

Leadership: The measurable impact of inspiring a sense of purpose



When we need to create change, the evidence shows that money and fear are poor motivators. Finding a common inspiration is an alternative that works. Leaders have the privilege and responsibility of generating alignment to a common purpose.

This is acutely true when there is a crisis or urgency to change the performance of a business. Arriving in these situations, a leader often has a limited number of levers to pull to re-energise demotivated, underperforming **workers**, not least because money and time are, by definition, in short supply. At this point, the leader is acutely aware that the contract with employees is incomplete. The team may serve the contracted hours but it is extremely difficult to measure whether employees are working to their potential: creatively solving problems, or doing their best to contribute to the overall goals of the organisation.

In my experience of leading companies both large and small this is a common challenge. It is also one given less attention than it deserves. Much of the research on what motivates employees is concerned with measurable 'efficiency wage' concepts. What should managers pay so that the employee fears losing the job sufficiently to try hard? How does fear of job loss mean management can reduce in-work benefits?

This transactional model of how to solve the problem must be extended beyond pay and sanctions. There is consistent behavioural evidence that fear and greed are poor long term motivators. In contrast, sense of purpose, closeness to colleagues, and a feeling of achievement are consistently the top factors in job satisfaction, with salary often the least important element.

Creating shared inspiration

Leaders can, and should, think systematically about how to build shared inspiration, rather than individualised motivation. They should do this without the levers of cash and fear. I've used this approach many times and have found it to be as effective in situations where there is no money to spend, low morale and no time to waste, as it is in large companies seeking fresh energy. The process is divided into three parts: Commit, Connect and Create.

Commit

If the feeling of shared purpose is inspirational, then our primary goal as leaders is to establish what that common purpose could be. For this we need a sense of positive change. When I am asked to support a business transformation, the first target I often hear is growth. “Aim for 3 per cent growth in something!” It seems to rarely matter what we’re trying to grow.

This lack of stimulated thought will not change the customer’s perception of the business, or the employees’ perception of their work. You can get to 3 per cent by cheese-paring, which may be legitimate in the short term, but is not a basis for inspiration. Instead I invite the team to dream about what could be possible. Shared purpose comes from dreaming of 30 or 300 per cent improvements, and imagining what it would take to reach those goals. This is a challenge to which the entire team can commit. Given permission and encouragement to dream about what may be possible, the team will begin to think outside previous limits.

Connect

This is not a top-down process. Shared goals must be derived by the team. We invite teams drawn from across the business. Discuss and identify the key strategic areas to improve, and the priorities within those areas, and prioritise ruthlessly. Everyone in the group contributes. At the end of the process, we have a 1,000-day plan. The most important aspects of the plan: it is shared and commonly understood. This doesn’t mean there is no conflict but plenty of research argues that managed conflict is healthy. Resolved amicably, with a finishing point, constructive debate helps deepen the entire team’s commitment to the outcome.

Create

To capitalise on the personal commitment we allow as much autonomy as is practical. For example, the idea that someone is “only a…” is banned. Every single team member, whatever their job title, has a role to play. As part of the process, teams self-manage as much as possible, emphasising problem solving and rapid feedback. Creative problem solving becomes the new norm.

Measuring the impact

Measurement of financial and operational goals is well developed. Monitoring inspiration far less so. The impact of the team’s commitment on each task, project and transaction matters. In our businesses we measure the impact of shared inspiration by observing behaviours which are demonstrated thousands of times a day. We break the 1,000-day plan into 50-day projects. Each project can be measured, and each project is small enough for the team to demonstrate their passion and creativity. In this way, each success becomes a reinforcement of the sense of purpose for team members.

I have applied this approach with teams in global brands including Porsche and BMW and also in startups grown from very small to significant players. The commercial results are clear, tangible and measurable. The overall effect is wider. Leaders are developed at every level in the organisation. A culture is created whereby teams formed of members who may initially consider themselves ordinary are inspired by a shared purpose to build something which is quite extraordinary.



Notes:

- This blog post is based on the author’s book [Inspired Leadership: How You Can Achieve Extraordinary Results in Business](#) (Wiley, September 2017).
- The post gives the views of its author, not the position of LSE Business Review or the London School of Economics.
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Kevin Gaskell was the youngest Managing Director of Porsche, Lamborghini, and BMW, leading all three companies to record growth and performance. Gaskell is a corporate trailblazer who has enjoyed 25 years of success as a business leader; founding startups, driving turnarounds and leading major brands in a variety of sectors. The teams he has led have created over £3 billion in shareholder value. Gaskell is a [serial entrepreneur and investor](#). His portfolio of companies has received awards including: best private equity investment performance of the year, strategic e-commerce business of the year, world's seventh most innovative company and Insight Innovation

winner Europe.