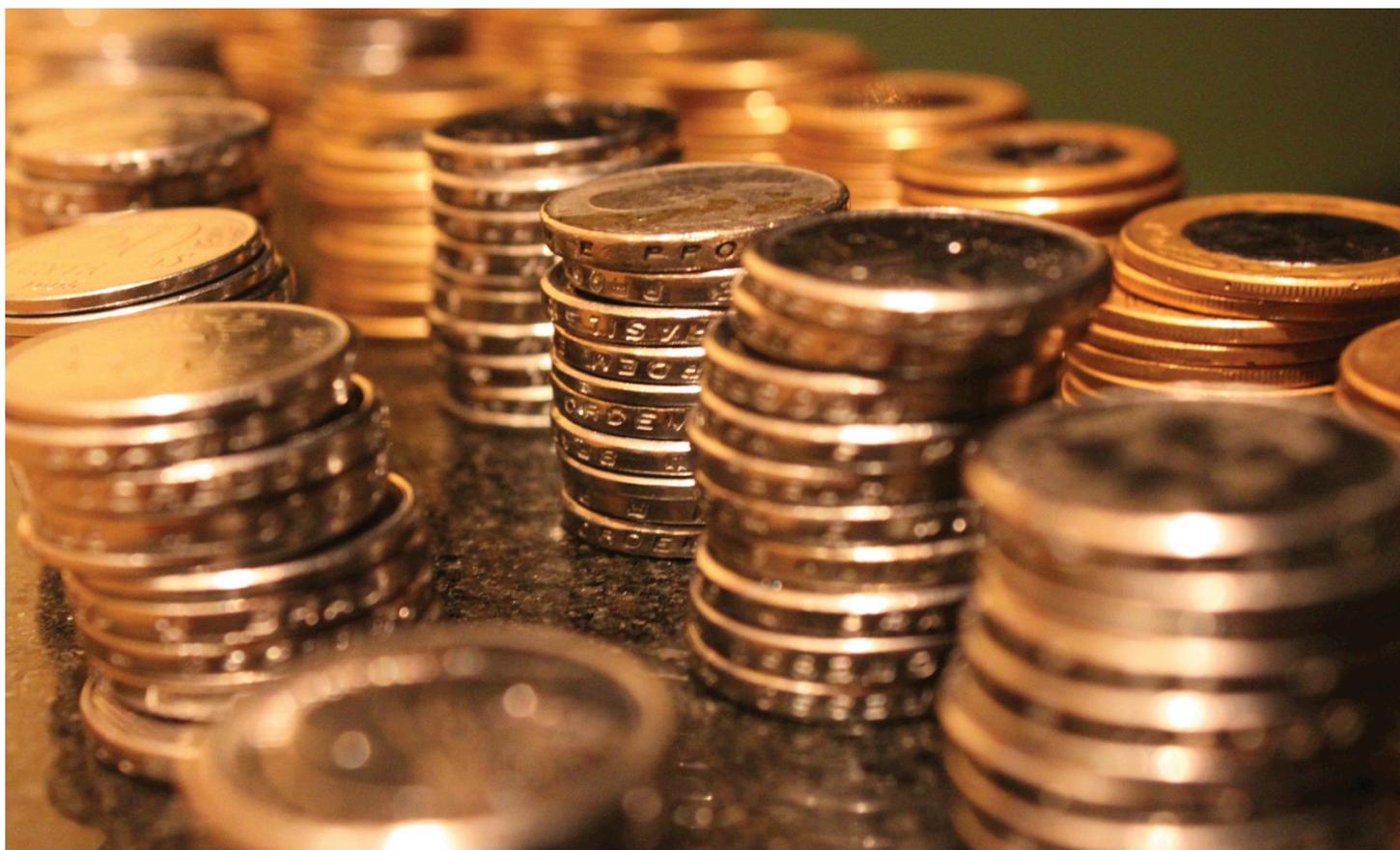


Inspiring business managers – the power of purpose + profit

Wendy Collins

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What might your school have in common with The Good Beer Company, Royal Flying Doctor Service, Montville Coffee, and Surf Life Saving Queensland? Perhaps, like them, your school leaders have discovered the powerful impact of ‘purpose’. A growing number of organisations have discovered that ‘purpose matters’ and it is possible to have both purpose and profit. They are not mutually exclusive, as was once thought to be the case.

As your school’s ultimate ‘Business Manager’, it’s your responsibility to influence your school to be purposeful and therefore the most successful it can be.

Accountants at the 2017 CA Forum *Beyond the Bottom Line – People, Purpose, Profit*, heard stories from organisations whose success extended beyond profit. The Good Beer Company is a social enterprise company that ploughs 50 per cent of profits back into various projects, such as marine conservation, via the ‘Great Barrier Reef’ brew. Royal Flying Doctor Service has been rated Australia’s most trusted charity for the last six years. They have harnessed the power of purpose to better engage and motivate staff. Surf Life Saving Queensland is the largest volunteer-based community service organisation in the Sunshine State. They exist to save lives. Their \$31 million of assets in 2016 earned modest profits ensuring that they can continue saving lives. In 2016 they made 3660 rescues and 810,855 preventative actions. According to CEO John Brennan, SLSQ

“aims to do the ordinary things extraordinarily well”.

The link between profit, people, and purpose, is currently a prevalent topic in journal articles, books, research papers and conference presentations. Purpose expresses an organisation’s fundamental value – its reason for existing. Ernst and Young’s 2016 Global Report revealed that 85 per cent of purpose-led companies showed positive growth, whereas 42 per cent of non-purpose driven companies showed a reduction in revenue.

The view that ‘profit alone is king’, is changing. In 1970 Milton Friedman argued “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits”. Recently, Larry Fink, CEO of BlackRock, the world’s largest investor, argued “today’s culture of quarterly earnings hysteria is totally contrary to the long-term approach we need”. Peter Drucker, well known management author, agrees, “A sole profit motive no longer constitutes an effective purpose. Profit is not the explanation, cause or rationale of business behaviour or decisions, but rather the test of their validity.” Harvard Business Review recently published an article arguing that the purpose of the organisation must be redefined as creating shared value, not just profit per se.

What is your school’s stated purpose? Do your leadership team and governing council agree on the purpose statement? More importantly, do you ‘live’ and exude this in all you do and the decisions you make? Is purpose your passion or just a slogan? Educational philosopher John

Dewey suggested, in the early 1900s, that “the general purpose of a school is to transfer knowledge and prepare young people to participate in (America’s) democratic society.” Such a view is now considered to be insular and inadequate, according to Carter, who believes that the purpose of schools should be “preparing children to compete in the global environment”.

Naturally every school will have differences in culture and perceived purpose. For example, a state primary school in WA articulates “Our purpose is to ensure that all students leave our school well prepared for their future. That they have the opportunities to develop the skills, knowledge and confidence they need to achieve their individual potential and play an active part in civic and economic life.”

By contrast, an elite private school overlooking Sydney harbour, focuses on “... authentic and transformative Christian faith, with emphases on engaged rigour in academic work, relational service of others, growth in character, personal best in games and co-curricular activities.”

A leading state high school in South East Queensland, proclaims their curriculum “symbolises and exemplifies the excellence of state school education”. They believe that “the pursuit of knowledge equips and enables students to make a powerful difference in the world”.

Consider your school. Why do you do what you do every day? Does your school’s stated purpose align with its strategic vision and plan? As ‘Business Manager’, do your decisions about resourcing, budgeting, spending and employing complement the purpose of your school’s existence? If, instead, your school is profit-focussed and budget-driven, rather than aligned to purpose, the tail may be wagging the dog. Do you see your role as an enabler of purpose, or do you have a misplaced focus which impedes purpose?

How well is your purpose message being communicated to your staff? Is purpose being given lip-service only, with profit and financial performance indicators being over-emphasised? If you desire motivated staff who are supportive of your purpose, then senior management must first passionately embrace purpose when planning, budgeting and vision-casting.

Teaching is a profession which attracts people for a higher purpose or calling. Dedicated teachers invest their time and effort in encouraging and empowering the young people in their care. Purpose matters to your staff, many of whom are millennials. Millennials are the most purpose-oriented group to ever enter the workforce. According to recent research, they will account for 75 per cent of the workforce in by 2025. (Fastcompany)

A 2017 survey by Deloitte found that more than half of millennials ruled out working for an organisation because of poor values, lack of alignment of purpose, or poor standards of conduct. This strong sense of purpose is a key driver of further business investment and profit. Purpose-led organisations are the strongest and most resilient. The Deloitte survey found that purpose-driven enterprises have an inherent market and profit advantage. Are you harnessing this advantage for your school?

In your ‘Business Manager’ role, you play a key role in the provision of resources and people. You have an opportunity to articulate purpose and vision and to enhance the synergy between the governing body and your staff. As you recruit and select staff, purchase facilities, and allocate resources, you have the potential to do more than simply support the vision. You can, in fact, enhance it. As you pursue purpose, you can also be the source of innovation and impact.

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