

The Experience of Purpose

FoW by HSM Insights Report

December 2022

Introduction

For over twelve years, the Future of Work by HSM has explored trends shaping industries, organisations and careers. Changing employee and consumer expectations, a refocussing of business goals around social purpose, and recent global equality movements have driven an increasing need to think about purpose. Over recent years, this has led to an increase in 'purpose-led' organisations. Our research shows, that although there is much to debate about purpose, now more than ever, the importance of purpose has come to the fore.

This Insights Report provides you with a model to understand purpose by 1) identifying the two key elements of purpose (individual and organisational), 2) understanding how work connects the two, and 3) levers to build purpose.

Our methodology

The insights contained in this report are drawn from our analysis of 8 interviews and 4 focus groups, including over 35 participants from 17 organisations. These insights were combined with HSM Advisory's *The Experience of Purpose* Masterclass event, previous FoW by HSM research studies, including *'Employer Attractiveness and Talent Retention'* and *'The Future of People Experience'*, and quantitative data in the form of polls, gathering a total of over 1,400 responses. In addition, we undertook a thorough literature review.

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Key insights



Purpose provides direction and creates meaning¹

Find out what is important to your people and what guides their decision making. By supporting people to understand their true purpose, they can begin to make natural connections to the organisation's purpose, which will build alignment between the two and foster a sense of belonging.



Build purpose by addressing four key levers

Organisations need to be proactive around recognising their purpose, communicating it, and embedding it across the organisation. Purpose can be built through four key levers: managers and leaders, networks and communities, structures and job design, and culture and values.



Acknowledge that work is the connecting element

Work acts as a connector, linking the individual and organisational purpose. We need to think about how to intentionally design jobs in a way that means the day-to-day work being done forms a natural connection to the organisation's purpose, or facilitates individuals' purpose.



Engage your people to co-create a purpose statement

Purpose is something that has to be felt throughout the organisation. By co-creating your purpose statement with your people, you can ensure it is authentic and the language used will resonate. All too often we hear people having to google their organisation's purpose statement to 'get it right'.



Foster belonging by building a strong sense of purpose

When an organisational purpose resonates with people, and they align to it, purpose can foster a strong sense of belonging. Connecting people with aligned passions and purposes can further strengthen belonging. Belonging is linked to trust and connectivity, which is key for organisations.



Recognise the fluid nature of individual and organisational purpose

Organisational and individual purpose are fluid and can shift in line with the external market and leadership for the former, and life stage for the later. It is important to regularly revisit purpose to ensure an organisation's purpose still resonates with its people and is aligned to culture and values.

What is purpose?

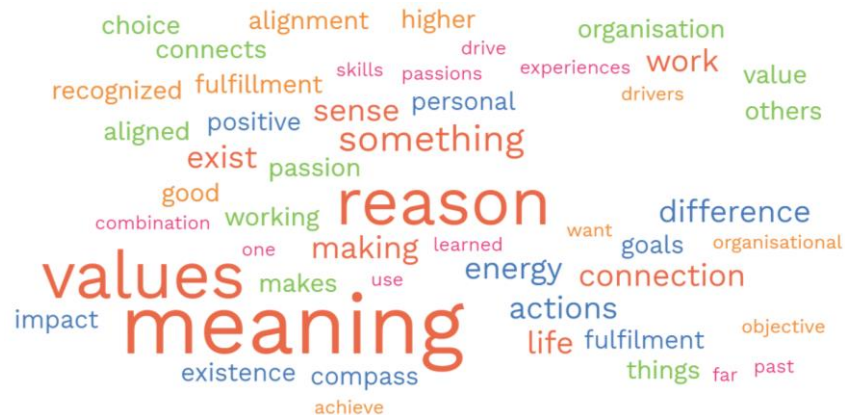
Purpose provides direction and creates meaning

Purpose has been defined as the central motivating aim that guides decision making, influences behaviours, provides direction, and creates meaning^{1,2}.

However, purpose will be unique for everyone, and what you identify as your purpose may be different from others. What's more is your purpose can shift and adapt throughout life in response to the evolving priorities and fluctuations of your own experiences.

+ Spotlight: What does purpose mean to you?

In our Masterclass on 25th October 2022, we asked participants 'What does purpose mean to you?'



Purpose is experienced at three levels:



Individual

Individuals have a sense of purpose that can be connected to the work they do, or something else such as their interests and passions. An individual's purpose can be influenced by external events.

78% of people believe they have a strong personal purpose³



Work

Work acts as the connector, linking together the individual and organisational purpose by creating good work through job crafting to make tasks more purposeful, meaningful, and engaging.

80% of people feel their day-to-day work supports their personal purpose⁴



Organisation

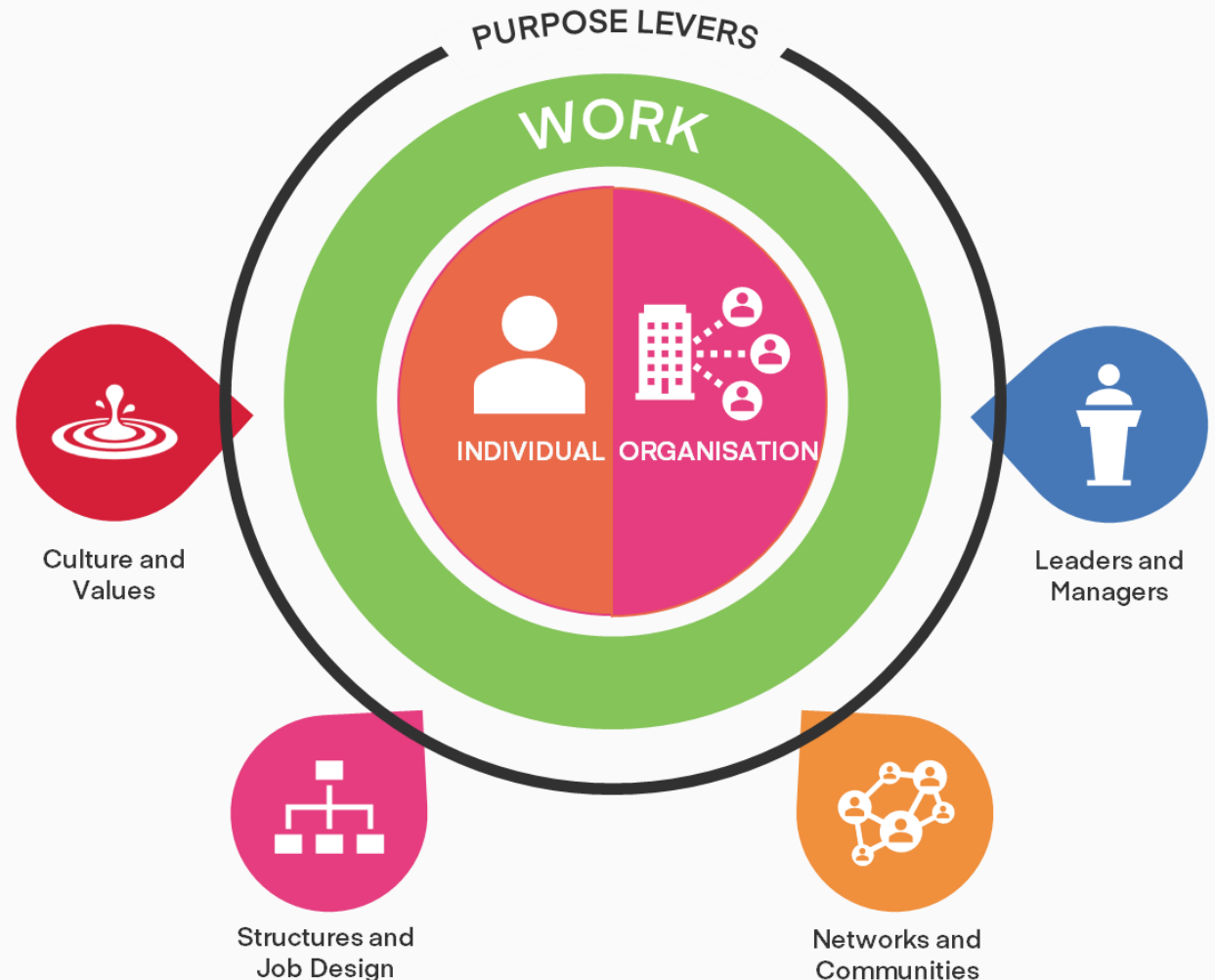
Organisations have a strong purpose to serve the long-term benefits of stakeholders, provide context for decision-making, and motivate and inspire people.

93% of people believe they understand their organisation's purpose⁵

HSM Advisory's Purpose Model

HSM Advisory's Purpose Model has 3 core elements to understanding purpose:

- 1) **Purpose is experienced by individuals and within organisations.** Both individuals and organisations can have a unique purpose that acts as a guide and provides meaning to their day-to-day activities.
- 2) **Work sits around individual and organisational purpose, connecting the two together.** Work can be designed to connect individual and organisational purpose. This is done by either by providing the autonomy to live an individual purpose, or having clear connections to how the work being done contributes to the organisation's purpose.
- 3) **There are four key purpose levers that can help to build purpose within organisations.** These purpose levers are: 1) Leaders and Managers, 2) Networks and Communities, 3) Structures and Job Design, and 4) Culture and Values. What is key through each lever is that we need to engage and co-create with our people.



Why is purpose important?

A strong sense of purpose fosters belonging

Work is the key element connecting individuals to the organisation's purpose. It's important that the work itself is done in a way that compliments the organisation's purpose to foster a sense of belonging.

At the **individual** level, when someone doesn't have a clear sense of purpose, it can lead to feelings of loneliness and identity crisis. The term 'purpose anxiety'^{6, 20} refers to the anxiety we feel when we don't have a purpose but are aware it's missing. However, finding and articulating your authentic purpose can be challenging – for some people, this can take years.

When there is no clear purpose in the **work** people do, a disconnect can occur; if the work is being done in a way that contradicts the organisation's or individuals' purpose, this can lead to poor engagement and decreased motivation.

For example, if an organisation has a human-centred purpose to connect people but the work itself is siloed, people may feel a contradiction.

For **organisations**, lacking a sense of purpose can pose a significant business risk stemming from a poor sense of belonging, and leading to high turnover rates.⁸

The benefits of a strong sense of purpose at the three levels:



Individual

For individuals, evidence shows that purpose positively impacts both mental¹³ and physical health¹⁴, such as:

- Improving resilience¹²
- Reducing stress
- Minimising loneliness
- Strengthening the immune system
- Reducing heart problems
- Improving sleep quality



Work

Evidence shows that doing purposeful work can improve both outcomes and the experience of work for people. For example, by:

- Increasing innovation
- Improving productivity
- Deepening engagement
- Improving inspiration
- Providing stronger meaning



Organisation

Evidence shows that organisations with a strong sense of purpose typically benefit from greater financial gains and improved employer brand¹⁰. For example, by:

- Having stronger growth¹⁴
- Greater global expansion¹⁴
- Increased profits
- More product launches¹⁴
- Successful transformation
- Higher consumer trust

+ Case Study: A purpose-driven turnaround at Etsy¹⁵

Etsy

Etsy was founded in 2005 and whilst the company grew substantially, it remained unprofitable. In 2017, under the guidance of a new CEO, Etsy embarked on a strategic financial, organisational, and purpose-driven turnaround. The turnaround bolstered Etsy's finances, but also improved social and environmental impacts.

Purpose can be aligned or misaligned

85% of people said it's important their personal purpose aligns with the organisation's⁹. However, misalignment is not always bad as it can bring diversity of thought.

Misalignment means there is a disconnect between the individual and organisational purpose. This can occur in two ways:

- 1) The individual is sceptical about the organisation's purpose
- 2) The organisation and day-to-day work does not let individuals enact their own personal purpose

Alignment means purpose is seen and felt in day-to-day actions. This can occur in two ways:

- 1) The individual feels connected to the organisation's purpose
- 2) The organisation and day-to-day work lets the individual enact their own personal purpose

Spotlight: Managers are the golden thread

Managers have the most touchpoints with people, so can support alignment through making connections.

We need to support managers by ensuring they have the skills and knowledge to make explicit connections.



Spotlight on Job Crafting¹⁰

There are three elements to consider when crafting jobs to encourage purpose alignment between the individual and the organisation:

- 1) Work structures:** look at who you are interacting with. Interacting with certain people, or adjusting the number and frequency of interactions can impact how purpose-driven someone feels.
- 2) Job design:** look at the type, scope, sequence, and number of tasks making up a job. Doing interesting, different work that builds up a sequence of activities so you can see the whole process can improve how purposeful a job may seem.
- 3) Role clarity:** look at the way tasks and the work being done is interpreted. Being clear on your role and understanding how it fits into the organisation's purpose can make people feel more purpose-driven.



Spotlight on Energy

Purpose alignment can energise people through creating excitement and motivation for the work they are doing and the organisation they are doing it for. When people feel as if they are fulfilling a purpose, there is a greater sense of pride and enthusiasm for what they are doing.



Spotlight on Communication


In order to encourage alignment between individual and organisational purpose, organisations need to clearly articulate their purpose in a way that resonates with their people. Therefore, organisational purpose statements should be clear, concise, and well communicated.


There are challenges to building purpose


Whilst a strong sense of individual and organisational purpose can be beneficial – especially when there is a good degree of alignment between the two – there are challenges to building such purpose.


Work is the connector, linking together an individual and organisational purpose to foster a sense of belonging.

We have identified four key challenges that organisations discussed facing at our Masterclass on 25th October 2022:

 Supporting individuals to find their purpose

 Co-creating the organisation's purpose with your people

 Designing jobs sustainably and purposefully

 Managing the fluid nature of purpose to ensure alignment



Finding personal purpose is challenging and can take significant time and resources. However, when a person understands their individual purpose, this can have significant benefits for organisations.

Therefore, organisations should support people in finding their personal purpose – but this can be challenging when work is designed unsustainably and there is no time or space to allow people to find their purpose.



The benefits of co-creating a purpose statement with your people is undeniable. However, this is a high effort initiative that can be difficult to coordinate, and even more difficult to digest the data.



Using our HSM Advisory Collaboration Jam software, we have supported organisations to co-create their organisation's purpose and confirm it resonates.



Work has been identified as the connector linking together an individual and organisational purpose. However, it's often the element not thought about.

Designing jobs in a way to ensure alignment with the organisational purpose is important to fostering a sense of belonging.

But who's accountable for this?



Purpose is fluid for both individuals and organisations. For individuals, purpose can shift in line with things such as life stage. For organisations, purpose can shift in line with things such as leaders, and the external market.

This makes it challenging for organisations to ensure their purpose still aligns with their people, resulting in the need to revisit purpose every couple of years.

Four key levers can help to build purpose (1/2)

HSM Advisory have identified four key levers to support organisations when thinking about building a strong sense of purpose, and promoting a good degree of alignment.

1. Leaders¹⁸ and Managers¹⁹

Senior Leaders play an important role in building purpose within organisations as they have strong links to the overall vision and strategy.

Managers play a significant role in helping employees understand why their roles matter.¹⁶

2. Networks and Communities

Being around people with a strong sense of purpose can motivate and encourage people to find their own purpose.

3. Structures and Job Design

The work you do and the space you operate in should embody the organisational purpose.

4. Culture and Values

There needs to be a degree of alignment between purpose, culture, and values so they compliment each other and guide the organisation in the right direction.¹⁷



Senior Leaders set the tone for the organisation and should communicate the purpose by role modelling desirable behaviours¹⁸.

Managers¹⁹ have the most touchpoints with people and are can make connections to the organisation's purpose to support alignment¹⁶.



A network of people with strong alignment to the organisational purpose can embed the purpose throughout the organisation by helping people connect with it.

Connecting people with aligned passions and purposes strengthens belonging, trust, and connectivity, which is key for organisations.



Structures and job design provide:

1. Flexibility to allow people to live and realise their purpose.
2. Meaningful work with clear links to the organisation's purpose.
3. Autonomy so people make their own connections to the organisational purpose.



The culture of an organisation is how they operate.

The values guide collective and individual actions.

The purpose is what an organisation stands for¹⁷.

Building purpose in practice (2/2)

Organisations are building purpose within their organisations now, here are four key examples across the four levers identified for building purpose:



Leaders and Managers

Fujitsu wanted a clearer link between the organisational purpose and individuals, so conducted a purpose carving exercise with their whole organisation.

Executives carved their purpose first through a series of design workshops. This enabled them to make personal connections to the organisation's purpose.

Through townhall meetings, **Executives shared their personal purpose** to the organisation to communicate the importance of this exercise, show vulnerability, and role model the desired behaviours in a transparent way.

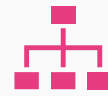


Networks and Communities

PwC wanted to **tap into their networks and communities** by partnering with HSM Advisory to run a 72-hour Collaboration Jam.

The purpose of the Jam was to understand people's views around the external forces impacting work: technology, demography, and society.

They found that employees wanted PwC to **deliver on societal goals and create a strong sense of purpose** to add value, provide meaning, and motivate people.



Structures and Job Design

The Ministry of Justice (MoJ) wanted to know what makes people feel a sense of belonging.

They engaged people through workshops and focus groups and found that purpose is a key driver of belonging at MoJ. Furthermore, people see MoJ's purpose as being about making a difference.

Exit interview data showed that **people left MoJ as they could not see how their work contributes to the overall purpose.**

They identified that the purpose is not talked about enough or articulated in a way people understand or can connect with.



Culture and Values

Transport for London (TfL) **wanted to ensure their purpose, vision, culture, and values aligned** and resonated with their people.

Over the summer of 2020/21, they conducted online workshops for everyone to share views and experiences of TfL's purpose, vision, culture, and values.

They found that the purpose no longer aligned with the vision, culture, and values of the organisation.

This led to TfL reconfiguring their purpose.

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