

Organization Practice

Help your employees find purpose—or watch them leave

Employees expect their jobs to bring a significant sense of purpose to their lives. Employers need to help meet this need, or be prepared to lose talent to companies that will.

by Naina Dhingra, Andrew Samo, Bill Schaninger, and Matt Schrimper



If the tumult of 2020 has prompted your organization or leadership team to reconsider people priorities such as employee well-being, resilience, or purpose, then you're in good company.

Your employees are reconsidering you, too.

Nearly two-thirds of US-based employees we surveyed said that COVID-19 has caused them to reflect on their purpose in life. And nearly half said that they are reconsidering the kind of work they do because of the pandemic. Millennials were three times more likely than others to say that they were reevaluating work.

Such findings have implications for your company's talent-management strategy and its bottom line. People who live their purpose at work are more productive than people who don't. They are also healthier, more resilient, and more likely to stay at the company. Moreover, when employees feel that their purpose is aligned with the *organization's* purpose, the benefits expand to include stronger employee engagement, heightened loyalty, and a greater willingness to recommend the company to others.

Nonetheless, if you're like most senior executives, you haven't given the individual purpose of your employees much thought. The topic is intensely personal, potentially inaccessible to employers, and seemingly as uncomfortable to discuss as it is to actively encourage.

Despite these challenges, our research found that 70 percent of employees said that their sense of purpose is defined by their work. So, like it or not, as a company leader you play an important part in helping your employees find their purpose and live it. And you have your work cut out: our survey also found disparities in how frontline employees and other groups feel supported—or thwarted—in living their purpose at work.

In this article, we describe the role that work can play in individual purpose, highlight what employees want from employers and what they aren't getting, and describe what you can start doing about it. The prize? If you get this right, you can help your company become a better place to work and tap the enormous business potential of a purposeful workforce aligned with a purpose-driven organization.

But be careful: purpose is not just “another corporate initiative.” You can't mandate this. And if you approach your people with inconsistency, hypocrisy, or arrogance, you will likely do the organization—and your reputation—more harm than good.

Understanding purpose at work

To understand the challenge, we surveyed more than a thousand US employees about individual purpose and the work and life outcomes associated with it.¹ The survey is part of an ongoing McKinsey research effort to better understand the role of purpose in organizations.

Before exploring the findings, though, it's useful to consider the context in which individual purpose operates at work, as well as the unique challenges it presents for employers. Individual purpose can be thought of as an enduring, overarching sense of what matters in a person's life; people experience purposefulness when striving toward something significant and meaningful to them. There are clear patterns, or purpose archetypes, that help employers categorize what people find meaningful, but ultimately someone's purpose can be as varied as people themselves.

The upshot is that while companies and their leaders can have a big influence on the individual purpose of their employees, they have limited direct control over it. Companies therefore

¹This article draws upon a survey we conducted in August 2020 of 1,021 US workers. The respondents represented a range of ages, incomes, roles, and tenures.

need to meet employees where they are in order to help them optimize their sense of fulfillment from work.

To better understand how to accomplish this, consider the conceptual relationship between an individual's purpose and their work, as depicted by the three concentric circles in Exhibit 1. Everyone's purpose may be unique, but some part of it—large or small—comes from forces outside work, just as some part comes from the daily work itself. These are the outermost and middle circles, respectively, and they vary in proportion to each other from person to person.

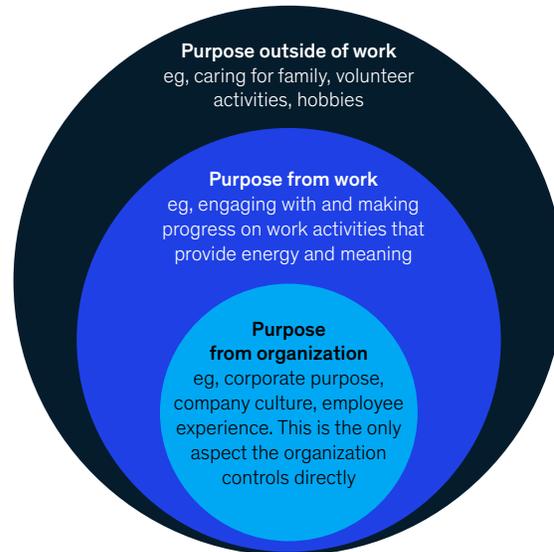
If an employee gets very little purpose from their work, the size of the middle circle will be smaller. By contrast, if another person finds their work very purposeful, it will be larger. Intuitively, then, the size of the middle circle represents the portion of one's purpose that is accessible by work—and also how much purpose employees want from their work—and it may grow or shrink. Employers should view this middle circle as a target they strive to understand and meet. They should influence the expansion of this circle if they can.

The innermost circle (purpose from the organization) depicts the company's means of

Exhibit 1

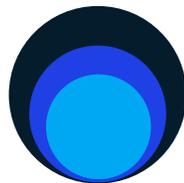
Meet employees where they are to help them achieve fulfillment at work.

The relationship between individual purpose and work



Three scenarios

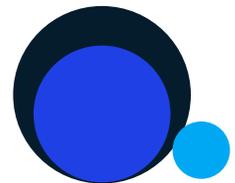
Nicole's purpose from work is aligned with and fulfilled by her company's purpose



Although she's aligned with the company's purpose, **Nancy** isn't feeling fulfilled by it in her work



Katherine's purpose is misaligned with—and unfulfilled by—the company's purpose



influence; it's the only aspect of purpose that organizations control. How so? By establishing a corporate purpose that considers the company's role and contribution to society, and by providing employees with meaningful ways to reflect on the company's efforts and their impact. Companies can also exert influence by improving the underlying health of the organization and its culture, bolstering inclusiveness and the employee experience, and changing the work itself.

As a company leader, you want to see the organization's relatively small sphere of influence expand to match the size of the employee's own sense of purpose from work (the middle circle). The closer the company gets, the more fulfilled the employee is. Moreover, a closer match earns the company more opportunities for employees to seek—and expect—more purpose from work, and to feel more aligned with the organization's purpose.

The operative word here is “earn.” Remember that when it comes to purpose, you have access only to what your people *grant* you access to. Your first task is to learn what they want, and then to see if they're getting it.

What employees want—and what they get

Chances are, your employees want more purpose from work than they're getting. For starters, we know that employees at all levels in the organization say that they want purpose in their lives. Eighty-nine percent of our survey respondents agreed, a proportion that tracks closely with academic research.

Moreover, 70 percent of the employees we surveyed said that their sense of purpose is largely defined by work. Senior executives in our sample nudged that average upward, but even so, two-thirds of nonexecutive employees said that work defines their purpose. This signals a clear opportunity for employers and leaders—an open door to encourage your employees at all levels to develop and live their purpose at work.

Yet when we asked if people *are* living their purpose in their day-to-day work, the gap between executives and others mushroomed. Whereas 85 percent of execs and upper management said that they are living their purpose at work, only 15 percent of frontline managers and frontline employees agreed. Worse, nearly half of these employees *disagreed*, compared with just a smattering of executives and upper management (Exhibit 2).

This “purpose hierarchy gap” extends to feeling fulfilled at work. Executives are nearly eight times more likely than other employees to say that their purpose is fulfilled by work. Similarly, executives are nearly three times more likely than others to say that they rely on work for purpose. Interestingly, the group most reliant on work for purpose—across roles—are parents (see sidebar, “Meet the parents”).

Finally, we sought to quantify the scope of the overall challenge for companies by comparing respondents' answers, regardless of their role, to questions about their desired and actual states.² This revealed that only 18 percent of respondents believed that they get as much purpose from work as they want. Sixty-two percent said that while they get *some* purpose from work, they want to get even more.

Understand the implications

You might consider “getting some but wanting even more” to be pretty good, particularly if you lead or manage big groups of people. You'd be wrong. These less satisfied respondents reported lower average work and life outcomes than more satisfied peers did—everything from reduced feelings of energy and life satisfaction to lower engagement, satisfaction, and excitement about work (Exhibit 3). Negative work and life outcomes for employees inevitably translate to negative outcomes for the business.

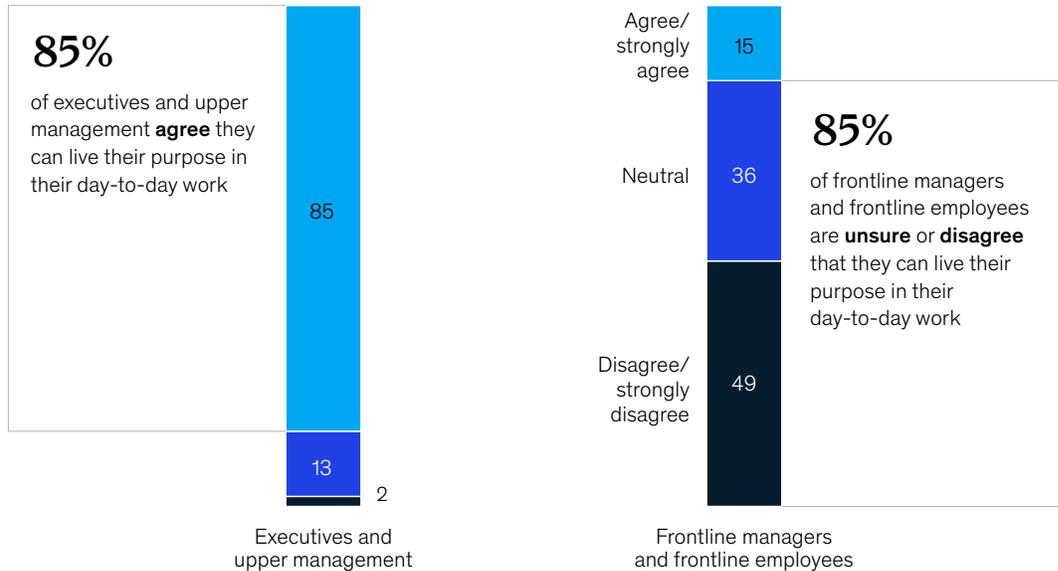
Moreover, the subtlety of some of the findings around frontline employees masks deeper issues. Why, for example, are frontline managers and employees so much less likely than others to rely

²We did this by mapping employees' answers to two questions: “How much of your work needs to be aligned with your purpose?” and “To what extent is your purpose defined by work?”

Exhibit 2

A stark ‘purpose gap’ exists between upper management and the front line.

Living your purpose in day-to-day work, % of respondents



Source: McKinsey Individual Purpose survey, August 2020 (n = 1,021)

on work for purpose? The numbers suggest that shortsighted leaders may be conditioning them to feel this way. Indeed, when we dug further into the data we saw that frontline managers and employees were ten times less likely than

management-level colleagues to say that they'd had opportunities to reflect on their purpose, and nine times less likely to say that they'd had a manager foster opportunities for them to work on purposeful projects. Similarly, managers don't

Meet the parents

Any parent will tell you that having children is life altering. Intriguingly, this axiom appears to extend to purpose as well. Parents in our survey were 1.6 times more likely than nonparents to say that they had a clear understanding of their purpose, and they were more than twice as likely to say that they relied on work for purpose.

Time always feels scarce, so given the trade-offs that parents make between work and home, our findings suggest that parents are keen to make work time as meaningful as possible. These findings could also reflect the “big picture” shift in perspective that many people describe as a consequence of parenthood.

Both sentiments were echoed in focus groups that we conducted independent of the survey mentioned in this article. In that forum, one parent remarked: “I felt more invested in the future after having kids. It changed my vision of the long game.” While another noted, “Being a parent has made my priorities more clear about my impact on the world. I want to make my children proud.”

seem to be doing much to share the “big picture” with frontline colleagues, who were three times less likely than leaders to say that they can see a connection between their daily work and the organization’s purpose.

While such gaps should distress you—many of the employees closest to your products and customers may have stopped relying on you for the purpose they say they want—the findings also offer hope.

When employees at any level say that their purpose is fulfilled by their work, the work and life outcomes they report are anywhere from two to five times higher than those reported by their unfulfilled peers. And this finding holds regardless of whether

employees currently rely on work for purpose. In other words, organizations should aspire to ensure that their employees’ purpose is fulfilled at work, whether or not employees initially think they rely on work for this. Employees—and the organization—stand to benefit anyway.

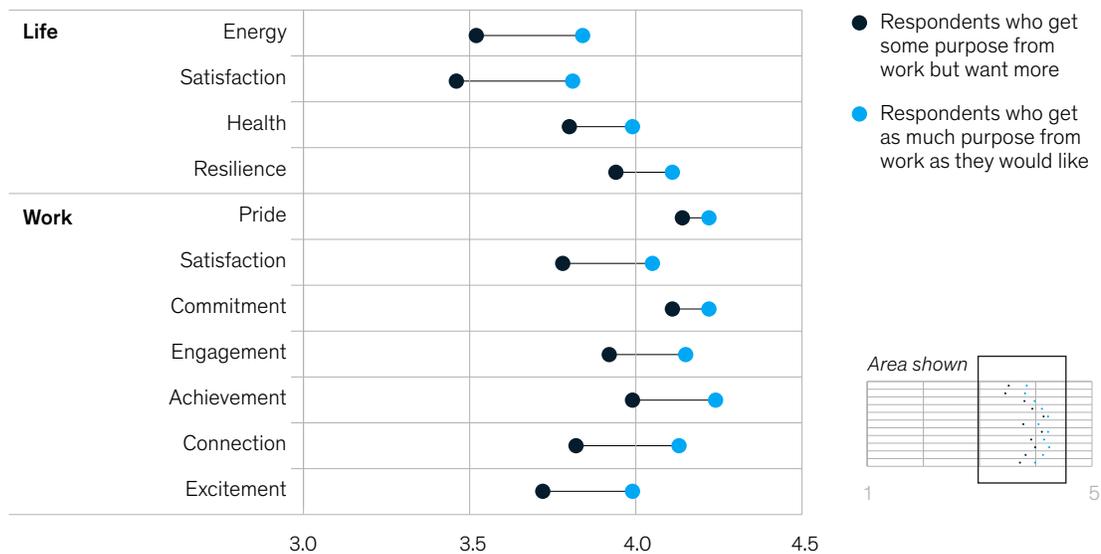
Take action, thoughtfully

The choices that company leaders and managers make are the X factor in helping employees fulfill their purpose at work. By making better choices—starting now—you can make a positive difference in the lives of your colleagues and the performance of the company. Here are three ways to focus your efforts:

Exhibit 3

Employees who get the purpose they want from work report better outcomes at work—and in life—than their less-satisfied peers.

Purpose in day-to-day work,¹ score (5 = high, 1 = low)



Note: All the differences shown between the 2 groups of respondents are statistically significant except for work pride and work commitment, although both are directionally consistent with the other findings.
¹Question: “To what extent is your individual sense of purpose defined by work?” vs “How much of your work needs to be aligned with your purpose?”
 Source: McKinsey Individual Purpose survey, August 2020 (n = 1,021)

1. Start with the organization's purpose (hint: the only thing you control directly)

It may seem counterintuitive to look first to the organization's purpose in hopes of supporting the life purpose of your employees, but remember: this part you control. Does your company meaningfully consider its role in society? Do senior executives use the company's purpose as a North Star to make difficult decisions and trade-offs? If your company's purpose is just a poster on the wall, you're wasting everyone's time. If you talk about purpose but don't follow through, the results can be devastatingly bad.

If you aren't sure your leaders are following through, start checking. Some companies use internal scorecards to track the commitment of leaders, employees, and other stakeholders to organizational purpose. Routine measurement helps leaders encourage buy-in, spot problems early, and take appropriate action. A few companies go further and embed purpose metrics into the performance assessments of people leaders.

One action you can take today is to start spending time with your team reflecting on the impact the company has on the world. Again: this must be earned. Cringeworthy emails to your team about corporate social responsibility efforts that seem disconnected from the team's day-to-day experience will only inspire cynicism. You want dialogue, not monologue. Still, when authentic and handled well, reflections on the bigger picture can inspire a sense of purpose. Our survey found that employees are five times more likely to be excited to work at a company that spends time reflecting on the impact it makes in the world.

2. Reflect, connect, repeat

When employees have a chance to reflect on their own sense of purpose, and how it connects to the company's purpose, good things happen. Survey respondents who have such opportunities are nearly three times more likely than others to feel their purpose is fulfilled at work. Make this a habit in your company.

While leadership workshops and storytelling sessions can be good forums for this, keep in mind that the underlying problem you're trying to solve might be in your leadership environment. Managers must be prepared to share their own purpose with others, for example, and be vulnerable in ways they're likely not used to in order to role model these skills and pass them along to colleagues. And pass them along you must: people in our survey whose managers didn't provide them opportunities to reflect on purpose stood just a 7 percent chance of fulfilling their purpose at work.

Look closely at your managers and leaders. Do they cultivate compassionate leadership, or is the attitude more akin to "stop whining"? Ask yourself: Is my team comfortable sharing personal things with me? Few things are more personal than one's purpose in life, and if psychological safety is low at your company you will never learn that firsthand. When employees in our survey said they experienced little psychological safety, they stood a 0.5 percent chance of saying their purpose was fulfilled at work.

3. Help people live their purpose at work

Sixty-three percent of people we surveyed said they want their employer to provide more opportunities for purpose in their day-to-day work. You need to find ways to deliver.

Many companies are tempted to scratch this itch by implementing programs that support employees' purposeful impulses wherever they find them—in the community, for example, or even elsewhere in the world. Some companies offer paid time off for these pursuits.

While such efforts are laudable, and even beneficial, they are not a good solution to the problem our survey identified. Your starting point should be opportunities that help employees find more personal meaning in their day-to-day work. By doing your part to help employees live their purpose at work, you will enable them to feel more fulfilled. And when the work is aligned with the company's

own purpose, that sense of fulfillment will ultimately benefit the company, too.

Consider the example of North American insurer USAA under then-CEO Joe Robles. To establish commitment to its core customer base in the US military community, Robles (who retired from USAA in 2015) saw to it that every employee went through a four-day orientation. Town hall meetings and other forums reinforced the effort by encouraging employees to ask questions and share ideas about how to fulfill their purpose.³

Purposeful employees try harder and are more apt to innovate. As reported in 2018, USAA's employees had collectively submitted more than 10,000 ideas to the company each year to improve the customer experience. About 900 had been awarded patents, including 25 authored by one of the company's security guards.

Town hall meetings and immersive, small-group sessions may not sound as sexy as a paid leave

of absence to do good in the world, but they are a lot more effective at helping employees start to see the good they can do in their day-to-day work. Many people spend the majority of their waking hours at work, so creating space for the little things to become purposeful can quickly snowball into better work experiences—and better work environments—for everyone.

The COVID-19 pandemic has people everywhere reevaluating their lives and work, and many now expect their jobs to be a significant source of purpose in their lives. Employers—ready or not—will need to help meet this need, or be prepared to lose talent to companies that will. The good news? The benefits of getting individual purpose right are substantial, self-reinforcing, and extend not only to the well-being of employees but also to the company's performance.

³For more, see Robert E. Quinn and Anjan V. Thakor, "Creating a purpose-driven organization," *Harvard Business Review*, July–August 2018, Volume 96, Number 4, pp. 78–85, hbr.org.

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