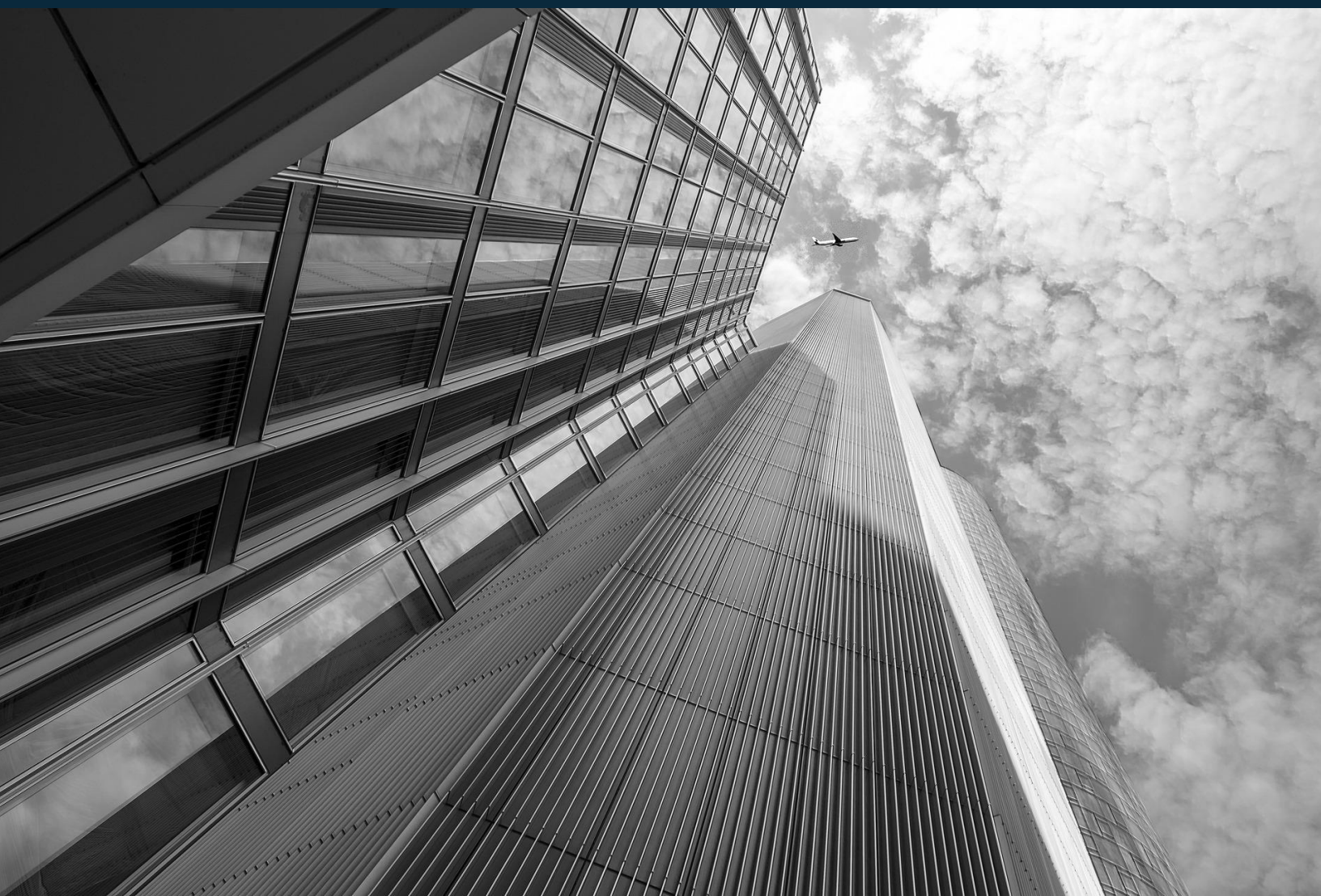


PURPOSE TRENDS REPORT

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



March 2023

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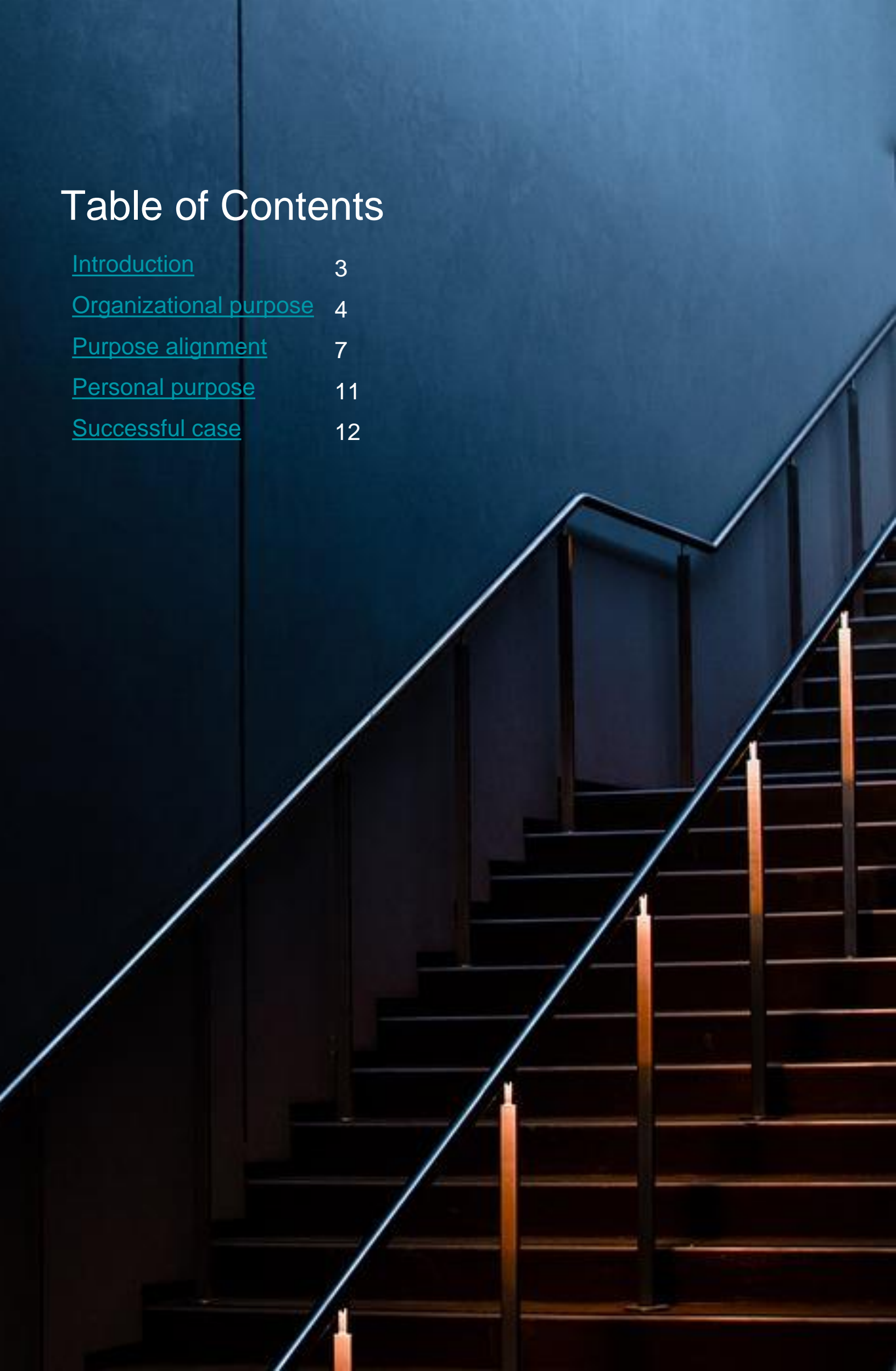
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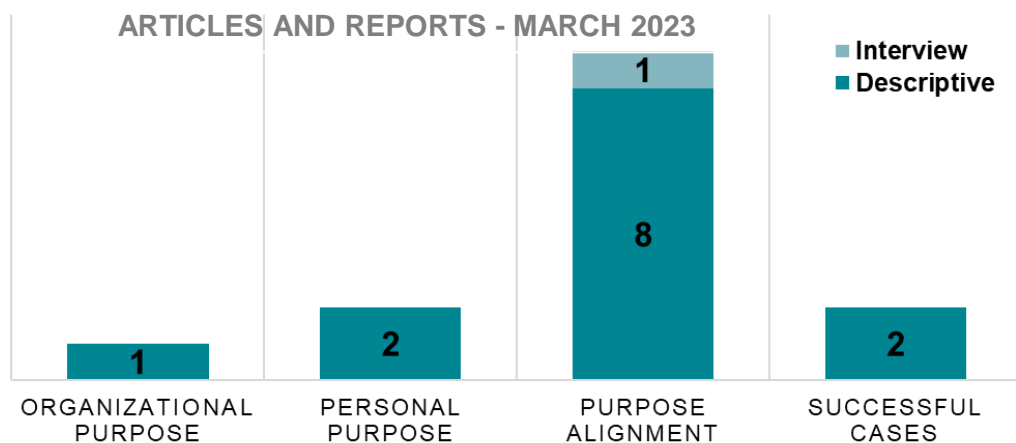
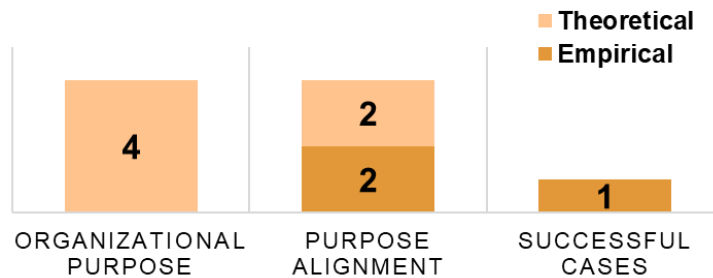
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INTRODUCTION

In this report, we want to synthesize the most relevant about corporate purpose published in March 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.

ACADEMIC PUBLICATIONS - MARCH 2023



Academic publications argue that the purpose of companies is to solve problems of people and the planet and, in the process, to produce profits, but profits should not be the purpose of companies. Articles define deep purpose as a commitment to do something meaningful to the self and for the world beyond the self. These articles explain that purpose helps organizations think about who they are, communicate it, and understand what they will and won't do.

Academic publications support the idea that assigning purpose to an organization humanizes an entity, creating a more comfortable and relatable work environment. Both academic publications and articles sustain that the purpose can aid in increasing social contact and connectedness and creates alignment with employees.

Academic publications argue that the above is vital for other stakeholders to engage with the organization more quickly and be the drivers responsible for developing organizational purpose. The above is also supported by articles, which sightline that living purpose reinforces employee engagement, loyalty, and a greater willingness to recommend the company to others. Articles propose that uncovering purpose requires leaders to commit time and resources to the process; they should make critical decisions based on the purpose. They must be prepared to communicate the purpose and execute the desire.

Finally, this report presents the cases of Carousel, Traveloka, and Ultragenyx, three organizations that have implemented corporate purposes.

ORGANIZATIONAL PURPOSE

Academic publications (4)

Accounts and Accountability : On Organizational Purpose , Organizational Identity , and Meaningful Work Accounts and Accountability : On Organizational Purpose , Organizational Identity , and Meaningful Work

Strategy Science, JCR Q2 [see online](#)

Abstract: The recent rediscovery of corporate purpose has illuminated how much more we still need to understand about purpose and its role in organizations. After tracing the historical roots of purpose and conceptualizing its unique value in bridging the mundane and the moral in organizational life, we propose links among purpose and organizational identity, image and reputation, as well as with meaningful work. These linkages suggest two core functions of purpose: a vehicle for accountability (internal and external) and a source of accounts and justifications. These functions serve as mechanisms connecting purpose to different levels of analysis both within and outside of the organization. We also highlight potential impediments to maximizing the benefits of purpose: stakeholder cynicism and employee disillusionment. We conclude by suggesting new areas of research to overcome these impediments and to better establish purpose as a root construct in organizational scholarship.

Moral Imagination, the Collective Desirable, and Strategic Purpose

Strategy Science, JCR Q2 [see online](#)

Abstract: In contrast to the prevalent outside-in perspectives on corporate purpose as a response to competing normative demands of stakeholders, we introduce an inside-out perspective on purpose as based in firm-specific, agentic commitments to specific values, ideals, and societal goals. Drawing on moral philosophy, we propose how strategists can develop a strategic purpose through moral imagination that involves developing shaping intentions based in values and ideals, empathetic relating, and imaginativeness in stakeholder contexts. These processes support the generation of an emergent theory of value, which we term “the collective desirable.” This theory of value—a creative synthesis of the shaping intentions of the firm, and the interests and perspectives of stakeholders—provides the foundation of purpose, which is strategic, dynamic, and generative for the firm and its stakeholders. Such a strategic purpose becomes an organizational logic of action enacted through designated processes for articulation, maintenance, and evolvability, and through blueprints for credible commitments and resource allocations. By theorizing the microfoundations of an agentic, inside-out view of purpose, our theoretical framework articulates a set of mechanisms through which strategists can develop a strategic purpose that is tightly linked to the firm’s future-oriented strategy and the exercise of moral leadership. Our conception of moral imagination as a form of prosocial prospective cognition contributes a novel perspective to the socio-cognitive and subjectivist perspectives on strategy and extends the microfoundations of strategy.

“

Purpose-driven companies are value-rational in the sense that the values that underlie their purpose are central to their conception of their current and future organizational selves and to their approach to stakeholders and other actors in the market.

”

Corporate Purpose and Stakeholder Value - Historical, Economic and Comparative Law Remarks on the Current Debate, Legislative Options and Enforcement Problems

SSRN [see online](#)

Abstract: One of the oldest corporate law issues – for whom is the corporation managed? – has become one of the hottest public policy issues of corporate law. The traditional idea, especially in the USA, is one of profit generation for shareholders (shareholder value). The new trend holds instead that the purpose of companies is to produce solutions to problems of people and planet and in the process to produce profits. This has been accompanied by a vivid battle between the shareholder value theory and the stakeholder value theory. For financial institutions and other regulated companies, the regulators see the primary objective of corporate governance in safeguarding stakeholders' interest in conformity with the public interest on a sustainable basis. Historically, state concessions for corporations were granted only if a public utility could be established. Yet the concession system faded away, and the targeted pursuit of general interests was assigned no longer to stock corporations under stock corporation law, but to antitrust law, securities regulation and other laws. Traditional economic theory defends the primacy of the shareholder as the most efficient operating principle, one which leads to value creation for all stakeholders of the company, whereby tax and transfer systems can be used to redistribute economic value to other stakeholders. From the side of behavioural economics and the social sciences, the main criticism is the externalisation of costs and damages as projected onto stakeholders other than the company and the shareholders. With the ESG movement, the development of an indirect pursuit of general aims seems to reverse the historical development and challenges legislators. This is exemplified by the French Duty of Vigilance Law of 2017, the French Loi Pacte of 2019, the German Value Chain Diligence Law of 2021 and the European Directive on Corporate Sustainability Due Diligence, forthcoming in 2023. These laws pose many problems as they lack clarity and thus carry uncertain practical and economics effects not only for enterprises but also for their suppliers and buyers (including SMEs) and for international and global competitiveness. For the legislators who want to promote stakeholder interests, the key problem is enforcement and enforceability. They have to choose from, or combine, various options: market discipline and self-regulation; codes with the comply and explain mechanisms; disclosure and auditing; and building an enterprise law with internal and external requirements. These requirements include: duties of the enterprise; rights, duties and organisation of the corporate organs; public enforcement by state agencies, public procurement mechanisms and the attorney general; and private enforcement by shareholders and possibly stakeholders.

The Purpose of Corporate Purpose Statements: A Response to “Shareholder Voice and Corporate Purpose: The Purposeless of Mandatory Corporate Purpose Statements” by Paul Davies

SSRN [see online](#)

Abstract: In his critique of the legal aspects of my book Prosperity: Better Business Makes the Greater Good, Paul Davies raises five objections. These are: (a) the inclusion of social or communal elements in mandatory business purpose statements; (b) the assertion that the envisaged adoption of purpose statements is “embarrassingly simple” because shareholders or directors accountable to them will not adopt them; (c) the use of the law to shield directors from adverse reactions from their shareholders; (d) the entity and managerial conception of the company; and (e) regulatory or court approval of corporate purposes.

Davies' analysis proceeds by considering two worlds where the Friedman Doctrine prevails and one where it does not, and companies have objectives beyond financial profit. In the former, corporate purpose statements will be ineffective or infeasible and, in the latter, they will be unnecessary or undesirable. In both cases they will not work.

Objections (c), (d) and (e) are invalid because they are exactly contrary to what Prosperity is advocating – a strengthening not weakening of board accountability to shareholders; a proprietary not entity view in which the objectives of the firm are aligned with, not divergent from, those of its shareholders; and freedom of choice and plurality of purposes unconstrained by regulatory, court or government intervention... [Continue reading](#)

Articles (1)

Investing In Purpose Can Help Weather Economic Storms

Dilip Rao, Forbes [see online](#)

It sustains that consumer expectations and employee demands have made purpose a corporate mandate. It highlights that implementing purpose should be a cornerstone of any business strategy, especially during a recession, because in deploying purpose, leaders can work toward supporting employees, building innovative products and partnerships that empower communities, and generating success for shareholders.

“

During a recession, a company's sense of purpose is directly related to performance and retention—making it a necessary investment in long-term success.

”



Academic publications (4)

Meaningful Work and the Purpose of the Firm

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

Abstract: This paper argues in favor of the end user thesis, which holds that the fundamental goal of the firm is to create products and services that provide a benefit to the people who ultimately use them. The argument turns on the interest that employees have in work that is meaningful, in the sense that it is an activity worth spending time doing. I argue that a person's life is diminished to the extent that work constitutes a central feature, but is not meaningful in this way. I argue further that an employee's work is fully worth doing only if her fundamental aim is to provide a benefit to the people who ultimately use what she produces, and that this is not possible within an organization that aims to maximize profits. The paper concludes by considering arguments that the efficiency gains generated by assigning the firm the goal of profit-maximization justify structuring the firm in a way that does not enable employees to have work that is fully worth doing.

Purpose: From theory to practice

Global Business and Organizational Excellence, SJR Q2 [see online](#)

Abstract: While there is abundant discussion in business journals on the “how to” of purpose to achieve social good beyond profitability, academic research addressing the theoretical and practical impact of purpose on an organization's performance is limited. Some management scholars claim that organizations that are not purpose-driven and fail to consider the needs of their relevant stakeholders will not be able to create long term value for their companies. There is also concern that organizations may use purpose to show intention towards social good but lack tangible actions to demonstrate their commitment. To determine whether purpose impacts the long-term value creation of organizations, this research paper examined a deeper understanding of the meaning of purpose from both individual and organizational perspectives. With clarity on individual purpose as the ability for humans to consciously set their intentions to achieve good, organizational purpose can be considered as the conscious intentions of individuals to work collectively towards social good beyond the singular goal of profitability. Building on this theoretical understanding of purpose, together with an exploration of the shift occurring in organizational responsibility from a singular focus on shareholder returns towards stakeholder inclusivity, this paper proposes a Stakeholder Purpose Framework which links the impact of purpose to long-term value creation by aligning an organization's purpose with their stakeholders and measuring the outcomes of relevant environmental, social, and governance (ESG) metrics. Activating this framework will provide analytical data supporting whether (or not) purpose does impact an organization's ability to create long-term value.

“

. Organizational purpose can be considered as the conscious intentions of individuals to work collectively towards social good beyond the singular goal of profitability

”

COVID - 19 Disruption and Meaningful Work : The Mediating Role of Family – Work Conflict

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

Abstract: Work overload and the alteration in family dynamics caused by the COVID-19 pandemic crisis may be increasing family–work conflict, leading to the consequent decrease in meaningful work. Using the structural equation modeling of covariance, this research determines the impact of the pandemic disruption on meaningful work as mediated through family–work conflict. The sample comes from 534 men and 257 women that are full-time employees of seven public manufacturing companies in Bolivia; they were surveyed by filling out a self-report questionnaire at the companies' locations. Although no significant direct effects were found between COVID-19 disruption and meaningful work (standardized beta = 0.038, $Z = 0.756$, $p = 0.450$), there is an indirect effect when the relationship is measured through the family–work life conflict variable (standardized beta = -0.138 , $Z = -6.119$, $p < 0.001$). Implications for business management are discussed.

Enhancing the Sense of Community and Collaboration among Employees through Purpose Implementation: An Empirical Analysis using Dyadic Data

SSRN [see online](#)

Abstract: Recently, some academics have been raising awareness among organizations concerning the adverse outcomes of an organization having a toxic culture. In this paper, instead of discussing toxic cultures, we talk about what a healthy culture is and the impact it may have on well-being in organizations. To this end, we propose shared organizational purpose with employees as a variable that manifests a healthy culture in the organization. We also propose sense of community and OCBI (organizational citizenship behavior directed toward other individuals) as variables that manifest well-being. Sense of community measures the perception of received social support, and OCBI is related to giving social support. Framed within the organizational identification theory, we explain and test hypotheses about the relationship between shared purpose and a sense of community and the moderating impact that gender diversity and group size have on this relationship. We also explain and test the relationship between sense of community and OCBI and the moderating effect that group size has on this. For the above, we conducted a dyadic data collection. We used a sample size of 261 departments in 31 different organizations and tested hypotheses using PLS (Partial Least Squares). Results suggest several theoretical contributions and practical implications that can help organizations foster a healthy culture with a subsequent positive impact on social well-being. We finish with some limitations and a proposal for the direction of future research.



A CEO's Perspective: 7 Insights to Discover and Activate Authentic Purpose

Carol Cone, Sustainable Brands [see online](#)

It sustains that purpose statements are a cultural artifact that creates powerful alignment with employees. It proposes that uncovering purpose requires leaders to commit time and resources to the process; they should make critical decisions through the lens of the purpose. Additionally, it explains that employees should be empowered to own purpose in their roles and day-to-day work because the purpose must be lived and practiced daily.

Closing The Purpose Gap: Approaching And Affecting Change In Your Industry

Lauren Pasquale Bartlett, Forbes [see online](#)

It explains that the purpose gap describes the difference between the desire for meaning at work and what is experienced. It proposes that leaders must be prepared to put the desire into action and argues that those who achieve closing the gap will find their organizations driving meaningful change at all levels.

Four Critical Steps To Help Your Business Thrive, Not Just Survive

Kent Gregoire, Forbes [see online](#)

It proposes some steps organizations can take not only to survive but thrive during times of economic downturn. It presents the importance of communicating a clear and compelling purpose to the stakeholders and to inspire them. It sightlines that the purpose should not only be a commitment to solving a specific and ambitious problem but also be rooted in time.

Increase Engagement With Purpose And Considering The Whole Employee

Clare Miller, Forbes [see online](#)

It shows that less than 50% of employees say their organization's purpose drives impact. It supports that corporate purposes and values must go beyond just text on company websites. It suggests three steps to close this gap. It sightlines that leaders must constantly share and make decisions based on the company's vision and core values.

In Times Of Disruption, Strengthen The Role Of The Board

IESE Business School, Forbes [see online](#)

It supports that the board is the key agent in making sure that the firm is well governed so that it can meet its goals and achieve its purpose. It argues that a shared sense of purpose helps boards of directors, senior managers and main shareholders to be aligned to develop the company for the long-term. Additionally, it sustains that purpose helps customers and employees understand why the firm is in business and which specific needs it wants to solve.

Purpose May Be The Key To Happiness: 3 Reasons Why

Tracy Brower, Forbes [see online](#)

It sustains that purpose contributes to happiness and to feeling more positive emotions. It presents three arguments: First, purpose provides an essential sense of focus in a chaotic world. Second, purpose makes one feel like the work one does matters to someone, and one's contribution has meaning. Third, the purpose is linked with feeling part of a community.

Using Purpose To Drive Entrepreneurial Thinking

Chitra Baskar, Forbes [see online](#)

It proposes that defining purpose is one of the things organizations should do to ensure leaders drive as much entrepreneurial spirit and excitement from their workforce. It sustains that people who live their purpose at work are more productive than people who don't. Additionally, living purpose reinforces employee engagement, loyalty, and a greater willingness to recommend the company to others.

Why organisations need to operate with 'deep purpose'



Vinay Kamath, Businessline [see online](#)

It defines deep purpose as “an enduring commitment to do something meaningful to the self and consequential for the world beyond the self.” It explains that purpose is a tool to help organizations think about who they are, communicate it, and understand with their stakeholders what they are going to do and what they are not going to do. It also sustains that purpose is a way to do business profitably.

“ Purpose is a long-term view, that long-term view naturally gets you to think about stakeholders, because if you're thinking long-term, you have to think about stakeholders. ”

Your Purpose Isn't Enough: Connect Your Values To Content

Rai-mon Barnes, Forbes [see online](#)

It supports that all organizations have values, but they need to know your values and purpose before you start building your products and services around them. It argues that no one will read the organization's writing if the content doesn't align with your values and services.

Articles (2)

How To Thrive By Living Your Purpose

Erik Carter, Forbes, [see online](#)

It defines personal purpose as the "True North" that can guide people to meaning that transcends their wants and needs. The purpose should ultimately give people the greatest fulfillment and life satisfaction. It proposes some steps and offers examples to define a purpose and translate it into real action.

Leading In The New Era: Getting Purposeful About Your Purpose

Ed Manfre, Forbes, [see online](#)

It suggests a set of simple steps to provide a starting point to help people level up the purpose statement draft. It sightlines that purpose is a forward-looking directionality, an intention to do something in the world that emanates from within.

“ Purpose is a forward-looking directionality, an intention to do something in the world. ”



Academic publications (1)

Exploring micro-foundations of knowledge-based dynamic capabilities in social purpose organizations

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

Abstract: Purpose: This study aims to explore the micro-foundations of knowledge-based dynamic capabilities (KBDCs) in social purpose organizations (SPOs). The KBDCs facilitate SPOs to successfully manage the acquisition, creation and combination of knowledge to sustain their pursuit of socioeconomic value creation by effectively recognizing and addressing opportunities. Design/methodology/approach: This study adopts a multiple-case study research design based on the semi-structured interviews of the founders and top managers of case SPOs. The semi-structured interviews were then compared with the theoretical framework of KBDCs following an abductive research approach. Findings: This study identifies that certain capabilities are required to recognize and leverage the opportunities by SPOs. The authors found ten micro-foundations of KBDCs that sustain successful operationalization and overall development in SPOs. By using an abductive reasoning approach, the authors noted that certain KBDCs are essentially required for the operationalization and overall development of SPOs. Research limitations/implications: The authors conducted “semi-structured interviews” of founders and top managers that are retrospective in nature. From the implication viewpoint, this study provides insights for practitioners and researchers as it deepens the comprehension and contribution of knowledge and knowledge-related activities and procedures in SPOs. Practical implications: KBDCs and their specific micro-foundations can help social entrepreneurs to delineate their idea, strategic processes and actions to achieve effective operationalization and overall sustainable development. Originality/value: This study improves the understanding of Teece et al. (1997) theoretical construct of dynamic capabilities (DCs) and extends the framework of Zheng et al. (2011) simultaneously by exploring KBDCs that develop in the context of SPOs. The authors used an abductive reasoning approach that is vital for exploring dynamic capabilities; consequently, this study contributes to the approach of DCs and proffers a methodological advancement that can facilitate future research in this direction.



“To develop an independent and sustainable livelihood for the tribal women by using local resources”

“To reduce the plastic waste and socioeconomically empower the ragpickers”



“To empower the unemployed women by providing them a sustainable livelihood lifelong skills.”

“To develop an equal ration of sustenance and integrity between rural areas and urban areas across the country by using discarded urban wastes as a means to foster development across the country.”



Articles (2)

Empowering Communities To Make A Difference

Forbes, [see online](#) & [see online](#) & [see online](#)

This article presents two cases of companies, Traveloka and Carousell, which have earned the trust of their stakeholders and, thus, have a distinct advantage in the marketplace.

Carousell, an iPhone and Android app for anyone and everyone to buy and sell lifestyle products, is part of the Company of Good ecosystem in Singapore, nurtured by the National Volunteer and Philanthropy Centre (NVPC), where businesses go beyond adopting corporate giving to be more purpose-driven and create impact in the areas of people, society, governance, economic and the environment.

“To inspire every person in the world to start selling and buying to make more possible for one another, on a global scale.”



Traveloka, Southeast Asia’s leading travel platform, leverages technology to build a more equitable future for all. The company partners with businesses in Southeast Asia to help them grow by providing them with technological solutions, access to global markets, and consumer insights

“ To empower you to fulfill your lifestyle aspirations.”



How Leaders At Ultragenyx Balance The Duality Of ‘Action’ And ‘Connection’

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

Ultragenyx is a purpose-built company with the vision to lead the future of rare disease medicine. The organization sustains that its mission is having a patient and caregiver-centered approach and treat as many rare diseases as possible. This sense of purpose and impact makes people rally around the company.



“To advance innovative medicines for rare and ultrarare diseases that have never been treated before.”

