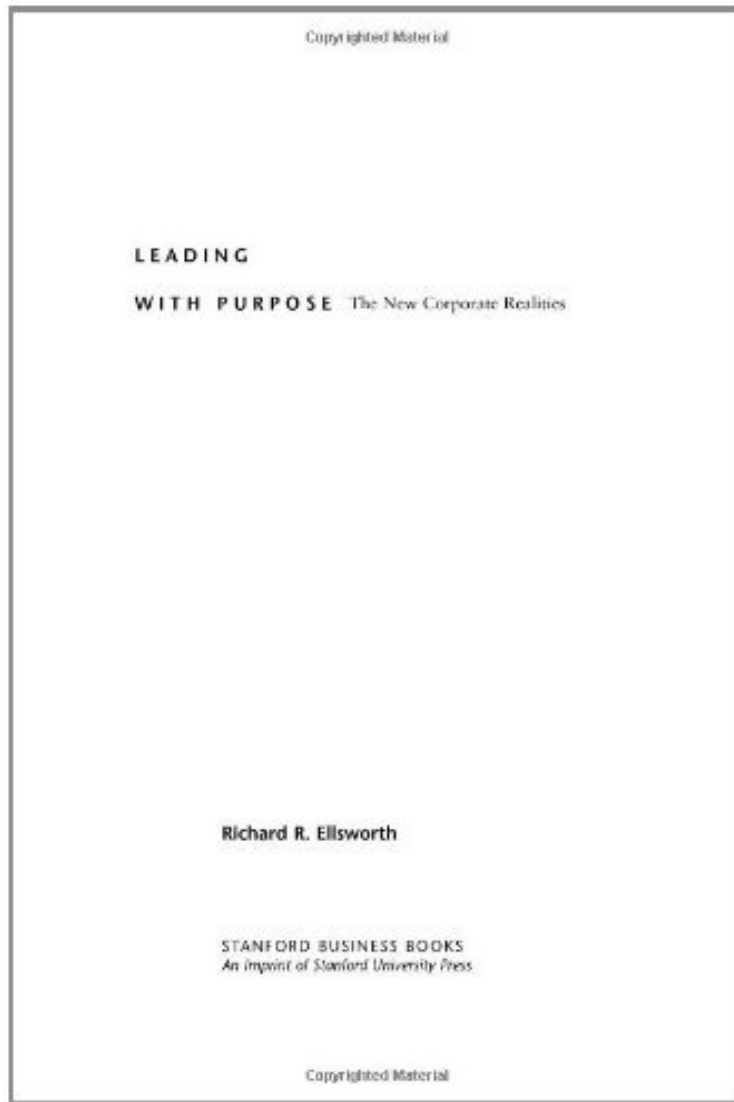


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Leading with Purpose: The New Corporate Realities (Stanford Business Books)

Richard Ellsworth

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Richard Ellsworth : Leading with Purpose: The New Corporate Realities (Stanford Business Books) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Leading with Purpose: The New Corporate Realities (Stanford Business Books):

1 of 1 people found the following review helpful. Many ideas for improving performanceBy DAVID-LEONARD WILLISCorporations exist to produce goods and services that serve the needs of present and future customers. In the intensely competitive knowledge-based markets, change is shaking the very foundations of enterprises. Labor-cost advantages are giving way to capital and knowledge-based advantages; intellectual capital is replacing financial

capital. This has caused some corporations to ask why they should exist, who they are, where they want to be, and how they plan to get there in order to work out a strategy for competitive performance that affects the whole organization including choice of leadership and relationships with employees. Ellsworth argues that serving customers' interests, followed closely by attending to needs of employees, will provide competitive advantage in the future. Companies seeking to maximize shareholder wealth may lose out to companies serving society at lower returns, or to companies competing by different rules or evaluating investments on different criteria. If a western company abandons a project with substandard returns it may lose long-term competitiveness in that market, but the alternative is, in effect, the conscious destruction of short-term shareholder value to prevent a deteriorating market position. The victors will be those companies that promote the greatest number of competitive strategies that focus resources, decisions and efforts on securing greater competitiveness. Employers play an increasing importance in the lives of employees as people need to believe in something greater than themselves; corporations are having to take on responsibilities that religion had in the past by creating an environment that serves worthwhile purposes, supports creativity and accomplishment, and encourages personal growth. Such a climate generates commitment, individual initiative, and an ever-improving workforce that are the well springs of competitiveness. Competition, the dizzying pace of change, rapid technological innovation, and the increasing complexity of doing business, require a significant rethinking of traditional ways of managing employees. On the one hand a new contract has emerged which says: "There is no job security here. You will have a job as long as you find ways to add value. In return for your value added, the company will provide the experience and training needed to enhance your skills and, if necessary, to enable you to be employable elsewhere. You will receive compensation that reflects your contribution." On the other hand, as knowledge becomes ever more critical to performance, the motivation, loyalty and stability of the workforce become increasingly important. Loyalty requires an environment where members think for themselves, candidly stick up for their ideas and challenge conventional wisdom; loyalty is inextricably intertwined with individual initiative, creativity, and openness in the decision-making process. True loyalty will be given only if the organization's purpose is deemed worthy of attachment and devotion. After defining the problems of being competitive in the new environment, the author provides a winning ideology for the 21st century, provides guidelines for arriving at a mission of meaning and value and details the ground rules for leadership, for attracting and retaining high-caliber personnel and for motivating employees. It is difficult to imagine anyone who would not come away with ideas for improvement after reading this book. 5 of 6 people found the following review helpful. Threatening prospects for the US economy in the 21st century By Richard G. Ayala Dr. Ellsworth's book is most illuminating, and offers an informative explanation for the current economic dilemmas of Japan, Korea, and Germany, and offers an insight to the possible decline of the U.S. economy by 2025. The book provides historical backgrounds on the aforementioned countries that determined our economic philosophy, and offers a most disturbing outlook for the U.S. economy should we not change our focus from the current ROA driven ends, to a more sustainable investment philosophy via our workforce, Research and Development, innovation, education, national savings rate, etc. The writing is on the wall, and if we don't pay attention and make the changes that we need to make individually and as a nation, the U.S. will fall from its perch of being the leading economic nation to that of number two or three. The book is currently used in graduate studies, and I strongly recommend the book to anyone who cares. 1 of 1 people found the following review helpful. Excellent information on purpose, vision, strategic intent By Darin Janoschkalf you are looking for a book with excellent content regarding purpose, vision, mission, and strategic intent then I think you will find this book is right on the mark. Chapter 3 is especially good with excellent definition, examples, and perspective. I have to back off of five stars, as the author's emphasis on customer versus shareholder focus becomes a monotonous rant after you heard the message the first fifty times. With the exception of that constant hum, I found the book very readable with lots of pertinent and important information on the subjects of leadership and purpose.

This book explores corporate purpose; a company's expressed overriding reason for existing; and its effect upon strategy, executive leadership, employees, and, ultimately, on competitive performance. Sharply challenging the conventional wisdom that corporations should be dedicated to shareholder wealth creation, the author presents a compelling argument that the path to competitive advantage and outstanding long-term financial performance lies instead in a customer-focused corporate purpose. The book is in four parts. Part I shows how corporate purpose exerts a powerful effect on strategy, management, and the meaning employees derive from their work. A customer-focused purpose harmonizes these critical factors and enables leaders to push strategic thinking deeper into the organization and at the same time to grant employees a greater degree of autonomy. In contrast, a goal of maximizing shareholder wealth sows the seeds of conflict among the market-oriented purpose, product-focused strategies, and the individual values of employees. Part II critiques the logic of "value-based management" and the relationship of the firm to the equity markets. It explores the validity of extending traditional concepts of property rights to share ownership, concluding that the separation of stock ownership from the responsibility for, and managerial control over, corporate actions makes traditional property rights arguments inapplicable to the underlying assets of a corporation. Part III examines the functioning of corporate purpose in a global economy. When a firm operates globally, purpose needs to

retain its motivational power across national boundaries, which a shareholder-focused purpose does not do. Part IV explores the implications of corporate purpose for leaders, arguing that infusing an organization with a worthy purpose is an essential responsibility of leadership. Purpose is the foundation for the shared values that define organizational character, raise moral aspirations, and enhance performance. Drawing upon a wide range of thought from the world of business as well as from historical studies, cultural anthropology, philosophy, theology, and psychology, *Leading with Purpose* is sure to be an essential text as businesses move into the twenty-first century.

"A truly unique effort. I know of no other book that takes for its centerpiece the concept of purpose and then refracts it so meaningfully through the prism of the modern corporation. Ellsworth argues forcibly for a strong point of view and moral imperative in the corporation, brilliantly presenting a book of immense importance." (Warren Bennis, University of Southern California)"Ellsworth links the literature of current management practice to the findings of economists and political scientists who study the global environment, making the argument that purpose is at the core of a company's global competitiveness and managers have a moral as well as a fiduciary responsibility in the corporation. The strong, clear voice that comes through in this work is one that should be heard more often in business schools. *Leading with Purpose* is a major contribution on an issue of immense importance and provides an effective counterweight to the rational and analytic frameworks that often drive our MBA programs and executive classrooms." (Christopher A. Bartlett Harvard Business School)"The unique strength of Richard Ellsworth's book is that it presents the business enterprise in all its dimensions?as an economic institution; as a human organization; and as an embodiment of values?and carries all three dimensions in both clear theory and practical application." (Peter F. Drucker)"Vivid and encyclopaedic in his description of organizational purpose, Ellsworth helps leaders truly understand the tremendous impact that knowing who you are has on where you go and how you get there. In these globally turbulent times, any thoughtful leader will benefit greatly from this book." (Jerry I. Porras Lane Professor of Organizational Behavior and Change, Stanford Business School, and co-author of *Built to Last: Successful Habits of Visionary Companies*)"Reexamining the view that the overriding purpose of a corporation is to increase shareholder wealth, this book challenges corporations to integrate product development, customer satisfaction, employee productivity, and shareholder satisfaction to both remain competitive in the world economy and contribute to the betterment of the community. *Leading with Purpose* exemplifies Ellsworth's ability to identify and analyze abstract philosophical conceptions in a way that is useful to practicing managers." (George C. Lodge Harvard Business School)"This thoughtful and incredibly ambitious work tackles head-on the enormously important issue of why the corporation exists. Ellsworth creates the kind of provocative framework and well-articulated set of concepts that would drive an intense and powerful classroom learning experience in courses of general management, strategic management, and business policy in business schools everywhere." (Christopher A. Bartlett Harvard Business School)"In order to prosper, businesses need to switch their primary focus from shareholders to customers, says Claremont Graduate University[']s Ellsworth. He finds that shareholder-focused purpose disenfranchises other stakeholders and customers . . . while a customer-focused purpose enhances strategy and management, supports global operations, and provides a worthy motivation for employees." (Richmond Times)"No serious student of management or practicing manager can afford to miss the lessons contained in this book?lessons that help address perhaps the most fundamental of all business questions: What is the ultimate purpose of your corporation?" (Academy of Management)From the Inside FlapThis book explores corporate purpose; a company's expressed overriding reason for existing; and its effect upon strategy, executive leadership, employees, and, ultimately, on competitive performance. Sharply challenging the conventional wisdom that corporations should be dedicated to shareholder wealth creation, the author presents a compelling argument that the path to competitive advantage and outstanding long-term financial performance lies instead in a customer-focused corporate purpose. The book is in four parts. Part I shows how corporate purpose exerts a powerful effect on strategy, management, and the meaning employees derive from their work. A customer-focused purpose harmonizes these critical factors and enables leaders to push strategic thinking deeper into the organization and at the same time to grant employees a greater degree of autonomy. 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