

Bonus Episode: Inspire Employees Through Deep Purpose with Ranjay Gulati (A Replay)

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Mamie Kanfer Stewart 00:00

Hey folks, this week I'm taking some time off, but I didn't want to leave you hanging. So I am going to share one of our most downloaded episodes of the year. I know you're going to love it. And it's especially apropos for this moment in time. It's a conversation with Ranjay Gulati about Deep Purpose. But before we dive in, a quick warm welcome to Gina S and Casetta App to the Modern Manager community. And now, let's dive in.

Mamie Kanfer Stewart 01:10

Are you a manager, boss, or team leader who aspires to level up and unleash your team's full potential? You're listening to The Modern Manager podcast, and I'm your host, Mamie Kanfer Stewart. Each week, I explore effective strategies and provide actionable insights that supercharge your management abilities, optimize team performance, and foster a healthy workplace culture. Become a rockstar manager and help your team thrive at themodernmanager.com/more.

Mamie Kanfer Stewart 00:51

Thank you so much for joining me today, Ranjay. I'm really excited to talk about purpose. This is a concept that is very near and dear to me as well, I know it is for you. But also for me, because I come from a family business that is very purpose driven. So it was helpful to learn about what you've been learning about how purpose is an important factor and how purpose can bring a business to life. So welcome to the show.

Ranjay Gulati 01:14

Well, thank you. I'm pleased to be here. So thank you for having me.

Mamie Kanfer Stewart 01:18

All right. So let's just start with the setting the stage of what is a company purpose? And why do businesses and organizations in general need to have one that's that's a compelling purpose.

Ranjay Gulati 01:31

So let's think about the word purpose actually comes from individual level purpose, right? The word is not used rarely for organizations still relatively recently in time. But for 1000s of years, people have been contemplating what purpose means for an individual purpose. My favorite definition which William Damon, a Stanford psychologist came up with was, it's a stable and generalized intention to accomplish something that is both meaningful to the self, and of consequence to the world, beyond the self. Meaningful to the self and beyond the self. Now the idea can be translated into four organizations. Now, one thing I want to start off by telling you is, Mamie, is that I learned is that purpose is not a purpose statement. People get fixated saying, Oh, that means having a mission statement. No, it's much bigger than that. A statement, it just is kind of a representation of what the idea behind it is. So purpose is bigger than a purpose statement.

Mamie Kanfer Stewart 02:23

So can you maybe give us some examples of like, what purpose might be for a business and and kind of just just yeah, what are the what does it sound like when we say this is our purpose?

Ranjay Gulati 02:34

So you know, it's confusing because you read a Microsoft purpose statement, or you read an Etsy purpose statement, or you read a Buehler purpose statement. And the statement itself might say like, for EY is building a better working world. Right, or Buehler's innovations for a better world? Doesn't tell you anything, really. You might even say what a generic statement, maybe they could have done a better job. But I think the idea is, what are the ideas be underneath that? And what you discover is, beneath that is a real clear why statement. You see, people are clear about what they want to do, which is the strategy, the vision, the tactics, they also are sometimes sometimes clear about how they want to do it. What is their organization, the culture, the structure they want to put in place? The why question seems like an indulgence, like, who cares about why I know what to do? I know how to do it. So let's go do it. The why question forces you to think hard about the what and how. So I think we have a logical precursor question that is okay. Why do we choose to exist? What are the markets we want to serve? What businesses do what value? What problems basis do we want to be in? How do we think about conceive of ourselves? So the why question really gets you first to think expansively

about what are we here to do? And that makes your strategy question much easier. It also creates a framework for people who are going to work in an organization to understand like, what are we here to accomplish? What do we want to accomplish in this world, and it allows them to connect the company purpose to their own personal purpose, and that creates a much more inspired engaged workforce. So I think we kind of throw away the why question. I myself am guilty. I was a skeptic. Five years ago, for me purpose was the purpose statement. I mean, who cares what mission statements is, it's wall paper. But I've come to realize the real power of purpose when it's done, right.

Mamie Kanfer Stewart 04:28

Well, I want to go to the individual side in a second. But first, I want to I want to pick up where you just left off, which is when it's done, right, because there are lots of organizations that have kind of a mission or a purpose on paper. But at least what I was reading in your book, that's not enough and and sometimes it's it is actually really not helpful. It can kind of backfire in some ways. So can you talk a little bit about how purpose needs to be translated just into the organization in general before we even get to translate it to the person?

Ranjay Gulati 05:01

Sure, I think there's a reason why the book is called Deep Purpose and not just purpose because I discovered a lot of what I called superficial purpose across organization. And then it becomes it's a self fulfilling prophecy, right? You start a PR document or PR little thing, and you put it out on the walls, and you plaster it everywhere, anything Oh, that's it, we're done. But if you really take your purpose seriously and interrogate yourself, you start to measure yourself, you start to look at how do we do resource allocation in the company? How do we do hiring and promotion? How do we think about our KPIs and or OKRs? How do we measure ourselves for success? To what degree are we informed by our purpose as an organization? Now, I want to be very clear purpose is not CSR. People have all started confusing purposes, all this charity stuff, purposes, anything but profit, absolutely not true. A business fundamentally has to be profitable also to be viable, and healthy into the future. And the idea is the why question forces you to think about your business in the long run. And the logic is very important. And when you start to think of your business, in the long run, you start to imagine how you're going to impact the variety of stakeholders, you're going to touch, including shareholders, that in turn forces you to think hard about how are you going to navigate the trade offs and choices you might have to make across them. So this idea that purposes, stakeholder capitalism or purposes, CSR, is really confusing, because actually, purpose is long term value creation, understanding value were how you're going to create value, and for whom you're going to create value. So the stakeholder view comes in naturally, when you start to imagine yourself in the long run, every business has to think about their customers, their employees, the community, and even the planet and of course, shareholders. So this idea is the why question has both a sense of kind of

goals in it, like what do we want to accomplish? What markets do we want to be in? What value we want to create processes have duties and responsibilities to the stakeholders who enable you to create that value in the first place. So it's unfortunate that the word purpose has been politicized and hijacked by all extremes.

Mamie Kanfer Stewart 07:16

I'm wondering if there is a company that you can share with us as an example, who really is living their purpose and making decisions for that long term that serve all of those stakeholders and are making the trade offs in the short term to get to that longer term outcome.

Ranjay Gulati 07:31

So you know, I have a number of examples in the book, but I'll pick on one Etsy, and I pick on Etsy, because I originally was thinking I'll write about Etsy as a company that lost its purpose, because the media reporting was here was a company that had deep commitments to social impact and things like that. And they were not profitable, they had gone public. And they got a CEO who came in and laid off people made them profitable. And it was like the anti, the anti purpose is the way the media was presenting it. And what I came to realize was, it was absolutely not the case. Josh Silverman had come and saying, we claim to have a purpose. We claim to be doing social projects, we all are running around with lots of good intentions. He said, we have lots of good intentions, not translating into concrete actions. We don't measure our social impact. And by the way, we're not profitable. And we're not delivering for our shareholders who are investing in us. So we're not delivering for anybody actually, we have a cloak of goodness around us, but we're not really doing anything with it. But when he came in, and he started to say, first thing, we got to be financially viable. So we got to right size, the organization, it was like, Oh, my God, you're the dark side of capitalism. But the moment they had to kind of right size, the organization, they said, let's also look at our social impact, we're going to measure it, we're going to have three things, we're going to issue a Social Impact Report, we're not going to do four or five, we're going to do three things and do them really well. Diversity, Equity and Inclusion. We're going to focus on sustainability. And we're going to focus on the impact seller economics impact, we are marketplace for sellers, are we doing a good job for them. And then we have our financial reporting. So we need to be financially strong and viable, while delivering measurable social impact for the communities and stakeholders we want to serve. We're not going to do everything for everybody. We're not here to save every aspect of society, we're going to say the three things we're going to do. And if you look at their story, it's amazing. And in the process, they also then refreshed their purpose. So what was interesting was they were they were a B Corp. They were trying to save all goody goody, but they were not really showing measurable impact on anything. So I think that to me, is a great story of thing. How do we learn to be an organization a healthy, viable, sustainable organization that delivers value for shareholders, while also having a clear eye around our purpose, but what are the other people

are stakeholders we want to serve? And how are we going to serve them in a measurable way?

Mamie Kanfer Stewart 10:05

That's so incredible. And it sounds almost easy when you're, when you're the CEO, and you can come in and take that deep look and, and move. I mean, I know change is hard, but right when you're the CEO, you get, can you get you get to do that? And I know a lot of people listening right now are like, I'm not the CEO of my company, or maybe I am. But if you're not, what are some of the things that managers can do at all levels of an organization to either start creating purpose or creating an energy for revisiting what their purpose is, or to do it on a smaller level just with their own team if they don't have the ability to shift the whole organization?

Ranjay Gulati 10:48

So I think the first thing we have to remember remember is that most of us don't think about our own personal purpose. Maybe we wait too long, I'll speak for myself, I might big regret is I wish I had thought about my purpose much, much quicker, much earlier. But I didn't, I was busy. I was like, okay, one day when I retire, I'll be sitting in my rocking chair on my front porch. And I'll think about my purpose. And that's like, it's never too early to think about your purpose. And I think what purpose does it forces us to prioritize our own lives and ask ourselves like, what am I doing? Why am I doing it? And what is my impact likely to be? Why should we wait till we're 75 to think about our legacy even? So it makes us much more intentional with our life and what we're doing? Because we ask ourselves the why question. Mark Twain once said, right, the two most important days in your life are the day you were born, and the day you figured out why you were born. And there's so many stories of legendary people who, once they got to the why question, it really clarified their own purpose, if you will. So the first thing to do is you unlock human beings when you help them think about their own purpose. So that's first for ourselves, and for the people who work for us. The second piece, I think, is much harder. Which is, we always we have this kind of, I'll tell you a short anecdote here, maybe to illustrate this point. So my mother had a fashion business, she was passionate. She was in love with what she did. That was her purpose. And she worked 24/7. And I remember having a chat with her one day as a, as a teenager, I was working with her working long hours all weekend, all summer long. And I was trying to convince her to take it easy. Well, really, let me take it easy. And asking. I said, Mom, why are we working like crazy? I mean, kind of like, This is crazy. I mean, what about work life balance? And she turned to me and said, Well, son, first thing, my wish for you is that you never have to work a day in your life. And I thought, Okay, this is my trust fund. Now she's going to talk about and but that was not it. She got caught me really quickly. She says, I know where you're going. That's not what I'm saying. What I'm saying is, I don't know why you talk about this as work. I don't think of it as work. And then she said, think about work life balance. You just asking me about what a horrible phrase. I mean, work, leisure balance, work, family balance, but work life balance, how can work be in opposition to life, you got to work as part of

life, make it part of your life and let it not feel like work. Anyway, this is the old Conrad forgot about this conversation that kind of resurfaced in my head a couple of years ago. And I think she had a big point. So I think part of what we have to do with people who work with us is help them situate and understand how does what they do fit into their own life purpose. Because when people connect their own purpose to what they're doing at work, they show up inspired. And it's a very important point I want to come to in a second maybe with you why inspired is so important. When you show up to work inspired you show up differently, and ask ourselves, how many of us show up to work feeling inspired? And how many of us feel that the people who work for us are going to show up to work with the word I feel inspired to be at work. This is the old legendary story of the janitor at NASA when President Lyndon Johnson I think was walking the halls of NASA and asked him what do you do around here? And he said, Mr. President, I'm here to put a man on the moon. How many of us feel inspired by what we do? And when we feel inspired, we show up differently.

Mamie Kanfer Stewart 14:23

I love that that story about the janitor because it shows how our purpose can be bigger than our job. And that is so essential when you may you may like your job you may like what you do, you may like the people you work with, but when you take it bigger than that right when you connect it to purpose, now it's elevated now with inspiring now, it's just not something that I do or spend my time on but it's something that is just almost transcendent.

Mamie Kanfer Stewart 14:51

Can you can you talk about how do we get there from I'm a team member. I come in I do my job. I like it. I'm good at it, too to I feel inspired?

Ranjay Gulati 15:01

So you know, first of all, some people do it spontaneously. In fact, this one study done by Jane Dutton and Amy Brzezinski from Michigan and Yale, respectively found that they did a study in a hospital in New York and they were looking at what are people's attitudes towards work. And they had a taxonomy of three attitudes towards work. My work is a job, I do it for make money, my work is a career I do it to get ahead. And the third was my work is a calling I do it because it gives me meaning and purpose. Of course, I want to get paid to but they thought the doctors will say, calling and the janitors will say job, the number for doctors came in 1/3 1/3 1/3, which was expected, the janitor number came in 1/3 1/3 1/3. So there is less for who are these janitors are saying my work is a calling? I mean, you're a janitor in hospital and the father said, Oh, no, I don't come here to clean, I'm your help people, I get to make a difference. People are so thankful. They're in such a vulnerable situation. I feel like I'm making a difference. How do we

help people? And now that was happening spontaneously? Now, our job as leaders is how do we help people discover that what they do matters? How do we help them discover that what they do is connected hopefully to their own life aspiration, to have an impact on something bigger than themselves? And even for themselves, like it's helping their families? How do we think about work in a way that we are able to visualize impact? And I think, in KPMG, they did an exercise where every employee, a managing director had to partner I think, had to fill out a form a piece of paper and say, Why do I come to work? And of course, the first reason was to support my family. But the second, third, fourth, fifth reasons were interest and they put it outside their door. So how can we get people to connect in at GE Aviation, which is both as the remaining piece of GE. They had a purpose they put out which was we reinvent flight and bring people home safely. And the last part of it was based on the recognition that more than half of airplanes flying at any moment in time, at any day of the year, are flying with a GE engine. And on those planes are mothers, fathers, siblings, sons, father, a grandparents, everybody. Now the mechanic on the floor, who is assembling a piece of the engine doesn't always connect that what I do matters. So how do we help people find meaning in what they're doing? Work is not a chore. Work is not a grind, I don't just do it. I'm not just renting myself for money. But I actually what I'm doing, connects into my own humanity as to what I want to achieve with my life.

Mamie Kanfer Stewart 15:53

I mean, it's, it's incredible. And I can see how it would have a ripple effect on someone in terms of their well being and their self worth and their connectedness to their team members, and the way that they would care about the thoughtfulness with which they do their work, when you feel so inspired when you feel like you have purpose, and you're contributing to something that is so much larger than yourself. And it feels like a little bit of a strange conversation to have with your team members. If it's not something you've discussed before. Do you have any suggestions for how we can start these conversations which feel very deep and personal in some ways?

Ranjay Gulati 18:20

So that's a great question, Mamie. And I actually learned this from talking to Pete Carroll, the coach of the Seattle Seahawks. And he said that, you know, how are you going to coach somebody, or even help them. Coaching is what you're trying to enable somebody and unlock the human potential when you don't even know them as a person. It's remarkable how many people we interact with, in the workplace with whom we don't really have a personal connect. It's like that work, right. So that means that this person is only here. And my only job is to extract as much value as I can out of them. So they're a worker bee. So my interaction with them is kind of bounded, but then my ability to be in a relationship, but I can support them, guide them. They trust me, they know I care about them. So Pete calls it caring leadership. So I think the starting point for this is purpose. And Pete says that talking to somebody about purpose is a wonderful way to really start a conversation with somebody about them. You can't do it on day one. You

can't say Hey, welcome to our company, tell me about your life purpose might be a job interview question. But I think it's a con it's seasons that when you connect to each other with an understanding of each other's purpose, it really deepens the connection between people and then you have an understanding based on trust. You can challenge them while also supporting and so I think it's an important part of the puzzle that you say, Look, this is not simply piece rate, goal setting, here's your target. If you get it done, here's a bonus. And if you don't get it done, there's no bonus. That's one way to manage people. So in fact, in this kind of motivational ladder. There was a study in 2015 in Harvard Business Review to see people start by satisfaction. So satisfaction gets you to perform to a certain level. And satisfaction comes from having a safe work environment, that's recent good benefits, maybe even pay for performance, then you take it up a notch with engagement, where you feel like I'm engaged, I'm part of a team, I'm learning, it's interesting work, I have some autonomy, I can do my own thing. And then engagement kicks in. And the next level is inspired. An inspired workers are more than twice as productive as satisfied workers. So there's a massive unlock of productivity. And it's good for the people to people themselves show up differently. It's good for their health, their own life. So I think it's a it's such an amazing unlock. That's right under our nose, but a lot of us don't take it, we are happy with satisfied workers and maybe even engaged workers.

Mamie Kanfer Stewart 20:55

It's amazing. I mean, the research says at all. I'm curious if it's important that the organization have a clear purpose in order for people to connect their life's purpose to the organization, like if my organization doesn't really have a purpose, or maybe we have one in name, but we don't really like feel it, it's just a poster on the wall. Does that matter? Well, that will that get in the way of me as a manager having these kinds of conversations with my team or? Or it doesn't, it doesn't really matter, because it's not about the organization, it's really just about the person.

Ranjay Gulati 21:28

Look, it's always easier when things are happening around you. The context matters, right? So if you're in a place where everyone's talking purpose, it's such an important part of what you do. You take on Microsoft, or you take a Lego, or you take on Mahindra or a Bueller, it's much easier for the manager to just dial into the purpose of the company and say, Look, this is who we are as an enterprise, this is how it translates into us. And this is how it translates for you. And there's reinforcing messaging, and there's reinforcing role modeling so much easier. But I think I don't think that should be a cop out saying, Well, my company isn't doing if I ain't gonna do it. I think as a manager, we can create an environment saying, Listen, let's think about our group. What's our purpose here? How are we going to help people? What a support unit, our job is critical, I hope you understand we do IT support for all the managers who work in our company. Without us they can't do their job. And I hope you understand that the jobs they do how critical they are to the functioning of x. So it's kind of trying to help us connect in to recognize the

consequences of what we do for the world at large, and making it consequential for ourselves. So let's think about that a little bit. So how do we tap into if a janitor in a hospital can find inspiration at work? I think all of us can.

Mamie Kanfer Stewart 22:47

Alright, well, I think this might be the perfect place for us to start to wrap up because it's such a beautiful, a beautiful note that we can all find purpose. So as you know, the show is called the modern manager and is all about how to be a great manager. So can you share with us a manager that you worked for? And what made this person such a fantastic boss?

Ranjay Gulati 23:10

Yeah, so I would say aside from my mother, whom I worked for, who was an incredible boss, my first job was really at Microsoft and I had a boss named Jeff Raikes. And I had another boss who I won't name, but Jeff, was had two bosses. And what I really admired about Jeff, and it was a contrast to my other boss, was Jeff was incredibly demanding. I mean, he gave me what I looked me like an impossible task. And he said front here, this is an impossible task, we haven't been able to do this task. But he said, I think you can do it. And just remember, I'm here to help you do it. So he, and he meant it. And he really did it. So he created for me a pathway for be able to go to him, I knew I could count on him his support. So I felt both challenged and supported at the same time. And to me, that was deeply meaningful. And the last piece of it was that he actually cared, back to Pete Carroll. He actually cared about my well being, he was like, let's talk about you. And as a young college graduate, that meant a lot to me.

Mamie Kanfer Stewart 24:15

Beautiful, and where can people learn more about you, Ranjay, and keep up with your work and get a copy of your book.

Ranjay Gulati 24:21

So I've put everything in one place, including a, I did a one series podcast with 10 interviews. I did with CEOs from around the world, and my book and a bunch of other material at deppurpose.net. So deppurpose.net has a bunch of interviews, including hopefully this, this podcast as well and a bunch of other resources around the topic. Or you can find me on [LinkedIn](#) where I try to post. I have a newsletter and I post material relatively frequently.

Mamie Kanfer Stewart 24:49

Fantastic. Well, we will all be checking that out. Thank you so much for sharing today and just inspiring me to revisit my own life's purpose and got even greater clarity on why I do what I do. So thank you is really, really wonderful.

Ranjay Gulati 25:05

Mamie, thank you. I really enjoyed the conversation you asked me some great questions and really forced me to think hard. So I love the conversation and I hope to continue again soon.

Mamie Kanfer Stewart 25:16

Ranjay is giving away three copies of his book Deep Purpose, the heart and soul of high performance companies to patron level members of The Modern Manager community. To request one of these copies and get many other guests bonuses and benefits, like those extended interviews, one-page overviews of my key takeaways from each episode, and access to a community of like-minded managers, become a member at themodernmanager.com/join. And if you work for a government or nonprofit agency, you get 20% off of any membership level. All the links are in the show notes and then can be delivered to your inbox when you subscribe to my newsletter. Find that at themodernmanager.com. Thanks again for listening. Until next time.

Announcer 25:57

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Announcer 26:20

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