

# GETTING UNCOMFORTABLE ON PURPOSE

By Ashley Grice, Martin Reeves, and Jack Fuller

**T**HINKING ABOUT PURPOSE IN business was once a provocative and urgent activity. A seminal [HBR article](#) from 1994 states, “In most corporations today, people no longer know—or even care—what or *why* their companies are,” and argues that “strategies can engender strong, enduring emotional attachments only when they are embedded in a broader organizational purpose.” At the time, purpose was a disruptive idea, reminding companies how disconnected they had become from their *raison d’être* and inspiring them to re-articulate it, recommit to it, and mobilize around it.

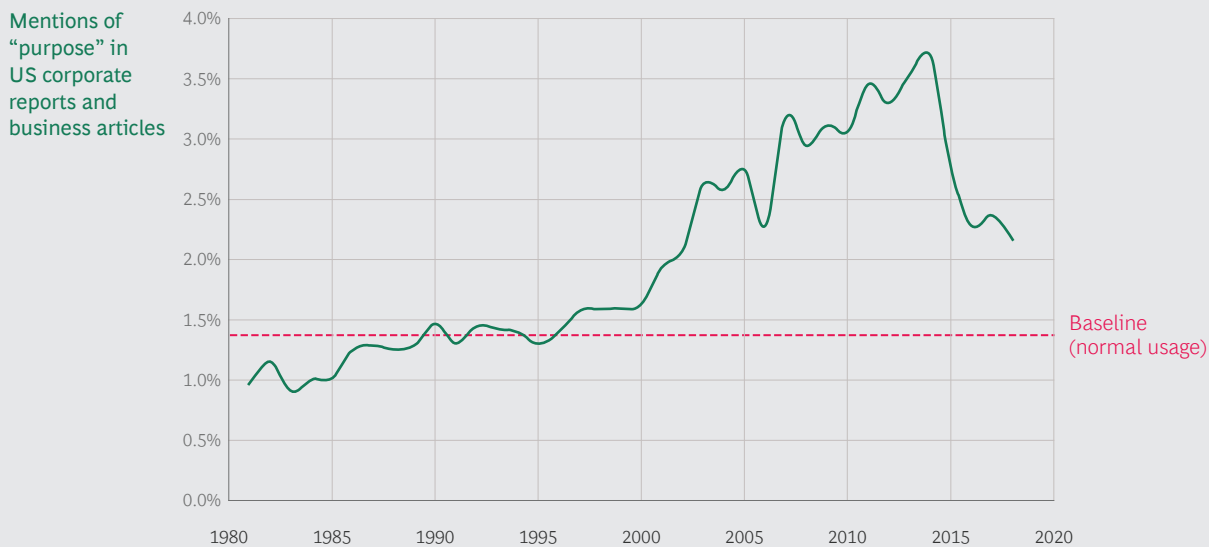
Yet like many new ideas in business, what starts out as a provocation can easily become an empty word, a comfortable routine, or even an excuse for *not* facing the toughest issues. Indeed, interest in purpose has surged, peaked, and declined, suggesting that the concept, like CSR, agile, and other initially powerful business ideas, has been overused and diluted. (See Exhibit 1.)

A clear sign that purpose has lost its power is if discussing it is easy and comfortable—if in articulating purpose you are merely describing, rather than disrupting, how your company works. Such discussions are probably not adding much value. Yet the reasons for a serious consideration of purpose have only become more urgent. How can we get back to the raw power of the idea of purpose and jettison the ambiguity, complacency, and ritualization that have grown up around it?

## What Is Purpose?

Purpose is developed at the intersection of aspiration, external need, and action. A purpose is an enduring aspiration formed around a need in the world that a company is willing and able to act on, using either intrinsic strengths or capabilities it could develop. For example, the world’s oldest company, Japanese construction firm Kongō Gumi, describes its purpose this way: “Kongō Gumi constructs shrines and temples that cultivate and bring calmness to your mind.”<sup>1</sup> Although the company has

## EXHIBIT 1 | The Rise and Fall of the Discussion of “Purpose” in Business



Sources: Frequency count of “purpose” in all US corporate reports and business articles, drawn from Factiva; BCG Henderson Institute analysis.

probably articulated this purpose in different ways over time, and its offering and operations have evolved (the company was recently acquired), it has pursued the core social good of bringing calm to people’s minds since its founding 1,440 years ago.

At the heart of the idea of purpose are a number of discomfiting tensions. (See Exhibit 2.) There is the tension between idealism and realism: on the one hand, you want to set forth an ideal that pushes your company to become something greater than it currently is, but on the other hand, you don’t want videos and speeches articulating lofty aspirations that are grossly mismatched with your company’s intention and capability to act. Reality without ideals takes you nowhere, but ideals without reality are equally fruitless: you end up either ignoring the ideal or pretending you are already living it.

Then there is the tension between imagination and existing needs. One can be guided by a dream—of what people’s lives or society could be like—using it as the basis for articulating a new need. Or one can set out to meet a palpable existing need. Serving acknowledged needs is likely to be more realistic but also to provide less differentiation from others. Shaping new needs offers

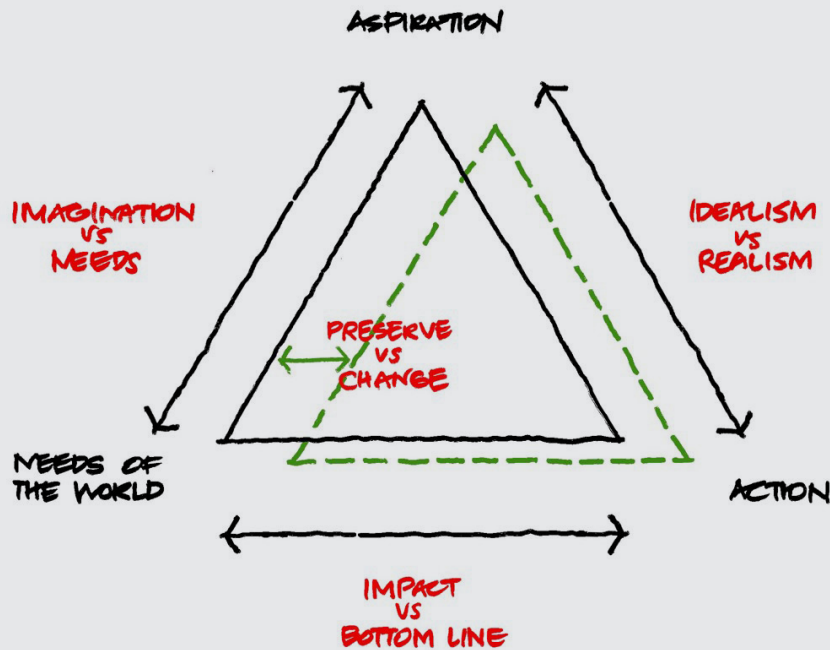
greater possibilities for uniqueness and profit but is likely to be less feasible.

There is also the tension between having a positive impact on society and maintaining financial viability. When addressing an ideal cannot generate a return, the purpose will not be sustainable. On the other hand, when the need is conceived as little more than providing a useful product, the purpose is hardly inspiring. The tension is between fulfilling a societal need and keeping the machine of the business running to fund the purpose on a sustainable basis.

Finally, there is the tension between consistency of purpose over time and adaptation to changing conditions. On the one hand, a commitment that can be broken and re-framed too easily is not a principled basis for an enduring identity. On the other, aspirations, needs, and capabilities all change over time, indicated by the dotted triangle in Exhibit 2; it is natural that even if your purpose endures, how you understand and act on it evolves as you experiment and learn in a changing world.

A good purpose integrates and balances all of these tensions. It is a balance of idealism (setting a real aspiration) and realism (not

## EXHIBIT 2 | Discomforting Tensions at the Heart of Purpose



Source: BCG Henderson Institute.

ignoring brutal truths); it is an imaginative way to meet a genuine need; it suggests a path for making an impact while attracting and maintaining sufficient resources to do so; and it captures what is timeless while leaving room for evolution of thought and action.

### Why Do We Still Need Purpose?

Pursuing a purpose offers a number of benefits for an organization. A purpose can align the many parts of a company, defining the common aspiration that binds them together. It can explain how what a company does is significant and inspiring: how day-to-day work—building Japanese temple walls, making windshield wipers, monitoring social media content—contributes to a higher goal. It can create a basis for innovative thinking by highlighting the gap between an ideal and reality and hinting at new products and services that need to be invented in order to bridge that gap. And it can help build resilience in the face of business and social change, including changing personnel in the company. New waves of people inherit a guiding aspiration to make their own, to pursue in their own way in new circumstances.

There are several reasons why getting purpose right is a high priority today. One is the increased pressure on business leaders. In a 2018 survey of people in 28 countries, about 80% of people said they expect CEOs to be personally visible in sharing the company's purpose, and around 75% want CEOs to discuss how their company benefits society.

Another is the political polarization of democracies and the increasing impact of political and social issues on business. Not every company will be pulled in front of regulators as Facebook and Twitter were, but one component of a sustainable relationship with customers, regulators, and other stakeholders is having an authentic answer to the question of what one's company adds to society.

Additionally, the growing complexity and scale of the corporation make it increasingly necessary to create an overarching narrative and set of beliefs that bind it together.

Finally, as is widely known, most employees are disengaged at work—85%, according to a recent Gallup survey. For most people today, companies don't inspire the energy and commitment one gets from

being part of a collective effort to accomplish a worthwhile purpose.

## How to Rediscover the Benefits of Purpose

A purpose can easily become routinized and trivialized. After some initial excitement, the slogan becomes familiar and the thinking that led to it is forgotten. Even if we set out with a sincere intention to build something greater, it's easy to become so focused on the means that we think rarely, if ever, about the ends. We settle back into maintaining existing routines, making familiar products via well-defined processes. And we tend to avoid difficult questions and tensions, which the serious pursuit of purpose raises.

So how can we recover the benefits of purpose and make it a useful and transformative concept? We need to face up to some difficult issues and imperatives.

- **Purpose must be discomfoting.** When you set a purpose, you create a gap between aspiration and reality. A purpose should make you feel that what you are doing now is not enough. Both the insight about what to do and the motive to do it come from thinking about this gap: holding both the ideal and the reality in mind at once. Forgetting one or the other reduces discomfort but also removes the motivation for action.

For example, Nestlé's purpose is "enhancing quality of life and contributing to a healthier future." To be effective, this has to be discomfoting. The purpose should prompt Nestlé to ask, how can we contribute *more and better*? Answering this question should stimulate the imagination, leading to ideas for new products and services, M&A in new areas, and corporate statesmanship in issues concerning quality of life and health.

- **Creating a purpose is about clarifying a timeless idea.** It can be useful to dig back to the roots of a company: purpose should be linked to identity formed over time, and looking at earlier

motivations and inspirations can help in finding the common thread. However, the easy way to make a purpose is just to give a pithy summary of what you happen to have been doing so far. The more discomfoting but productive path is to drill down to a core, timeless good, which will form the heart of the purpose going forward, even if the way this good is articulated and pursued evolves over time.

Meeting a need in the world involves bringing something good to people. A "good" is simply something valuable and could be described at many levels: good for people in general (bringing joy), a valuable product or service (office chairs, therapy), or a particular moment (when friends share stories). The best purposes latch on to a timeless good related to collective flourishing. For example, a retail bank might have spent its existence focusing on convenience and security, but we might see the underlying good as, say, bringing organization and wisdom around money into people's lives. Setting up this greater good as the aspiration creates the discomfoting but necessary tension between the past and the present.

- **Purpose requires thinking through the key phenomena.** Whether a purpose is just a tagline or a serious aspiration depends on the depth of understanding behind it. If a company had the purpose "to bring joy to the world," for example, we should want to find out the substance of its thinking around joy. Why is joy valuable? When does it appear and for how long? What makes it authentic rather than superficial? And how has the company linked this understanding of joy to its current and future capabilities to create it?

Take BCG's purpose as another example: "to unlock the potential of those who advance the world." The timeless good here is unlocking people's potential. To pursue this seriously, we must ask how this happens and use this to define the evolution of our capabilities to

make this happen more often or more effectively. This is rightly discomfoting, but pursued rigorously it could lead to a new kind of inspiring organization.

- **Purpose requires honest communication.** Purpose is shared, so a lack of good communication can undermine it. The tempting path in communicating a purpose is to focus just on the upside. This is understandable: we want the launch event to be enjoyable, and so we look at the appealing side of the purpose, while forgetting any uncomfortable implications and the gritty, messy nature of the actual business.

However, focusing solely on the upside can end up having little effect: people see the purpose as a glossy, sentimentalized picture that has little to do with the actual nature of the work. A better option may be to tackle head on the ideal-reality gap. It may be discomfoting, but acknowledging the challenge that the purpose throws down, given where we are now, is the first step toward taking substantive action.

- **Purpose should lead you in unusual directions.** A purpose should prompt action in new directions rather than just summarizing and preserving the status quo. It should therefore shape your M&A and R&D strategies, your product

portfolio, internal processes, and your corporate statesmanship activities.

To continue our example, imagine that a bank set the purpose of cultivating wisdom and organization around money. It could act on this by developing tools to help with self-control, developing a new service to offer financial education to teenagers, or, more ambitiously, acquiring a counseling company to train a new kind of therapist-banker who would help people probe and reflect on their motivations around money. By so doing, the bank might become the leading voice for self-reflection around our individual and collective attitudes toward money. Letting purpose drive action can lead you in new and potentially fruitful directions.

**S**ETTING A PURPOSE is an easy exercise when it doesn't involve discomfot or change. Instead, we should embrace the productive tensions of purpose, which will inspire action. The purpose of purpose is to change the current reality, not to justify it.

#### NOTE

1. Kongō Gumi was bought in 2006 by the Takamatsu Construction Group after 1428 years of independence; <https://www.takamatsu-cg.co.jp/eng/about/group/takamatsu/kongogumi.html>.

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