



Sense of Purpose: A Beacon in the Search for Talent

By DAN CULLEN and JIAT-HUI WU

Employers are increasingly finding it harder to fill management and executive positions. Companies with a clearly-stated and authentic higher purpose have an advantage in the search for top talent.

When business leaders around the Asia Pacific region were asked whether they have the right talent base to compete effectively in the digital economy, only a third gave a positive response. The report *Transforming Asia: The search for digital leaders* published in June 2019 by Heidrick & Struggles

showed this trend to be more pronounced among companies in Asia.

In today's fast-changing digital environment, competition for talent is intensifying. Clearly, there is no time to waste in ensuring the company is in the best possible shape to attract and retain

the right people. And, assuming bases such as salary, working conditions and other benefits are covered, a clear and authentic sense of purpose could be the deciding factor.

Preparing for an unknown future

There is no question that recruiting for the future is a challenging process.

Increasingly sophisticated digital technologies are continuing to transform every aspect of doing business, from managing costs and improving productivity to the way we communicate. Every day, digitisation is opening the door a little wider to greater competitiveness. Without the right people at every level of the organisation, it would be difficult to deal with the threat of increased competition and take advantage of opportunities.

Without a functioning crystal ball, it is impossible to anticipate every new skillset a company will need. Data scientist, app developer, cloud architect, search engine optimisation specialist – these are just some of the jobs driving growth across every sector that perhaps did not exist a decade ago.

Recruiting for potential

All boards should have a clear view of the next stage in the company's economic cycle and the appropriate strategy needed to get there. The board and management can then identify the kinds of skills needed to achieve the company's goals. This way, rather than focusing on potentially short-lived job descriptions, recruiters can be equipped and be on the lookout for highly-skilled people with the potential to grow into emerging roles.

More than ever, attracting talent means attracting millennials who, according to the World Economic Forum, will comprise 75 per cent of the global workforce by 2025. Indicators are that millennials' priorities are somewhat different from those of previous generations. This includes

a greater interest in companies with a sense of purpose beyond simply making money.

Once these employees find an employer that meets this criterion, they are more likely to stay loyal. In part, this is because engagement drives retention. Research by Heidrick & Struggles found that 73 per cent of employees who say they work at a purpose-driven company feel engaged, compared with just 23 per cent of those who do not.

Purpose also fuels resilience, which plays an important role in building the staying power of employees and proves their belief in the organisation. The same research also shows that 56 per cent of employees who say they work at a purpose-driven organisation score high on resilience, compared to 36 per cent of those who respond in the negative.

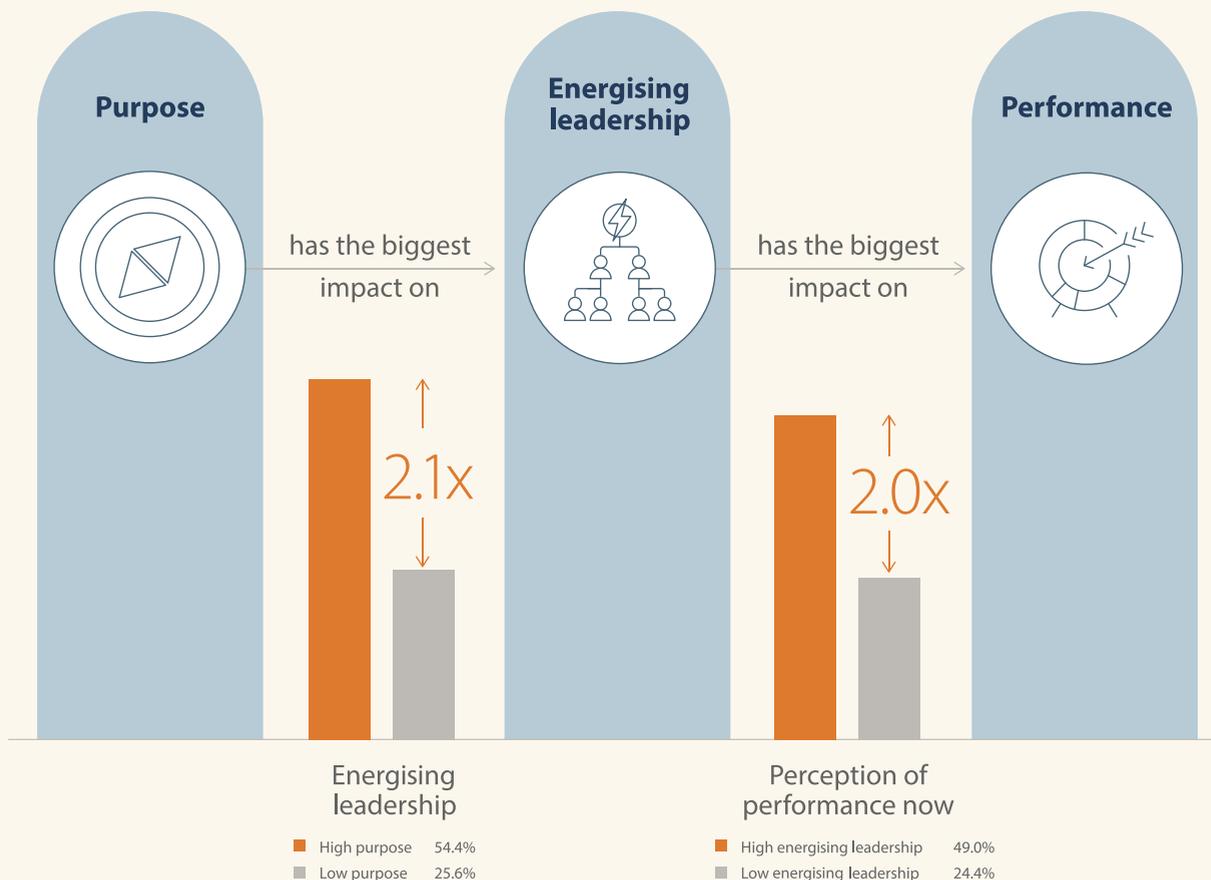
This shift towards prioritising purpose is mirrored by some of America's most influential business leaders. In August 2019, the chief executive officers of 181 of most successful US companies signed an open letter headed "Statement on the Purpose of a Corporation". They were committing to delivering value to each of their stakeholders for the future success of their companies, their communities and their country.

This is a trend no company can afford to ignore. Boards and management should be working together to establish a culture of inclusion and purpose, if they are not doing so already. Those who do it well could find that, along with a more talented and loyal workforce, they have a stronger bottom line.

Purpose can also unlock motivation in employees and increase productivity. Interestingly, clarity of purpose has the strongest impact on energising leadership which, in turn, has the most pronounced effect on performance (See box, "The impact of purpose on performance").

The Impact of Purpose on Performance

Clarity of purpose creates energised leaders who drive performance.



Source: Analysis of Heidrick & Struggles proprietary data covering 45,500 people at 41 organisations.

Nurturing innovation

Purpose is an important dimension in shaping a company's innovation culture, and acts as a guiding light throughout the big digital transformation processes. It is important for everyone in the organisation to align around the "why" when going through profound changes as outlined in *Goliath's Revenge*, the authors Todd Hewlin and Scott Snyder note that: "All employees must feel that they are helping to deliver on (the) company's future vision and purpose."

How to define organisational purpose

The process of creating and integrating purpose

statements can be broken down into four steps shown in the diagram, "Defining purpose", on the next page.

The first step, as suggested by author and organisational consultant Simon Sinek, is to simply ask: "Why does this company exist?"

As straightforward as it sounds, this question is layered with elements such as customer promise, leadership intent, heritage and future impact.

Organisations need to design a process of developing a purpose statement that is both authentic and meaningful to all stakeholders.

Defining Purpose

DISCOVER

ARTICULATE

ALIGN

MEASURE

Talented people who are genuinely attracted by a higher purpose are quick to identify anything contrived or inauthentic.

The second step is to articulate the purpose statement, one that is succinct, meaningful and memorable. Compelling visual communication and wording will then help to communicate purpose to every stakeholder.

It is particularly important to ensure that employees at every level are familiar with both the purpose and the thinking behind it. This way, it can give everyone a sense of belonging as it helps to develop a culture that will appeal to future employees.

Thirdly, purpose must be integrated into every aspect of the business and aligned with leadership behaviour, including that of the board.

An authentic purpose provides a framework for decision-making at every level from acquisition to recruitment. It also shapes potential employees' perception of the organisation.

Finally, purpose must also be measured.

Not every stakeholder will be fully aware of the power of purpose. The right metrics can be used to demonstrate how a clear and well-defined purpose is helping to create long-term value for all.

Core sets of data also enable a company to assess how well the purpose is understood and

being lived, spotlighting any need for course correction.

Examples of purpose statements that are loud and clear are shown in the box, "Powerful Statements of Purpose".

Powerful Statements of Purpose

"Make every delivery count."

SingPost

"Best bank for a better world."

DBS

"To make sustainable living commonplace."

Unilever

"Defy uncertainty."

Aviva

"To make people around the world feel like they can belong anywhere."

Airbnb

Purpose: the organisation's fuel

Purpose is the fuel of an organisation. It defines the company's existence, inspires current employees, helps to attract the most talented workers and creates a culture of integrity and commitment. The power of purpose is particularly important in times of transformation, and business has never been more transformational than now. ■

Dan Cullen is Partner-in-Charge and Jiat-Hui Wu is Partner of the Financial Services practice at Heidrick & Struggles' Singapore office.