



Purpose Intention

The organisational intentions must guide leadership and understanding purpose is the starting point

Knowing what the organisation strives to achieve is integral to effective leadership. Businesses aren't usually focused entirely on profit. They often have an additional higher purpose of contributing to the greater good of society. This is one of four organisational intentions that leaders need to understand to lead effectively – the others are efficiency and stability, innovation and change and human capital quality. The intention to fulfil purpose concerns higher-order goals that run in parallel with the business goals for efficiency and innovation and positively impact parts of society to the benefit of specific target groups.

How leaders can use organisational intentions to decide how to spend their time

The four organisational intentions should be delivered in a balance decided by the outcomes a business wants to achieve at any particular point in time:

- *Purpose fulfilment* – the strength of the company's purpose contributing to the greater good of society.
- *Efficiency and stability* – minimising operational costs and stabilising operations.
- *Innovation and change* – adapting to external or internal change demands and promoting innovation.
- *Human capital quality* – developing the commitment, competencies and collaboration needed to work effectively.



A leader should be influenced in choosing their leader behaviour by balancing these organisational intentions and desired outcomes.



The power of purpose is very company dependent. It depends on how central and important the company's purpose or add-on purpose, like sustainability, is to the company's future. The power of the purpose comes down to the employee's perspective on the importance of the company's purpose.

**Joe Manget, Chair and Chief Executive Officer,
Edgewood Health Network, Canada**

Participant in the global leadership context study

Why is the focus on purpose fulfilment important?

Purpose fulfilment is all about the intention to contribute to the greater good of society as much as possible, taking into account the emphasis on the other organisational intentions.

It adds meaning to the work life of the organisation's employees, which translates into more organisational citizenship, promoting performance.

There are two types of purpose which can drive engagement and psychological empowerment by creating meaning in people's work lives:

- **A core purpose** explains why the company exists. It is the company's identity and it is usually strong when it is related to the central value creation in the company, for example, when a windmill producer strives to make the world greener and more sustainable. The core purpose is central and is taken into account in every business decision. It provides a compass to navigate hard choices and dilemmas. It is what the organisation exists to contribute, and it holds great power in creating meaning in people's work life. A strong purpose also clarifies the organisation's identity to external stakeholders, providing a guiding effect for making the right choices in interacting with customers and external partners.
- **Add-on purposes** are higher-order goals prioritised to give back beyond the impact of the company's core operation or by reducing any negative impact resulting from the core operation. For example, when the company strives to create better livelihoods for locals in the countries where its goods are produced. It concerns taking a stand in giving back to society when the products produced themselves do not address a higher-order goal. People are paying more attention to taking care of our planet, giving back to society and contributing to sustainable development, which holds power to create intrinsic rewards, feel good and meaning in their work lives.



What leadership and team behaviours are needed?

- **Making the contribution tangible and understandable yields motivation.** Leaders need to make it clear how the work efforts in an organisation contribute to positive experiences and a better life for someone.

Together, the core and add-on purposes allow the leadership in the organisation to picture the legacy the company wants to leave for future generations. Such visioning adds a significance dimension to an employee's work life and connects the long and short-term goals of the organisation.

- **A strong purpose results in employees working harder**, supporting colleagues, taking initiative, voicing new ideas, dedication and persistence, openness to negative feedback and willingness to try new things. It does, however, require that leaders 'activate' the purposes in the organisation through frequent, consistent communication, and that the purposes are 'walked by the leaders'.



Sustainability is a key purpose for us in making the WHY understandable for the organisation and employees. It has a big influence on the attraction of talent and employee motivation.

Kristian Breitenbauch, Chief Executive Officer, Advansor, Denmark

Participant in the global leadership context study

Some opportunities and challenges of focusing on purpose fulfilment

A strong purpose directly influences organisational citizenship behaviour in an organisation. People become more active followers, co-creating leadership when acting from a strong purpose. There is more ownership behaviour and

organisational loyalty. Also, there is a higher level of taking charge and actively approaching peers to progress matters and ensure compliance with agreed ways of working. These are outcomes strongly related to meaning, which is one of the underlying engagement and empowerment drivers when it comes to performance.

The company needs to go above and beyond meeting the minimum legislative demands or industry standards to build purpose-power. When employees experience an authentic ambition to contribute, it holds the potential to influence performance positively.

In some organisations, the purpose strength is low because their core purpose does not hold much motivational power. Here it pays off to consider if add-on purposes can create positive engagement and empowerment effects, resulting in better talent attraction, retention and organisational citizenship.

Balancing the opportunities and challenges

A core purpose holds a strong guiding effect on leadership, and as a leader you must understand several elements:

- **The priorities flowing from the purpose.** The core and add-on purposes should serve as a part of the criteria for decisions, prioritisations and resource allocations. The purpose, along with the other organisational intentions, should guide how you invest your efforts towards the activities yielding the highest performance.



- **The purpose needs to be *interpreted* through the active involvement** of the organisation's members to release the engagement effects. If the purpose plays a centrepiece in the way an organisation is led and lives, it can increase empowerment in the organisation. If people are involved in workshops and discussions where the purpose is interpreted into behavioural commitments, it will help you promote work performance behaviour. A strong purpose supports performance, allows a lower level of standardised and formalised ways of operating, and enables more decentralisation.
- **It demands reinforcing and corrective actions that align behaviour to support purpose**, celebrating role models and living the purpose and training newcomers to interpret the purpose into action. You must consistently use the purpose for explaining choices and the reasons for operating the way you do.

This mini-series contains four blogs on how organisational intentions should guide leadership. The other three blogs look at the intentions to *increase and sustain efficiency and stability, innovate and succeed with change, and build human capital quality*.

This blog series is based on my doctoral research studies into the leadership context, involving more than 125 leadership experts. My research identified contextual factors that can significantly help or hinder leadership or organisational performance. It also gave me insight into the contextual dynamics and how to handle these challenges.

My blogs aim to inspire leaders to exercise more effective contextual leadership, and assist companies and consultants in developing better recruitment, leadership and talent programmes.

Please get in touch if you have ideas, queries or wish to contribute to promoting insights about context and leadership.

ABOUT THE AUTHOR



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