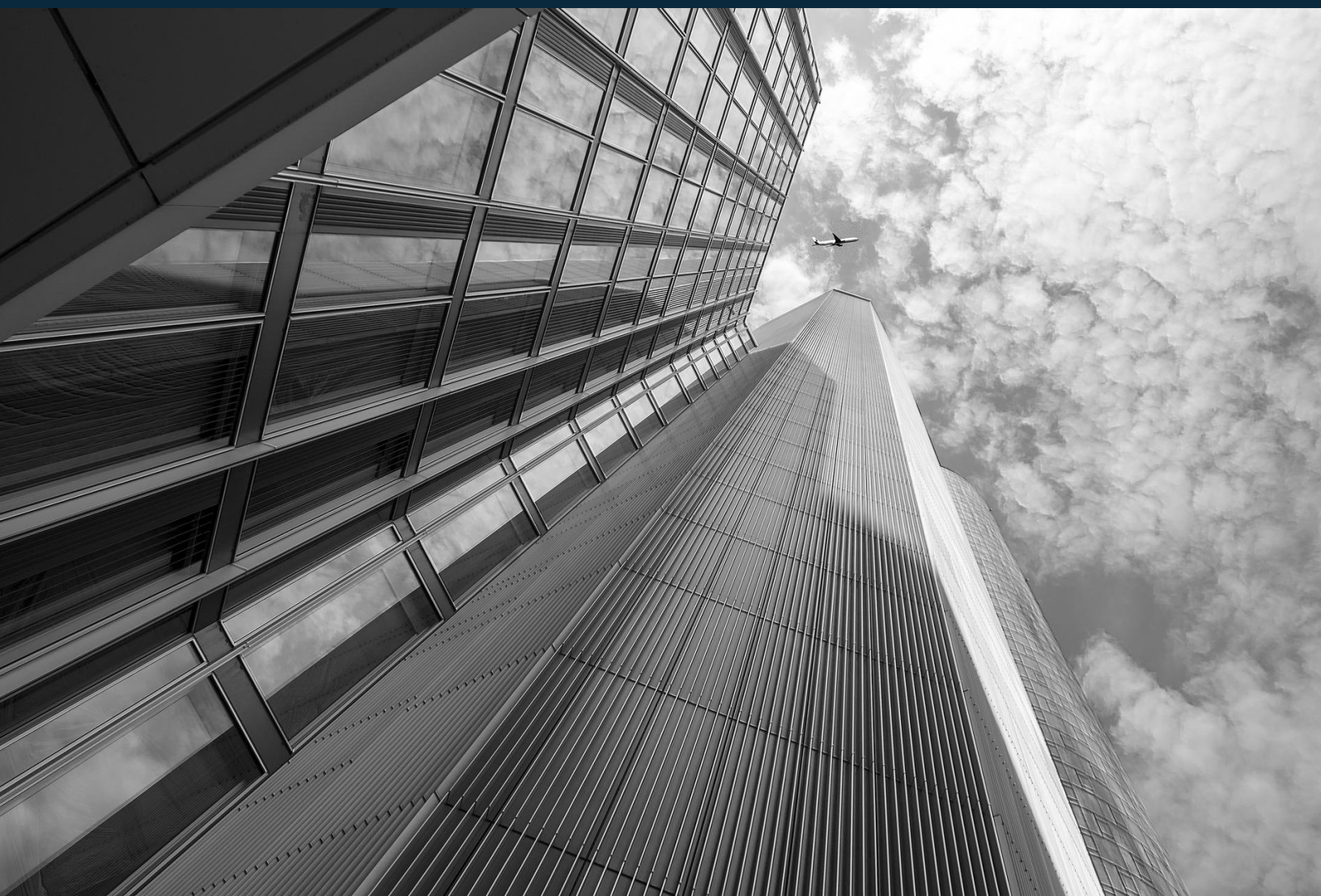


# PURPOSE TRENDS REPORT

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



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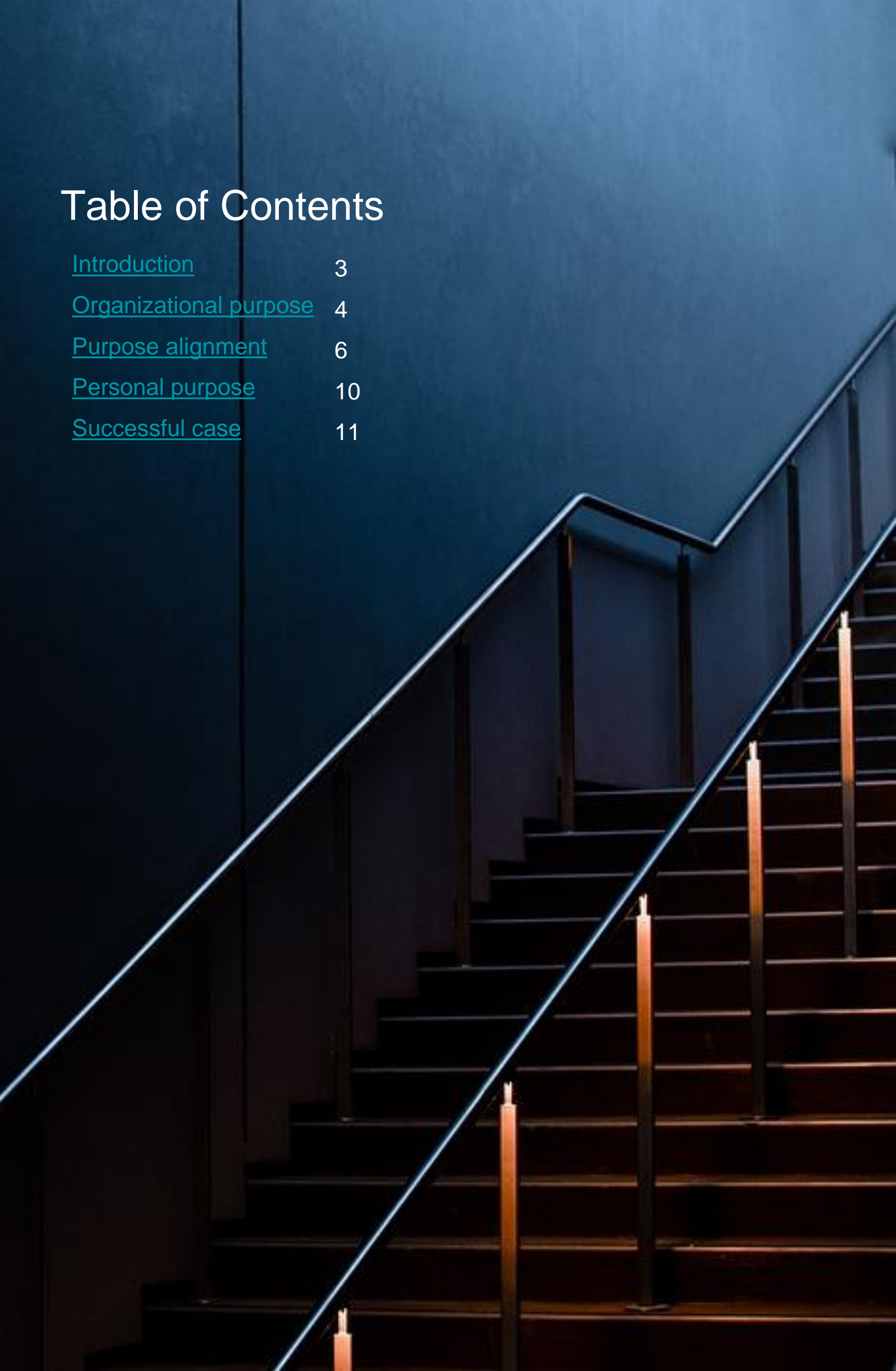
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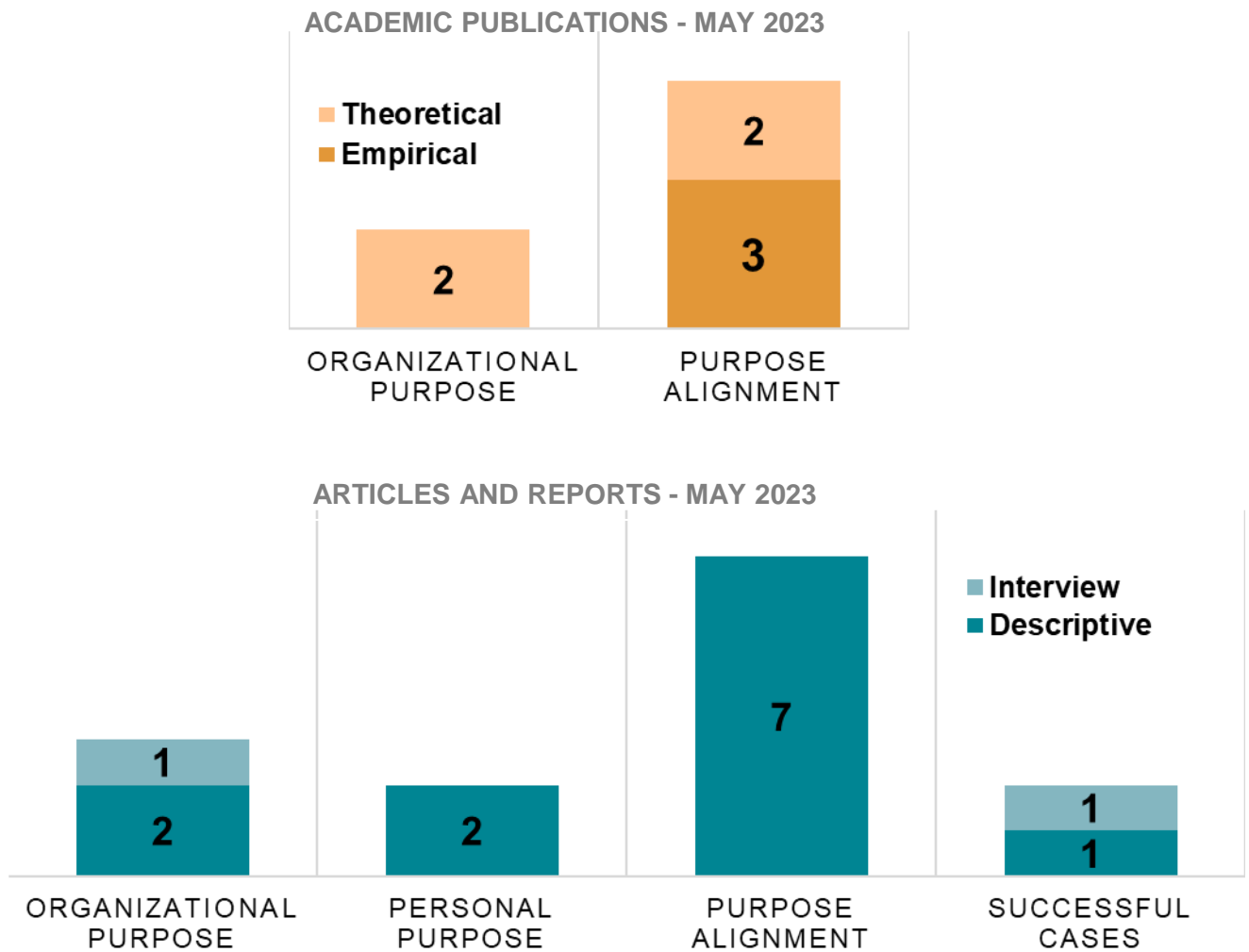
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# INTRODUCTION

*In this report, we want to synthesize the most relevant about corporate purpose published in May 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 argue that young consumers and employees demand more than profit and productivity; they seek work that aligns with their values and contributes positively to the world, a work with purpose.*

*Some academic publications and articles describe corporate purpose as the "why" behind an organization's work, the reason a brand exists, beyond shareholder value maximization. They explain that corporate purpose contemplates company beliefs, meeting societal and stakeholder needs, and operational capabilities.*

*Some Academic publications sustain that corporate purpose can influence stakeholder trust as the basis for relations of trust and cooperative behaviors, enabling firms to tackle innovations for addressing social and environmental challenges. Some articles complementize, saying that being mission-driven is essential to a company's success or survival. They explain that when a company's values are aligned with its purpose, employees experience increased engagement, loyalty, strong relationships, and job satisfaction.*

*Finally, this report presents the cases of Creature Comforts Brewing Co. and Shell, two organizations that have implemented corporate purposes.*



## *Academic publications (2)*

### **The Value of Organizational Purpose**

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

**Abstract:** Broadening the organizational purpose of a firm beyond narrow short-term profit maximization may enhance long-term shareholder value. This result obtains when firms generate unpriced externalities and face difficulties in achieving ex ante incentive alignment with stakeholders through contract or have the ex post possibility of altering stakeholders' perceptions through virtue signaling (i.e., cheap talk or greenwash). As each of these conditions is ubiquitous in practice, discussion of organizational purpose (beyond narrow short-term profit maximization to encompass stakeholder's harmonious pursuit of a common higher goal or meaning) should shift from why management might pursue it to how managers obtain and maintain it as well as the value creation and distribution implications of doing so. Drawing on a value-based stakeholder theory of strategic management, I argue that attentiveness to the most salient issues of a firm's most powerful stakeholders related to the attainment of this higher goal more closely aligns stakeholder and shareholder value in the long term, thereby building and sustaining relational contracts with stakeholders. A firm with strong relational contracts across its nexus of stakeholder relationships increases the likelihood of harmony among its stakeholders, including shareholders. An important challenge to realizing this outcome is that of measurement. As a result, research on organizational purpose should turn its attention from legal and moral foundations to empirical research on externalities, stakeholder opinions, and managers' self-representations of their organization's purpose. The availability of such data lowers the transaction costs associated with a nexus of relational contracts and enhances societal welfare.

### **A New Social Corporate Purpose: Stakeholders, Legitimate Expectations and Unfair Prejudice**

SSRN, [see online](#)

**Abstract:** This article explores a legal solution, via the legitimate expectations doctrine, to calls for reform of corporate purpose away from shareholder value maximization and profits, towards a social corporate purpose (SCP). Such a reform would also be used to facilitate corporate human rights due diligence (HRDD) and environmental, social, governance (ESG) initiatives. The paper considers reasons for removing the focus on profits and shareholders, as well demonstrating why legal reform is necessary, with reference to existing corporate social responsibility (CSR), HRDD and ESG. The proposed solution begins with the concept of legitimate expectations from UK law, developed in public law jurisprudence, but also previously present in UK company law, via the unfair prejudice action. It is argued that the unfair prejudice action, applicable to shareholders only, should be made available to all stakeholders, as well as making specific reference to SCP, HRDD and ESG policies and reports.

## Articles (3)

### **Force For Good: How To Thrive As A Purpose-Driven Leader**

Dr. John Blakey, Forbes [see online](#)

It supports that leaders should create sustainable organizations that can succeed long-term without exploiting scarce resources in the short term. It explains that in the purpose-driven world, business leaders are expected to care for their well-being and the well-being of others and still deliver the same results as before.

### **Sandy Skees, Author, Purposeful Brands: The Changemaker Interview**

David Hessekiel, Forbes [see online](#)



This interview presents the book Purposeful Brands and states that it offers advice on how to approach finding, integrating, and communicating corporate purpose, sustainability, and ESG. It sightlines that understanding and building solutions that involve multiple stakeholders are what purposeful brands do.

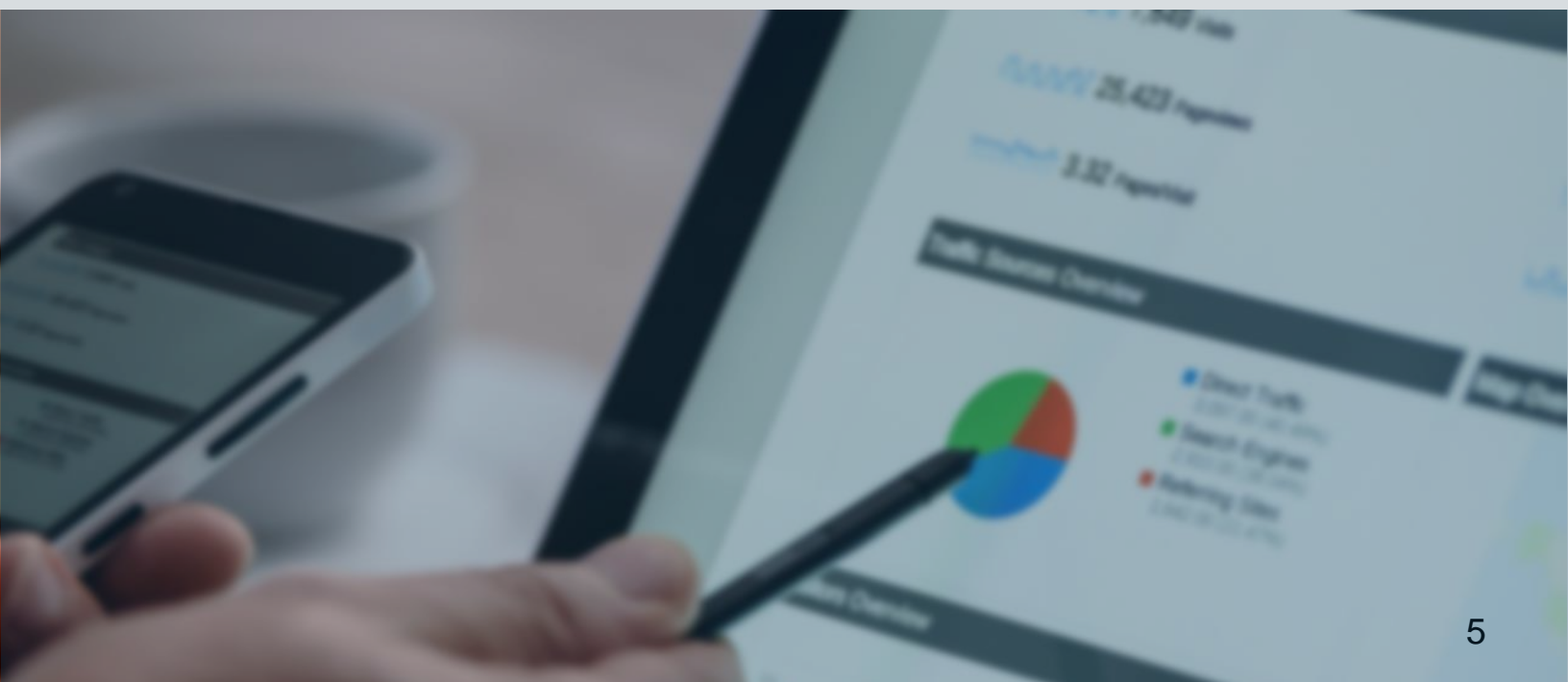
### **The Future Of The Attractions Industry's Sustainability Efforts Must Include Purpose**

Jeff Fromm, Forbes [see online](#)

It describes purpose as a company's reason for being and explains that it should include company belief, meeting societal and stakeholder needs, and operational capabilities. Additionally, it sustains the importance of being conscious of financial sustainability to operate a project sustainably long term and fulfill its mission.



In a world where small differences separate healthy brands from world-class brands, purpose allows leaders to act on not just talk about their brand values.



## *Academic publications (5)*

### **Acquisitions and Corporate Purpose**

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

**Abstract:** Purpose is undergoing a resurgence of interest across research and practice. Yet, we know little about how it relates to strategy and specifically, how strategic actions reinforce or undermine purpose in organizations. This study explores this question in the context of acquisitions. We examine 831 transactions using data from approximately 1.7 million employees to construct our measure of purpose. We find that, on average, employees' sense of purpose drops after acquisitions. This drop is particularly pronounced among firms that undertake unique acquisitions: those involving unusual industry combinations. This relationship suggests a possible tension between strategic and motivational consequences of boundary changes. Firms may benefit strategically from these changes, particularly those that enable expansion into unique areas. These same actions, however, may also erode the purpose of the organization, with consequences for downstream performance.

### **Can Purpose Foster Stakeholder Trust in Corporations?**

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

**Abstract:** As part of institutional changes toward more responsible capitalism, firms increasingly articulate a purpose beyond simply profit as a central tenet of their governance. Management scholarship has noted the potential advantages of such purpose-focus for stakeholder trust. However, some consumers, employees, and shareholders have expressed skepticism about the veracity of firms' purpose claims and raised concerns about purpose-washing. We propose two distinct influence pathways—one cognitive, one affect-based—by which corporate purpose can influence stakeholder trust. First, purpose constitutes a signal of firm intent and quality that expresses a firm's public, enduring commitments. It fosters cognitive trust by providing clarity and assurance regarding the firm's future conduct, allowing stakeholders to better calculate relational and reputational risk and the instrumental value of exchange—even when they do not share the firm's prosocial mission, principles for stakeholder relations, or its conception of virtues. Second, purpose presents a moral appeal to stakeholders. This appeal can stimulate positive affective responses, activate stakeholders' hedonic and eudaemonic motives tied to their moral identity, and thus provide intuitive cues to trust the firm. By sharply delineating the pathways by which purpose can shape interorganizational trust, we not only illuminate how purpose can yield trust benefits but also when it is ineffectual and causes stakeholder backlash. This clarifies the role of purpose in shaping relational governance and multistakeholder cooperation and contributes to research on strategic and moral commitments as foundations of interorganizational trust.

### **The Contingent Relationship Between Purpose and Profits**

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

**Abstract:** When do for-profit corporations pursue both purpose and profits and when do they prioritize one over the other? This study explores this question, measuring the strength of purpose based on the perceptions of nearly 1 million employees across 635 U.S. public companies within 14 industry categories. Two main findings emerge. First, the relationship between purpose and profits varies widely across companies and industries. Second, companies with higher levels of innovation intensity, intangible capital, or long-term investors tend to pursue both purpose and profits, whereas companies with lower levels of these factors tend to prioritize one over the other. This evidence suggests that purpose and profits are compatible in settings that rely on innovation and long temporal horizons for value creation and opposed in settings that do not.

## Walking the Purpose-Talk Inside a Large Company: Sustainable Product Development as an Instance of Divergent Change

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

**Abstract:** There is a growing interest in large companies pursuing a new purpose—changing their core reason for being from a singular focus on financial gain to a renewed responsibility to people and the planet alongside profit. Yet knowledge of how a large company can walk that purpose-talk is still in its infancy. In this essay, we zoom in on the development of new sustainable products that embody a renewed responsibility to people and the planet. We conceptualize sustainable product development in a large company as an instance of divergent change and explore: How can sustainable products develop inside a large company in the face of the intense resistance that such a divergent change is likely to trigger? Building on our qualitative study from 2010 to 2019 of four products in a large fast-moving consumer goods company, we unpack two key leadership practices: (1) relaxing metrics for a product team, which (structurally) enables experimenting with a sustainable product separate from the mainstream business, and (2) advocating with gatekeepers, which (discursively) enables anchoring a sustainable product within the mainstream business. Overall, our findings suggest that sustainable product development will not do much to transform a large company if sustainable products remain merely tolerated exceptions.

“ As more and more large companies are responding with commitments to embrace a new purpose that entails a renewed responsibility to people and the planet, they face the challenge of walking that talk. ”

## Social and Legal Barriers to a Socially-Focussed Corporate Purpose: A Luhmannian Systems Analysis

SSRN, [see online](#)

**Abstract:** Corporate purpose is being reimagined away from profit and shareholder value maximisation, towards a wider, more sustainable, social corporate purpose (SCP), thereby potentially involving a wider range of stakeholders in corporate governance and creating value for wider society. However, it is argued that such a reimagination needs to take account of the embedded nature of the shareholder primacy value within both law, individual companies, and wider societal practices. Luhmann's systems theory is deployed here to identify the specific legal and extra-legal challenges that those wishing to steer corporate purpose towards SCP are likely to face. Existing socially orientated corporate governance initiatives, such as corporate social responsibility (CSR), are also critiqued with reference to systems theory. The potential for steering corporate purpose is also examined, along with indicative doctrinal solutions

## Articles (7)

### **Connecting Purpose And Values Can Help Companies Retain Talent**

Curtis Odom, Forbes [see online](#)

It describes an organization's purpose as a driving goal or mission that provides direction and motivation to all employees and builds or maintains a strong brand identity. It argues that when a company's values are aligned with its purpose, employees experience increased engagement, loyalty, and job satisfaction. It also suggests five steps to help build and support the company's purpose, values, and meaning.

### **How Brands Align Can Align With Social Causes To Build Stronger Customer Connections**

Wayne Elsey, Forbes [see online](#)

It explains that purpose-driven marketing has emerged as a way for brands to connect with their customers deeper by building a relationship based on a high-quality product and around a social cause. It outlines some actionable strategies for leaders seeking to leverage purpose-driven marketing. It sightlines implementing purpose-driven marketing requires a deep understanding of a brand's values and the social causes important to its customers.

### **How To Refuel Your Leadership: Strategies For Aligning Personal And Organizational Purpose**

Kathy Miller Perkins, Forbes [see online](#)

It invites leaders to align their sense of purpose and their organizations' objectives to achieve meaningful leadership. It presents suggestions to find where this alignment is and conduct an action plan to propel your organization forward while also honoring your personal goals and values.

“ A profound sense of purpose can emerge when you discover how your deepest desires overlap with the organizational objectives. ”

### **Organize Your Change Initiative Around Purpose and Benefits**

Antonio Nieto-Rodriguez, Harvard Business Review [see online](#)

It states that people can achieve great things when they connect their inner purpose and passions with an organization's project. It argues that tapping into people's strengths through hearts and minds is possible. It also proposes that people ask themselves a couple of times, "Why are we doing the project?" to get to the core purpose.



## Purpose Over Profits: The Key To Gen Z And Future Generations

Jonathan Shroyer, Forbes [see online](#)

It sustains that young consumers and employees demand more than profit and productivity; they seek work that aligns with their values and contributes positively to the world. In this order of ideas, companies need to have clarity about their purpose and values and demonstrate a commitment to them. It is not enough marketing campaigns; organizations should show the organization's purpose in the way they operate.

## Strategic Marketing: Brands Consider the Power of Purpose

Diana Drake, The Wharton School [see online](#)

It describes the purpose as the reason a brand exists. It sustains that putting the organization's purpose at the foundation of its relationships with its stakeholders is critical to long-term success. It explains that purpose looks to connect people with each other and the world and make consumers feel satisfied, happy, and aligned with their personal goals.

## Three Challenges To Remaining A Mission-Driven Company

Olivier Chateau, Forbes [see online](#)

It outlines that being mission-driven is essential to a company's success or survival. It sightlines that it is not enough to publish a mission statement on a company website; it is necessary to remain faithful to that mission. It proposes solutions for three challenges that mission-driven business leaders may run into.

“ If your company’s mission is truly meaningful, it will allow you to recalibrate and refocus your energies and decisions in a way that can continue to drive value for clients, team members and other stakeholders. ”



## Articles (2)

### How To Harness Your Values To Find Motivation

Andrea Miller, Forbes [see online](#)

It suggests three steps for leaders to explore and create intrinsic motivation. It highlights the importance of leaders aligning with personal values, understanding the purpose of work, and believing in the organization's purpose since they will care deeply about their work and go that extra mile.

“ By making the connection between your authentic leadership purpose and its influence on your team and firm culture, it is possible to see the impact of this work in your organization.

”

### Make Your Leadership Matter: Five Foundational Questions

Kathy Miller Perkins, Forbes [see online](#)

It states that leading with meaning is more than achieving goals and delivering results; it is about clarifying their purpose as a leader and developing an understanding of their values and a commitment to aligning your actions with them. It suggests five foundational questions to help leaders feel balanced, with a sense of life's purpose and a clear vision of what they want to accomplish as a leader.



## Articles (2)

### Brewing For Impact: How Creature Comforts Brewing Co. Stays Value Driven As Their Footprint Grows

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



Creature Comforts Brewing Co. considers its purpose the North Star by which it navigates this complex world. The organization sustains that it accomplishes its purpose by "being a force for good through the development of industry-leading beverages and experiences." The company states it adheres to its values to stay on its mission.

*"We exist to foster human connection."*



### The Unique Yet Successful Rollout Of Shell's Corporate Purpose Statement

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

The company aimed to devise a purpose that would inspire employee engagement. For the above, some leaders interviewed employees globally to identify the motives behind their decision to join the company and their pride in being part of it.

The company considers that the world needs more energy for progress but cleaner energy because of climate change. Shell focused on integrating its purpose within their strategy and demonstrating it through their actions.

*"To power progress together by providing more and cleaner energy solutions."*



