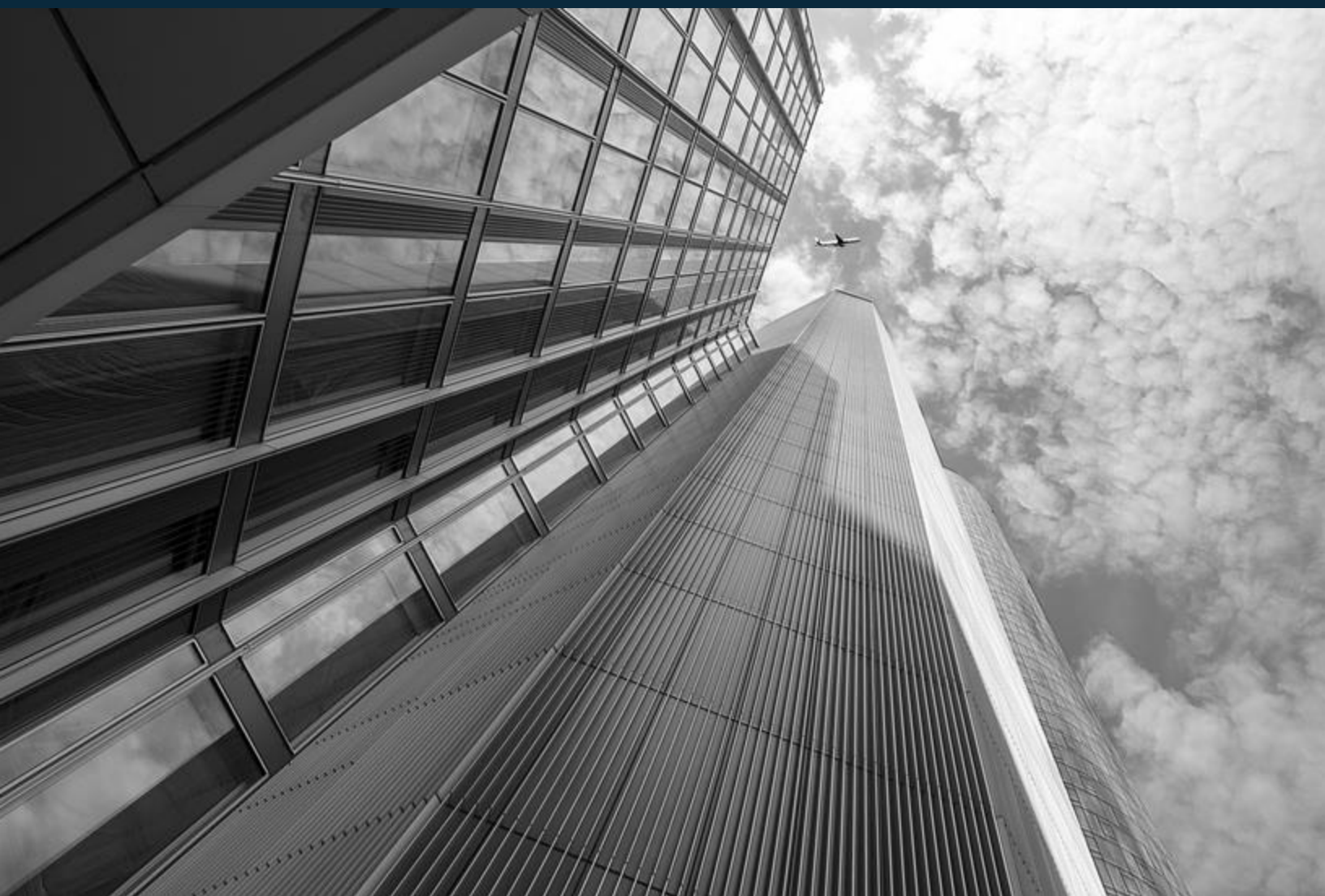# PURPOSE TRENDS REPORT

A selection of what has been published about Purpose in December 2024

December 2024

Garcia, T.; Florez-Jimenez, M.P. & Lleo, A.
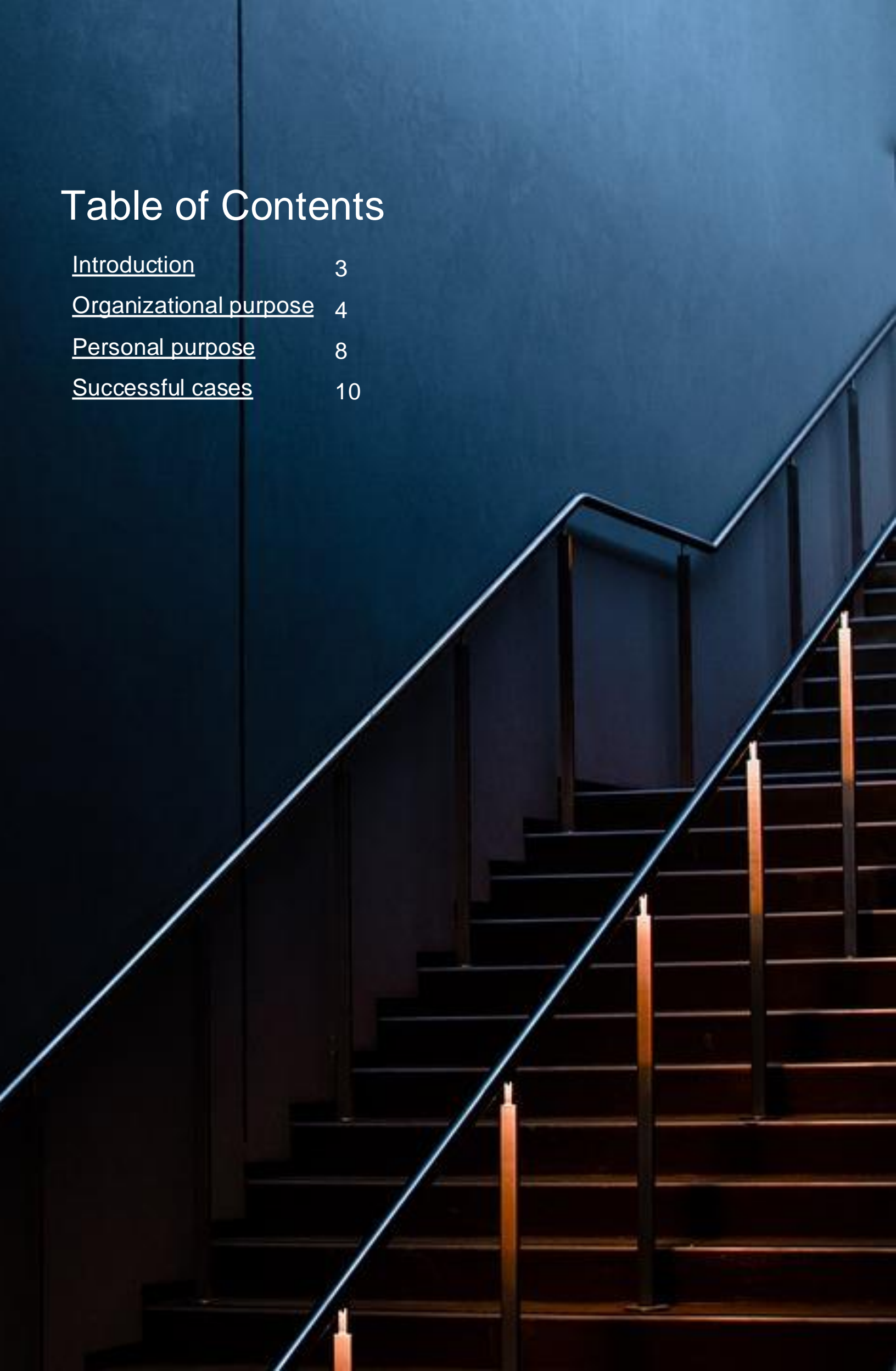School of Economics and Business. University of Navarra

Universidad
de Navarra

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INTRODUCTION

*In this report, we want to synthesize the most relevant about corporate purpose published in December 2024. 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 and personal purpose. Also, we include successful cases that show how corporate purpose has been implemented. Bellow, we present statistics about the selected literature.*

ACADEMIC PUBLICATIONS - DECEMBER 2024
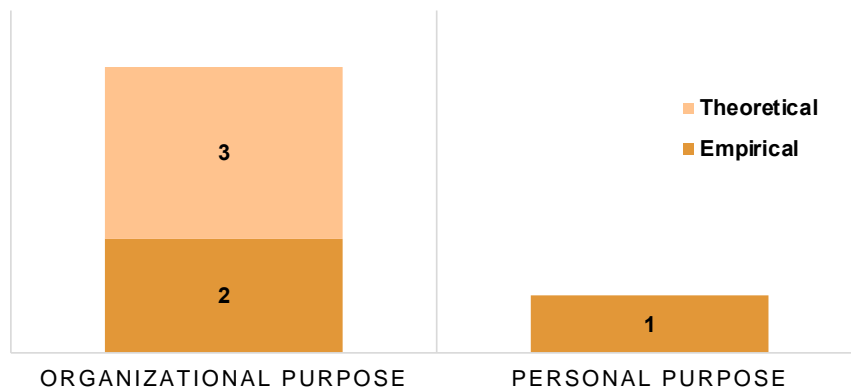
ARTICLES AND REPORTS - DECEMBER 2024
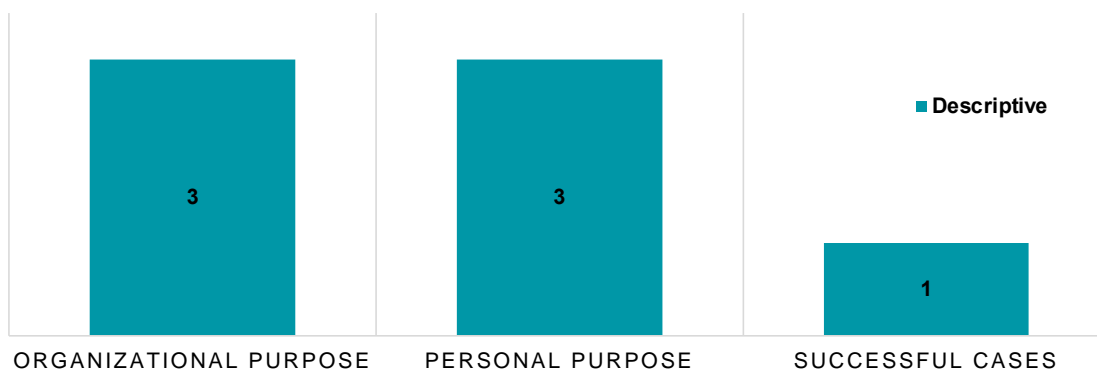
Academic research reveals a growing focus on embedding purpose into organizational strategies. Studies highlight the need for clarity and pragmatism in defining purpose, urging companies to prioritize stakeholder collaboration and align purpose with values. For instance, fostering green behavior among employees through organizational identity and self-efficacy demonstrates actionable purpose. Articles complement this by arguing that embedding purpose into strategy fosters transparency and trust. Some examples underline the importance of aligning profit with purpose through business ecosystems, proving impactful collaboration can drive transformative change.

Further, academics highlight meaningful work as a mediator between ethical climates and employee well-being, urging organizations to redesign climates to support purpose. This aligns with articles advocating purpose-driven leadership in remote work, focusing on strategies like measuring engagement to combat "purpose drift." Metrics aligning leadership decisions with organizational values further emphasize purpose. Integrating micro-inclusions into DEI practices highlights small, intentional actions in fostering inclusive, purposeful workplaces.

Finally, successful purpose-driven organizations demonstrate how aligning strategy with social impact can yield significant benefits. Case studies of Bühler, DBS, and Veeva Systems show how strategic focus on community, employee, and customer value fosters resilience and trust. These cases reveal that socially responsible strategies are not only ethically essential but also economically rewarding, offering a blueprint for balancing profit and purpose while creating sustainable, inclusive futures.

Academic publications (5)

Building a Purpose of the Company: Friedman and Freeman as Beacons in a Pragmatist Theory of the Firm

Business Ethics Quarterly, JCR Q1 see online

Abstract: When considering the implications of the shareholder-stakeholder debate in defining the purpose of a company, epistemological clarity is vital in this emerging theory of the firm. Such clarity can prevent recurrence based solely on rephrasing key terms. To understand how various stakeholders develop and interpret a shared purpose, I argue for the necessity of a pragmatist approach that is normative and process-oriented. Mental models play a crucial role in interpretive processes that define decision-making, where individual perspectives converge. The figures of Milton Friedman and Ed Freeman serve as "beacons," as artefacts, in the transmission of knowledge through which we, as individuals, shape a shared understanding. In current societies, profound polarization obstructs solutions to grand challenges. Pragmatism starts by questioning the underlying values of everyone involved. It assumes that sound deliberative processes are the only way to reach real solutions—not only for the mind but, above all, for the heart.

> " Pragmatism does not offer a straightforward answer to the purpose of the firm. It offers a process perspective about how purposes... can be bundled or integrated. "

The Joint Impact of Organizational and Individual Factors on Employees' Green Behavior

Asia Pacific Journal of Human Resources, JCR Q1 see online

Abstract: Employee green behavior is a necessary condition for organizations to achieve sustainable success. Drawing upon self-determination theory, this paper thoroughly investigates the mechanism through which a synergistic combination of multiple antecedents' influences employee green behavior via qualitative comparative analysis. The findings reveal that no single factor constitutes a necessary condition for high employees' green behavior. However, organizational identification and green self-efficacy play crucial roles in fostering such behaviors. We identify three equivalent pathways for promoting employees' green behavior, namely, "synergistic internal and external environmental orientation," "psychological climate driven by organizational identity," and "internal environmental orientation under environmental regulation." Furthermore, this study uncovers the complementary nature of organizational identity and employee self-efficacy, as well as the substitutability of internal and external environmental orientation. These findings suggest that organizations should focus on fostering a strong organizational identity and enhancing employees' self-efficacy while maintaining a balance between internal and external environmental orientations to effectively promote green behavior among employees.

Organizational purpose concept clarity: An exploration of employees' perspectives

Business and Society Review, JCR Q3 see online

Abstract: Employees play a critical role in materializing the company's purpose as they are the ones responsible for planning and executing all the organizational activities. Considering their vital role, we explored how employees, currently working full-time from home, perceive their participation in the company's purpose. To do so, we performed online interviews with 23 employees from 14 companies. In addition to employees' perspectives, we collected textual data from the companies' websites where these employees were working, allowing us to compare both perspectives and better understand employees' perspectives. Results revealed that employees do not directly recognize the organizational purpose concept and that the term purpose is barely found on the companies' websites. Therefore, we found that besides a problem of conceptual lack of clarity in the literature, organizational purpose is still on the way to being comprehended within companies. To help solve this problem, based on stakeholder theory, we discuss the meaning of organizational purpose and compare it to related concepts such as mission and vision. Finally, we offer managers orientation on how they should operationalize their companies' purpose and how they may externally communicate it online.

Purpose and Nonprofit Enterprise

SSRN, see online

Abstract: Nonprofit enterprise is responsible for a large share of economic activity across the globe. And yet, leading theories fail to explain why nonprofit business survives and even thrives across a vast number of industries, ranging from artificial intelligence to beer brewing, despite an absence of shareholder control. Indeed, as shareholder ownership and intervention rights have become the core component of successful corporate governance, this success is all the more surprising.
We offer a novel "purposeful enterprise" theory to explain the puzzling success of nonprofit enterprises. Drawing on research in behavioral economics and organizational science, we argue that organizational purpose can serve as a substitute for shareholder control and monitoring, by mitigating managerial agency costs and aligning employee incentives. Nonprofit enterprise may also promote value creation by improving the stability of the entity. Our theory clarifies why nonprofit businesses and other related purposeful enterprises have thrived in certain industries and not others. It also sheds light on fundamental debates in corporate law, including that of the corporation's purpose in society. In particular, it suggests that shareholder ownership and control is not the only means of addressing agency costs and improving organizational efficiency.

"Corporate Purpose" as a False Friend: A Bibliometric Analysis

SSRN, see online

Abstract: The term "corporate purpose" is frequently used in both academic and non- academic writings today. However, it is also quite ambiguous, particularly in relation to the precise obligations that companies may be expected to fulfil. By presenting a bibliometric analysis of this term over recent decades, this paper assesses its popularity and usage. Amongst others, it finds that the term "corporate purpose" was already quite popular in the 1960s and 1980s, yet with different meanings than today; that recent publications discuss this term in more detail than in the past; that it is today often associated with social and environmental topics; and that it has recently become a term frequently used in the management and business literature. Overall, the empirical findings of this paper confirm its many ambiguities and thus expresses some doubts of whether it could be a useful legal term, while it may well be suitable as a conceptual framing device for the importance of social and environmental interests related to companies.

Leadership For Impact: Driving Success Through Purpose And Engagement

Brent Gleeson, Forbes <u>see online</u>

The article argues that modern leadership transcends mere profitability, emphasizing the integration of meaningful impact on employees, customers, communities, and the environment. It states that leaders who align purpose with profit create organizations that excel in today's interconnected world. The article cites a McKinsey study indicating that employees who find purpose in their work are over three times more likely to remain with their organization and 1.4 times more likely to perform at higher levels. It explains that embedding purpose into strategy involves setting measurable goals reflecting both social and financial outcomes, fostering transparency, and building trust with stakeholders. The article concludes by urging leaders to act promptly in prioritizing impact, suggesting that even small, incremental actions can lay the groundwork for transformative change.

" Ask yourself: *Does our mission inspire our team, resonate with our customers, and address societal or environmental needs?* **"**

" Consider: *Do our goals align with our stated purpose, and are they measurable?* **"**

Corporate Purpose in a Post-Election US: A Call for Continued Leadership

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

The article explains that, following the 2024 presidential election, the U.S. public increasingly expects corporations to address social issues. It states that 46% of U.S. adults believe businesses should play a larger role under the new administration, with higher expectations among Democrats (61%), Gen Z (58%), Hispanic (52%), and Black Americans (51%). The article argues that companies should prioritize employee-related issues, as 83% of respondents feel organizations should focus on matters important to their workforce. Additionally, it highlights that 82% of those surveyed want businesses to tackle national challenges like healthcare and employment, as well as local community issues such as affordable housing and quality education.

> " The question isn't whether companies should engage in social issues — it's how they can do so most effectively while staying true to their core purpose and values "

> " Purpose must be characterized by appropriate action, provide a vision of the 'new world' the organization wishes to take its stakeholders to, and remain broad enough to inspire without losing relevance to the corporation's activities "

E for ecosystem: Giving power to corporate purpose

ESSEC BUSINESS SCHOOL, Forbes [see online](#)

> " Co-creation opportunities are a crossroads where business ecosystems and corporate purpose meet, allowing companies to further their purpose through interactions that lead to meaningful value creation. "

The article examines the role of corporate purpose and how it extends beyond profit, citing Sanofi as a successful example. It explains that purpose must be authentic, actionable, and outwardly focused to create social impact. The article argues that building business ecosystems—networks of diverse stakeholders like non-profits, government bodies, and communities—is vital for co-creating value and achieving meaningful change. It states that effective ecosystem orchestration enables firms to align profit with purpose by fostering collaboration and innovation. Purpose-driven co-creation, as seen in Sanofi's healthcare efforts, demonstrates the tangible potential of corporate purpose.

Academic publications (1)

Organizational ethical climate: influence on employee meaning and well-being

Management Decision, JCR Q2 see online

Abstract: Purpose: The organizational environment can influence how employees experience meaningfulness. This study examines the mediating role of meaningful work between organizational ethical climates and the affective well-being of employees. We also test for the moderating role of self-regulatory traits in this relationship. Design/methodology/approach: Partial least squares – structural equation modelling (PLS-SEM) was employed to test the hypothesized model using responses from 430 working professionals. Recommended robustness checks were conducted before model assessment and hypotheses testing. Findings: The findings suggest that a caring ethical climate is positively related to affective well-being. Meaningful work dimensions, i.e. unity with others, inspiration and balancing tensions partially mediate the relationship between the caring climate and affective well-being. Integrity with self and balancing tensions fully mediate the negative effect of an instrumental climate on affective well-being. Positive mediation of unity with others and negative mediation of reality were observed between a law and code climate and affective well-being. Moderating effects of self- and other-orientation and self-monitoring were also observed. Research limitations/implications: The study presents significant insights, however, a few limitations must be discussed. The study has relied on cross-sectional data which may be addressed in future studies. Practical implications: In times when organizations are spending in large amounts in ensuring meaningful work and employee well-being, this study suggests internal mechanisms that can bring positive impact in employees' work life. Leaders should assess how employees perceive the ethical climate of the organization in order to provide better meaningful work opportunities to the workforce. Social implications: Having meaningful work and experiencing affective well-being are significant for a collective betterment of society. Meaningful work encourages individuals in identifying how their work if affecting the society. A affectively happy workforce is essential in building a mentally healthy society. Originality/value: This study contributes to the investigation of organizational factors that help employees find meaning in their work. Based on ethical climate theory, this study highlights how organizations can redesign and modify their ethical climates to provide opportunities for employees to experience meaningful work and improve their affective well-being.

Purpose-Driven Leadership In The Era Of Remote Work

Nell Derick Debevoise, Forbes see online

The article explains how remote work demands a transformation in leadership, emphasizing purpose and human connection. It argues that purpose-driven leadership is essential, noting Gallup's finding that employees who feel purposeful are 3.5 times more engaged. It highlights challenges like isolation, diluted culture, and "purpose drift." Strategies include communicating the "why" behind work, fostering mattering through recognition and feedback, reinforcing team identity, and leading with empathy. It defends measuring purpose through engagement and retention rates. The article concludes that purpose-driven leadership is crucial for resilient, high-performing remote teams in a changing work landscape.

> **"** Meaning is even more important for work done remotely, when personal connections can feel weaker. **"**

How To Align Leadership Metrics With Purpose

Kathy Miller Perkins, Forbes see online

The article emphasizes the critical need for aligning leadership metrics with organizational purpose to achieve meaningful and sustainable outcomes. It explains that traditional metrics often focus narrowly on profits, ignoring the broader impacts of leadership decisions. It argues that purpose-driven metrics allow leaders to set goals that align with their organization's values and mission, fostering long-term success. Additionally, it states that metrics should reflect not only financial performance but also social, environmental, and employee well-being objectives. By integrating purpose into measurement systems, leaders can drive accountability, ensure consistency in decision-making, and build trust among stakeholders while promoting meaningful progress.

The Power of Small Acts of Inclusion

Gregg Muragishi, Lauren Aguilar, Priyanka Carr, & Greg Walton, HBR see online

All too often, traditional DEI programming and policy have focused on how not to behave. This focus on the negative can make people so worried about saying or doing the wrong thing that they disengage or get mad and push back. In this article, the authors argue that a better approach is to focus on micro-inclusions — small but intentional acts that include everyone in the actual process of producing work together. They summarize some of their recent research on the effects of micro-inclusions and then offer some guidance on how to foster a culture of micro-inclusion in the workplace.

Articles (1)

The UnitedHealthcare CEO Shooting Should Be a Turning Point for Corporate America

Ranjay Gulati and Alison Beard, HBR see online

The murder of Brian Thompson — and the public's reaction to it — shows that frustration with corporations has reached a fever pitch. We seem to have moved from a world of "I don't trust you" to "I hate you," and, many Americans feel a great antipathy toward capitalism and capitalists. This is due, in part, to the failure of business, at large, to deliver value to customers, employees, and communities (as well as shareholders) simultaneously. Corporate leaders should step back in this moment and reflect on what role their organizations play in society and what trade-offs they'll need to make to ensure that their businesses work for everyone, not just investors. Three case studies — Bühler, DBS, Veeva Systems — show that such strategic, socially responsible thinking pays dividends.