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## FINDING PURPOSE IN YOUR CAREER

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### **The Importance of Purpose**

People often choose a career based on two criteria. The first is their *skills* – what they’re good at. If you’re numerate, you might become an accountant or data analyst. The second is the *opportunities*. Fintech is a booming industry, whereas stock trading may become automated. So if you’re interested in a finance career, choose the former over the latter.

These two criteria are certainly relevant – you shouldn’t choose a career that you have few skills for, or in a dying field. However, my time in financial services (investment banking and sales/trading) taught me two things. The first is that there will always be people more skilled than you. Some of my colleagues were more skilled in their technical finance knowledge. Others were more skilled in their business savviness and street smarts. Others were more skilled in their emotional intelligence and ability to jive with a client. I wasn’t going to get ahead based on my skills.

The second lesson is that it’s impossible to be truly great at something unless you’re willing to devote a lot of time to it. When I was on the trading floor, the head of US interest rate sales, Dennis, told all the Summer Associates that if you weren’t reading *Barron’s* at the weekend, you had to look yourself in the mirror and ask yourself whether this is really the job for you. I’d never even heard of *Barron’s* at the time. When I learned that it was an investing magazine, I was miffed by Dennis’s comment. It just seemed too intense. Working on the trading floor, you’re seeped in investment five days a week. At the weekend, I wanted to relax with sports or music. But Dennis was right. I was only interested in investing, I wasn’t passionate about it – otherwise I would want to read about it on the weekend. If I’d stayed in that career, I wouldn’t have succeeded, because other people would have worked harder than me and done better.

These lessons taught me that career choices shouldn’t just be purely on skills – there are lots of other skilled people around. Nor should you choose a career purely because it’s hot at the moment. Other people will know that it’s hot, and if they’re willing to work harder, they’ll earn the spoils, not you. It’s to choose a career that you’re also passionate about – where you find purpose.

### **How Do You Discern Your Purpose?**

The idea of choosing a career based on purpose is well-known, almost to the point of becoming clichéd. There are lots of inspirational talks on the importance of “pursuing your passion” or “serving a purpose”, one of the most famous being Apple co-founder Steve Jobs’s 2005 graduation speech at Stanford. But the idea also seems unrealistic and impractical. It’s unrealistic because, while it preaches well from the pulpit when you’re the Apple CEO and a multi-billionaire, most people have families to support and loans to repay. They can’t cheerfully ignore financial motives in a carefree pursuit of purpose. But I hope to show that some lucrative careers, maligned by the public, can also be deeply purposeful. It’s impractical because many people don’t know what their purpose is. So the bulk of this talk aims to help you discern your purpose, by asking yourself three simple questions. I’ll illustrate this framework primarily using business careers – even though I acknowledge they are only a small subset



of the available careers – given that this is a “Business Skills” lecture series, and that business careers are often viewed as non-purposeful.

1. *Where do you see yourself in ten years’ time?*

This question seems as unoriginal as the idea of “pursue your passion.” Most people think they know the answer – perhaps Managing Director of an investment bank, Partner at a consulting firm, or Principal of a private equity fund. But this question doesn’t ask you where you see yourself in terms of your job title. It asks what will make you tick, what will wake you up in the morning, what your days will be like. Because a career, if it’s to be truly fulfilling, isn’t about what you do; it’s about who you are.<sup>1</sup>

When you’re junior, the desire to get promoted is enough to motivate you and get you up in the morning. So many juniors go through their early years without seeing the need to think about the purpose of their career, or where they see themselves in ten years’ time (beyond the job title). But what happens when you do get to the top, when you’ve got that job title? Many people suddenly find their lives to be purposeless, because they no longer have promotion to motivate them. There’s a reason that mid-life crises happen in mid-life. People in mid-life should be happy because they’ve made it to the summit. But in fact the opposite is the case, because they realise they’ve climbed the wrong mountain.

Let’s make this concrete. Say you’d like to be Managing Director of an investment bank or Partner at a consulting firm. That’s your job title. Who you are is a trusted advisor. Your clients will come to you with their biggest problems. Perhaps they’re in financial difficulty and ask you whether they should issue equity, raise debt, cut the dividend, sell a division, or put the entire company up for sale. They trust you to give the advice that’s best for them, rather than what will earn you the highest fee.

Only go into investment banking or consulting if being a trusted advisor is who you are. Perhaps you’re the person who friends turn to when they need candid advice on an issue. You have a reputation for telling them what they need to hear, not what they want to hear, and keeping it confidential. And you love serving your friends in this way. Or, in a study group at university, you were the one willing to have tough conversations with other group members who weren’t pulling their weight. Others find these conversations awkward, but they’re second nature to you. Then you’re the sort of person who should go into banking or consulting.

Or say you’d like the job title of private equity Principal. Who you are is an investor, someone who finds undervalued assets. During the day, these undervalued assets are businesses that are unloved by their current owners – so much so that they want to sell them. You see potential in them that no-one else sees. You’re willing to put your money where your mouth is and invest in them. And you put in more than just money, but also the time and effort to turn them around.

Outside of the office, these undervalued “assets” might be people – the unemployed who you can invest in by funding a job coaching programme, or local children who you can support by endowing a scholarship at a school. And you don’t just throw money at them, but get your hands dirty by serving as a school governor. In an amateur sports team, you might be willing to coach a new player who doesn’t immediately hit the ground running, rather than benching her or making her feel unwelcome so that she quits the team. All these investments take patience, which not everyone has – but many of the best investors are willing to take long-term perspectives.

Only become a private equity investor if being an investor is who you truly are – if your passion is uncovering undervalued assets (both businesses and people) and working with them to fulfil their potential. If your passion is more finding undervalued assets than turning them around, you might be more fulfilled running a mutual fund

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<sup>1</sup> Professor Laurie Hodrick, “Ten Questions” interview in the *Financial Times*.



(and exercising stewardship through monitoring – see last year’s lecture, [The Stewardship Role of Investors](#), for further detail).

## 2. *What do you do in your spare time?*

What you voluntarily choose to do conveys what you’re passionate about. This question might seem unrealistic, since many citizens like to play sport or music, but are unlikely to become professional athletes or musicians. But pastimes are more informative than you might think.

The most common question that I get asked by students interested in finance is whether to start on the sell-side or the buy-side. To most people, the buy-side is the place to be. When I was in investment banking, the dream was to be called by a headhunter who’d move you into private equity. In sales and trading, you longed for the day when you’d be approached by a hedge fund. And the buy-side is the right place for many people. But there are far more people whose purpose is likely on the sell-side than commonly thought, because their passion is selling, and this is revealed by their pastimes.

Some business school students lead treks to their home country over the holidays, giving up the chance to explore a new land. Why? Because they love selling their country. Others captain sports teams, where they teach the activity to newcomers. Teaching has many similarities to selling – explaining complex concepts in clear language and making it engaging.

Others still might not captain sports teams, but they may play in one, or play in a band. This involves an element of “tribalism”. I’ve chosen a deliberately primal word, because we have in our ancestry the desire to be part of small teams, where you truly care about every team member. In sports and music, you take your tribe on the road with you to play a game or perform a concert. Bruce Springsteen was once asked what continues to motivate him, as he’s already sold millions of records and played Madison Square Garden countless times. He replied that it was being on stage with Clarence Clemons, his saxophonist. When Clarence plays a sax solo, he’s proud simply to share the stage with him – even if Bruce is silent and getting none of the applause at that moment. As Bruce said in his eulogy of Clarence: “Standing next to Clarence was like standing next to the baddest ass on the planet. You were proud, you were strong, you were excited and laughing with what might happen, with what together, you might be able to do.”

And that’s what you get on the sell-side. Just like a band going on tour, or a sports team playing in an away game, on the sell-side you take your team – your tribe – to a client to deliver a pitch. One day you might head that team, and not give the entire pitch yourself, but choose an analyst or associate to present part of it. She nails it. You get the same pride as Bruce did when he was just passively watching Clarence play his solo. And this applies far beyond the buy-side vs. sell-side decision within an investment bank, but to take a role which is principally external (e.g. working for a law firm, or being in a client-facing role) or internal (e.g. working as in-house counsel, or as Chief Operating Officer).

## 3. *What are your values?*

Values are what you centre your life around, how you aim to touch the lives of others, and what you’d like to be remembered by. In *The Road to Character*, David Brooks calls these “eulogy values” since you’d like them to be read out in your eulogy – in contrast to “resume values” that can be put on a CV. Then, having clarified what’s important to you, you can find a career that roughly lines up with these values. As Harvard economist Greg Mankiw wrote, “The secret to a happy life: find out what you like to do, and then find someone who will pay you to do it.”



Now that might seem completely unrealistic. There's a popular view that the most lucrative careers are the most valueless ones, but this is an unfair caricature as we've discussed. There are many lucrative careers which line up with several eulogy values, just as an enterprise that serves society can still be profitable.

The value "I will always be trusted to tell the truth" lines up with an advisory vocation. One of the potential downsides of a career in banking or consulting is its hierarchical. But for people with the value "I will always respect authority", this is an attraction not a downside, as they appreciate a clear chain of command. That's why my students with military backgrounds have typically liked the hierarchical aspect of advisory careers. But others, who have the value "I always want the freedom to be my own boss", might find this career difficult at the start.

In Stephen Covey's book *7 Habits of Highly Effective People*, Habit #2 is "begin with the end in mind". Covey recommends not only deciding on your purpose but also writing it down in a personal mission statement. Oprah Winfrey's is "To be a teacher. And to be known for inspiring my students to be more than they thought they could be." Virgin Group founder Sir Richard Branson's is "To have fun in [my] journey through life and learn from [my] mistakes." Other mission statements, including many by ordinary people, can easily be found online for readers who'd like additional examples for inspiration.

In my inaugural lecture last year, Purposeful Business: The Evidence and the Implementation, I highlighted how a company's purpose should be selective. The same is true for a citizen's. The mission statement must be short and can't contain everything. Anything left out of the mission statement is deprioritised by default. But the more concise the mission statement, the more it helps with Covey's Habit #3, "first things first", which is about time management and prioritisation. So personal purpose can guide not only a career switch, but also what duties to focus on in one's current position. If everything is in your mission statement, it provides no guidance on prioritisation – just like if a company's purpose contained all stakeholders.

### **The Individuality of Purpose**

Your answers to these three questions will be quite individual. I won't say unique, because you won't be the only person in the world with those answers, but they're individual in that most others will have different answers. And so these answers are a skill – just as much as numeracy, creativity, and persuasive power. They will allow you to succeed in certain careers because you'll be intrinsically motivated to work harder – yet you won't see it as work.

The fact that these answers are individual also means that there's no one best career. In my twelve years as a professor, I've often seen students recruit for company X because their classmates are doing so, so they think that this company must be good. They have the "fear of missing out" (FOMO). But company X is only good if it aligns with your purpose. And if you think there's comparison when recruiting for a job, comparison gets even more extreme once you've started it. In any career, you can compare the prestige of the firm you're working for, your job title, your client base. In my field (academia), you can easily count the number of top publications a professor has because most universities require them to make their CV available on their websites. You can type almost any professor's name into Google Scholar and get a number of their citations, one measure of the impact of their work.

If I run in Hyde Park, I don't mind if someone overtakes me. She might be running a different race than me – maybe she's doing a 5k and I'm doing a 10k. Or she might just be a better runner than me (maybe she's an ex-Varsity athlete). But with careers, it's very easy to compare ourselves and lose sight of the fact that we're running different races, because we have different answers to these three questions. The difficult task is to stay in our own lane and run our own race – to be a first-rate version of yourself, not a second-rate version of someone else.

### **How Do You Know When You've Found Your Purpose?**



The vast majority of people don't find their purpose in their first job. (My first job was as an investment banker but I'm now an academic). Many people might take several jobs before they do so. How do you know when you've found your purpose? One indicator is that you want to practice it all the time.

Note that this does *not* mean working all the time, but practicing it in ways outside work. The purpose of a professor is not the title of Professor nor the job security of tenure, but the creation and dissemination of knowledge. This means that I'm interested in disseminating research outside of my day job – including research by other people (not just my own), and even on topics outside of finance, which is why I find it a privilege to teach these lectures. In my spare time I sometimes coach sports, either bootcamps in Hyde Park or running when I used to live in Philadelphia, because this also involves disseminating knowledge. This relates to the concept of *flow* introduced by Mihaly Csikszentmihalyi – when you're in a flow state, time just passes, and you don't feel that you're working.

When I used to play football/soccer in Philadelphia, people would ask me what job I did. (It's the first thing most people ask after finding out your name). I used to say "I teach". This wasn't a lie because I did teach, but the implication was that I taught in a school. I didn't say I was a finance professor at Wharton, first because it might sound arrogant, and second because people might start asking me where they should invest their money – I just wanted to take a break from finance and play football. But now I realise the folly of my answer. Some of the folks I used to play with might never get the chance to ask someone how to invest their money. And if I was indeed passionate about the creation and dissemination of knowledge, I should be excited about doing so even outside of the office. I realised that humility isn't about holding yourself to low esteem, but holding others to high esteem. Being truthful about my vocation allows me to serve people outside of the office. No-one lights a lamp and puts it under a bowl; they put it in the centre of the room for others to share in the light. Your purpose is a light individually gifted to you in which many can share.

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Most of this summary is excerpted from my book, *Grow the Pie: How Great Companies Deliver Both Purpose and Profit* (Cambridge University Press). This summary only covers a subset of the topics in the talk, to ensure it remains concise. Please see the talk for discussion of how to put purpose into everyday practice in your career, when there are apparent barriers (e.g. your boss, the culture of the organisation, or targets that need to be hit).

Some of this talk was inspired by a speech entitled "How to Have a Successful and Meaningful Career" by Professor Andrew Metrick. This was a "last lecture" that Wharton MBA students invited him to give before he moved to Yale.