



## **The Power of Purpose to Drive Performance and Governance**

*By REPA PATEL Founder, Leading Mindfully*

The United Nations has designated 2021 to be the international year of Peace and Trust. As governance leaders, we may have little control over world peace but we do have significant influence in building trust, confidence and accountability within the organisations we serve.

The Governance Institute's Ethics Index 2020 shows that Accountability and Transparency are the top 2 key factors to ensure ethical conduct in business, according to respondents<sup>1</sup>. Trust in organisations is inextricably linked with transparency and accountability. Without the accountability of transparent reporting, organisations have a near impossible task of building genuine trust with their customers, employees, suppliers and the wider community within which they operate.

How do you build trust in an organisation? As risk and governance professionals, you have implemented frameworks, systems, controls and practices to comply with good governance principles and build confidence with the board that the organisation is being managed effectively and ethically.

### **Culture is the key to governance**

But the key to good governance is the behaviour of your people. Systems, processes and controls only work if people follow them. Whilst the cultural vision and health of the organisation is the management team's responsibility, the board is responsible (from a governance leadership perspective) to help form and monitor that culture.

Culture is how decisions are made and implemented in an organisation and so is directly linked with leadership behaviours. A leader's behaviours are driven by conscious and unconscious beliefs. When hiring leaders it's critical to understand what motivates them to lead and drives them to act. This is what I call their purpose.

### **What is your purpose?**

Purpose is your internal drive, why you are driven to act. It's your internal motivation as a leader and it gives you meaning or fulfilment in your work. A study by psychologist Andrew Steptoe and his team at University College London studied 7,300 adults over a very long period of time. They found that the more meaning and purpose they had in their lives, the more positive changes they experienced in the following four years. This included physical, social, psychological, emotional and economic prosperity.<sup>2</sup>

Purpose is deeply personal and goes beyond the desire for financial security. It's not grand like solving world peace and it changes over time as you grow and the circumstances and needs of your organisation and those around you change.

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<sup>1</sup> <https://www.governanceinstitute.com.au/advocacy/ethics-index-2020/>

<sup>2</sup>Leading a meaningful life at older ages and its relationship with social engagement, prosperity, health, biology, and time use, A Steptoe and D Fancourt <https://www.pnas.org/content/116/4/1207>

It needs to inspire your thoughts, actions and behaviours. Your leadership purpose also inspires others to work with and alongside you. [Here's an example](#) of how a client, Melinda Crole, CEO of YMCA Australia, applied her purpose to build deep trust during challenging times.

The yoga tradition believes that each one of us is born with unique strengths, talents, capabilities and challenges that make us specifically who we are. Using these capabilities to achieve your potential as a leader enables not only thriving for you but also your team and organisation.

Note that your purpose cannot be entirely self-serving, with little or no positive impact on others.

Your purpose is a deeply held belief that guides you on how and what to do, which options to pursue in your career and life. It provides a direction for your life and career, particularly in turbulent times or when your values are challenged. It's not an outcome, rather an intention of how you intend to live your life and engage fully in your career, with your team and work.

A couple of examples of articulated purposes from clients are:

- to grow myself and others around me
- I lead others by empowering them through collaboration

The last 12 months of COVID have shown us that, now more than ever, uncertainty is certainty and as leaders, we need to do more than just roll with the punches. As leaders we need to help our teams and organisations to navigate this uncertainty in a sustainable way. In a world, where corporate wellness programs are failing to help people thrive<sup>3</sup>, the starting point for wellbeing and thriving is meaning and purpose. And as with most things, it starts with the top. With the board and leaders within the organisation.

## **Why is purpose important in leadership and governance?**

### *Personal motivator*

Your leadership purpose drives your personal motivation and guides your thoughts, actions and behaviours. As we have seen, a leader's behaviour builds the culture in her team. In times of uncertainty and disruption, it provides a guide for difficult decisions.

### *Builds trust and accountability*

Leadership is about influence. Good leaders inspire others to follow them, rather than micromanaging or directing them. Your purpose needs to inspire followship.

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<sup>3</sup> Effect of a Workplace Wellness Program on Employee Health and Economic Outcomes, Zirui Song, MD, PhD; Katherine Baicker, PhD <https://jamanetwork.com/journals/jama/fullarticle/2730614>

One of the best leaders I worked for at the bank inspired me to work for him. He did so in a very indirect way. He took full personal responsibility for some significant risk issues in his business unit, although he was very new and the issues had been present in the business for many, many years. This authentic accountability led me and my peers to trust in him to drive the right behaviours.

In contrast, I recently experienced a board that has seen a cultural transformation through the appointment of a new chair. This transformation was not overt, discussed and agreed to by the board but implemented through the natural style of the chair who prioritises harmony over constructive challenge. This person sees dissent as disloyalty in board members rather than a robust and proper engagement of views.

Management has aligned with the new chair's approach, as an example of how leadership behaviours set and change organisational culture. I doubt that the chair is aware of his impact on the culture. When I discussed his purpose with him, he proceeded to tell me about the organisation's purpose, vision and values. Whilst all of these are important in guiding the enterprise, it's leadership behaviours that drive trust and accountability.

In the international year of peace and trust, as governance professionals we have the opportunity to influence cultural change through meaning and purpose. If we start with individual leaders and examine their purpose, it will not only ensure governance, compliance and growth in the business, the research shows that it's also likely to lead to higher levels of wellbeing for individuals. In the "next new normal" stage of COVID where uncertainty remains certain, we need to drive holistic wellbeing and performance.

***Repa Patel GAICD, author of "Elevate - a new path for leaders to navigate uncertainty", is a facilitator, executive coach and former board chair. Repa is known for her insightful and compassionately challenging approach and works with leadership teams and boards to increase engagement, customer satisfaction and business growth by engaging the hearts and minds of leaders. Learn more at <https://leadingmindfully.com.au>***