

Forget about romanticised and heroic leaders. Today's leadership, says **Georgia Sorenson**, is all about purpose-led companies that are organised or branded around an idea

# Leadership: Person or Purpose?

**B**oth the quest for the perfect leader – be it “the romance of the leader” followed shortly in the literature by “the romance of the follower” – have become nearly obsolete in today's business climate.

It is really not about leaders or followers anymore. It's bigger than that. In many ways, we have been looking for leadership in all the wrong places. Leadership involves people, yes, but ultimately transforming leadership is not about people – whether leaders or followers – but about values and ideas.

My co-author and friend James MacGregor Burns, architect of the concept of transformational leadership, pointed the way to purpose-led leadership by introducing “values-added” to a marketplace focused on “value-added.”

Burns was a “values” man to the core and opened his classic book *Leadership* with this bold assertion:

“...leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Their purposes, which might have started out as separate but related, as in the case of transactional leadership, become fused. Power bases are linked not as counterweights but as mutual support for common purpose.”

Leadership is meaningless, Burns said, without its connection to common purposes and collective needs.

Flash forward 40 years. The concept of purpose-led companies – companies organised or

branded around an idea – has been at the forefront of debate about the new work force, the new consumer and, increasingly, the new investor.

Millennials in particular, as consumers, employees and citizens, are at the forefront of this focus. Mark Zuckerberg, CEO of Facebook and *Time* magazine's “most influential millennial” closed his recent Harvard commencement address saying:

“To keep our society moving forward, we have a generational challenge – to not only create new jobs but also create a renewed sense of purpose.”

And he challenged the graduates:

“Let's do big things, not only to create progress but to create purpose. So taking on big meaningful projects is the first thing we can do to create a world where everyone has a sense of purpose.”

Zuckerberg joins other global innovators such as Bob Forrester, CEO of Newman's Own, which donates \$500 million a year to charities, and Jostein Solheim, CEO of Ben and Jerry's, on the purpose platform. These and other companies – Warby Parker's commitment to donate glasses to the poor and Unilever's “Making Sustainable Living Commonplace”, for example – are purpose-led from the outset.

Companies are increasingly migrating to purpose-led leadership, including long-standing entities such as Campbell's Soup, where CEO Denise Morrison is now leading the industry in ingredients transparency and promoting healthy communities.



The business revolution is shaking things up and business schools are scrambling to create curricula that reflect that change.

In an article this year by Mie Augier and Arjay Miller in AACSB International's *BizEd* magazine, the authors trace the trajectory and history of American business school curricula and make a compelling case that business schools need to do more than add stand-alone ethics, values and social responsibility courses to their curricula.

Arguing that the corporation of the future is interested in both profit and purpose, they state:

"We know that it is easier to teach students how to make money than how to solve social problems. After all, problems such as climate change, education and healthcare are too complex for an algorithm to handle. But if schools can add dimensions of social consciousness to their existing core curricula, they can help students think through how they and their organisations can help address large social issues on a regional, national or global scale."

Ulrich Hommel and Michel Osbaldeston's discussion in a recent issue of *Global Focus* magazine goes even further by suggesting that the accreditation process will help to keep business schools relevant and current.

The Møller Centre at Churchill College, University of Cambridge, in the UK and the International Leadership Association (ILA) share a common passion: to facilitate learning and practice that is designed to support practical leadership.

Cynthia Cherrey, President of ILA, summarises her commitment to scholar-CEO dialogue:

"There is a greater calling for businesses to be dedicated to a compelling and deeply held purpose for the greater good of individuals, communities and societies. Corporate learning and organisational purpose is at the nexus of theory and practice. Innovative thinking and new ways of working and leading occur by bringing together the best thought leaders—the CEOs and the leadership scholars – to generate a rich series of conversations, forward-thinking practices and concepts to inform the important work on purpose-led business organisations."

To that end, Møller and ILA are sponsoring a series of Practical Leadership Symposiums on the Power of Purpose. The next symposium will be May 25, 2018 at the Møller Centre at the University of Cambridge's Churchill College.

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a white paper structured around two questions: “What does purpose mean to you in your organisation/experience?” and “How does purpose generate value for all stakeholders?”

The symposium utilised our book (*The Power of Invisible Leadership: How a Compelling Common Purpose Inspires Exceptional Leadership* Hickman, G R and Sorenson, G L. Thousand Oaks: Sage Publications 2013) and our earlier research.

My co-author, Gill Hickman, and I found that once a business or group is aligned under a common purpose, it can function as a unified whole. Our research, utilising 21 companies selected from World Blue Award winning companies, found that purpose-led companies attracted individuals inspired by its purpose, who stayed longer and were happier. And their companies were more successful and profitable than more traditional workplaces.

These findings were later replicated in a survey, titled *The Business Case for Purpose*, in which a team from *Harvard Business Review Analytics* and professional services firm EY’s Beacon institute concluded “...those companies able to harness the power of purpose to drive performance and profitability enjoy a distinct competitive advantage”.

The symposium used researcher Steve Kempster’s framework for stakeholders shaping the success of every purpose-led organisation, including:

- Shareholders and investors
- Employees and unions
- Partners/suppliers/resources
- Customers
- Community
- The Environment (or what Kempster calls, “One Planet”)



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In the words of social entrepreneur and symposium participant Béla Hatvany, in an aligned purpose-led organisation each stakeholder must feel well served and well rewarded. Through a process he calls “inquiry”, Hatvany was an early pioneer in assuring that the sectors in his purpose-led companies were, as he says, “well nourished.”

In short, the recent symposium was a rich environment to explore the intersection between the research and practice of purpose-led businesses.

Gillian Secrett, CEO of the Møller Centre, concluded:

“The symposium illuminated the critical role of purpose as a unifying factor for successful organisations, as well as individuals and leaders. Purpose offers a unique bridge between theory and practice as it provides a theoretical model or frame by which business practice might be planned, completed and assessed. This model also allows individuals to align their own core values to those of their organisations.

“On the macro level, purpose transforms organisations into leaders that are now able to align practice with conscious intent via determined value sets. As a result, leadership theories might be used to understand, improve and interpret the conscious practice of organisations that currently have a vast array of theory at their disposal for the improvement of purpose-driven leadership practice. This new reality bridges the boundary between theory and practice, and could allow purpose to establish itself as a nexus in this important relationship.”

Cambridge researcher Ali Jones, in a white paper at the first purpose symposium, ended her work by citing the college’s namesake: “As Winston Churchill once expressed it: ‘it is wonderful what great strides can be made when there is a resolute purpose behind them.’”

Whether in wartime or in business, we agree.

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#### ABOUT THE AUTHOR

Professor Georgia Sorenson is Møller By Fellow and Leadership Scholar at Churchill College, University of Cambridge, UK. She founded the James MacGregor Burns Academy of Leadership at the University of Maryland, US, where she was Distinguished Research Professor. She is also cofounder of the International Leadership Association and has also served as senior policy analyst in the Carter White House, and Inaugural Chair and Professor of Transformational Leadership of the US Army War College.

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