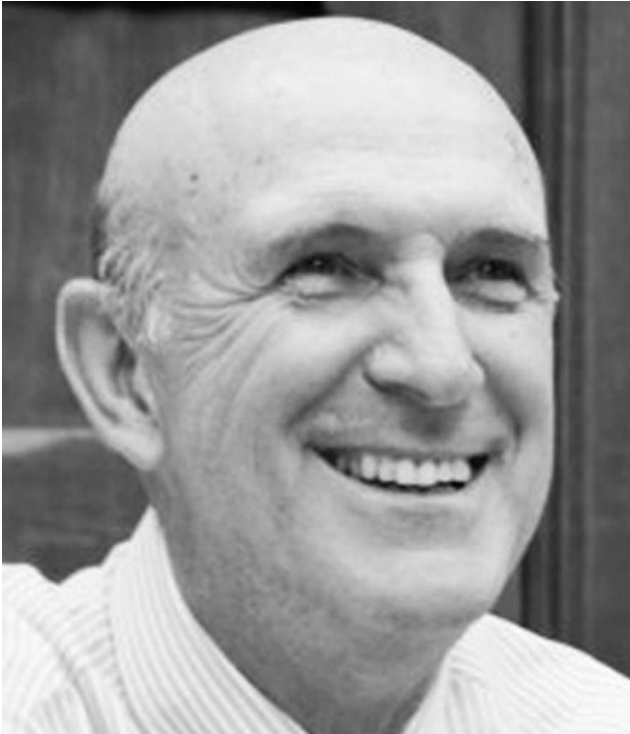


- The Gallup Survey found (for the first time) that a majority of US millennials favor socialism over capitalism.
- 60% of employees express a need for purpose but don't get it from work.
- 88% of employees in US companies feel that the company they work for does not care for them.

Question : What Should We Do?



This paper is in the top 10% in downloads on SSRN. What does it mean?



Source: Robert E. Quinn. <https://robertequinn.com/>

How to Find Purpose in Your Life
Robert Quinn
Goalcast

<https://www.goalcast.com/2018/02/15/dr-robert-quinn-this-is-how-to-lead-a-purpose-driven-life/>



- The answer to preserving capitalism while still enhancing its social (and possibly economic) value lies in individuals and organizations embracing authentic higher purpose!
- One possible reason for the statistics we saw earlier: LACK OF PURPOSE!



Research shows that suicide ideation by students on college campuses is correlated to a lack of purpose.



Harvard Business Review

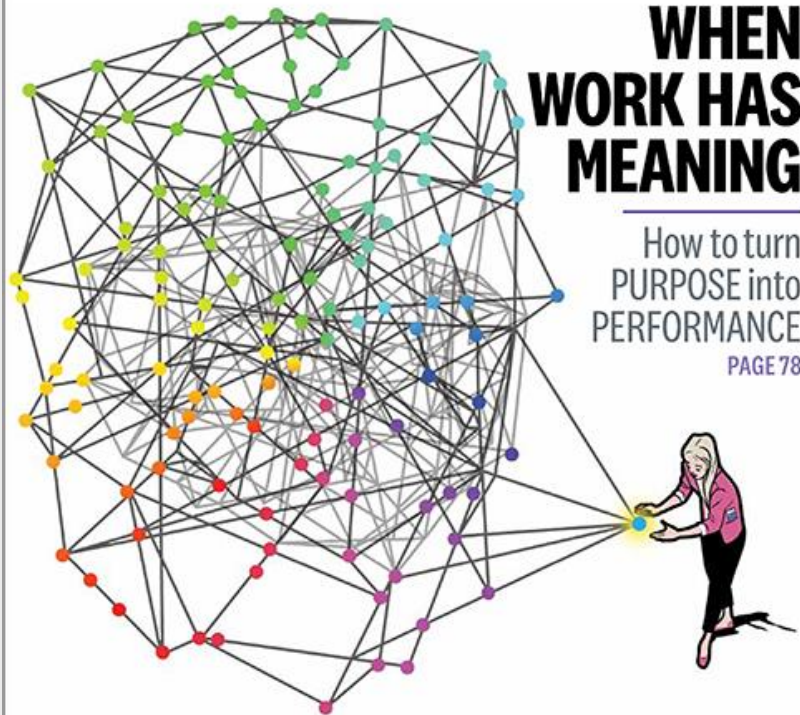
HOW CEOs MANAGE TIME
Michael E. Porter and Nitin Nohria PAGE 42

JAMIE DIMON ON RUNNING
AMERICA'S BIGGEST BANK
THE HBR INTERVIEW by Adi Ignatius PAGE 124

ARE YOU TOO COLLABORATIVE?
Rob Cross, Scott Taylor, and Deb Zehner PAGE 134



HBR.ORG
JULY-AUGUST
2018



WHEN WORK HAS MEANING

How to turn
PURPOSE into
PERFORMANCE
PAGE 78

<https://hbr.org/2018/07/creating-a-purpose-driven-organization>

FEATURE CREATING A PURPOSE-DRIVEN ORGANIZATION



CREATING A PURPOSE-DRIVEN ORGANIZATION

HOW TO GET EMPLOYEES TO BRING THEIR
SMARTS AND ENERGY TO WORK
BY ROBERT E. QUINN AND ANJAN V. THAKOR

PAINTINGS BY GEOFF McFETRIDGE

2 HARVARD BUSINESS REVIEW JULY-AUGUST 2018

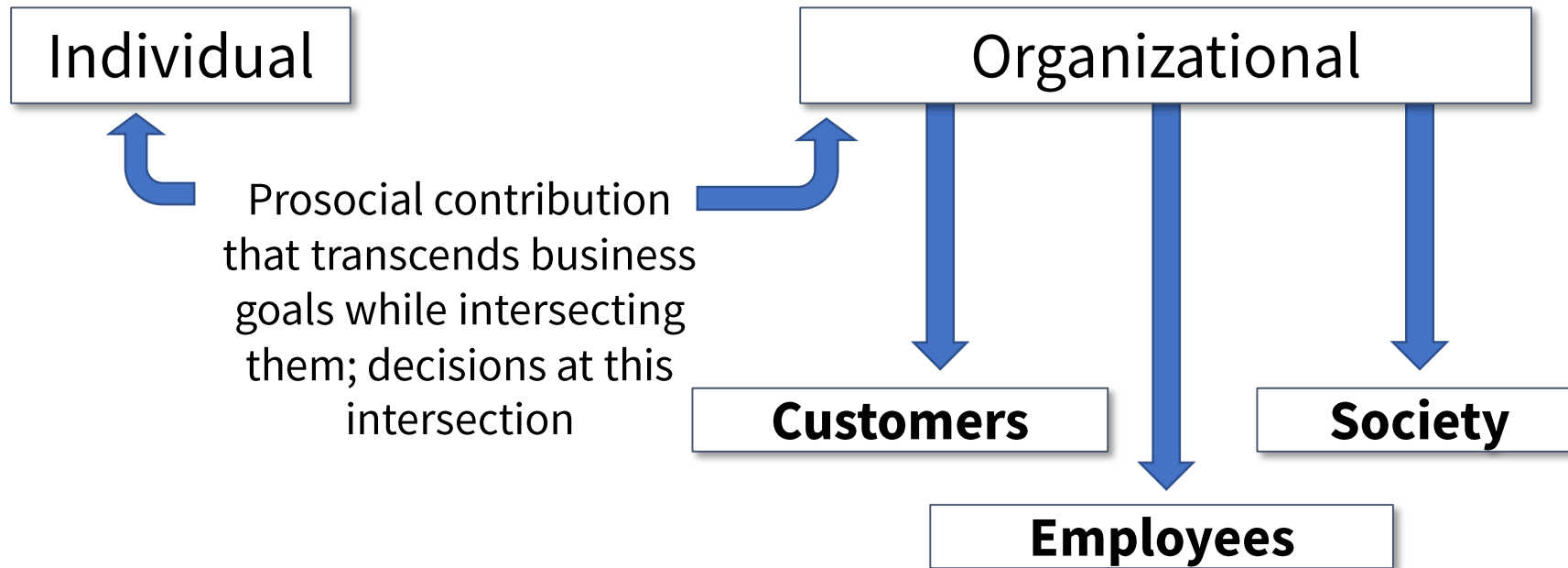
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What Is a Higher Purpose?

What Is a Higher Purpose?



<u>Higher Purpose</u>	<u>Vision</u>	<u>Mission</u>	<u>Strategy</u>
Statement of Contribution	Image of the Future	A Level Objective	A roadmap for allocating resources to achieve business goals like shareholder value maximization.
“We nurture growth in all we do.” - Marzetti	“A computer on every desk in every home.” - Microsoft	“To be the best operated energy company in North America.” – DTE Energy	
Answers: “ <u>Why</u> do we exist; what justifies our collective existence?”	Answers: <u>Where</u> are we going?	Answers: <u>What</u> objective are we going to accomplish to get to where we are going?	“16 films in the next year.” - Disney
<ul style="list-style-type: none">• Prosocial (Moral)• Inclusive (Everyone)• Inspiring (Intrinsic)• Authentic (Arbiter)• Constant (North Star)• Covenant (Community)• Differentiate (Positive Deviance)	<ul style="list-style-type: none">• Audacious• Grounded• May not be achievable	<ul style="list-style-type: none">• Tangible• Achievable	Answers: <u>How</u> are we going to get to where we are going?





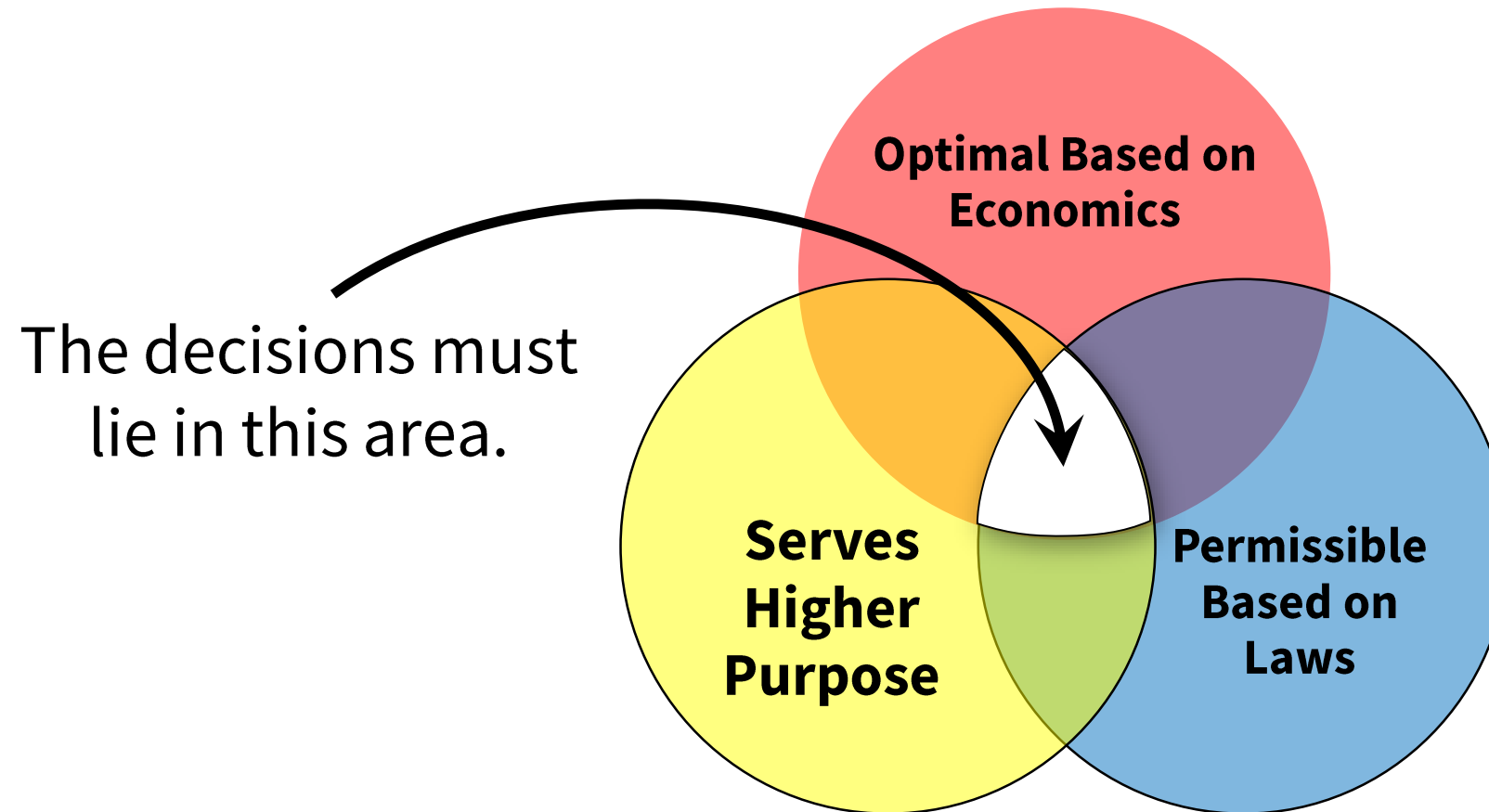
VIMEO REVIEW FILE

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<https://vimeo.com/384796751>

PASSWORD: mmmolin

A Practical Three-Dimensional Lens for Decision-Making



Case Studies of Individual Purpose

Louis the cab driver





The Inn at Little Washington (Mitch Solomon's account of Jake Coldren on his first day at the job.)



Source: The Inn at Little Washington. <https://theinnatlittlewashington.com>.

Case Studies of Customer-Centric Purpose



Farmer Takes His Dream to Shark Tank

Johnny Georges is the founder and creator of tree T-PEE.

When he appeared on Shark Tank, he was driven by his higher purpose and stood firm in his beliefs to put the customer first.



Source: <https://www.youtube.com/watch?v=WPPY7LNx>.



Development Bank of Singapore



Source: DBS: <https://www.dbs.com>.

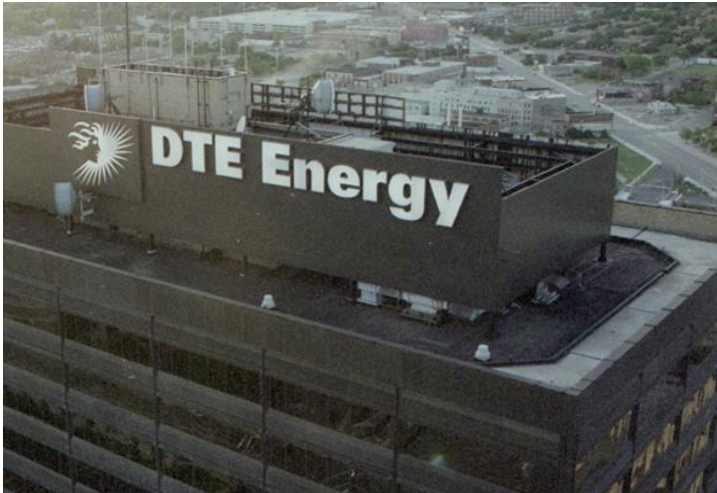
Case Studies of Employee-Centric Purpose



2006: The search for improvement
from bottom 10% in
employee engagement and
productivity

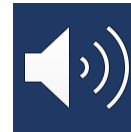
2008: First “junk bond utility”

Assignment: Listen to Gerry Anderson



Source: DTE Energy. <https://newlook.dteenergy.com/wps/wcm/connect/dte-web/home>.

- Record key ideas
- Write your most authentic questions



[Audio Link to HBR Ideacast](#)

2010: Survival and Prosperity Now What?



- Safety #1
- Customer Satisfaction: Bottom to top
- Gallup Employee Engagement: Top 3%
- Union Relations: Top 10%
- Operating Costs < 10 years ago
- Top 25% in industry in financial performance
- Stock price \$48 to \$122 from 2011 to 2019

Case Studies of Explicitly Prosocial Higher Purpose

Monsanto (Dick Mahoney)



Source: <https://www.cropscience.bayer.com>.





“My predecessor, Dick Mahoney, understood that the way we were doing things had to change. Dick grew up, as I did not, in the chemical industry, so he tended to look at what was coming in and out of our plants. The publication of our first toxic-release inventory in 1988 galvanized attention around the magnitude of plant emissions.”

“Dick got way out ahead of the traditional culture in Monsanto and in the rest of the chemical industry. He set incredibly aggressive quantitative targets and deadlines. The first reaction to them was, my god, he must be out of his mind. But, it was an effective technique. In six years, we reduced our toxic-air emissions by 90%.”

~Robert Shapiro



- **Gartenberg, Prat and Serafeim (*Organization Science*, 2019):** Sample of 500,000 people across 429 firms involving 917 firm-year observations from 2006 to 2011. Authentic higher purpose communicated with clarity and with commitment from middle management positively impacts both operating financial performance and forward-looking performance measures like Tobin's Q and stock price.
- **Grennan (Duke WP, 2019):** *Consistency in communication of culture across multiple stakeholders is correlated with higher economic performance of banks.*



- Stuart and I did a survey of > 1,100 individuals
- Written-down personal HP implies greater ability to cope with stress and greater happiness
- Individual and corporate HP positively correlated
- Employees trust leaders to make more socially-responsible AND better business decisions when firm has written HP





THE ECONOMICS of HIGHER PURPOSE



Eight Counterintuitive Steps for
Creating a Purpose-Driven Organization

Robert E. Quinn and Anjan V. Thakor