



## 5 Principles of Purposeful Leadership

By Hubert Joly

Growing up, I thought successful leaders were supposed to figure out all the answers on their own. Being smart — and making sure everyone else knew it — seemed to be their most striking attribute. The best schools were supposed to lead to the best jobs, which produced the best leaders. Power, fame, glory, and money were the measure of professional success. Early in my career, prominent business leaders like GE's Jack Welch were revered for their intellect, strategic sense, and hard-charging style. They were considered infallible geniuses, inspiring a quasi-cult following.

This traditional model of the leader-hero who saves the day, knows it all, is the smartest person in the room, and is too often driven by power, fame, glory, or money is not appropriate in today's environment. This is true for several reasons:

Today's fast-changing, complex, and unpredictable environment necessitates a different kind of leadership. Nobody can claim to have all the answers to solve the complex crises we're facing, and the most adaptable organizations are those in which decisions are being decentralized.

With the idea that a company's purpose is about far more than making money gaining ground, the hard-charging, profit-optimizing hero-leader model has lost much of its appeal.

An increasing number of employees now value authenticity and connection over a facade of strength and infallibility.

The nature of work has changed from the more mechanical, repetitive type to jobs that require ingenuity and creativity.

Successful hero-leaders can easily start believing that they're untouchable and, ultimately, indispensable. It's easy to be seduced by power, fame, glory, and money. It's easy to become disconnected from reality and from colleagues, surrounded by sycophants and yay-sayers.

Unsurprisingly, people today expect a different kind of leader. While each company needs to define its own leadership point of view, here's the philosophy we deployed at Best Buy as part of our surprising turnaround and resurgence. It's based on five attributes — five "Be's" — of what I believe characterizes leaders who are able to unleash the kind of human magic you see at work at some of the most high-performing companies. This philosophy underpins the leadership principles that I believe are at The Heart of Business today.

Be clear about your purpose.

That is, your purpose, the purpose of those around you, and how that connects to your company's purpose.

The staggering number of employees leaving their jobs or seriously thinking about it over the last several months has shed renewed light on the pre-Covid realization that purpose, both individual and collective, is at the heart of business. I've written about several aspects of corporate purpose, from how to define it and make it come to life to why it's an essential element of motivation. For corporate purpose to be successful, leaders themselves must first be clear about what drives them and the people around them.

Corie Barry, my successor as CEO of Best Buy, once shared with me that her personal purpose is to leave something a little better than when she found it, which she connects to the company's mission to enrich lives through technology. Every day, she maintains her connection with that purpose by asking herself how things at Best Buy were a little better that day because she was there.

Just as crucial for leaders is understanding what drives people around them. Recently, a CEO I coach felt members of his team worked primarily to advance their own functional areas rather than the organization as a whole. Together, we realized that, although he was clear on his own purpose and his organization's, he didn't know much about what drove the people around him. Without that knowledge, he was unable to help connect their purposes with the organization's and to provide a common, overarching pull for all team members.

Be clear about your role.

A leader's key role is to create energy and momentum — especially when circumstances are dire. It's to help others see possibilities and potential, creating energy, inspiration, and hope. I would have dismissed this idea 30 years ago, but it's essential to the role of a purposeful leader. As Dolly Parton is thought to have said: "If your actions inspire others to dream more, learn more, do more, and become more, you are a leader."

The late Marriott CEO Arne Sorenson's video message to employees during the worst of the Covid-19 pandemic powerfully illustrates this "Be." He first offered support to employees directly affected by the virus. He then explained that the pandemic was severely battering Marriott's hospitality business and what the company was doing to mitigate the crisis. There was no sugarcoating, but no panic either. Finally, he focused on signs of recovery in China before concluding on a hopeful note, projecting to the day when people would start traveling again. His message was honest, heartfelt, and moving, while at the same time uplifting and inspiring.

You cannot choose circumstances, but you can control your mindset. Your mindset determines whether you generate hope, inspiration, and energy around you — or

bring everyone down. So, choose well. I was reminded of this every morning when I worked at Carlson. A statue of Curt Carlson, the company founder, stood in the lobby of the company's headquarters, engraved with the words *Illegitimi non carborundum* — mock Latin best translated as “Don't let the bastards grind you down.”

More generally, your role as a leader is to create the right environment for others to flourish in support of the company's purpose. For example, under Reed Hastings, Netflix, a company whose purpose is to “entertain the world,” has created a culture of “freedom with responsibility” that values people over process and innovation over efficiency, resulting in growth and reinvention that have defied all expectations.

Be clear about whom you serve.

Hint: It's not yourself.

A fundamental element of purposeful leadership is to be clear about who you serve in your position, both during good and challenging times. As a leader, you must serve the people on the front lines, driving the business. You serve your colleagues. You serve your board of directors. You serve the people around you, by first understanding what they need to give their best so you can do your best to support them.

In fact, view everyone as a customer. The way you treat airline employees or waitstaff, for example, will greatly influence the service you receive. This is a lesson that a top executive in one of the companies where I used to work learned the hard way. He was once stuck in an airport after his flight had been canceled. While standing in line at the service desk, waiting to get rerouted, he lost his patience and marched to the front of the queue. “Do you know who I am?” he hissed to the person behind the desk. “Ladies and gentlemen, I need your help,” said the airline employee, addressing travelers in the queue. “We have a case of forgotten identity. This man here does not know who he is!”

It takes vigilance and a healthy dose of self-awareness to avoid sliding into the trap set by power, fame, glory, and money. Before speaking or acting, be clear about your motivation and whom you're trying to serve. "If you believe you're serving yourself, your boss, or me as the CEO of the company, it's okay — it's your choice," I once said to the officers of Best Buy. "But then you should not work here. You should be promoted to customer." I meant that there was no room at Best Buy for people whose main purpose was to advance their own interests. Some leaders think that having sharp elbows and listening to their ego will serve their career. But as my friend Jim Citrin, who leads Spencer Stuart's CEO practice, wisely remarked: "The best leaders don't climb their way to the top over the backs of others, they are carried to the top." And serving others is how it happens.

Be driven by values.

When I worked for McKinsey early in my career, I sought some leadership advice from one of my partners. "Tell the truth and do what's right," he said.

For the most part, we all agree on what is right: honesty, respect, responsibility, fairness, and compassion. On paper, every company has great values. But values are no good if they remain on paper. Being driven by values is doing right, not just knowing or saying what's right. A leader's role is to live by these values, explicitly promote them, and make sure they're part of the fabric of the business.

Johnson & Johnson, for example, is famous for its credo, first written in 1943 by the company founder's son. Its opening sentence reads: "We believe our first responsibility is to the patients, doctors and nurses, to mothers and fathers and all others who use our products and services."

The company's decision in 1982 to quickly stop its production of Tylenol, one of its bestselling products, and voluntarily recall all 31 million bottles that had already been distributed throughout the country, illustrates how the company leaders lived by its credo. The decision was made after several people in the Chicago area had died after ingesting tablets that were found to have been contaminated with cyanide.

While the recall was costly in the short term, it is widely remembered as a model of good leadership and crisis management.

Doing what is right is not always simple, of course, particularly during crises, when overwhelming stress and pressure can obscure our sense of values. Harry Kraemer, professor of leadership at Kellogg and an executive partner with the private equity firm Madison Dearborn, points out that one of the main principles for leaders to embrace is to firmly believe that they are going to do the right thing and do the best they can. If you surround yourself with people you trust and whose values align with yours and the organization's, you don't have to figure out on your own what's right in these situations. You will determine the right thing together, and then act on it the best you can.

Being driven by values also means knowing when to leave when you're not aligned with your environment, be it your colleagues, your boss, your board, or your company's values and purpose. Have the wisdom to know the difference between what you can and cannot change, as the saying goes.

Be authentic.

When I stepped down from Best Buy in 2020, I sent an email to our senior leaders and board members and a farewell video to all company employees. "I love you!" was the title of the email. I concluded the video to employees with similar feelings. Laying bare my heart and my soul in this way would have been unthinkable a few years before. Like many leaders of my generation, I long believed that emotions were not meant to be shared in a business context. I have been told that the longest journey you'll ever take is the 18 inches between your head and your heart.

It's a long and arduous journey indeed, and it took me a lifetime to embrace the fifth (and for me by far the hardest) "Be": Be yourself, your true self, your whole self, the best version of yourself. Be vulnerable. Be authentic. Being vulnerable and authentic does not mean offloading everything to your colleagues. For leaders, it means sharing emotions and struggles when appropriate and helpful to others.

As many of us were forced to work from home over video over the past two years, we revealed more of our whole selves — children, dogs, cats, wifi problems, etc. This was not always comfortable or easy. But we all had to see each other in a new light, as full human beings. Employees expect leaders too to be human. This starts with making ourselves vulnerable, including by acknowledging what we do not know. Brené Brown points out that vulnerability is at the heart of social connection. And social connection, in turn, is at the heart of business.

The way we lead has profound implications on people around us and how we do business. We cannot transform companies, and more generally capitalism, unless we reflect on who we are as leaders, and particularly on the following questions:

Have you decided what kind of leader you want to be?

How would you describe your purpose?

How would you describe your role?

What are you doing to create an environment in which others can thrive and flourish?

Who are you serving?

What values define you?

Are you doing your best to be authentic, approachable, and vulnerable?

So, start with yourself. Be the leader you're meant to be. Be the change you want to see.

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