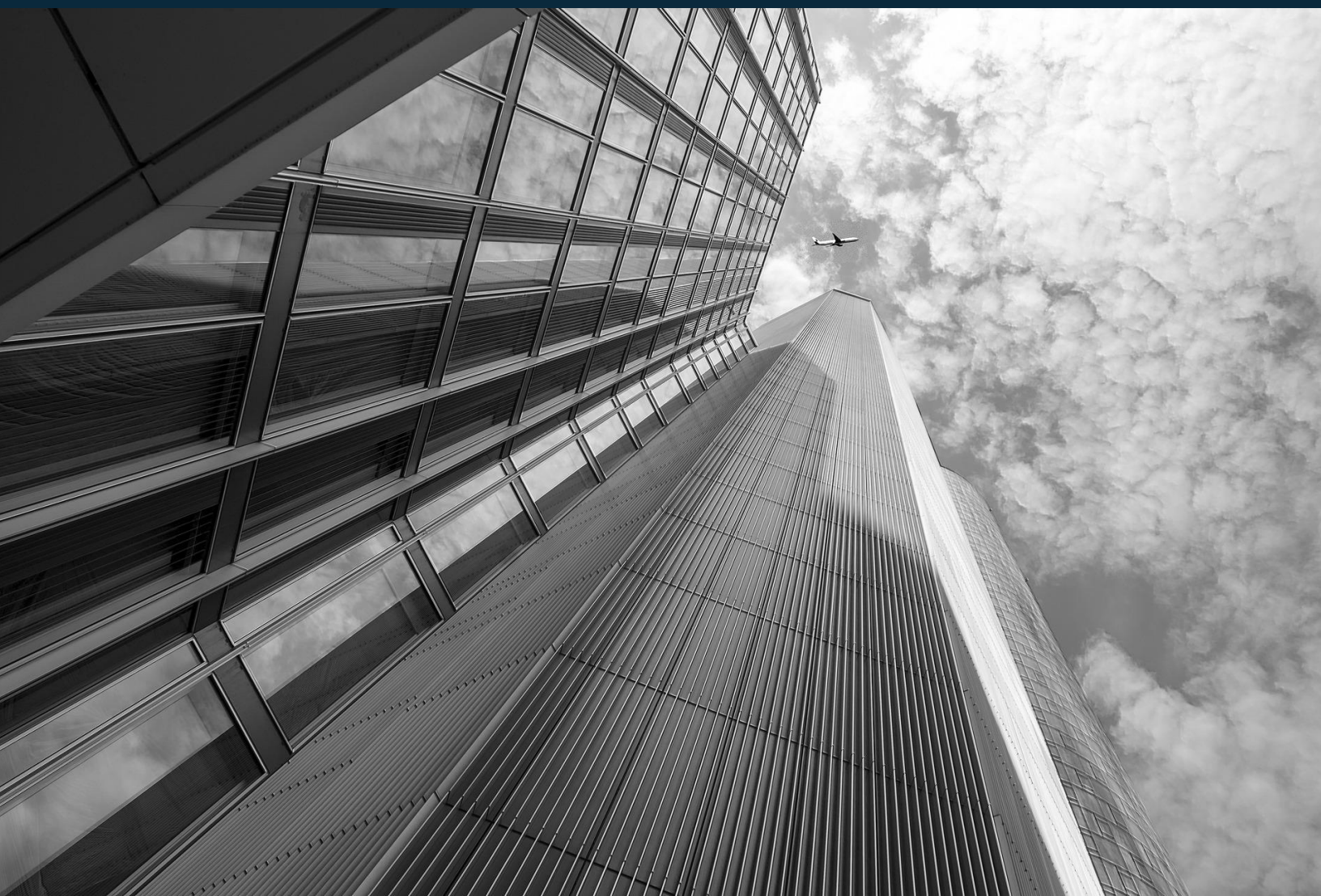


PURPOSE TRENDS REPORT

A selection of what has been published about Purpose in February 2022



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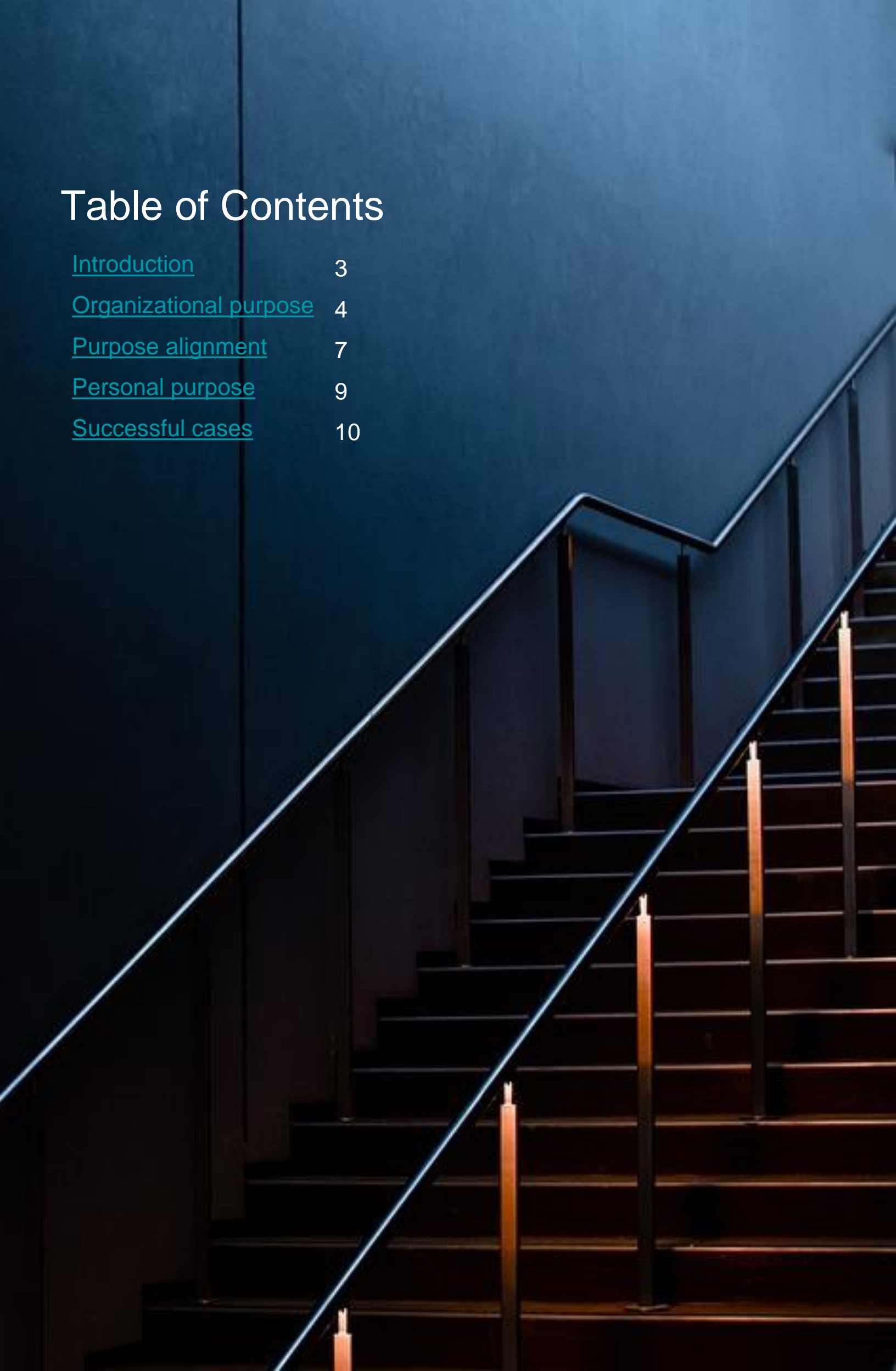
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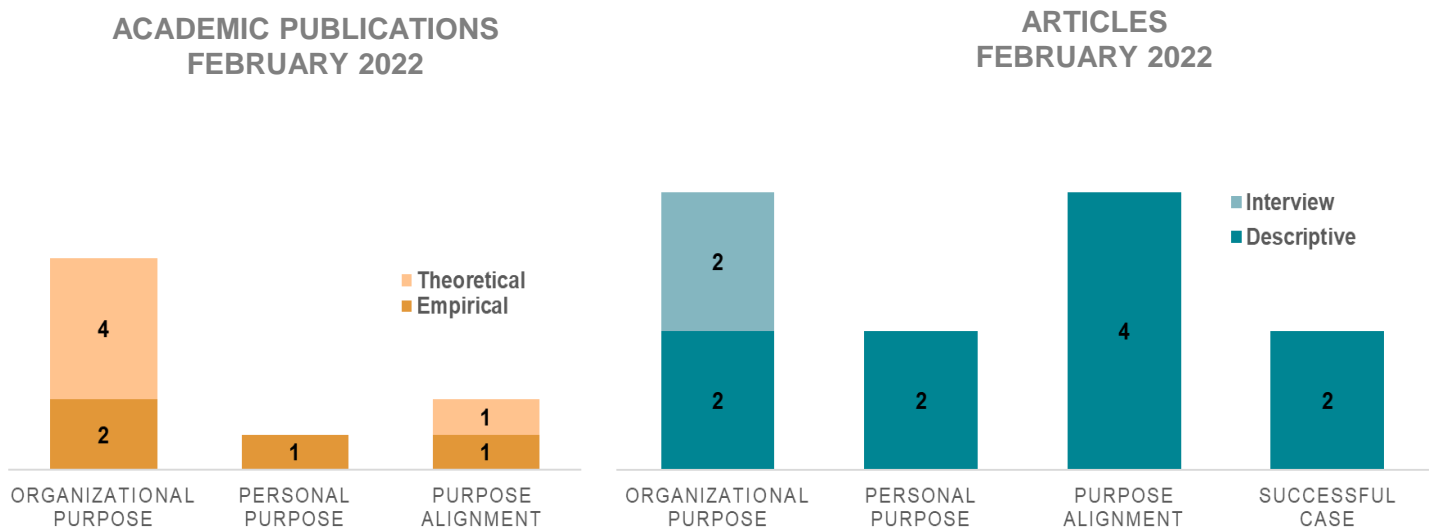
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INTRODUCTION

In this report, we want to synthesize the most relevant about corporate purpose published in February 2022. For this aim, we did a content search (using selected keywords) in Scopus and Google Scholar for academic publications; and diffusion magazines and other trusted sites for articles. We selected relevant publications about organizational purpose, purpose alignment, and personal purpose. Also, we include some successful cases that show how corporate purpose has been implemented. Bellow, we present statistics about the selected literature.



Some theoretical academic publications and articles sustain that the pandemic has brought to the fore discussions of organizational purpose. People have reevaluated what they want from work and which companies they choose to do business with. Today, employees and consumers want and expect the companies they work at and support to be purpose-driven.

Thus, the purpose has become an essential organizational asset. It is now at the center of most corporate concerns in terms of strategic execution.

Some academic publications highlight the importance of sustainability as an integral part of the purpose of the for-profit firm. They say that companies are human institutions with a crucial role in the economy and society. Some articles sightlines that it is not enough to have an inspiring purpose statement. They say that organizations have to have a strategy to turn those words into meaningful action.

Both academic publications and articles describe some benefits of corporate purpose. Some of the benefits are promoting workers' engagement, internal enterprise alignment, meaning, organization direction, and reputation.

This report presents two successful cases of organizations that have implemented corporate purposes: Holaluz and Public Goods.

Academic publications (6)

Be good and look good: Communicating the triple bottom line through corporate websites

Journal of Business Research, JCR Q1, [see online](#)

Abstract: In recent years, communicating about sustainability based corporate identity – i.e., the values and ethos of an organization that reflect the sustainable foundations around which the corporate brand is built – has become a central element for building a positive organizational reputation. In the business sector, the triple bottom line (TBL) approach, or a balanced conception of sustainability around environmental, social, and economic performance, has been increasingly adopted over recent decades. This paper adopts a multiple case study approach to develop and illustrate a methodology for analysing sustainability based identity as communicated through corporate websites. A critical and comparative assessment was performed on the information conveyed by a sample of ten Ibero-American companies belonging to different countries and sectors, resulting in a number of specific improvement recommendations. As part of the methodology, a dictionary comprising 354 keywords and a total of 933 variants was built corresponding to the three TBL dimensions, which was then used to perform automated content analysis across the corporate websites in the sample. Overall, this study illustrates a powerful but simple way for companies to assess and improve their communicated sustainability based corporate identity.

The Corporate Objective Revisited: The Shareholder Perspective

Journal of Management Studies, JCR Q1, [see online](#)

Abstract: Shareholder value maximization has spurred a long-standing and heated debate between the proponents of a unified corporate objective function and the supporters of multi-constituency goals of the corporation. We weigh in on the corporate purpose debate from a different point of view: that of the shareholders. Specifically, we seek to critically assess the assumptions about shareholders embedded in the shareholder value maximization doctrine and examine the implications of three contemporary shareholding practices: (a) shareholders investing concurrently in competing firms, (b) residual-risk bearing decoupling, and (c) heterogeneous shareholder interests. Our critique draws out the challenges that contemporary shareholder practices pose for corporate governance and highlights the need for strategic corporate governance, or governance policies and practices that prioritize the sustainable competitive advantage of the firm.

Corporate purpose and the misleading shareholder vs stakeholder dichotomy

SSRN, [see online](#)

Abstract: Corporate purpose has again become a topic of discussion in company law and corporate governance. In the European Union, the tension between the societal approach to companies with its long history and the efficiency-based approach with its much shorter history (and weaker basis) is palpable in the heated debates ever since the European Commission launched its Sustainable Corporate Governance initiative in 2020. In this debate, shareholder primacy proponents have sought to frame the discussion within what we call a shareholder vs stakeholder dichotomy.

The dichotomy is misleading and outright dangerous in the way it takes company law proper out of the discussion and reinforces the shareholder primacy drive. We reject the dichotomy as a meaningful framing of the debate, and seek to dismantle some of the strawmen set up on the road towards sustainable corporate governance. We turn instead to a discussion of corporate purpose as a matter of company law and in ensuring the contribution of business to sustainability. We discuss how such an overarching purpose could be operationalised with a redefinition of duties of the board, and we integrate in this our first reflections on the Commission's February 2022 proposal for a Corporate Sustainability Due Diligence Directive.

Stakeholder capitalism in the time of covid

SSRN, [see online](#)

Abstract: This Article investigates the time of COVID-19 to test the claims of supporters of stakeholder capitalism (“stakeholderism”). Such supporters advocate encouraging and relying on corporate leaders to use their discretion to serve stakeholders such as employees, customers, suppliers, local communities, and the environment. The pandemic followed and was accompanied by peak support for stakeholderism and broad expressions of commitment to it from corporate leaders. Nonetheless, and even though the pandemic heightened risks to stakeholders, we document that corporate leaders negotiating deal terms failed to look after stakeholder interests. Some supporters of stakeholder capitalism argue that corporate leaders should and do give weight to stakeholder interests because delivering value to stakeholders is a major element of corporate purpose. Other supporters maintain that corporate leaders considering a sale of the company should and do seek to benefit stakeholders, because fulfilling implicit promises to do so serves shareholders’ ex ante interest in inducing stakeholder cooperation, arguably essential to corporate success. We find that the evidence is inconsistent with the claims of both views. We conduct a detailed examination of all the \$1B+ acquisitions of public companies that were announced during the COVID pandemic, totaling more than 100 acquisitions with an aggregate consideration exceeding \$700 billion. We find that deal terms provided large gains for the shareholders of target companies, as well as substantial private benefits for corporate leaders. However, although many transactions were viewed at the time of the deal as posing significant post-deal risks for employees, corporate leaders largely did not obtain any employee protections, including payments to employees who would be laid off post-deal. Similarly, we find that corporate leaders failed to negotiate for protections for customers, suppliers, communities, the environment, and other stakeholders. After conducting various tests to examine whether this pattern could have been driven by other factors, we conclude that it is likely to have been driven by corporate leaders’ incentives to benefit stakeholders only to the extent needed to serve shareholders’ interests. While we focus on decisions in the acquisition context, we explain why our findings also have implications for ongoing-concern decisions, and we discuss and respond to potential objections to our conclusions. Overall, our findings cast substantial doubt on the claims made by supporters of stakeholder capitalism. Those who seriously care about corporations’ external effects on shareholders should not harbor illusory hopes that corporate leaders would protect stakeholder interests on their own. Instead, they should concentrate their efforts on securing governmental interventions (such as carbon taxes and employee protection policies) that could truly protect stakeholder

BOOK CHAPTER

Corporate Responsibility: The Dark-Side Paradoxes of Success

Issues in Business Ethics, [see online](#)

Abstract: This chapter explores the paradox of corporate responsibility, that is, it explores the paradoxical dark underbelly created by strategic success in corporations and their efforts to implement voluntary corporate social responsibility initiatives to demonstrate their good corporate responsibility/responsibility. This exploration addresses the tensions of corporate responsibilities that are created not when there are crises, scandals, or misdeeds, but when the very success of the company’s strategy, doing what it is expected to do, is itself the source of concern. The problematic aspects of success that come about when a company is doing what is expected suggest the need for a massive reframe of corporate purpose and responsibilities in the context of a transformed economic paradigm.

Shareholder value or public purpose? from john maynard keynes and adolf berle to the modern debate

Research in the Sociology of Organizations, [see online](#)

Abstract: The debate about corporate purpose is a recurring one that has re-emerged today. What should be the guiding principles of business: The pursuit of profit or a contribution to public interest? We trace key elements in this debate in Britain and America, from the interwar years, when John Maynard Keynes and Adolf Berle made important contributions, to the 1970s, when events ushered in a return to laissez-faire and the rise to dominance of the shareholder primacy model of corporate governance and purpose, to today. Both the earlier and the current debates are centered around whether we see business institutions as strictly private entities, transacting with their suppliers, workers, and customers on terms agreed with or imposed upon these groups, or as part of society at large and therefore expected to contribute to what society deems to be its interests. Whether current developments will ultimately produce a shift in corporate purpose akin to the one that followed the Second World War remains to be seen. But the parallels to the interwar debates, and the uncertain economic, political, and social environments in which they took place, are striking. Our objective is to see what might be learned from the past to inform the current direction of thought concerning capitalism and corporate purpose.

Articles (4)

Inside Companies that Get the Purpose-Profit Balance Right

Interview to Ranjay Gulati, Harvard Business Review, [see online](#).

In this interview, Ranjay Gulati explains what means "deep purpose." He proposes four pathways that enable performance. Purpose gives direction, purpose motivates people or inspires them, purpose enhances reputation, makes customers trust the companies more, and changes the way companies interact with other stakeholders.

Nextdoor's Maryam Banikarim On Purpose 2.0: Community And An Impending Groundswell Of Kindness

Billee Howard, Forbes, [see online](#).

It argues that organizations must convey a sense of purpose to succeed nowadays. Employees and consumers want and expect, work, and support companies purpose-driven.

“
Purpose is the North Star of a company. It's the reason you exist beyond making money. Purpose led companies want to make a difference in the world while also generating revenue.
”

What Firms Must Learn About Deep Purpose

Steve Denning, Forbes, [see online](#).

“
You need to think about purposes much bigger than a statement.
”

It distinguishes the concept of deep purpose from convenient purpose. A deep purpose serves as an organizing principle that shapes decision-making and connect stakeholders to one another. The deep purpose must be clear enough to guide the firm as to what not to do.

Which Questions Should An Investor Ask About Corporate Culture?

Shivaram Rajgopal, Forbes, [see online](#).

It argues that investors have stayed away from assessing culture because it is hard to define and measure. It suggests questions related to the firm's corporate purpose to assessing corporate culture.

Academic publications (2)

Digital transformation, sustainability, and purpose in the multinational enterprise

Journal of World Business, JCR Q1, [see online](#)

Abstract: We discuss how environmental and pandemic crises in combination with digitization are presenting the multi-national enterprise (MNE) with increasing geopolitical, organizational, and market tensions. Institutional pluralism is creating a more complex global environment. The organization of productive work is shifting, which challenges how MNEs structure and coordinate their activities. Changing consumer and investor expectations are broadening the understanding of value creation with implications for business models. We contend that the tensions invite MNEs to reconsider how they frame, formalize, and realize corporate purpose. We close with a research agenda that recognizes the need for MNEs to become purpose-driven actors.

Organizational Learning at Purpose-Driven Enterprise: Action–Research Model for Leadership Improvement

Sustainability (Switzerland), JCR Q2, [see online](#)

Abstract: Knowledge Economy companies need to be aligned with social improvement challenges not only in order to promote sustainable innovation but also because knowledge workers need to feel their work is meaningful in both organizational and social terms. This is the reason why organizational purpose might play a strategic role and becomes a top management duty. Furthermore, organizational purpose, as part of the social enterprise identity, needs to be built as a result of a new kind of leadership performance, focused on learning processes and driven by individual and organizational communication capabilities. Such a challenge points out, on one hand, that a more socially concerned enterprise is needed and, on the other, that top management capabilities must be improved in order to play the new role they are compelled to in order to promote social economy and stakeholders capitalism. What is at stake applies to both theoretically sound foundations and transformational managerial practices such as those this paper intends to apply by presenting outcomes from a research project focused on the transformational role of leadership as drivers for organizational learning capabilities improvement in search of innovation and social impact.



Articles (4)

A Portfolio Of Purpose: How Companies With Multiple Purpose Driven Brands Can Ladder Up To Corporate Purpose Statements, Strategies And Platforms

Afdhel Aziz, Forbes [see online](#)

It proposes best practices for achieving a common purpose: having individual brand purposes aligned around a common corporate purpose; designing for collaboration, not a competition; focusing on commitments, not campaigns; being transparent and accountable; reporting on progress regularly.

Creating a Ripple Effect: Associates at the Heart of Engagement and Innovation

Kohler, Sustainable Brands, [see online](#)

It sustains that the concept of purpose needs to translate from words to action. For purpose-driven organizations, they must help their employees find their purpose within the company's overarching purpose. Instilling a sense of purpose in employees optimizes innovation and solves pressing real-world issues.

The New Leadership Code: Adapt, Empathize And Provide Purpose

Kim Salem-Jackson, Forbes [see online](#)

It sustains that pandemic has promoted people to demand more personal value and purpose from both life and work, allowing employees to work together to achieve a common purpose. It argues that building a sense of shared values serves as the North Star for the organization, contributing to our company's success.

“
We are finding that our purpose journey, even though it is still evolving, has given our teams a new voice for our “why,” and serves as the North Star for our organization, contributing to our company's success by building a sense of shared values and mutual respect..
”

The Rise Of The Chief Purpose Officer

Lindsay Kohler, Forbes, [see online](#)

It sustains that pandemic has caused many to consider what is important to them, so search for purpose is rising. It sightlines that it is not enough to have an inspiring purpose statement but also a strategy to turn those words into meaningful action.



Academic publications (1)

Job satisfaction among physicians and nurses involved in the management of multiple sclerosis: the role of happiness and meaning at work

Neurological Sciences, JCR Q3, [see online](#)

Abstract: Objective: Health professionals caring for persons with multiple sclerosis (MS) are faced with increasingly complex working conditions that can undermine their job satisfaction and the quality of their healthcare services. The aim of this study was to delve into health professionals' job satisfaction by assessing the predictive role of happiness and meaning at work. Specifically, it was hypothesized that job meaning would moderate the relationship between job happiness and satisfaction. Methods: The study hypothesis was tested among 108 healthcare professionals (53 physicians and 55 nurses) working in eight MS centers in Italy. Participants were administered the Eudaimonic and Hedonic Happiness Investigation and the Job Satisfaction Questionnaire. Hierarchical regression analysis was performed to test the moderating role of job meaning between job happiness and satisfaction. Results: A significant interaction effect of job happiness and meaning on job satisfaction was identified for both physicians and nurses. When work was attributed low meaning, participants experiencing high job happiness were more satisfied with their work than those reporting low happiness; by contrast, when work was perceived as highly meaningful, participants' levels of job happiness did not significantly contribute to job satisfaction. Conclusions: Focusing on the interplay between job happiness and meaning, findings bring forward practical suggestions for the preservation and promotion of job satisfaction among health professionals working with MS patients. Particularly, they suggest the need to strengthen those job-related aspects that may enhance job meaning, thus providing health professionals with significant reasons to persevere in their work in the face of daily challenges.



Articles (2)

Purpose Can Be More Fun Than You Think

Nell Derick Debevoise, Forbes, [see online](#)

It sustains that purpose is a reason to get up in the morning. Identifying and pursuing a purpose is the way to true, deep satisfaction.

To Become A Future Purpose-Driven Leader, Cultivate These Skills Now

Ron Carucci, Forbes, [see online](#)

It proposes three competencies required to become purpose-driven. It sightlines that humans come hard-wired to find meaning. The actual fulfillment comes from doing what it enjoys and serving a bigger mission, touching the lives of others in meaningful ways.

SUCCESSFUL CASES

Articles (2)

Holaluz se adhiere al Pacto Mundial de las Naciones Unidas

Compromiso RSE, [see online](#)

“ Cear un mundo más sostenible gracias a la energía verde.”

It says that Holaluz, a green energy technology company, has joined the United Nations Global Compact as a signatory partner. He maintains that joining reinforces the company's purpose in all areas of the business, generating shared value for their stakeholders and maximizing its positive impact on society.



Purpose At Work: How Public Goods Aims To Build An Iconic Brand For All Things Sustainable

Forbes [see online](#)

The company “does not make products that aren’t good for people and the planet.”

It summarizes three key lessons the company’s learned from its years in the purposeful business space. It describes that Public Goods is an extraordinary brand because it specializes in sustainable, organic, climate-friendly, healthy personal care, and because of its outsized sense of responsibility for making the world a better place and willingness to inform on its progress transparently.

PUBLIC
GOODS

