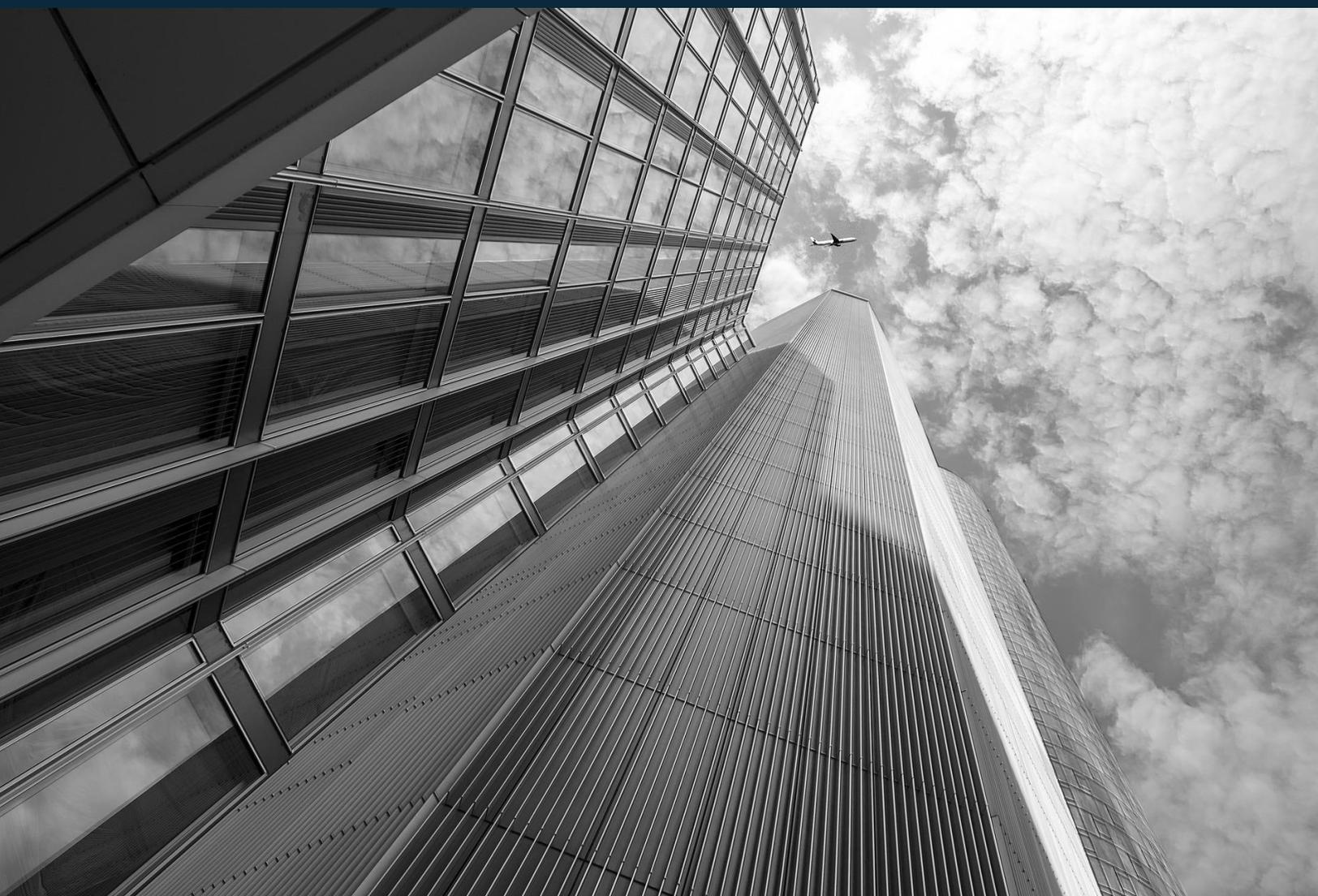


# PURPOSE TRENDS REPORT

A selection of what has been published about Purpose in July 2023



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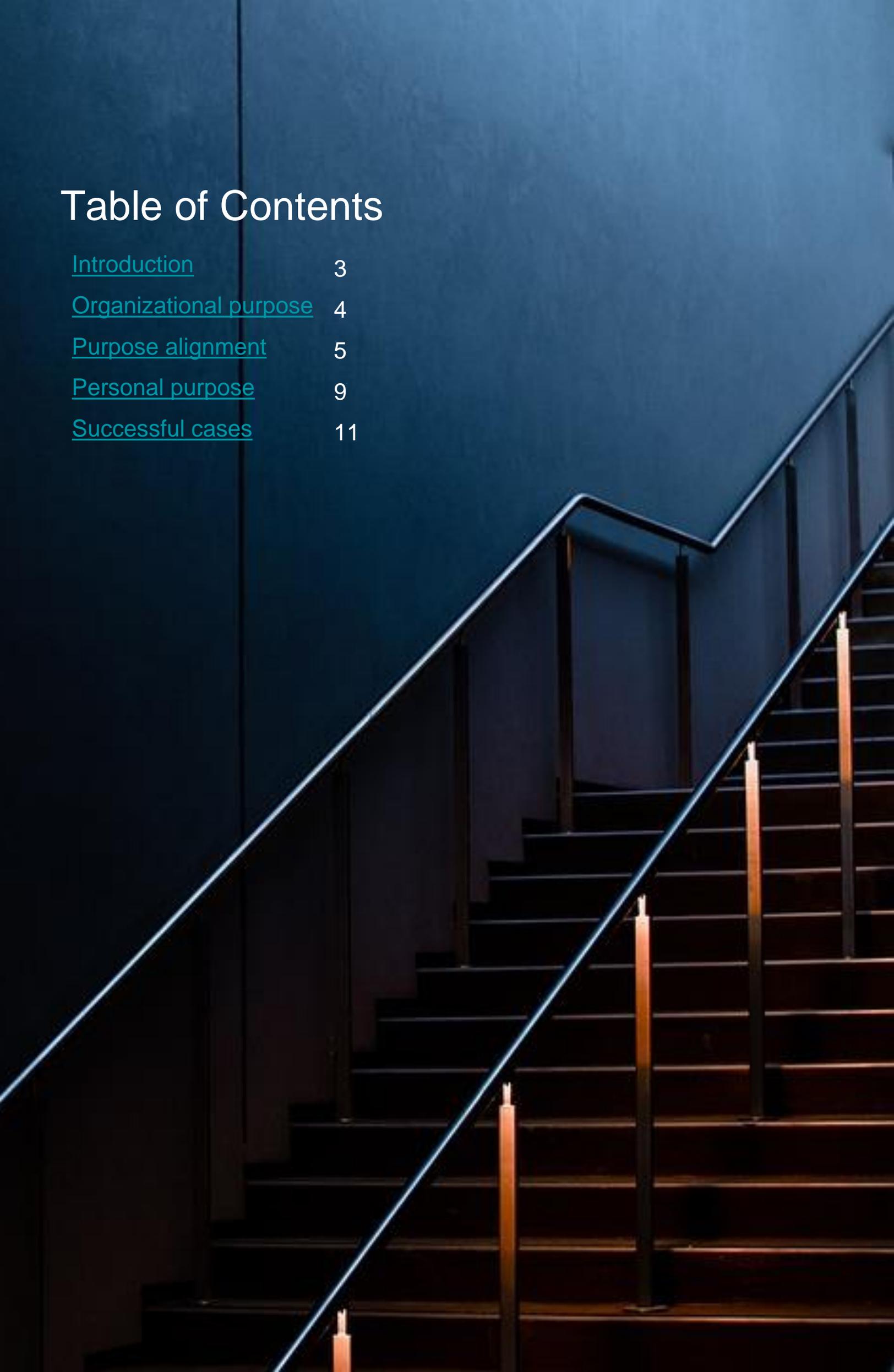
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# INTRODUCTION

In this report, we want to synthesize the most relevant about corporate purpose published in July 2023. 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 and reports. We selected relevant publications about organizational purpose, purpose alignment, and personal purpose. Also, we include successful cases that show how corporate purpose has been implemented. Below, we present statistics about the selected literature.



Some articles explain that COVID-19 brought the interconnection of business, purpose, and people into stark relief. Both academic publications and articles sustain that corporate purpose should articulate why an organization exists, considering that making money is not enough. Academic publications state that when an organization has a clear and embedded purpose, such purpose enables the organization to deliver economic, social, and environmental benefits that can "make a positive, transformative impact on the world.

Other articles sustain that corporate purpose is a company's north star, which guides decision-making at every level, from product development to hiring practices and marketing strategies, in a way that resonates with all stakeholders. It argues that authenticity is essential because a lack of perceived authenticity in stating the organization's purpose can escalate into accusations of purpose-washing, which decreases trust, damages reputation, and generates financial losses.

Some academic publications present some of the benefits of purpose-driven companies: they appear to grow more quickly, outperform the market, have faster-rising stock prices, drive employee involvement, and support employees' reputation and identity, leading to higher efficiency and, therefore, higher profitability. Complementarily, some articles support that when individuals understand their purpose and how their contributions align with their personal values, they tend to be more motivated and, thus, are actively seeking ways to make a meaningful impact, find fulfillment in their work, and engage in the work.

Further, some academic publications present practical implications—that frequent discussions and workshops regarding the corporate purpose might encourage employees to draw connections between their work and the purpose.

Finally, this report presents how Crate & Barrel and Ferrer are still developing their corporate purpose.

## *Academic publications (2)*

### **Conscientious business-to-business organizations: Status quo and future research agenda**

Industrial Marketing Management, JCR Q1 [see online](#)

**Abstract:** Nowadays, manifold business-to-business (B2B) organizations are embracing corporate social responsibility (CSR) to contribute to society. However, and largely due to several bad past practices, stakeholders are increasingly skeptical of CSR initiatives, often perceiving them as insincere and manipulative. This skepticism has been further accentuated during the COVID-19 pandemic, and stakeholders have started to demand organizations for a broader and more holistic approach to contributing to society. In this editorial, we present ‘conscience’ as such broader and more holistic approach, and describe how the papers included in our special issue examine organizational conscience in the B2B context from different angles, including identity, leadership, relationships, communication, activism, social impact, corporate purpose, and co-creation. Finally, we propose several future research opportunities that can further advance knowledge in relation to conscientious organizations.

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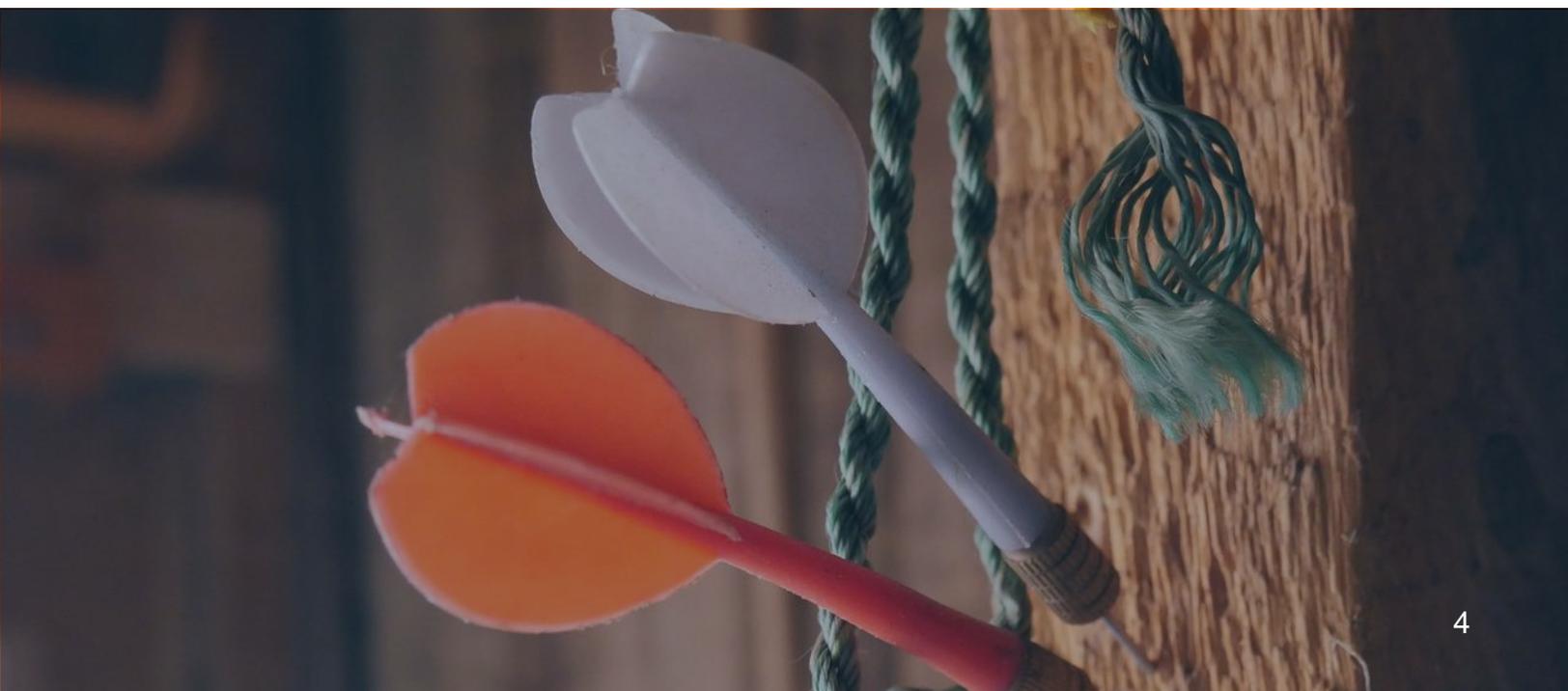
When an organization has a clear and embedded purpose, such purpose enables the organization to deliver economic, social, and environmental benefits that can “make a positive, transformative impact on the world.

”

### **Are Moral Firms Committed Firms?**

Daedalus, JCR Q3 [see online](#)

**Abstract:** Corporate purpose is everywhere, but will it stay? Is it a business revolution or a passing fad, destined to go the way of so many business concepts? Reliance on the good judgment and goodwill of corporate leaders is a justifiable cause for concern, and resort is often sought instead in the apparently safe harbor of public regulation. But reliance should not be placed on governments and regulators alone to constrain the corporate giants in the face of a system that motivates abusive behavior. Instead, attention should be devoted to alignment of the intrinsic interests of corporations with those of society more generally.



## *Academic publications (6)*

### **Purpose in the For-Profit Firm: A Review and Framework for Management Research**

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

**Abstract:** Purpose is a concept often used in managerial communities to signal and define a firm's benevolent and pluralistic approach to its stakeholders beyond its focus on shareholders. While some evidence has linked purpose to positive organizational outcomes such as growth, employee satisfaction, innovation, and superior stock market performance, the definition and application of purpose in management research has been varied and frequently ambiguous. We review literature streams that invoke purpose in the for-profit firm and propose a unifying definition. Next, we develop a framework to study purpose that decouples its framing and formalization within firms from its realization, thus helping to avoid conflation of the presence of purpose with positive organizational outcomes. The framework also highlights internal and external drivers that shape the framing of purpose as well as the influence of the institutional context on its adoption and effectiveness. Finally, we provide a rich agenda for future research on purpose.

### **Purpose, profit and social pressure**

Journal of Financial Intermediation, JCR Q1, [see online](#)

**Abstract:** We develop a model in which there are firms and employees who care about profit-sacrificing higher purpose (HP) and those who do not. Firms and employees search for each other in the labor market. Each firm chooses its HP investment. When there is no social pressure on firms to adopt a purpose, HP dissipates agency frictions, lowers wage costs, yet elicits higher employee effort in firms that intrinsically value the purpose. However, social pressure to invest in HP can distort the HP investments of all firms and reduce welfare by making all agents worse off. Applications of these results to banking are discussed.

### **Saving the World? How CSR Practitioners Live Their Calling by Constructing Different Types of Purpose in Three Occupational Stages**

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

**Abstract:** Much attention in the meaningful work literature has been devoted to calling as an orientation toward work characterized by a strong sense of purpose and a prosocial motivation beyond self-gain. Nonetheless, debate remains as to whether individuals change or maintain their calling, and especially whether they live their calling differently in different occupational stages. In this article, we respond to this conundrum through an analysis of the corporate social responsibility (CSR) occupation—substantiated by interviews with 57 CSR practitioners from Swedish international companies who are living their calling. We demonstrate that social/commercial tensions affect these CSR practitioners, fueled by a divide between their social aspirations and the commercial goals, and prompt them to respond in a way that impacts how they construct the purpose of their work. Subsequently, we induce three stages of the CSR occupation—early-, mid- and late-stage—and conceptualize three types of purpose in each stage—activistic, win-win and corporate purpose. By uncovering how and why CSR practitioners respond to social/commercial tensions and construct different types of purpose in each stage of the CSR occupation, we show that individuals can live the same calling in multiple ways. Hence, our article advances the meaningful work literature as well as studies of micro-CSR.

## The role of the corporate purpose and how investor relations officers make sense of it

Public Relations Review, JCR Q1, [see online](#)

**Abstract:** This article addresses the role of the corporate purpose in strategic financial communication from the perspective of investor relations officers (IROs) with particular reference to their sensemaking process. Strategic financial communication increasingly includes intangible assets that contribute to the value of the company. At the same time, more and more companies are publishing corporate purpose statements that are intended to express their relevance. The article acknowledges those trends and aims to assess how IROs make sense of the corporate purpose and how they strategically use it in investor relations communication. Eleven qualitative in-depth interviews with IROs from German DAX40 companies were conducted and analyzed with an abductive method. The results show that IROs focus on cues when making sense of the corporate purpose, especially links to intangible assets and organizational values can be identified. The corporate purpose is only partially used in communication with the financial public. Deepened reflection on the corporate purpose, fueled by discussions and cues, supports the sensemaking process of IROs which can be guided by the organization. The role of the corporate purpose turned out to be complex with – although not always explored – the potential to be used as a descriptive and normative tool in strategic financial communication.

## Sustainability Through Corporate Purpose: A New Framework for the Board of Directors

SSRN, [see online](#)

**Abstract:** Shareholder primacy and shareholder wealth maximization have been advocated by business leaders and legal scholars for decades.

In view of the numerous challenges that the economy – and more broadly the humanity – are facing, this (simplistic) approach is criticized. Many companies are willing to move beyond the rule of shareholder value maximization and, while remaining profitable, have a positive impact on society through their business activity.

In addition, several economic scandals as well as the financialization of the global economy have led to a loss of confidence in the capitalist system. At the same time, social and ecological imperatives have taken on an almost ubiquitous importance in everyday life, exposing society and companies to substantial risks as well as opportunities

The object of this contribution is to discuss the objectives and interests the corporation serves. Several models have been elaborated to address this question, including the two major theories that are (i) the shareholder value maximization, and (ii) the equivalent promotion of the interests of all of the company's stakeholders, such as customers, employees, suppliers, the community and its shareholders (stakeholder governance). In addition, the so-called enlightened shareholder value approach tries to reconcile these two concepts but keeps the basic principle that, in the long run, shareholder interest shall prevail... [\(See more\)](#)

## The Elusive Purpose Of Corporate Purpose

SSRN, [see online](#)

**Abstract:** Corporate purpose has emerged in recent years as a key issue in connection with the role of corporate governance in the transition towards sustainability. Ultimately corporate purpose defines who the company is, and why it exists. It focuses on a meaningful contribution to meet environmental and social needs, communicated externally and embedded in corporate culture. We start by reviewing what corporate purpose means in different contexts and how it is framed in academic and policy discourse and then move on to addressing some key questions: whose interests should be encompassed by corporate purpose; who should decide about corporate purpose, the board or the shareholders; and what legal technique should be used to implement corporate purpose? We undertake our analysis primarily by reference to the UK, which provides a suitable case study in the light of its long-standing emphasis on flexibility in company law, its development of soft law governance standards encompassing corporate purpose and its promotion of stewardship by investors. In that sense the UK provides a good test of the capacity of private ordering to set, implement and adjust corporate purpose. We link our analysis to our earlier 'entity model' of ESG, which we proposed as a solution to mitigate the limitations of the financialized model of ESG which has become dominant globally.

## Articles and Reports (9)

### **A manager's guide to leading purpose-driven organizations**

Meredith Somers, MIT Management Sloan School [see online](#)

It highlights that every choice in the life cycle of every business is powered by choice — what to produce, how to make it, and whom to hire — which is a moment or an opportunity to balance societal and stakeholder values. It explains that companies need the courage to work in a purpose-led space since many people think this is unreasonable. It presents examples of how three companies handle the tension between purpose and profit and shares four operational choices that improve employees' work.

### **Be Good And Do Right**

Tom Wellner, Forbes [see online](#)

It explains that COVID-19 brought the interconnection of business, purpose, and people into stark relief. It declares that to lead with humanity, organizations must ensure that the actions resulting from their difficult business decisions are implemented respectfully and aligned with the organization's purpose, values, and culture. It argues that when employees see value in a shared goal, they can accomplish great things, contribute to a business culture that is resilient, innovative, and excellent, and do some good in the lives of the humans they serve.

### **Corporate purpose must go beyond branding. Here's why**

World Economic Forum [see online](#)



It sustains that Corporate Purpose should articulate why an organization exists, considering that making money is not enough. It argues that purpose should drive the ethical parameters the company is willing to operate within, being rigorous to cultivate trust but agile to address changing expectations of sustainable business practices.

### **From Quiet Quitting To Quiet Thriving: Unleashing The Power Of Purpose**

Gergo Vari, Forbes [see online](#)

It maintains that for understanding the organization's purpose, it is essential to believe in what your company is working to achieve and its ability to achieve it. It sustains that when individuals understand their purpose and how their contributions align with their personal values, they tend to be more motivated and, thus, are actively seeking ways to make a meaningful impact and find fulfillment in their work and engaged in the work.

### **How to Be a Purpose-Driven Leader Without Burning Out**

Lisa Earle McLeod and Elizabeth Lotardo, Harvard Business Review [see online](#)

It declares the importance of philosophy as “noble-purpose leadership.” It suggests that leaders should move towards a more purposeful leadership style that focuses on the organization's impact on human beings.

“ Noble-purpose leadership can be an effective evolution toward driving better performance while staying true to a culture of service. ”

## How To Define Your Corporate Purpose

CSRWIRE, [see online](#)

It defines corporate purpose as the reason a business exists beyond making a profit and a company's north star, which guides decision-making at every level, from product development to hiring practices and marketing strategies, in a way that resonates with all stakeholders. It argues that authenticity is essential because customers and employees expect businesses to have a clear corporate purpose they follow through on. This article suggests how organizations can define their corporate purpose and make it feel authentic.

## Purpose And Community: How To Put People Before Profits

Jack Smith, Forbes [see online](#)

It explains that because more people have begun to work from home, many have started to wonder if their jobs give them purpose since having a purpose and being a part of something go hand in hand.

It supports that a purpose-driven organization should show (do not just say) its employees that what they do matters to the company and each other. In this way, a shared mission will make employees shine, strengthen the relationships with your stakeholders, and make the company more impactful in their lives.

## Purpose-washing: What it is, and how to avoid it

Faisal AlSalim and Michael Etter, King's Business School [see online](#)

This report argues that a lack of perceived authenticity in stating the organization's purpose can escalate into accusations of purpose-washing. It presents the findings on the implications of purpose-washing, the consequences, the importance of alignment, and the strategies for promoting a purpose authentically. It sustains that the above would help managers to prevent adverse effects, including a decrease in trust, a damaged reputation, and substantive financial losses.

## Thought Leaders: How corporate purpose can help raise HR's game

HRD Human Resources Director [see online](#)



In this interview, corporate purpose is defined as the "why" a company exists. It is declared that the Covid pandemic has a critical role in corporate Purpose's importance today. It also is highlighted the importance of companies walking the talk because this will attract and engage talent.



## *Academic publications (3)*

### **Purpose in life promotes resilience to age-related brain burden in middle-aged adults**

Alzheimer's Research and Therapy, JCR Q1, [see online](#)

**Abstract:** Background: Disease-modifying agents to counteract cognitive impairment in older age remain elusive. Hence, identifying modifiable factors promoting resilience, as the capacity of the brain to maintain cognition and function with aging and disease, is paramount. In Alzheimer's disease (AD), education and occupation are typical cognitive reserve proxies. However, the importance of psychological factors is being increasingly recognized, as their operating biological mechanisms are elucidated. Purpose in life (PiL), one of the pillars of psychological well-being, has previously been found to reduce the deleterious effects of AD-related pathological changes on cognition. However, whether PiL operates as a resilience factor in middle-aged individuals and what are the underlying neural mechanisms remain unknown. Methods: Data was obtained from 624 middle-aged adults (mean age 53.71 ± 6.9; 303 women) from the Barcelona Brain Health Initiative cohort. Individuals with lower (LP; N = 146) and higher (HP; N = 100) PiL rates, according to the division of this variable into quintiles, were compared in terms of cognitive status, a measure reflecting brain burden (white matter lesions; WMLs), and resting-state functional connectivity, examining system segregation (SyS) parameters using 14 common brain circuits. Results: Neuropsychological status and WMLs burden did not differ between the PiL groups... ([See more](#))

### **Reconfigured professional purpose in times of crisis: Experiences of frontline healthcare professionals during the COVID-19 pandemic**

Social Science and Medicine, JCR Q1, [see online](#)

**Abstract:** How is professional purpose impacted in the context of a crisis? Building on discussions about professional purpose and identity, the paper explores how the understanding that professionals have about the framing, scope of functioning and aims of their profession is impacted during a time of crisis. The paper draws on interviews with 41 kinesiotherapists working at an accidents & emergencies (A&E) hospital in Chile during the COVID-19 pandemic. The paper shows professional purpose as a fluid, situated notion that gets re-shaped in light of contextual features. In the face of new and changing demands during times of crisis, professionals reconfigure their professional purpose to take advantage of the opportunities available. This reconfiguration takes place in response to the external context of the profession (its positioning in the public domain) and the internal relational context of the profession (its positioning with other professionals). The paper suggests a research agenda to develop a processual, situated approach to the interrogation of professional purpose to embed contextual features in scholarship in this area.

### **Sense of purpose in life and allostatic load in two longitudinal cohorts**

Journal of Psychosomatic Research, JCR Q2, [see online](#)

**Abstract:** Objective: Sense of purpose in life has been linked with better physical health, longevity, and reduced risk for disability and dementia, but the mechanisms linking sense of purpose with diverse health outcomes are unclear. Sense of purpose may promote better physiological regulation in response to stressors and health challenges, leading to lower allostatic load and disease risk over time. The current study examined the association between sense of purpose in life and allostatic load over time in adults over age 50. Methods: Data from the nationally representative US Health and Retirement Study (HRS) and English Longitudinal Study of Ageing (ELSA) were used to examine associations between sense of purpose and allostatic load across 8 and 12 years of follow-up, respectively. Blood-based and anthropometric biomarkers were collected at four-year intervals and used to compute allostatic load scores based on clinical cut-off values representing low, moderate, and high risk. Results: Population-weighted multilevel models revealed that sense of purpose in life was associated with lower overall levels of allostatic load in HRS, but not in ELSA after adjusting for relevant covariates. Sense of purpose in life did not predict rate of change in allostatic load in either sample. Conclusions: The present investigation supports sense of purpose predicting preserved differentiation of allostatic regulation, with more purposeful individuals demonstrating consistently lower allostatic load over time. Persistent differences in allostatic burden may account for divergent health trajectories between individuals low and high in sense of purpose.

## Articles (2)

### **Money Won't Make Your Life Meaningful**

John Coleman, Harvard Business Review [see online](#)

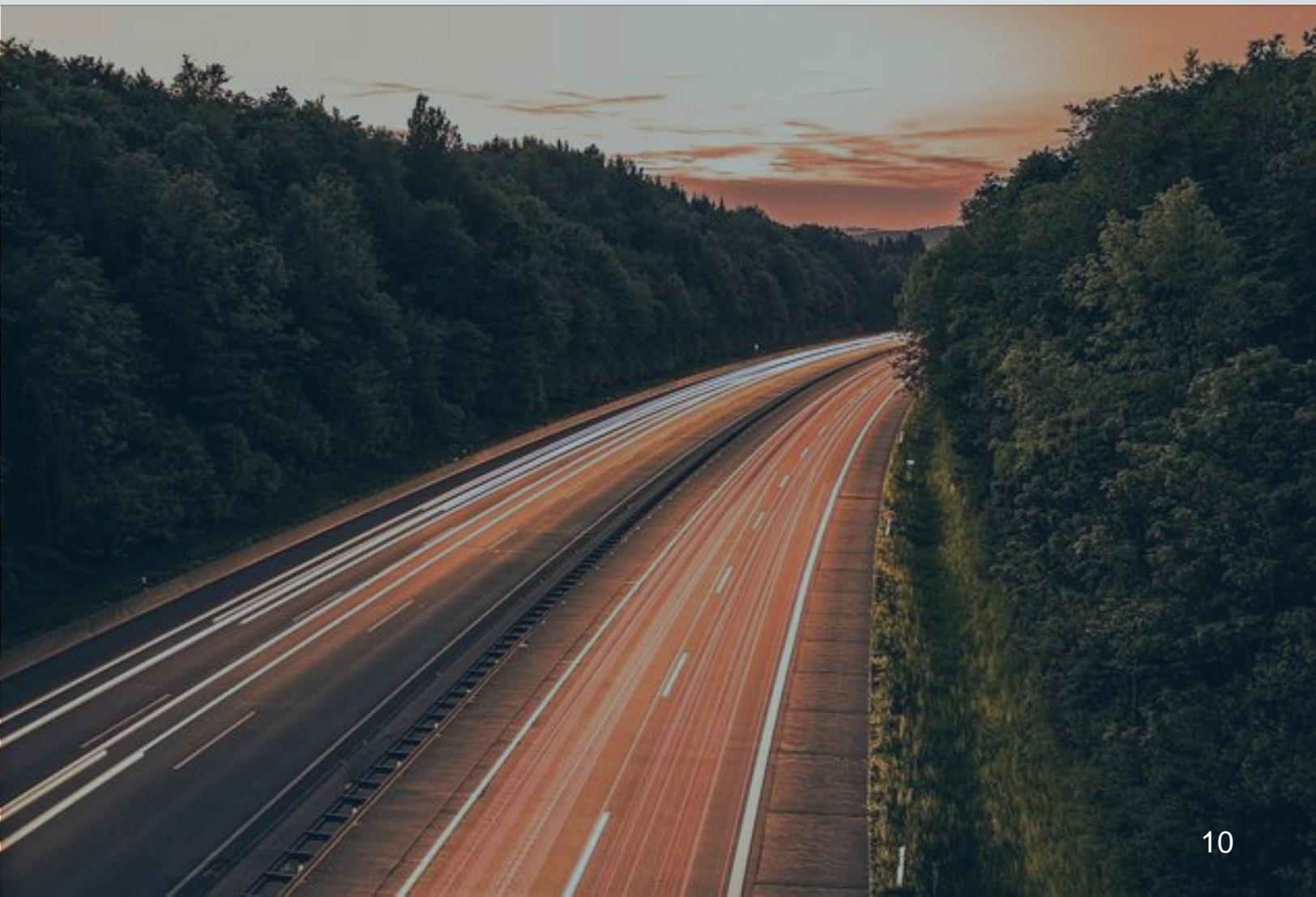
It sustains that humans are designed to need purpose and meaning in their lives, much of which comes from work and communities, so people should craft a purposeful career and work with purpose. It supports that money won't lead people to a purposeful and flourishing existence; on the contrary, an improper relationship with money can handicap a person's attempt to live a meaningful life.

### **When "What Is Your Purpose?" Gives You Anxiety In The Job Interview, Try This Instead**

Chris Westfall, Forbes [see online](#)

It explains that asking, "What is your purpose?" invites one to examine the impact of own actions. It highlights the importance of demonstrating the purpose with actions. Additionally, it sustains that the building blocks of a purpose are your values; while purpose can seem grand, values are what you see, share, and live in daily.

“ You can claim anything as your purpose, but that doesn't make it true, relevant or compelling. Evidence of your purpose is they key. Words without actions are just dreams. ”



## Articles (2)

### **Crate And Barrel Takes A Purposeful Turn As Home Furnishing Demand Drops**

Pamela N. Danziger, Forbes [see online](#) & [see online](#)

It explains that the company's mission is to help people design a home with purpose. The company ensures that its people can make the whole house feel cohesive to bring peace and tranquility. It also mentions that the organization does not target a customer demographic but serves all demographics.

“  
*To help people love how they live in moments that matter.*”

The logo for Crate&Barrel, featuring the brand name in a bold, black, sans-serif font.

### **Ferrer destina, de media, más del 40% de sus beneficios a proyectos sociales y medioambientales**

CompromisoRSE [see online](#) & [see online](#)

Ferrer is a pharmaceutical company that believes the pharmaceutical business is not an end but a means to generate substantial social changes. Ferrer is committed to a culture centered on people and strives so that they can develop. Ferrer reaffirms its culture based on trust in its employees and responsibility. On the other hand, the company achieved a reduction in its global carbon footprint by 2022 and reduced its direct emissions. It also works with 100% electricity from renewable sources and achieved global recovery of its waste.

“  
*To generate a positive impact on society.*”

The logo for Ferrer, featuring a stylized 'f' icon in blue and green, followed by the word 'ferrer' in a bold, black, sans-serif font, and the tagline 'for good' in a smaller, green, sans-serif font below it.

