In this chapter, we will explore why Purpose – working for the greater good – has come to the fore in society as well as business, and the role it plays in our personal lives and work.

If you are well versed in the Purpose topic, I hope you will still read this section and hopefully find some new insights, as it is becoming increasingly clear that there is a major shift going on in our society.

Purpose suddenly seems to be everywhere, and companies large and small are looking at incorporating ‘Purpose’ into their businesses. This is due to several trends converging to create this unique situation:

- Humanity is at a unique point in history in terms of our collective ability to understand and act on the issues that face us.
- Society is expecting business to be involved in solving societal issues.
- Employees want to be engaged in their work and feel it has meaning.
- As we age, we wish to ‘give back’ and make the world a better place for coming generations.

We will cover each of these aspects in turn, starting with the human need for meaning beyond ourselves, and building the picture through business to the ongoing shift in society.

We will see how this point in time is pivotal, and that our actions over the next decade are crucial for where society and civilisation is heading. More of the same thinking and acting will not solve our world’s issues.

We need to create a new point of view, a new consciousness, from where to create new solutions and fresh approaches.

**Purpose is a verb – not a noun – and it is not a cause**

Before we delve into what is going on with our society, business and us as individuals, let’s agree on a definition of Purpose. One of the most common confusions for both organisations and individuals is that Purpose is often equated with a particular cause or being a ‘do-gooder’. Purpose does not equal a cause.
Purpose in this context means answering the question, ‘Why are we here?’ or more specifically, ‘What are we here to do, and for whom?’

As Aaron Hurst in *The Purpose Economy* puts it:

> seeking our Purpose is about finding a direction, not a destination. That is, Purpose is a verb, not a noun. We may never find one true calling, but we can understand the color of our Purpose, which can help us have much more meaningful careers and lives. **TRUTH: Purpose isn’t a cause; it is an approach to work and serving others. Purpose is a verb, not a noun.**

An example of what Aaron Hurst means is how James Wambugu, Group Managing Director, General Insurance at UAP Old Mutual Group in Kenya, articulated his Purpose that then helped him transform UAP from a less-known insurance provider in Kenya to the most well-known and respected insurance provider in the country, attracting outside investors and finally the acquisition by the massive Old Mutual group of South Africa: ‘I wanted to transform people’s lives and my country through access to affordable and relevant insurance’.

We will learn more about how James and other executives figured out their Purpose, how to discover our personal Big Question, and how to convert this to our direction (i.e. our Purpose) in Chapter 9.

**The human desire for Purpose beyond ourselves**

‘We find Purpose when we are doing things we love, attempt new challenges, and express our voice to the world’. These are the words of Aaron Hurst in his book *The Purpose Economy*.²

The desire by human beings to contribute to something larger than themselves and their own needs is as old as humanity. The philosopher Aristotle wrote in 300 BC about ‘the good life’ being eudaemonia – a good life, a flourishing life, a fulfilled and worthwhile life.

A plethora of books have been published about happiness and well-being over the past decades, and unsurprisingly the common denominator in the more serious of them is our need to have Purpose or meaning in our existence.

Daniel Kahneman, the Nobel Memorial Prize laureate, also discovered that once our basic needs are met, extrinsic rewards – money, recognition etc. – become much less important to us, and actually don’t work as motivators for higher performance at work, while intrinsic rewards – internal, emotional satisfactions – become far more critical.³

Daniel Pink is one of the most quoted thinkers on this topic, and Peter Diamandis, in his book *Bold*, neatly summarises Daniel Pink’s findings for our intrinsic motivators as: ‘Autonomy – the desire to steer our own ship, Mastery – the desire to steer it well and Purpose – the need for the journey to mean something’.⁴
Sr. Helen Alford, Vice Dean at the Faculty of Social Sciences at Angelicum, the Vatican University, has spent a lifetime studying the intersection of psychology, philosophy, wisdom traditions and neuroscience. She has drawn the conclusion that human beings are literally hardwired for cooperation – it increased our chance of survival as a species, i.e. cooperative individuals thrived and progenated more successfully than the non-cooperative individuals – and our greatest sense of joy and satisfaction comes from doing things for other people, for the greater good.5 Other recent studies on life satisfaction confirm these findings.6,7,8

That this is a topic on people’s minds all around the world is clear from the poignant statistics that Marcella Cheung, when Head of Global Engagement Programmes at LinkedIn, shared in her May 2015 TED Talk on finding Purpose.

When Marcella Googled the question ‘What to do with my life?’, Google returned 3 billion results, only surpassed by searching for the word ‘man’. As you can see from Figure 2.1, searches for similar questions yielded results in their billions as well. I think we can state with some confidence that Purpose, in life and work, is very much on the minds of the citizens of our societies all over the world.

![Number of Results from Google Search Mar 2015](image)

- “what should I do in life”, 3 bn
- “I really don’t know what to do”, 1.5bn
- “where am I going in life”, 1.3bn
- “I just don’t know what to do with my life”, 1.2bn
- “what do I want to do with my life”, 1.2bn
- “purpose in life”, 1bn
- “how to be happy”, 618m

*Grand Theft Auto 5 – fastest selling video game in history

Figure 2.1 Results when Googling ‘What to do with my life’9
Our motivations change as we age

As we age and face our mortality – ‘time becomes finite’ – our desire for Purpose in our life and work increases. We want to give back, leave a legacy and wonder how the world will see our contributions when we are gone. We have an urge to help others, mentor younger people, and share our experience and knowledge in different forms than the classic 24/7 full-time leadership roles. We discover a wish to ‘live our lives’ in addition to just working, and we start to want to ‘work to live rather than live to work’.

We start to ask ourselves why we are here on earth, what we are supposed to accomplish before we wander into the mist of history. We start to seek answers to questions such as ‘there must be more than this?’, ‘this’ normally referring to our material lives.

We are entering the time of life that the Hindu tradition calls our ‘forest dweller’ time, withdrawing from our humdrum existence, at least mentally, to contemplate life’s mysteries. We are seeking our soul, wisdom, and deeper understanding of how we relate to ‘the whole’, and share this acquired understanding through service to our society.

Many of us might not go on a full-blown spiritual seekers trail, but rather seek more philosophical or action-oriented answers, and there is no contradiction in this. We will find the path that is right for us and will gradually deepen in understanding in our own way.

This seeking and need for giving back is as old as humanity, and has been described in every wisdom tradition since ancient times, by philosophers over millennia and in recent decades by psychologists, anthropologists and other scientists.

This is illustrated in the work of Richard Barrett and his Barrett Values Model, with seven levels based on Maslow’s hierarchy of human needs and models of higher consciousness (see Table 2.1).10

There are seven levels of needs in his model: survival – security and physiological needs, relationship – love and belonging needs, self-esteem – respect and recognition needs, transformation – freedom and autonomy needs, internal cohesion – the need to find meaning and Purpose, making a difference – the need to make a difference, and service – the need to do selfless service for society.

We seek to satisfy the needs of each stage before we can move forward to the next. When we have satisfied that need, we first become happy, a fleeting feeling, and then content, a lasting feeling where we feel in harmony with our situation and context. If our needs cannot be fulfilled, we become unhappy, discontent, and if we are thwarted for a long time, depressed.11

In fact, the lack of Purpose in our lives is, in Richard’s view, one of the reasons for the epidemic spread of depression in our society, which is the topic of his 2016 book A New Psychology of Human Well-Being.
It is worth noting that as we move up the ladder of needs, remnants of the needs of the previous stages are still with us. How strongly they impact our decisions and behaviours depend on how well they were met, or not, when we were younger. We can be stalled at a level – such as respect and recognition – or we might be pulled back to a previous level when we feel threatened. As we work through our old issues and progress on our new needs, we will gradually operate more and more from the higher levels of the model.

Barrett has also related this progression of needs to our age (see Table 2.1). From around age 40, we start to have needs that are more focused on others, rather than with immediate career progression, our societal status or ourselves.

These needs increase as we age and as we reach our sixties and beyond; as we face our mortality, we increasingly wish to serve society and leave the world a better place for coming generations, ‘generativity’, as Laura Carstensen names this phenomenon in her research on socioemotional selectivity theory.12

Question 2.1: Which of these developmental tasks, values, motivations and needs in Table 2.1 ring true for you at this point in time?

Question 2.2: Do you recognise some previous stages when you were fulfilling needs that today are not so important to you anymore?

One example of how giving back and leaving a legacy is playing out in the Middle East is recounted by Ibrahim Al Zu’bi, Senior Advisor – Sustainability, Government of Dubai – Dubai Land Department, Advisory Board Member, Dubai Real Estate Institute (DREI) and Head of Sustainability – Majid Al Futtaim, in the UAE. He expressed what he sees happening with executive committee members around him in the UAE as:

In the GCC, many companies are family-owned. Most of the first generation decided to have their CSR legacy via creating well-endowed foundations separate from the business. Now the second-generation family firm leaders are now at the age where they want to take business to the second level and start implementing global best practices in the business and having a transparent sustainable business. They are looking to incorporate the legacy leaving into the business. They are starting to see this as an additional way for ‘good business’, which leads to a good life and balance in society.

Or, as the India CEO of a major European corporation expressed it in our Cranfield later career study, ‘Even in young industrial countries like India,
Table 2.1 Motivations, needs and value priorities at each stage of psychological development

<table>
<thead>
<tr>
<th>Stages of psychological development</th>
<th>Age range</th>
<th>Developmental task</th>
<th>Motivations and needs</th>
<th>Value priorities</th>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serving</td>
<td>60+ years</td>
<td>Alleviating suffering and caring for the well-being of humanity</td>
<td>Satisfying your need for selfless service</td>
<td>Compassion, humility,</td>
<td>Future generations,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>wisdom</td>
<td>social justice</td>
<td></td>
</tr>
<tr>
<td>Integrating</td>
<td>50–59 years</td>
<td>Aligning with others who share the same values and purpose</td>
<td>Satisfying your need to make a difference</td>
<td>Collaboration, empathy,</td>
<td>Sustainability, shared</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>cooperation</td>
<td>purpose</td>
<td></td>
</tr>
<tr>
<td>Self-actualising</td>
<td>40–49 years</td>
<td>Becoming more fully yourself by leading a purpose-driven life</td>
<td>Satisfying your need to find meaning and purpose</td>
<td>Fairness, openness, trust, transparency</td>
<td>Authenticity, shared values</td>
<td></td>
</tr>
<tr>
<td>Individuating</td>
<td>20–39 years</td>
<td>Becoming more fully yourself by embracing your own values</td>
<td>Satisfying your need for freedom and autonomy</td>
<td>Accountability, continuous learning</td>
<td>Independence, equality, autonomy</td>
<td></td>
</tr>
<tr>
<td>Differentiating</td>
<td>8–19 years</td>
<td>Proving yourself by displaying your skills and talents</td>
<td>Satisfying your need for respect and recognition</td>
<td>Self-esteem, continuous improvement</td>
<td>Achievement, status, authority, power</td>
<td></td>
</tr>
<tr>
<td>Conforming</td>
<td>2–8 years</td>
<td>Feeling safe and protected by staying close to kin and community</td>
<td>Satisfying your need for love and belonging</td>
<td>Safety, protection, loyalty</td>
<td>Harmony, friendship, traditions</td>
<td></td>
</tr>
<tr>
<td>Surviving</td>
<td>Birth to 2 years</td>
<td>Staying alive and physically healthy in the best possible conditions</td>
<td>Satisfying your security and physiological needs</td>
<td>Security</td>
<td>Survival</td>
<td></td>
</tr>
</tbody>
</table>
executives in quite senior positions are now starting to look at ‘retirement’ in their mid to late 40s, wanting to step back and do something for society’.14

This need to give back to society as we enter our forties, fifties and sixties is playing out with executives everywhere in the world, but organisationally we rarely seem to take notice.

The way careers are handled in most organisations are still highly linear, in perpetual ascendancy, inflexible, and taking little or no account of changing priorities for the senior leaders.

An example of this linearity and inflexibility is the experience of one Fortune 100 senior executive I spoke to:

After building the second largest geographical business for my company outside the USA, literally from scratch, working 24/7 and flying to the US each month for global management meetings for 15 to 20 years, I asked the company if I could just do my regional role and stop doing my global role for just a couple of years.

I had almost totally missed my kids growing up and I wanted to be around for them the last two years before they went off to college and on to their own lives. I was quite happy to take a big reduction in my compensation for the period I would do this.

The company was completely inflexible and gave me a flat no – after more than 25 years of outstanding performance for them! So, I said no too . . . and quit.

**Purpose is an important aspect of engagement and well-being for employees**

Employee engagement is seen as one of the top factors for company success, which has been shown by many studies. One such study, by Achievers and Harvard Business Review Analytics Services, cites 71 per cent of management and executives agreeing that employee engagement improves company performance.15

Yet each year, surveys show that a large part of the workforce is not engaged. As Gallup’s *State of the Global Workplace* survey 2014 says:

13% of employees across 142 countries worldwide are engaged in their jobs – that is, they are emotionally invested in and focused on creating value for their organisations every day . . . Actively disengaged workers – i.e., those who are negative and potentially hostile to their organisations – continue to outnumber engaged employees at a rate of nearly 2–1.

This implies that 63 per cent of employees just do their jobs without much enthusiasm, and over 25 per cent are negative and potentially hostile. The study also states that executives overestimate how engaged workforces are,
whereas managers working for them are more pessimistic regarding their subordinates’ engagement levels.

The situation is slightly better for managers, with 35 per cent of them engaged at work, according to Gallup’s 2015 survey in the USA. However, 51 per cent of managers are not engaged and 14 per cent are actively disengaged, and disengaged managers create disengaged employees.16

Purpose has for a long time been associated with the ‘millennial generation’, but in fact leaders of all ages now believe that the top responsibility of a company is to provide goods and services that positively impact society, and they want to work for these types of companies.

In fact, 88 per cent of current leaders (baby boomers and Gen X) and 90 per cent of future leaders (millennials) agreed with the statement that ‘Business should have a social Purpose’ in a study by the Doughty Centre for Corporate Responsibility at Cranfield University’s School of Management and FT Remark. They significantly differed, though, in their view on how far advanced they felt their companies were on the road to implementing Purpose – 86 per cent of current leaders but only 19 per cent of future leaders believed business is demonstrating societal Purpose.17

The global 2016 Purpose at Work study surveying over 26,000 LinkedIn members showed clearly how employees who are Purpose-driven are more satisfied, productive and successful in their work. Interestingly, it also shows that older generations (baby boomers age 51+) are more Purpose-‘oriented’ than Gen X (age 36–50) or millennials (age 18–35), which fits with our changing priorities as we mature, but has not been seen in statistically significant numbers in studies before.18

That more should be done in the area of Purpose by companies is also evidenced in the Core Values Study by Deloitte, where both employees (68 per cent) and executives (66 per cent) agree that businesses do not do enough to instil a sense of Purpose aimed at making a meaningful societal impact in their culture, although this was deemed to be essential going forward.19

In view of this evidence, investing in unleashing this latent potential in executive, managerial and employee ranks should be one of the most important topics a company can engage in going forward.

**Purpose-driven companies deliver better financial returns**

Many of you will be familiar with the financial benefits of being a Purpose-driven company, but I wanted to include a short summary here for the sake of completeness, and potentially as a useful armoury of information for developing your own business case to propose adding Purpose to your job or business.

The iconic book Firms of Endearment by Raj Sisoda, Jag Sheth and David Wolfe was first published in 2007, 18 months before the financial crisis. They showed us why brands such as Patagonia, Interface, IKEA,
Google and Whole Foods, with their unique focus on delivering Purpose (or shared value) for employees, society and business, engendered extraordinary customer and employee trust and loyalty and superior financial returns to investors.\textsuperscript{20}

Despite the turbulence caused by the 2008 financial crisis, in their updated book in 2014 they show us that in the 15-year period finishing 30 September 2013, their 28 chosen US public firms and international firms of endearment vastly outperformed the S&P 500; in fact, they dwarf them in both their cumulative and annual returns. This period (1998–2013) includes the many major upheavals in the business world: the dot-com bust, the Enron fallout, the financial crisis and ‘the Great Recession’, etc. These firms aiming to deliver value to all stakeholders were clearly more resilient than the average firm.\textsuperscript{21}

The 2016 study by EY and Harvard Business Review Analytic Services, *The Business Case for Purpose*, reports an interesting link between Purpose and growth. Of the 474 global executives surveyed, of those reporting that their organisation was actively pursuing Purpose, 58 per cent reported growth in the previous three years to over 10 per cent, versus 51 per cent for companies that were developing a Purpose-driven direction and 42 per cent for ‘laggards’ – companies who are not actively pursuing Purpose.\textsuperscript{22}

A budding relationship, or even correlation, between social and environmental performance and company performance seems to be developing with the Global Compact 100 Index time series 2010 to 2014, where these 100 companies’ financial performance are compared with the S&P large- and mid-cap in terms of market value. In three of the four years, the Global Compact outperformed the S&P.\textsuperscript{23} It holds true also in emerging markets, where MNCSI Inc. reports that their Emerging Markets ESG Index has consistently outperformed their general emerging markets index since 2007/2008, and Q2 2017 saw a record gap, to date, of 51.84 per cent versus the general index.\textsuperscript{24}

**Delivering Purpose is the next stage of economic development**

Aaron Hurst, in his book *The Purpose Economy*, argues eloquently that we can see the emergence of the next era of economic development in the world: after the agrarian, industrial and information economy, we are now seeing the emerging shift to the Purpose economy.

Other terminology for the Purpose economy is, for example, shared value, just capital, inclusive capitalism, capitalism for the long term, and compassionate capitalism. They all make the same point: it is time for business to play a different role in society, providing value for all stakeholders.

A number of books have been written on the topic (e.g. *Confronting Capitalism* by Philip Kotler, *Connect* by Lord Browne and *Conscious Capitalism* by John Mackey and Raj Sisoda), and there are numerous
Purpose and organisations developing and promoting new approaches. Cranfield University’s School of Management Doughty Centre has mapped more than 130 such new approaches.\textsuperscript{25} I have chosen to use the Purpose-driven definition as it makes the link clear between societal, business and individual motivations and the organisational changes needed.

**Purpose entering the mainstream corporate sphere**

In January 2009, in the depth of the financial crisis, Paul Polman took over as CEO of Unilever. Over the past nine years, the world has seen him take a lead in declaring that business has a social Purpose as well as a financial Purpose; that business has a responsibility in using its knowledge, scope and resources to help solve major societal issues. He has even declared that he sees Unilever as ‘the world largest NGO’.\textsuperscript{26,27,28}

After a more than 25 per cent initial drop in Unilever’s share price between 1 January and 1 May 2009, the company’s share price has steadily increased from £11.19 per share to £45.20 per share at close of play 31 August 2017.\textsuperscript{29} Unilever’s sustainable brands – which include Hellmann’s, Dove and Ben & Jerry’s – grew 50 per cent faster than the rest of the business and delivered more than 60 per cent of the company’s growth in 2016.\textsuperscript{30} Research from Unilever shows that a third of consumers want to buy sustainable products and would purchase more if their benefits were made clearer, and that brands are missing out on an £820 billion opportunity by not pushing sustainability in their businesses.\textsuperscript{31}

In the beginning of Unilever’s journey, the rest of the consumer goods industry looked on with suspicion, wondering if this could work with authenticity in such a large company (Unilever turned over €52.7 billion in 2016),\textsuperscript{32} as hitherto only smaller companies had been successful at taking such a strategy to heart.

Most of the rest of the business world were not yet taking note, as the first wave of ‘firms of endearment’ were largely consumer-facing. At this stage, industrial B2B companies did not feel this was really meaningful to them.

They got on board, somewhat counter-intuitively, from the time of the financial crisis of 2008 when a few insightful CEOs beyond the FMCG sector saw this as an opportunity to engage their employees and customers in a different way. While business as usual was literally suspended, these CEOs took the opportunity to invite their executives, managers, employees and sometimes customers (often in their thousands) to participate in brainstorm around what the company’s strategy should be going forward.

The response was overwhelmingly for ‘sustainability’, ‘solving issues in society’, ‘contributing to society’, ‘contributing to something bigger than the company and its products’, etc.
Out of this insight, a whole new company vision for their role in society emerged: *they want to help solve major world issues in areas where they can have the most impact with their resources and skills.* They wish to have a Purpose in society, deliver value to all stakeholders, including making profit, which is the natural outcome of good business, not the only ultimate goal.

Tata and Mahindra & Mahindra in India are well-known examples of this philosophy. However, diverse companies around the world were embracing stakeholder responsibility as a core principle. These included European and US companies such as DuPont, Dow, IBM, Philips and SAP, South African companies such as Nedbank and Hollard Insurance, as well as other Asian companies such as Scentre Group in Australia and OLAM Group in Singapore.

Most of these strategies were developed and executed quietly, but with big impact. For example, IBM, who were in the doldrums in 2007/2008 after their sale of the PC division – ‘isolated in their data centres’ doing B2B business – have emerged as a highly financially successful company. Through their ‘Smart’ strategy (Smart Cities, Smart Health, Smart Energy, etc.) and community engagement, IBM have in fact become a ‘firm of endearment’. Other companies and sectors are following suit. In August 2015, *Fortune* magazine published their first ‘Change the World 50’, based on research by the think tank FSG and the Shared Value Initiative, and this was updated in 2016.

In the 2015 list of companies, we found ‘the usual suspects’: Unilever, Patagonia, Whole Foods, Google, etc., but also an Italian utility company (Enel), a cement producer (Cemex), telecoms (Vodafone/Safaricom), technology (IBM and Cisco), and a shipping and oil and gas company (Maersk)! Purpose is slowly but surely entering on the agenda of leading companies in a variety of industries.

By 2016, the list had completely changed shape as more companies with more agile business models had invested effort and seen tangible results from focusing on delivering value for all stakeholders. This does not mean that the previous companies have stopped their efforts; with their asset-heavy business models, they need longer time and more investment to radically shift their businesses.

There is still a long way to go, but this is an intriguing sign that mainstream businesses are shifting their view of their role in society.

Business is also starting to engage with the wider SDGs, beyond Goal 13 (climate action). According to the Ethical Corporation’s *Responsible Business Trends* report 2017, 60 per cent of the corporate respondents reported that they were incorporating SDGs into their strategy in 2016, up from 46 per cent in 2015. The most popular goals beyond Goal 13 were Goal 3 (good health and well-being) and Goal 8 (decent work and economic growth).
CSR is dead – long live CSR

In the above developments, you could say ‘CSR is dead – long live CSR’. The traditional CSR role as an expert function on the fringe of business, delivering scientific results, reporting, communications and philanthropy, is declining. This is also the conclusion of previous BP CEO Lord Browne and McKinsey Partner Robert Nuttall in their book Connect. They say:

CSR is dead . . . CSR has failed both companies and society because the initiatives are almost always detached from the core commercial activities . . . The connection between business and the world can only thrive if companies integrate societal and environmental issues deeply into their core business strategy and operations.36

This is also supported, from my own executive search experience. In the past seven to eight years, chief sustainability officer (CSO) appointments have mainly been through internal promotion of business leaders, and fewer sustainability subject matter experts have been hired externally or promoted internally into the most senior roles.

If the CSO is recruited from the outside they normally have serious business background in addition to their sustainability credentials, such as Steve Howard – the co-founder of the Climate Group – who joined IKEA as CSO in 2011. Steve’s six-year stint with IKEA saw sales for the group’s ‘sustainable life at home’ product line reach €1.8 billion in 2016, compared with €641 million in 2013, and take the company 70 per cent of the way to its target of achieving a fourfold increase in sales by 2020.37

In a Purpose-driven business, the whole company ‘becomes the CSR department’, delivering the true meaning of corporate social responsibility, taking responsibility for the organisation’s social, environmental and economic impacts. CSR literally is the strategy, and CSR has become the core of the corporation, not a fringe function; it is the business.

The CEO of Unilever, Paul Polman, expresses his view of Unilever’s role: ‘We’re the world’s biggest NGO’.38

Calls to action across sectors

Further proof of Purpose entering the mainstream consciousness in wider society is the enthusiastic sign-up by countries to the UN 2030 Sustainable Development Goals in September 2015 and the historic Paris Climate Change Agreement in December 2015 – signed by 180 countries in 2016, including China and the USA, the world biggest emitters.

How the US government’s role in this agreement will play out remains to be discovered over the next years. However, as we will see in Chapter 3,
it is clear that many businesses, cities and states intend to continue down the path they have found is good for them, their business and their people.

Organisations quickly realise that they need partnerships to affect this type of systemic change, and we now see the formation of coalitions across business, government agencies and the not-for-profit/NGO sector. We will discuss in depth the arrival of these wide-ranging coalitions in Chapter 3, as they are key to achieve impact at scale on major societal issues. We personally need to learn the skills to work in this cross-sectorial way if we wish to contribute to significant change.

Another interesting sign that change is afoot was when Bank of England’s Governor Mark Carney spoke starkly – on climate change and the risk to the world, business and its finances – at a Lloyds of London dinner in September 2015, in the heart of the city, which caused quite a stir.39

This speech was followed up in December 2015 by the formation of a new global taskforce to be led by former New York Mayor Michael Bloomberg, under the auspices of the Financial Stability Board (FSB), the G20 body that monitors and makes recommendations about the financial system. This taskforce is aimed at highlighting the financial exposure of companies and developing a voluntary code for disclosure of the vulnerability of their businesses to the risk of climate change in order that investors, insurers, banks and consumers will be provided with more information to make decisions.40

In August 2016, insurance company Aviva’s CEO Mark Wilson and a coalition of insurers managing US$1.3 trillion in assets warned the G20 ahead of their September meeting that ‘Climate change is the “mother of all risks”’, and called on them to ‘establish a deadline for the phase out of fossil fuel subsidies and public finance for fossil fuels’.

In July 2017, both Schroeders and Aviva Investors (each with US$0.4–0.5 trillion of assets under management) took a shot across the bow of businesses on the climate topic, Schroeders by launching a ‘Climate Progress Dashboard’, where progress on 12 indicators can be tracked, and Aviva Investors by declaring that they will vote against the annual reports and accounts of companies that fail to embrace the climate risk disclosure guidelines set out by the FSB in June 2017.42,43

This shows a growing understanding of the universality of these risk and opportunities in parts of mainstream business and society hitherto not much involved in this debate.

It also suggests that in the future, the skills of board members will need to change, and climate expertise will become a necessity as we are starting to see new demand in this area from investors.

In March 2016, CalPERS, the largest pension fund in the USA, updated its Global Governance Principles, which drive its efforts on corporate engagements, proxy voting and investment decision-making. The principles now state that board members of companies that CalPERS owns should have expertise and experience in climate change risk management strategies.
They also call on companies to assign oversight responsibility on climate change to a board member, board committee or to the full board.44

Larry Fink, the CEO of Blackrock – the world’s largest asset manager of pension funds, with US$5.1 trillion under management – publicly promoted this demand in his open letter to investee companies in March 2017. If other investors do like Blackrock and create a 30-person outreach team to speak on this topic with the companies who they hold large stakes in, they will need climate-competent board members to speak to.45

Although much of the above relates to climate change issues, an increasing engagement with the SDGs signals organisations waking up to their wider role in society. I think we can declare with some confidence that Purpose (working to have Impact on societal issues) has started to enter the consciousness of major institutions, and is giving strong cues to business regarding what society wants and needs from them.

A panel member from a major oil- and gas-producing nation stated this change of consciousness poignantly at an oil and gas conference in early December 2015, when an ‘old school’ oil and gas executive expressed the view that in light of the persistently low oil price, renewables would become irrelevant going forward. The response was, ‘If you think so, you have truly missed the point. There is a complete change of the tide of sentiment in society’.46

**Why is this happening now in society – and where are we heading?**

Over the past decades, significant research has been published by a number of academics and thinkers around how our society, and we as individuals, have evolved, from when human beings arrived on earth up to today. This research describes how at each stage, when the old model no longer serves us, we develop new models to serve our survival and flourishing. Their conclusion is that we are at one of these inflection points when our old model no longer works and we are ready to make a leap to a new model.

Below follows a (very) short summary of the main principles that thinkers such as Otto Scharmer, Peter Senge, Frederic Laloux, John Elkington and Richard Barrett have put forward around the development of human consciousness – our understanding of the world and our place in it – individually and societally, and why Purpose is showing up at this particular point in time. It is well worth reading the full works to get a deeper insight into what is happening in our society.

**We never stop developing: constant evolution of human consciousness**

At the beginning of this chapter, we explored Richard Barrett’s seven-level model of development over our personal life spans, from personal achievement towards Purpose and service to society.
Over time, society develops a collective understanding, as individuals do, of the needs we want our societal system to satisfy. From when the modern human, *Homo sapiens sapiens*, emerged in the world around 200,000 years ago, we have learned to adapt and change, to survive and thrive, through changing societal models when the need arose. These changes happened – *in leaps* – when our context changed and the old models of operating no longer worked for the new situation we found ourselves in.

As Frederic Laloux, in his book *Reinventing Organizations*, says: ‘We made a leap in our abilities – cognitively, morally and psychologically... every time humanity has shifted to a new stage, it has invented a new way to collaborate, a new organizational model’.

If this sounds somewhat complicated or cryptic, the following summary of the evolution of our societal consciousness and how we have leapt to new levels of understanding based on the stages described in Frederic Laloux’s book might help. Other authors have similar groupings, but I found these particularly useful for understanding how society and we are changing right now, and how we got here.

Colours are used to describe the different levels of development, instead of Richard Barrett’s numbered levels, and you will quickly see that these two models can be conveniently mapped on to each other.

1 *Infrared*: To maximise our chances of *survival*, human beings organised themselves in small groups or family units that hunted and gathered together, with little role or status differentiation. We were mainly *reactive* to what happened to us. This stage lasted from about 100,000 bc to 50,000 bc.

2 *Magenta*: As we became more numerous, competition for resources started to occur, and a new way of organising was needed. Small tribes were formed – we learned cooperation inside the group and external competition with other tribes to keep safe. To be successful, tribes needed leaders and hierarchy, and differentiated roles emerged (warrior, shaman, chieftain, etc.). We still *did not understand cause and effect* in our environment, and therefore *believed in magic* and spirits that made things happen in our lives. This stage started about 15,000 years ago.

3 *Red*: Next, we realised that we were separate entities from each other, and vis-à-vis our environment; our egos had been fully hatched, but we were not really aware of other people’s feelings. *We lived in the here and now, and thus were impulsive*: ‘I want it and I want it now’. This type of organisational structure, like ‘wolf packs’, still exists in some tribal societies or in street gangs, for example. This stage started about 10,000 years ago.

4 *Amber*: In the next stage, we leapt from a tribal world to *realise we could impose our will (our ego) on the world*, and created agriculture,
states and civilisations, institutions, bureaucracies, and organised religions. To thrive, we needed to conform to these new norms (morals) and learn self-control and self-discipline. The top of the organisation decides, and the bottom does the work, like in the army. Although this stage in principle started around 4,000 years ago, according to developmental psychologists large parts of the population in developed societies still operate from this paradigm.

5 **Orange**: At this stage, from making decisions on moral grounds, we moved to making them on grounds of achievement (for the individual ego), the thinking being that if we understand the world, we can achieve more. Our global corporations are obviously this type of organisation. They brought progress in terms of innovation, accountability and meritocracy.

   From success being measured as being socially accepted and seen as good, and following the rules, success became measured in achievement, particularly in material terms.

   We can all see the effect of this type of thinking taking over in the greed and the pursuit of relentless growth. This constant planning ahead to achieve has meant that, as Frederic Laloux expresses it: ‘We effectively live in the future, consumed by mental chatter about the things that we need to do as to achieve the goals we have set for ourselves’.

   This stage has lasted from the Renaissance around 700 years ago, and is still prevalent today in business and politics.

6 **Green**: A new view of the world emerged, sensitive to all people’s feelings and views, and it brought empowerment, stakeholder perspective and values-driven cultures in organisations. In this world view, leaders should be in service to those they lead, and many such organisations have an aspirational Purpose at the heart of what they do. The view is that our personal ego’s needs should be curbed and channelled towards achieving well-being for all stakeholders, not just ourselves. This stage started about 50 years ago.

7 **Teal**: The emerging world view is that we should all be in service to society and the world, i.e. to each other, for the ‘common good’ of all stakeholders – humans, other species and nature – as we are all part of this interconnected world. This includes everyone and all types of organisations, including business. This stage is bringing self-management, wholeness and evolutionary Purpose. We are here to create the best possible conditions to flourish – for everyone. This thinking emerged around 15 years ago.

Otto Scharmer, professor at MIT and another famous thinker on this topic, has come to similar conclusions to Frederic Laloux, and names the ‘teal stage’ (Purpose-driven society) as ‘Society 4.0’, and describes this transition as:
A shift that requires us to expand our thinking from the head to the heart. It is a shift from an ego-system awareness that cares about the well-being of oneself to an eco-system awareness that care for the well-being of all, including oneself.

Finding a new model that serves us is a vitally important and a necessary evolution for the survival of the human species, society and the world.

Just like with human beings, when societies leap to the next level of consciousness and organising principle, remnants of the previous stage are still present in the new stage. We add the new beneficial beliefs and principles to the old understanding and try to abolish the beliefs and principles that are no longer perceived as beneficial.

This will happen at different speeds in different cultures and organisations around the world. We can all probably identify countries and organisations whose cultures and predominant belief systems are at various levels of the stages above.

In times of crisis, societal and organisational behaviour can also revert to less conscious behavioural levels.

The conclusion to why Purpose is emerging with such force in society and business right now is that we have reached a stage of development where the previous model no longer enables us to flourish, and a large enough swathe of society ‘gets it’ – we are approaching a societal consciousness tipping point.

**The cycle time between developmental stages is getting shorter**

Scanning across the time spans above, you will find that the timescale for change are is not linear, but exponential.

We can see that the first four stages took about 100,000 years, and the last three have started about 700, 50 and 15 years ago. This continuous evolution with leaps to the next level of consciousness is not going to stop.

We might thus see several shifts in our lifetime, which is worth contemplating in view of 100+ year lifespans for human beings going forward.

We have an extraordinary opportunity in the history of human society – and in organisations – to make a leap to a world view where service to all and the greater good is what matters most. How we choose to act over the next decade will set the trajectory for our world for a long time to come.

**The shift starts with us as individuals**

For change to happen in wider society, we personally need to change how we perceive the world around us, and our place in it.

If we don’t change how we think about the world and our personal responsibilities for what is happening, only seeing everything as a ‘given’
and unchangeable, we will not be able to see that it can be changed, and will keep creating the same answers and solutions that we all know are no longer working.

We humans have created everything in our society, hence we can also uncreate (abolish), recreate (improve or redesign), or create something entirely new that has not yet been seen or thought of.

Big changes in how society thinks start with a few people thinking differently and believing they can change how others see the world. It follows that to change something in society, we first have to start with changing ourselves and our world-view. We need to go from an ‘ego-centred view’ to an ‘eco-centred view’, as Otto Scharmer says above.

This thought, that we need to understand ourselves and how we think, to change the trajectory of the future, is not new – it has been around since ancient times. Notably, the sign over the door to the Temple of the Oracle at Delphi declared, ‘Know thyself’.

Self-knowledge and new experiences help us change how we see the world, and from here springs all the renewal in our personal lives and the impetus for change in society. As we will see in later chapters, this is also at the heart of developing the leadership skills needed for this new world ‘operating model’, as well as successful career transitions.

It seems appropriate to end this section with two quotes:

As human beings, our greatness lies not so much in being able to remake the world – that is the myth of the atomic age – as in being able to remake ourselves.

—Mahatma Gandhi

Yesterday I was clever, so I wanted to change the world. Today I am wise, so I am changing myself.

—Jalaluddin Rumi

Question 2.3: What surprised you about Purpose in each section above?

Takeaways

The need for Purpose – working towards something greater than ourselves – is as old as humanity, and the need to ‘give back’ grows with age.

Seeking Purpose is about finding a direction for affecting change in society – not a cause.

Humanity creates new societal models that are more suited to deliver their needs at that point in time. This happens in leaps, and is confusing and destabilising, before a new equilibrium is found. Remnants of old models linger with us for a long time.
The time between our changes of societal models is getting shorter; we might see several in our lifetime.

All change starts with us as individuals, learning to see the world from a new perspective. We need to shift, as Otto Sharmer says, ‘from an ego-system awareness that cares about the well-being of oneself to an eco-system awareness that care for the well-being of all, including oneself’.

Notes

University’s School of Management Doughty Centre for Corporate Responsibility & FT Remark.


