

# The power of purpose



For many who pursue a life in government service, purpose matters – you are here to serve. Whether you are a part of a newly elected administration or not, government leaders engage and are responsible for a large public sector workforce who must collectively deliver. As a member of any administration, you will be faced with critical questions, such as: What will be different today?

## Recent research shows

Organizations that embody purpose enjoy a workforce that is

**1.4x**  
more engaged

**1.7x**  
times more satisfied

What should be changed to better serve our employees and our constituents? What are our priorities; does everyone understand? And, perhaps the most challenging question of all: How do we earn and maintain an inspired and energized workforce?

To answer these questions, we believe an opportunity exists to leverage the power of purpose. Purpose determines who you are as an organization and inspires your workforce to align their efforts with a shared, easy-to-understand intention. It explains why you do what you do and strengthens every single activity and initiative that occurs within a department or agency, or any other government entity. Based on compelling data, a strong shared sense of purpose, clearly articulated, unites employees and agencies, builds a workforce equipped to deliver upon the vision, and enables transformational results.

## 1 Uniting around your purpose

The demands of a new generation of employees searching for meaning in their work and declining levels of trust in government are reshaping the way that state and local governments must think about galvanizing their workforce. Management research is increasingly focusing on purpose as a key driver of improved engagement, collaboration and outcomes.

“The sense of being part of something greater than yourself can lead to high levels of engagement, high levels of creativity, and the willingness to partner across functional and service boundaries within an organization, which are hugely powerful,” said Rebecca Henderson, the John and Natty McArthur University Professor at Harvard Business School.<sup>1</sup>

<sup>1</sup> “Why business must harness the power of purpose,” EY Global, 2018.

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We push decision-making to the local level so that we can be nimble. If we didn't all have a common purpose, if we didn't know what we were striving for, we couldn't do that. With this model, we put innovation in place quicker and it sets up a better way for us to innovate even more.

April Blackburn, State of Florida, Department of Transportation Chief of Transportation Technology

The results speak for themselves. Organizations that embody purpose enjoy a workforce that is 1.4 times more engaged and 1.7 times more satisfied.<sup>2</sup>

Tremendous opportunities await those state and city leaders who create a united platform around a purpose. By highlighting the common ground that people and organizations share, purpose helps to build bridges across business functions as well as between organizations. This provides powerful fuel for collaboration, which is necessary for success in the 21st century. Leaders mistakenly often believe they are doing a good job of articulating a compelling purpose and using it to guide their decisions.

When we asked one executive, for example, if his employees thought that his organization was living its purpose as well as executives said it was, he told us, "I bet employees would rate it pretty much the way I do. I think we see eye to eye on that."

He or she might want to reconsider that bet. Our research and observations suggest a pervasive overconfidence bias that leaves leaders viewing their organizations' commitment to purpose far more optimistically than their employees.

As with any new strategy, all levels of an organization must be involved and

<sup>2</sup> "State of the American Workplace," Gallup, Inc., 2017.

<sup>3</sup> "Diversity + Inclusion = Better Decision Making at Work," Cloverpop blog post, 19 September 2017.

<sup>4</sup> Ibid.

incentivized. Purposeful leaders not only talk about purpose and embody it in their actions – they actively engage employees and empower them to take action.



## Defining actions

- ▶ Engage at a human level by defining your purpose
- ▶ Create a communication and change plan for your organization to embrace that purpose
- ▶ Allow your purpose to guide your strategic actions

# 2 Building a workforce to carry out the purpose

The leadership team will need to continue building for the future you've imagined. An assessment of what new roles, new skills, diversity in thinking, and change in expectations there will be is essential to carry out your purpose. Recent research clearly shows that teams make better decisions than individuals 66% of the time.<sup>3</sup>

When adding diversity to the equation (including age, gender and geography), teams make better decisions 87% of the time.<sup>4</sup> To their credit, many state and local governments are currently operating in a

diverse manner as measured by gender and culture and are reaping the benefits.

However, there remains an opportunity to unleash a new level of performance, by incorporating a "shadow board" of millennials, boomers, and Gen Xers, as well as members who contribute to the board's cognitive diversity. ("Cognitive diversity" is diversity in the way individuals process information.) The shadow board advises and offers input that can serve as a model to further develop inclusive leadership at the highest echelons of government.

Organizations finding a balance between "new blood" and tenured associates who already know the business of state and local governments and citizen expectations will be rewarded. As brainstorming and better ways to drive efficiency and effectiveness are discussed, leaders should ask themselves and their teams, "Is this a preference, tradition, or requirement?"

Examining decisions and criteria through this exercise can disrupt our natural tendencies, bringing to the surface unintended biases that may be underlying certain processes. Outcomes realized are faster innovation and more state-of-the-art capabilities around your shared purpose.

Centering on purpose is also an effective recruiting tool in today's market, with a public-sector career promising an opportunity to make a difference and to work on impactful projects. LinkedIn research shows that purpose is important to millennials, Gen Xers and baby boomers, and that purpose-driven candidates are highly productive performers who stay in an organization

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longer. That's good news for the government and social services sector because 45% of employees consider themselves to be purpose-driven.<sup>5</sup> With 58% of millennials leaving their job within three years, purpose is an imperative in engaging and retaining your workforce.



## Defining actions

- ▶ **Assess new roles and new skills required to live your organizational purpose**
- ▶ **Build diverse and inclusive teams who examine decisions through a new lens – is the recommendation a preference, tradition, or requirement?**
- ▶ **Consider purpose as a strong recruiting tool**

# 3

## Achieving innovative, transformational results with purpose

Being the change you want to see in your state or city means acknowledging all that has changed. Consider this: it took more than 10 years for mobile broadband to reach 2 billion people. In the next three years, that number is projected to nearly quadruple, to 7.7 billion. This instantaneous interconnectedness among citizens and

<sup>5</sup> "Purpose at Work, 2016 Global Report," LinkedIn and © Imperative, 2016.

<sup>6</sup> "The Business Case for Purpose," Harvard Business Review Analytic Services (sponsored by EY Beacon Institute), 2017.

<sup>7</sup> "How can purpose reveal a path through disruption?," the EY Beacon Institute, 2017.

<sup>8</sup> Ibid.

the increase of powerful, real-time data analysis will create new opportunities for state and local governments to know and serve their citizens better. As data and digital technology affect every piece of your operations, there will be tremendous opportunity and built-in pressure to innovate.

Executives who treat purpose as a core driver of strategy and decision-making reported a greater ability to drive successful innovation and transformational change. "Most change initiatives seek to create a sense of crisis or urgency," said Valerie Keller, EY Beacon Institute Global Leader. "But there is a need to balance the burning platform with a burning ambition: creating a compelling 'run to' vision that is magnetic and can help break through fears and inertia." A clear sense of purpose can be used as a force to guide the organization through change and transformation as pressures demand new ways of operating.

Eighty-four percent of executives believe an organization that has a shared purpose will be more successful in transformation efforts.<sup>6</sup> Confirming that performance metrics and incentives are aligned with purpose is also critical, as it makes the tie between purpose and performance explicit for each employee.

The research behind "How can purpose reveal a path through disruption?" found that 39% of employees think their performance isn't linked to their organization's purpose.<sup>7</sup> That means that one in three employees are walking the halls questioning whether the time they spend at work means anything.

We believe you should measure what you treasure. If purpose really matters, it will

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**We like to measure optimism. Do they feel connected to our purpose? That's the mark of whether we are going to be a department that innovates and moves forward with the future.**

**Judy Fitzgerald**, State of Georgia, Department of Behavioral Health and Developmental Disabilities Commissioner

be incorporated into the performance metrics of individual employees, from job descriptions to key performance indicators to compensation. EY Beacon Institute's research found that more than 90% of leading-class purposeful organizations regularly evaluate whether they're making progress toward their purpose.<sup>8</sup>

These metrics aren't just measured quantitatively. Sometimes, the most effective way to tell whether an organization is living its purpose is employee feedback. Other firms might find surveys of employee well-being or customer satisfaction or quality scores to be more effective metrics.

A well-conceived purpose captivates and motivates employees, to powerful effect. Because your employees, in their interactions with internal and external stakeholders, drive the organization's strategic agenda, they are the ones who bring your purpose to life.



## Defining actions

- ▶ **Effectively navigating change requires acknowledgement of all that has changed so you can spot gaps and opportunities**
- ▶ **Create a compelling "run to" vision**
- ▶ **Measure what you treasure by aligning performance metrics and incentives with your (transformation) purpose**

## A path forward

This thought leadership piece underscores the benefits organizations see when they make purpose a priority. Organizations execute better when everyone is rowing in the same direction. Famed former NBA coach Phil Jackson was known to say, "The strength of the team is each individual member. The strength of each member is the team."

Without a shared purpose, organizations tend to run in circles, never making forward progress but always rehashing the same discussions. The EY purpose-led framework provides government and public companies an engagement model that inspires and harnesses the power of purpose to drive performance that will provide your state, city or agency a leading edge. For more information, you can contact Brad Duncan who is responsible for advising state and local governments on the topic of purpose.

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