



Purpose driven work

**The importance of
connecting candidates
with a cause**



Purpose driven work

In his 2017 Harvard commencement address, Facebook CEO Mark Zuckerberg said, “Purpose is that sense that we are part of something bigger than ourselves, that we are needed, that we have something better ahead to work for. Purpose is what creates true happiness.”¹

Today’s workforce is looking for more from their jobs; they are looking for a way to make a mark on society. This view taps into the trend that employees are increasingly motivated to stay with a company, and even refer peers, if they believe the work they do contributes to a bigger purpose.

¹ Pontefract, Dan (August 2017) Fortune: Tim Cook and Mark Zuckerberg want you to be purpose driven <https://www.forbes.com/sites/danpontefract/2017/08/22/tim-cook-and-mark-zuckerberg-want-you-to-be-purpose-driven/#182eae911d6a>

What constitutes as “purpose” can vary. For example, some derive purpose by aligning to an organization that contributes to social corporate responsibility initiatives, offers a matching incentive, and/or compensates employees for their volunteerism, and contributions to self-identified charitable causes.

A Northwestern University study explored the definition of purpose in business. The results of this study indicate that organizations that are perceived as purpose-driven and particularly socially responsible affect employees’ sense of meaningfulness at work.² Other quantitative research is conclusive in showing positive correlations between meaning at work and employee engagement. According to the State of the American Workplace report, 4 in 10 Americans are disengaged at work. These disengaged employees can affect workplace culture, leading to safety incidents, high turnover, and absenteeism, all resulting in negative productivity.³

² Alexander, Allison (December 2015) Northwestern School of Education & Social Policy Study The Power of Purpose: How Organizations are Making Work More Meaningful <http://www.sesp.northwestern.edu/masters-learning-and-organizational-change/knowledge-lens/stories/2016/the-power-of-purpose-how-organizations-are-making-work-more-meaningful.html>

³ Gallup (2013) State of the American Workplace Report 2013: Employee Engagement Insights for US Business Leaders <http://www.michaeljbeck.com/documents/State%20of%20the%20American%20Workplace%20Report%202013.pdf>



Why purpose is important for organizations

Creating a workplace environment where employees can feel their job is more than just a paycheck can provide companies with a number of benefits. Some are intangible, such as an enhanced reputation in the market as being a good place to work. Others can be directly related to the bottom-line.

Consider turnover. Studies show that 86% of people decide within the first six months whether to stay or leave a new job.⁴ Combine that with the statistic showing that the cost to bring on a new employee is as high as 150% of that employee's salary, and it's clear that companies have a great economic incentive to see that their employees are happy and engaged from day one.⁵

What's more, providing the means for employees to find a sense of purpose on their jobs, coupled with appropriate recognition and reward, can make the difference between average performance and great performance. Employees who feel their jobs provide them with a sense of purpose are less apt to call in sick, and typically make fewer mistakes.

⁴ Dahl, Darren. "Why Your New Employee's First Six Months Matter Most." Forbes. 14 May 2013 Web.

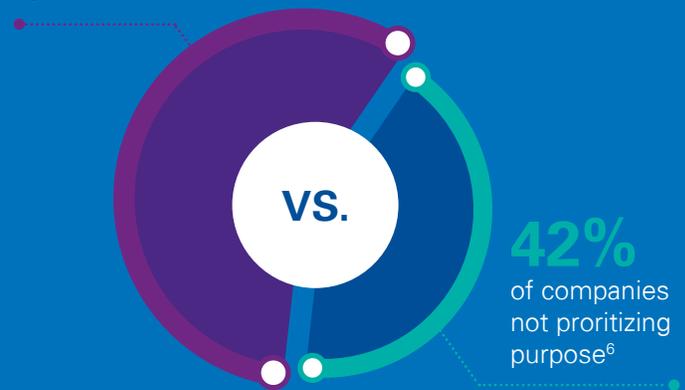
⁵ Bauer, Talya N. Pd.D. Onboarding New Employees: Maximizing Success. SHRM Foundation

⁶ Vesty, Lauren. "Why Your Company Should Care About Purpose (Hint: It Has to Do With Money)" 11 August 2016. <https://business.linkedin.com/talent-solutions/blog/trends-and-research/2016/why-your-company-should-care-about-purpose-hint-it-has-to-do-with-money>

In the past three years:

58%

of companies with a clearly articulated and understood purpose experienced growth of +10%⁶



Perhaps even more strikingly:

85%
of purpose led companies that showed positive growth⁶



42%
of non-purpose led companies that showed drop in revenue⁶

Why it matters to employees

half of today's workforce would take a

15%

pay cut to work for an organization with an aspiring purpose.

15%

people with a demonstrated sense of purpose have a 15% lower risk of death

While competitive salaries can go a long way in helping to attract talent, much more goes into creating job satisfaction.

As the saying goes, do what you love, and you'll never work a day in your life. However, not everyone is in a situation to live out that old adage. Many people stay at their employers to get a paycheck, each day waiting for 5 o'clock to return home to their families or to other more fulfilling activities.

Clearly, such a situation is unsustainable, and these employees will seek opportunities elsewhere. In fact, research has shown that almost half of today's workforce would take a 15 percent pay cut to work for an organization with an aspiring purpose.⁷

But providing a sense of purpose can do more than just make employees more productive and willing to stay with their employer. A sense of purpose on the job can even lead to healthier employees. There is even research that shows that people with a demonstrated sense of purpose have a 15% lower risk of death.⁸

⁷ Pfau, Bruce N., (October 2015), HBR.com: How an Accounting Firm Convinced Its Employees They Could Change the World <https://hbr.org/2015/10/how-an-accounting-firm-convinced-its-employees-they-could-change-the-world>

⁸ Hill, Patrick and Turiano, Nicholas. (May 2015). Purpose in life as a predictor of mortality across adulthood. <http://journals.sagepub.com/doi/abs/10.1177/0956797614531799>

What gives employees purpose?

Employees are not created equal, nor are the drivers that motivate them.

As we've just seen, financial rewards, a traditional driver, is no longer the catchall bait by which to lure top talent, for reasons ranging from generational priorities to personal preferences. For instance, compensation alone will not attract groups like Millennials, identified as one of the most charitable generations in history. This trend offers organizations a unique opportunity to refocus their employer brand so that it articulates a social mission that not only differentiates themselves from competitors, but also aligns with candidates seeking a cause.⁹

While Millennials/Gen Ys are often thought of as the talent pool that emphasizes a need for meaning (perhaps out of a natural age-related idealism), the bottom line is that no matter the level of experience, generation, or interest, many are seeking a meaning in what they do. When organizations prioritize purpose over paychecks, they appeal to candidates who are committed, intrinsically motivated, and show greater involvement in internal groups like Inclusion and Diversity networks.

⁹ Chamorro-Premuzic, Tomas. (November 15, 2015) How To Find A Job That Aligns With Your Values Fast Company <https://www.fastcompany.com/3053241/how-to-find-a-job-that-aligns-with-your-values>

How to promote a purpose narrative

How to tap into your unique narrative to create a purpose driven culture?

The challenge to first acquire, and then inspire, purpose-driven workers is easier said than done. Organizations have to take in all of the factors considered important to potential candidates seeking to align their profession with a cause. Next, it is important to tap in to nuances like generational, geographic, and cultural differences. Finally, organizations seeking to connect with candidates and employees need to tie in these messages into the talent strategy, as evidenced through the employee value proposition.

Most organizations see the value in building a stronger emotional connection between the company and employees but have not always effectively executed it. It's only when a purpose driven culture is infused that the vast potential is realized.

Portrait of a purpose driven company

For decades, motivation theorists and psychologists have written about the inherent need for meaningful work. **But what does it look like in action?** Organizations that promote purpose do the following things:

1 They foster a culture of open communication. People need to have their voices heard so their purpose can be known. Here, culture plays an important role. It is the vehicle into which purpose is embedded, the context for employee engagement, the footing for establishing meaningfulness for employees. For companies trying to develop a purpose-driven organization, culture is identified as the “strongest competitive difference”. At Facebook, decision-making discretion is fundamental to the culture.¹⁰ Employees at all levels are encouraged to abide by the company’s motto, “Move fast and break things.”

2 They share stories. The best organizations know how to promote purpose through a culture of sharing stories. Southwest Airlines has a reputation for a fun-loving and caring culture. It has continued to have this reputation by creating ambassadors who can instill employees with the following three things: “warrior spirit, a servant heart and a fun-loving attitude.”¹¹

3 Pharmaceutical company, Novo Nordisk gives employees 80 hours a year to volunteer and even offsite meetings often include a community service component.

Some organizations have already mastered the promotion of their purpose with a clear value proposition that explains why working for them empowers employees to be part of a greater cause. Starbucks strives “to inspire and nurture the human spirit.” Footwear maker TOMS offers a free pair of shoes to children in need for every pair purchased. And “fast casual”, favorite Chipotle proclaims, “With every burrito we roll or bowl we fill, we’re working to cultivate a better world.”¹² So how does your organization compare?

¹⁰ Stewart, Jim & Rogers, Patricia. (2012) Developing People & Organisations p 187 Chartered Institute of Personnel and Development

¹¹ Makovsky Ken. (November 21, 2013) Behind The Southwest Airlines Culture Forbes <https://www.forbes.com/sites/kenmakovsky/2013/11/21/behind-the-southwest-airlines-culture/#144b54cd3798>

¹² Davis, Jerry. (August 30, 2017) Why corporate America is abandoning its neutrality and entering social justice fray from AP News WTOP Washington’s Top News <https://wtop.com/business-finance/2017/08/why-corporate-america-is-abandoning-its-neutrality-and-entering-social-justice-fray/>





Considerations

Influential CEO for Virgin Group, Richard Branson, said, “It’s always been my objective to create businesses with a defined purpose beyond just making money”. Where should you begin in order to define purpose for your business?

Start by asking some key questions:

Far too often, organizations measure performance by the wrong standard, using unproductive metrics. Sustainable growth is built upon metrics like earnings per share, profitability, productivity, and customer ratings. To save the talent you’ve acquired, you have to measure the satisfaction of the employees and their employment experience.



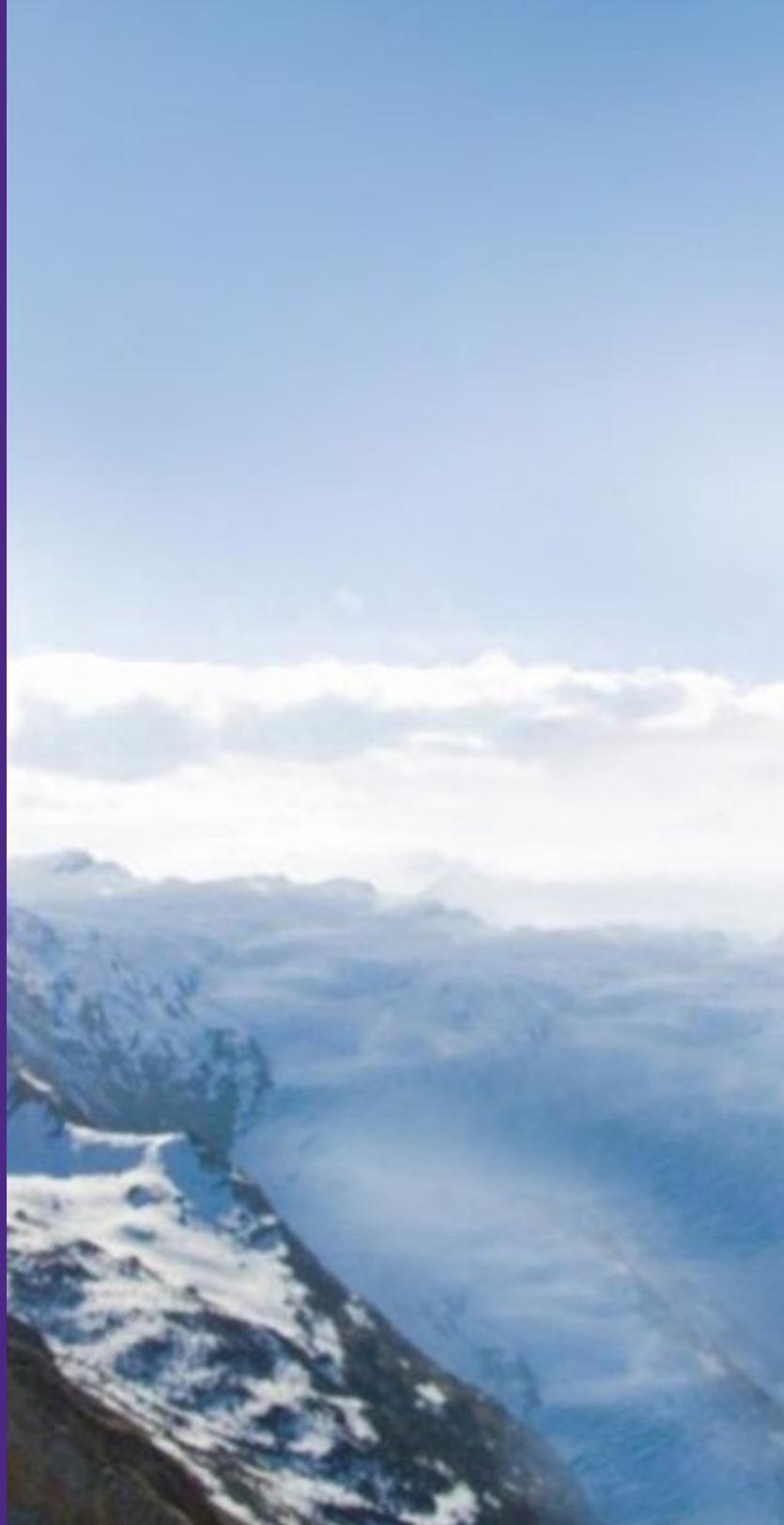
Questions to consider:

- What is the organization doing to cultivate a purpose-driven culture?
- What processes are in place to “decode” why employees choose to stay with the organization?
- What is the difference in the level of effort one is capable of contributing, and the effort required?
- What causes does your talent population strongly believe in or connect with?

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How KPMG can help

Beyond including a social purpose in the mission, there's certainly more that can be done. KPMG is among the leading firms helping clients discover, promote, and sustain their purpose. A strong talent strategy is a core competency of the world's most successful organizations, and KPMG can help you become one of them. With a toolbox of the most contemporary, relevant research as well as an experienced team of subject matter professionals, KPMG can help you build a talent management strategy that will give you a competitive edge in this rapidly changing world of work.





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Introduktion

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