

URL: <https://ecorner.stanford.edu/clips/what-is-deep-purpose/>

Harvard Business School professor Ranjay Gulati proposes that true purpose goes far beyond a typical mission or purpose statement. He defines "purpose" as a unifying idea that clarifies an organization's strategy, vision, duties, and aspirations related to both commercial and social concerns, and that envisions the creation of long-term value.



Transcript

- People think of purpose as a very individual construct.. 00:00:05,194 In fact, I would like to kind of talk about- The best definition I found is by a psychologist in your university.. William Damon, wrote an excellent book where he talked about "Purpose is a stabilized and generalized intention, To accomplish something that is at the same time, meaningful to the self, and consequential to the world beyond the self." So, we understand it at the individual level.. We don't kind of get what does it mean at an organization level? Is it social stuff? Is it economic stuff? What is it? And people think, is it a mission statement? I got to write a mission statement now.. And actually what purpose is, is not a purpose statement necessarily.. It's about an idea.. Why do we want to exist as a business? And when you are forced to answer that question, it forces you to clarify your strategy, your vision for the future, what are you aspiring to be? Why are you here? And I have now interviewed a large number of a venture capitalists, who now are talking about, this is a kind of filtering mechanism.. I want entrepreneurs to not just come with an idea, I want them to say in an expansive way, how do we want to make a difference in the world? And I said here, Commercial, I didn't say social.. I'm not saying save the Amazon forest.. Now a purpose has an ambition in it..

We have goals.. We are going to do this.. It also has a sense of duties in it.. Here's how we plan to make a difference in our customer's lives.. Here's how we plan to make a difference in the community.. Here are the problems we wanna solve.. It encompasses broader way of stakeholder.. If you're trying to build a business, who are stakeholders by the way? You know, everyone confuses stakeholders as environment.. The planet is one stakeholder, yes.. Stakeholders are employees..

Stakeholders are customers.. Stakeholders are the communities in which you're gonna operate, and stakeholders are the planet.. So how are you imagining a business that is gonna have a positive impact on customers, employees, and the communities, and maybe the planet even? What are the problems you're trying to solve? And it envisions, how are you trying to build a business in the long term? So purpose is not some kind of a one liner statement only.. It's really about how you are imagining a business.. What is the reason for its existence? What if it ceases to exist? What would happen?..