ORGANISATIONAL PURPOSE: THE CONSTRUCT AND ITS ANTECEDENTS AND CONSEQUENCES

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Abstract

This paper explores *organizational purpose* as a distinct, emerging, practitioner-led concept that places a specific meaningful motivation at the heart of organizations - even established for-profits. Using a discovery-orientated, theories-in-use approach, the authors identify organizational purpose as *an organization's meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholders.* Combining in-depth interviews with extant theory and supporting artefacts, the authors provide a robust description of the phenomenon, establish the concept's uniqueness, identify antecedents and consequences, propose intervening conditions, and offer insights into how firms can develop an organizational purpose within their organizations. The paper ends with a discussion of the implications of the concept for research and practice.

"*I actually am a capitalist and I believe in shareholders. But I believe in them as a result of what I do, not as a reason for what I am doing. The same with profits – profits alone cannot be an objective. It has to have a purpose.*"

Paul Polman, CEO of Unilever (FT 2017)

A growing number of large, incumbent, for-profit organizations have joined a large number of charities, social enterprises and B-Corps in explicitly stating a 'purpose' beyond profit maximisation for shareholders, and have been using these purposes to justify unconventional business decisions. CEO of Unilever Paul Polman, quoted above, recast profit as an outcome of authentically pursuing the company's purpose, and this new perspective motivated Unilever to end quarterly financial reporting to the city (Confino, 2012). Another corporate giant, Barclays, shut down a unit responsible for creating financial arrangements that reduced taxes, because for then-CEO Antony Jenkins, "going forward with such activity is incompatible with our purpose" (BBC News 2013). M&S, a large retail company, has even invited external examination of its progress toward its purpose-oriented goals (M&S 2015).

The notion of 'purpose' has become so widespread that consultancy companies have begun offering services and tools for developing organizational purpose (Deloitte 2017; Mazutis and Ionescu-Somers 2015; Radley Yeldar 2016; Twivy 2015). Surveys and reports now benchmark companies on different aspects of purpose (Game Changers 2017; Radley Yeldar 2016) and practitioner publications promote the concept (Bains 2007; Baldoni 2011; Efron 2017; Rozenthuler and Rowland 2015; Sinek 2011). 'Purpose' is also increasingly entering the language of social-enterprises and is central to the B-Corp movement.

A review of academic literature reveals that, while attempts have been made to explore purpose at the organizational level, no robust description exists. Moreover, there have been no clear attempts to understand the conceptual uniqueness of purpose in relation to

existing concepts such as vision, mission, goals, values, CSR and sustainability. Historical references to an organization-level purpose variously present the concept as an emotional or spiritual state (Kern 1919: 445), a source of morale (Bradshaw 1923: 494), or simply a description of the activities an organization undertakes (Gulick and Urwick 1937). Further, other early descriptions of organizational purpose by management forerunners such as Barnard (1938) were largely abandoned in the 1940s. This was due to its teleological implications, which were seen as 'anti-scientific' or 'anti-evolutionary theory' and at odds with the business paradigm of the day (Moore and Lewis 1953; Singleton 2014). However, recent years have witnessed a number of significant publications on organizational purpose in management (Bartlett and Ghoshal 1993, 1994; Collins and Porras 1991; Hollensbe et al. 2014; Salem Khalifa 2012; Sisodia, Wolfe, and Sheth 2003), organizational identity (Gioia et al. 2013; Margolis and Hansen 2002), and organizational psychology (Eby et al. 1999). These articles argue that purpose has multiple benefits for organizations (Bartlett and Ghoshal 1994; Hollensbe et al. 2014) and suggest where purpose may sit within the priorities of the organization (Margolis and Hansen 2002), Still, they do not offer a robust definition of the concept or explore how it is related to seemingly similar concepts. Without such conceptual clarity, research on the topic is hindered and a number of basic but important questions remain unanswered. What does purpose mean at the organizational level? How does organizational purpose relate to other concepts in the literature? What are the antecedents, consequences, and intervening conditions of an organizational purpose that can help companies wanting to become purpose-driven? We seek to address these questions.

As such, we make four key contributions in this paper. First, we provide a robust definition of organizational purpose as: *an organization's meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholders.* We combine qualitative

analysis of practitioner interviews with a review of the relevant academic and practitioner literature to identify five fundamental characteristics that underpin this definition: 1) a transcendent, meaningful reason why an organization exists, 2) a core attribute of the organizational identity, 3) an alignment with long-term financial performance, 4) a clear context that guides daily decision making, and 5) a unifying and motivating force for relevant stakeholders. Second, we undertake a review of relevant literature and practitioner articles to show that the concept of organizational purpose is different from related concepts such as Corporate Social Responsibility (CSR), stakeholder theory, sustainability, shared value, vision, mission, and values. Third, we develop a conceptual framework that summarizes the key antecedents, consequences, and intervening conditions of organizational purpose (see Table 2). In doing so, we address why large, publicly listed corporations are adopting an organizational purpose. We also show how such an adoption of purpose may affect the role of marketing in the firm and lay the foundation for further research to explore the organizational and relational impacts of organizational purpose. Fourth, we identify and examine specific practices that underpin the implementation of organizational purpose. Finally, by undertaking grounded, conceptual research on a modern business practice, we also respond to calls for more conceptual scholarship in the marketing discipline (Kumar 2015).

The paper proceeds as follows. We begin by discussing previous research on organizational purpose in different academic literatures. We go on to outline our method and briefly describe our data. We then present our definition of organizational purpose and discuss its main characteristics. After this, we discuss how organizational purpose differs from related constructs. Next, we discuss the antecedents, perceived consequences, and intervening conditions of organizational purpose, specifically asking why large corporations are increasingly adopting organizational purpose as a core organizing idea and how it might

change the company. Finally, we outline changes to the firm that are being made to successfully implement the concept, and end with a discussion of the implications for marketing research and practice alike.

Previous Descriptions of Organizational Purpose

In the early 1900s, organizational purpose was a fairly common topic in academic literature, enjoying multiple conceptualizations. Research variously described organizational purpose as an emotional or spiritual state (Kern 1919: 445), a source of morale (Bradshaw 1923: 494), a specific, achievable aim or objective (Barnard 1938; Tead 1933), a source of organizational morality (Barnard 1938), or simply a description of the activities an organization undertakes (Gulick and Urwick 1937). Despite such variety, conceptualizations of purpose fell into two groups (Singleton 2014): some definitions considered it an internal, subjective, emotional, meaning-laden or moral concept, while others described it as an external, objective description of the functions or goals of the organization.

From the 1930s onwards, purpose as an organizational concept was largely abandoned due to its perceived conceptual ambiguity relative to similar terms (Simon 1946) and a rejection of its teleological implications which were seen as being at odds with the business paradigm of the day (Moore and Lewis 1953; Singleton 2014). Nevertheless, sporadic descriptions of purpose were put forth from time to time. In sociology, a very specific notion of purpose was developed as the combination of the assumed value company members believe a company activities generate, weighted by the amount of time given to those activities (Warriner 1965). However, this definition of organizational purpose was developed specifically to address, "the problem of data and method for identifying purpose." Explicitly avoiding the primary question of "what is organizational purpose," this definition is better interpreted as a method for discovering a specific organization's purpose, rather than

a stance regarding organizational purpose as a concept. Another noteworthy description of purpose can be found from around this time when Drucker (1954) states that the purpose of a business is "to create a customer." Here again purpose is used as a term that prescribes function. Creating customers is the function an organization is there to perform.

In recent decades, a few publications on organizational purpose have appeared in management (Bartlett and Ghoshal 1993, 1994; Collins and Porras 1991; Hollensbe et al. 2014; Salem Khalifa 2012)), organizational identity (Gioia et al. 2013; Margolis and Hansen 2002) and organizational psychology (Eby et al. 1999). A review of these articles reveals a range of interpretations - from "the reason for which business is created or exists, its meaning and direction" (Hollensbe et al., 2014:1228) to the emotional meta-frame of an organization, beyond its role as an economic entity, within which strategies are embedded (Bartlett and Ghoshal, 1994). Included within these modern notions of organizational purpose is a reintroduction of the emotional, meaning-laden, and even moral aspects to the concept, which were previously cast aside (Bartlett and Ghoshal 1994; Collins and Porras 1991; Jordi 2010). Usually, meaningfulness is derived from focusing on a specific reason for existing that provides a benefit for society (Jordi 2010; Thakor and Quinn 2013).

More contemporary definitions of organizational purpose also include a notion of goal or direction (Ellsworth 2002; Henderson and Van den Steen 2015; Jordi 2010; Thakor and Quinn 2013). The goal-oriented nature of purpose has been noted in multiple disciplines, including law (Black's Law Dictionary 2011), management (Logan 1984), economics (Henderson and Van den Steen 2015), and marketing (Haeckel 2010). Therefore, the emerging notion of purpose from academia contains not only the meaning-laden, but also the goal-oriented aspects that were demonstrated in previous descriptions of the early 1900's and beyond.

The contemporary practitioner phenomenon of purpose parallels academic research in considering purpose to be both an objective description of the function or goals of the organization (Australian Institute of Company Directors 2018; Cathy Carlisi et al. 2017; Prokesch 1997), and an emotional, meaning-laden or moral concept (Collins and Porras 1991; Harvard Business Review Analytic Services and EY 2015; Sheth and Sisodia 2006). Our results indicate a marked shift in company priority, from a focus on generating shareholder value to a focus on a humanly meaningful objective, with optimized long-term value to shareholders a derived consequence. This suggests that purpose may represent a unifying institutional way of thinking that may help transcend perceptions of competing institutional logics as conceptualised in the hybridity literature (e.g. Pache and Santos 2012). In sum, therefore, emerging conceptualizations of purpose in academia and practice are taking a specific stance on firm value creation - why the company does and should exist, how it creates value, for whom, and the nature of the company's relationships with stakeholders that support fulfilling its purpose. Table 2 gives and overview of the key aspects, representative quotes, and relevant literature for each aspect of our definition.

(Insert Table 2)

Method

Since the study of organizational purpose as a contemporary concept is still nascent, we adopt a discovery-oriented (Deshpande 1983; Mahrer 1988; Kohli and Jaworski 1990) theories-in-use approach to studying the phenomenon (Zaltman, LeMasters, and Heffring 1982; Challagalla, Murtha, and Jaworski 2014). This approach draws from grounded theory and focuses on the ways that concepts are constructed and used in everyday life, in addition to examining their causes and consequences (Corbin and Strauss 1990). We utilize interview

data, extant literature and relevant archival data (Challagalla, Murtha, and Jaworski 2014; Marshall and Gretchen 1999; Strauss and Corbin 1998) to arrive at our model and propositions.

Data Gathering

Although an increasing number of companies are engaging with the concept of organizational purpose, our research suggests that only a few have made significant progress in this respect and that the most interesting and challenging cases are to be found in those organizations who have been operating within commercial environments. Our interviews are therefore drawn from a purposive sampling of elite (Dexter 2006), upper echelon informants from large corporations and support institutions that self-identify as pursuing organizational purpose and are seen by peers as leaders in the concept's development and practice (see Table 1). Specifically, we carefully drew from a niche population which constitutes a "knowledgeable sample that can provide rich insights into an emerging construct" (Challagalla, Murtha, and Jaworski 2014a: p. 4).

Following a theoretical sampling approach (Glaser and Strauss 2009), we carried out interviews to develop and test emerging theory. This continued until we achieved theoretical saturation, meaning we could not gain further unique insights into the questions of focus (Strauss and Corbin 1998). In all, 19 invitations for interview were made, resulting in 14 completed interviews. 11 of these were from corporations and three were from organizations involved in supporting businesses in their implementation of organizational purpose. We used the data from these in-depth interviews as well as from discussions at a stakeholder workshop comprised of interviewees and others from the same population group who were not interviewed. To build theory, we also used data from a range of other relevant sources including extant academic literature, archived case studies, company literature and other media-based artefacts that shed light on the topic in question (Corbin and Strauss 2014;

Drumwright 1996). As our research focuses on an emerging phenomenon, these additional data helped situate the theories emerging from the interviews in the wider market of ideas, from which we expect managers to construct their own views and perspectives.

Interview Protocol

Our interviews followed the interview guide approach (Patton 1990) which focuses on the research objectives but also allows for unexpected lines of enquiry. We asked executives how they define organizational purpose, how it is different from key related concepts, why they had chosen to transition to becoming purpose-oriented, and how they were going about developing organizational purpose. Interviews lasted between 45 minutes and 1 hour and 45 minutes, and were recorded and then transcribed into text documents. In total, the transcripts represent over 19 hours of interview data resulting in 161,667 words of text.

(Insert Table 3)

Analysis and Reliability

Two of the authors used NVivo software to record themes and create additional handwritten notes on decision-making and theoretical reasoning to help build theoretical sensitivity. Following Corbin and Strauss (1990) we did open and axial coding of the data. For open coding, each author separately coded a different interview, relying on a combination of *in-vivo* codes and relevant researcher generated code titles. Before moving to the next transcript, the two authors discussed manifesting themes and standardized them where appropriate. In addition to the constant comparison of incidents by each of the two authors, the iterative coding approach helped further systematize both constant comparison and decisions around theoretical sampling (Corbin and Strauss 1990). In this way, concepts "earn[ed] their way into the emerging theory…through iterative coding, conceptual memoing, and theoretically sampling for further data to pursue and develop conceptual leads" (Holton 2007: 279). During this process, each author also made detailed memos. This constant data gathering,

analysis and reflection is critical to grounding the data in reality (Corbin and Strauss 1990). In the axial coding phase, the third author helped create higher-level categories or "themes" that condensed and categorized the open codes. These axial codes more overtly relate to existing theory.

Defining Organizational Purpose

Analysis of our interview data and related, relevant literature, reveals five key dimensions of purpose: 1) a transcendent, meaningful reason why an organization exists, 2) a core attribute of the organizational identity, 3) an alignment with long-term financial performance 4) a clear context that guides daily decision making and 5) a unifying and motivating force for relevant stakeholders. Table 2 highlights these definitional aspects, as well as representative quotes from interviews and related key literature. Reflecting these five key aspects, we propose a definition for organizational purpose as *an organization's meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholders.* A purpose-driven or purpose-oriented company, then, is a company that has such a purpose and is seeking to act in accordance with it. In the following sections we go through each of the five foundational aspects of a corporate purpose, punctuating our discussion with exemplar practitioner statements, practitioner examples, and academic support.

(Insert Table 2)

The Transcendent, Meaningful Reason an Organization Exists

Executives unanimously believed that purpose provides a higher-level answer to the question of why the firm exists and that this 'why' is external to the firm. As the strategy director of an international communications company remarked:

> Yes, exactly so you are looking to place it into a bigger framework. Saying, why are we here as a business? ... it sits above it. It's a higher reason.

This call to a 'higher reason why' corresponds with the description of 'purpose' in teleological philosophy as a concept connected with a meta-physical or spiritual energy or force (Moore and Lewis 1953). As Laloux (2003:221) notes "organizations are viewed as an energy field, emerging potential, a form of life that transcends its stakeholders pursuing its own unique evolutionary purpose." Here, the term 'transcendence' is not necessarily used in the traditional religious sense of beyond experience or 'supernatural', but rather in the dictionary definition as something which is greater in scope than the subject or, in some cases, "universally applicable or significant" (Merriam Webster Dictionary 2018). This external focus contrasts with the fiduciary duty of a governing body which is primarily to take care of the long-term interests of the firm itself (Kay 2012), but is consistent with existing management thought: "If we want to know what a business is, we have to start with its purpose. And the purpose must lie outside the business itself. In fact, it must lie in society, since a business enterprise is an organ of society," (Drucker 1954: 37).

Company transcendence and human meaning. We found that the answer to the 'transcendent why' was anchored to something that was meaningful at a human level. Admittedly, what is meaningful at the human level is a much debated topic with various researchers presenting different views (Metz 2007). Examples include the inherent value of creating something beautiful (Mourkogiannis 2014); Steve Jobs' (2011) nebulous desire to make an impact ("We're here to put a dent in the universe"); or simply the creation of something that is of high quality (Bartlett and Ghoshal, 1994). The emerging practitioner movement, however, seems much more certain about the source of meaning that underpins organizational purpose. Despite coming from different sectors, our participants consistently anchored their view of

purpose in transcending company self-interest to serve the wellbeing of others.

One senior vice president of a multinational publishing and education company

stated:

> So, what is the outcome you are going for...what is the job you are doing in society?

Likewise, a former global vice president of human resources for a transnational

consumer goods company underpinned the external focus on 'doing good':

> I don't think you can have a purpose statement in the world today which won't address a social or environmental issue.

Thus, while a broad interpretation of the word 'meaningful' can include abstract notions like

beauty or quality, we find that the practitioner view of purpose connects strongly with

positive psychology interpretations that the key source of human meaning is to serve a cause

that greater than oneself (Frankl 2003; Schnell 2009). This aligns with Collins and Porras

(1991: p. 38) who state that a purpose should "convey how the organization fills basic human

needs", or Drucker who states: "Business enterprises…are organs of society. They do not

exist for their own sake, but to fulfil a specific social purpose and to satisfy a specific needs

of a society, a community or individuals," (Drucker 1973:39). Frankl (2003) defined the self-

transcendent pursuit of the needs of others, based on universal values of what is 'good' as the

root of a meaningful life and as the definition of individual purpose. Similarly, purpose has

been described in psychology as a noble or principled direction (Ryff 1989). This view

contends that one's own wellbeing (but not necessarily happiness (Baumeister et al. 2013;

Ryff and Keyes 1995) can be achieved through serving the wellbeing of others.

The interpretation of purpose as being about serving the good of others reflects past

interpretations of marketing, such as the societal marketing concept which argues that if a

business is focused on serving the wellbeing of customers and society then it will ultimately

provide higher levels of value and so will be more successful (Kotler, 1972). As well as being

a uniting organizational sense of what is valuable, purpose taps into the deepest levels of

human motivation to achieve this value, although based on experiences and orientation people are likely to be more personally conncected to serving the wellbeing of certain groups. As Paul Polman, the CEO of Unilever notes: "I know we all have our jobs, but that has to come from a deeper sense of purpose. You have to be driven by something," (Confino 2013: Page 1). The director of an international communications company we interviewed echoed this view:

> What we really want to try and do is get people to connect with their day jobs and see that there's a why and an outcome beyond revenue and profit. It actually says there's an outcome in society that actually matters to me that our products and services are delivering.

Framed in this way, purpose extends the strategic conclusion (Kogut and Zander 1996) that firms should not be primarily viewed as being comprised of self-interested individuals who require governance and structures that monitor and control them (Jensen and Meckling 1976). Rather, helping individual employees and customers who are impassioned to pursue a self-transcendent objective and purpose harnessess this motivation. In practice, we found these objectives were conceptualised as social or environmental goods, although it should be noted that environmental goods tend to be pursued as instrumental to societal goods.

An Enduring Attribute of the Organizational Identity

While providing a shared meta-frame of what is valuable that is relevant to all organizations, purpose paradoxically also enables firms to differentiate themselves in the market. This is because an organization's purpose is a core aspect of its identity, reflecting its role in the marketplace of increasing 'good' for others. Organizational identity theory (Albert and Whetten 1985; Whetten 2006) holds that the attributes of an organization's identity are central to the organization, enduring over time, and distinctive. All of these three characteristics were reflected in our findings about purpose. For example, the head of reputational strategy for multinational professional services network states:

> The core about purpose is it doesn't change. So, the purpose stays regardless of the times, regardless of the leaders, regardless of the organization, regardless of the challenges of society. Purpose is at the core of the organization.

The head of sustainability at a construction and civil engineering company further notes that purpose is also distinctive to each organization:

> A lot of companies have recently declared a purpose, and I can't comment on their purpose cause it's their purpose not ours. Even if I thought it was great or I thought it was bad, it's irrelevant. I'm not in that business. It doesn't mean anything to me. Ours means a lot to our people.

In their study of a commercial aviation company, Margolis and Hansen (2002) found that organizational purpose met their criteria of central character, distinctiveness, and temporal continuity. Their model of organizational attributes places purpose at the highest level of centrality, where change is much less fluid than other exterior attributes. Similarly, Bartlett and Ghoshal (1994) note that an effective purpose creates an identity for an organization that others can authentically relate to. Therefore, academics and practitioners place purpose as a core attribute of the organization's identity, orientating and contextualising company systems, processes and activities.

An Alignment with Long-Term Financial Performance

Despite working in the senior ranks of commercial organizations, the executives we interviewed were adamant that purpose is about more than profits. As the group finance director of a multinational support services and construction company noted:

> The broad area is about a business valuing more than just money. A responsible business that sees its place in the continuum of society. A business that stands for more than just shareholder returns.

Nevertheless, all executives still deemed profit important and believed that, rather than sacrificing profits for an organizational purpose, long-term profits would result from being purpose-oriented. At the same time, they believed that increasing financial performance would increase the company's ability to achieve its purpose. The group head of CSR for an international holding company commented:

> Without profit, the achievements of purpose are often completely flawed… It is the seed of success, in the sense that without it nothing will happen in many cases. And that is the case in (our company).

While executives expressed a range of relationships between profits and purpose, the most prominent view was that profit-making and purpose-achieving need to be seen as highly connected and mutually reinforcing. As the former global Vice President of human resources for a transnational consumer goods company noted:

> So, I kind of had a bit of an 'aha' moment which was…wow, you can use this concept of purpose to truly drive the performance of the organization, and I saw how powerful a company could be in contributing to the social and environmental challenges or issues that our world faces.

In this way purpose appears to provide a unifying institutional logic, situating profits not as a competing reason for an organization's existence – as is conceptualised in the hybridity literature (Pache and Santos 2012) – but as the life blood that allows a purpose to be achieved and expanded, as well as the consequence of that success. Interviewees regularly used a long-term perspective that reinforced a mutually beneficial relationship between profit and purpose. As a Partner in a global professional services firm summarised:

> if an organization is working in the best interest of society as a whole. does that not then benefit the shareholders in the long term?

These views reflect an integrative approach that mirrors Hollensbe et al. (2014), repositioning profits and shareholder value as constituents of a broader landscape of value creation. This reflects the UK FRC review of corporate culture (Financial Reporting Council 2016a): "Companies are recognizing the value in defining and communicating a broader purpose beyond profit which generates wealth and delivers benefits to society as a whole". From this the FRC (Financial Reporting Council 2016b) noted that "a clearly defined purpose which goes beyond profit, and well-chosen values that are translated into a set of expected behaviours embedded throughout the company, are essential for a healthy culture and can motivate and build trust with employees." This reflects a broader view from literature that: "The emerging consensus among business leaders is that the goals of social good and

business success are no longer an either/or proposition but rather are very much interwoven"
(Menon and Menon 1997:64).

A Clear Context for Daily Decision Making

The executives we interviewed used purpose as a meta-framing to bring company activities under a clear, shared narrative. As the CEO of an insurance provider put it:

> It (purpose) can't be ambiguous. It can't be in doubt… "It should leave you with clarity immediately about the difference that this organization is going to intend to make.

Many executives also believed that organizational purpose provides a standard against which individuals can independently judge their daily actions. The same CEO said:

> Purpose is…the go-to test that people have in their minds when they do what they do during every day, and they hear what they hear every day, and see what they see every day.

This clear sense of direction is consistent with Barnard's (1938) original focus on purpose as a necessary organizing force for a system which allows executives the flexibility to independently assess their actions and hence increase agility. As such, purpose shares elements of a doctrine, framework, or heuristic to guide and anchor managerial decision making in a complex, volatile environment (Bartlett and Ghoshal 1994). A marketing doctrine, for example, provides high-level direction without prescriptive strategic resolutions, allowing employees ownership and creative space to address challenges more appropriately than a distant manager could through dictation (Challagalla, Murtha, and Jaworski 2014). In this way purpose can be seen as, "embed(ding) a clearly articulated, well-defined ambition in the thinking of every individual while giving each person the freedom to interpret the company's broad objectives creatively" (Bartlett and Ghoshal 1994).

A Unifying and Motivating Force for Relevant Stakeholders

Unifying and Energizing Force. Most executives we interviewed believed that organizational purpose provides an aligning and motivating force for stakeholders to work together to achieve shared outcomes using their unique contributions. This could be because

of the clarity of high-level direction that purpose provides, combined with the focus on

serving the wellbeing of a defined group(s) rather than balancing differing stakeholder needs

(Parmar et al. 2010) or resolving issues of hybridity (Rogers, 2016). This may, in turn, serve

to reduce the tensions between stakeholders' demands, which self-interest is likely to

enhance. As one CEO noted:

> I think it (purpose) allows us to orientate those stakeholders around the things that we do.

Indeed, this aligning force extends beyond the focal firm to include its working with

other companies and sectors as well. Some executives noted that, within the shared meta-

purpose of how to improve the world, each company had a specific role to play, and that

working together with other actors' firms could create value in innovative ways. For instance,

the director of a multinational retailer noted:

> We can't clear up the world's mess, but with Unilever, Nestle, Walmart, and Tesco…
> together we can. … So (our company) can put its name and its political weight towards a
> business coalition and its call for responsible legislation as well. You just deliver purpose
> in different ways.

Such a joint adherence to a meaningful goal moved some executives to describe a

logic of collaboration, even with competitors. As a Communications and Public Affairs

Director put it "…in things like purpose you don't think in competitive terms." While such

notions of collaboration over competition might seem almost fanciful, the literature on

competitive dynamics does accommodate and allow for cooperation even among strongly

competing firms, whereby such collaboration can "raise all boats," instead of only some

(Chen and Miller 2013: p. 761; Brandenburger and Nalebuff 1996). Here, the shared meta-

frame of serving the wellbeing of others provides a highly motivational context for the

collaborating companies and other stakeholders that might not otherwise be involved (e.g.,

government agencies and charities) and so increases the chance of creating value via

harnessing resources vis-à-vis others in the marketplace.

Relevant Stakeholders: It is important to note that, while purpose is considered by its practitioners to be a motivating force for stakeholders, multiple examples exist where a company, following its purpose, was forced to act against the wishes of one or more of its stakeholders. Unilever, in pursuit of its purpose, ended quarterly reporting to shareholders and actively managed its investor pool by "seeing off speculative hedge-funds," (Confino 2012). Barclays's abandoned its tax reduction unit (BBC News 2013) under the motivation of its purpose, a decision multiple stakeholders might have objected to. In our interviews the head of sustainability for a construction and civil engineering company even mentioned declining a large contract because the customer didn't align with the company's purpose.

Even if the purpose is a universally applicable or significant goal, different interpretations of how to achieve that goal may lead to disagreement. Moreover, it is reasonable to assume that some stakeholders may simply care more about a certain purpose than others. Therefore, the extent to which an organizational purpose is unifying and motivating will be based on the relevance of the purpose to the stakeholder and the stakeholder's interpretation of how to pursue the purpose.

(Insert Figure 1)

Organizational Purpose and Related Concepts

Having outlined the core concept, including how it relates to a number of existing theories, we now turn to a discussion of how organizational purpose compares to other related concepts. Specifically, we discuss how purpose relates to vision, mission, values, sustainability, corporate social responsibility and corporate shared value.

Vision and Mission

The concepts of vision and mission suffer from multiple and interchangeable interpretations in both research and practice (Ellsworth 2002; Salem Khalifa 2012). Many

researchers have attempted to clarify these terms, and a number of these attempts make the link to varying interpretations of purpose (Campbell and Yeung 1991; Collins and Porras 1991; Lipton 1996; Mirvis, Googins, and Kinnicutt 2010; Salem Khalifa 2012). For example, Lepisto (2015) found that purpose is sometimes used alongside terms such as "institutional mission" (Selznick 1957: p. 66) and the "goal of the organization" (Selznick 1957: p. 26).

Collins and Porras (1991) give perhaps the most widely known theoretical explanation of how purpose, vision and mission inter-relate. According to them, vision can be theoretically understood as being a tangible image of the future organization that is derived from the guiding philosophy of an organization. Purpose is described as the core of the guiding philosophy, underpinned by the organization's core values and beliefs. The tangible image is made up both of the mission of the organization – which is what focuses the efforts of an organization – and a "vivid description through which the mission is made more alive and engaging" (p.42).

Practitioner interviews also revealed a wide variety of definitions of mission and vision. There was, however, clarity that purpose was not the same as vision and mission, and the most common conclusion was aligned to the descriptions given by Collins and Porras. Purpose was seen as the foundational goal from which an appropriate vision of a future state was derived, and mission was seen as the overarching way in which one set out to live by a purpose and achieve a vision. As the former Global Head of an International Consumer Goods company summarised:

> So your purpose is your why…your vision is what the world looks like when we've made it kind of thing. And the mission is how we are going to get from where we are today to the vision

Hence purpose is the foundation. As the CEO of a professional management institute put it:

> So, I really do think that purpose is the framework that enables you to articulate your vision and mission and your values to different stakeholders.

Organizational Goal

Organizational goals have been variously conceptualized over the decades (e.g. Weber 1947; Parson 1956; Simon 1964). Weber's ideas, along with Parson's later goal-orientation concept (Parsons 1956), loosely align with organizational purpose in that organizations are perceived to serve a societal goal or function. Building off Weber and Parson, Simon (1964:7) notably rejects a single function perspective, taking the position that an organizational goal is a combination of many of what he calls 'requirements' or constraints': "*In the decision-making situations of real life, a course of action, to be acceptable, must satisfy a whole set of requirements, or constraints. Sometimes one of these requirements is singled out and referred to as the goal of the action. But the choice of one of the constraints, from many, is to a large extent arbitrary. For many purposes it is more meaningful to refer to the whole set of requirements as the (complex) goal of the action"*. Under such a view point, organizational purpose would be a societally valuable and humanly meaningful 'constraint' chosen by the organization to be its most important constraint.

Cartwright and Zander (1960), Etzioni (1964), and Warner (1967), refer to goals as end states of affairs the organization imagines achieving, which aligns directly with the interviewees' concepts of vision. Using Mohr's definitions, a reflexive goal is one that aids in the survival of the organization, while a transitive goal is, "an intended impact of the organization upon its environment." (Mohr, 1973:476) Therefore, under Mohr's descriptions of organizational goals, an organizational purpose would be the company's primary transitive goal. In fact, the term organizational goal was rarely used by the interviewees. When the idea of 'goal' was used, it usually referred to the public, quantifiable goals the company declared it would pursue as it attempted to live out its purpose. These publicly stated goals fell within the practitioners' concepts of mission, or how it would achieve its purpose.

Stakeholder Orientation

Neo-liberal capitalism put the shareholder value as the central purpose of the business. Through the lens of the traditional marketing concept, the firm's purpose is to maximize subjective customer satisfaction (Drucker 1954; Ellsworth 2002). Stakeholder theory is often understood as asserting that the purpose of an organization is to serve all stakeholders, because it makes instrumental sense to do so in a complex system and because it provides a moral foundation for organizations. While organizational purpose shares the recognition of an organization as part of a complex system that must recognize and serve its constituent parts to flourish in the long-term it also recognizes that such a system needs a clear sense of direction and differentiation to unite and energize resources. Hence purpose is about focusing on serving the wellbeing of a clearly articulated group and serving a range of stakeholders in order to achieve this.

However, the idea that stakeholder theory is about trying to serve all stakeholders is a misnomer. Freeman and colleagues (2004) made clear that the first of the two stakeholder theory foundations involve articulating a purpose through a clear sense of the shared value stakeholders want to create. Our research goes further to suggest that organizational purpose places the long-term wellbeing as the meta-frame for this and it requires a company to be clear about its unique identity and its reason for existence within this meaningful global frame: whose wellbeing is the organization serving that aren't already served very well by someone else? – i.e. based on what unique internal capacities and market advantages An organization's purpose is then pursued in ways that are profitable, do not conflict with the meta-frame (i.e. reducing long-term wellbeing for other groups) and importantly serve the stakeholders it depends on, thus reinforcing the ability to meet the purpose.

Values

For most executives, values are fundamentally connected to what purpose an organization has. This is logical, given that the concepts form core aspects of organizational

identity (Hitlin 2003). However, where purpose is primarily seen as the motivation and direction, values are most relevant to the way in which purpose is achieved. According to the head of a global services firm:

> Values are the…enabler actually…Whether you're inclusive, collaborative... whatever the values might be that's what starts to land it (purpose) for people. And then you can start translating those values into behaviors. Then you can start incentivizing those behaviors. That's all part of landing the purpose I think.

And the former brand manager for a leading purpose-driven corporation said,

> I think purpose is your why and your values are your how

Hence purpose demands not simply the focus on achieving a meaningful purpose but also that the means to achieve it are carried out in line with the positive values that underpin meaningfulness. Given the meta-frame of advancing wellbeing through universally understood principles of human values (Frankl 2003), it is likely that purpose-driven organizations will experience a similar list of core values. However, purpose could also be seen to provide an organizational signature to these values, as summarised by Ellsworth (2002) who states that "values are grounded in a worthy organizational purpose."

Sustainability

Long-term wellbeing for all. Although sustainability has a history of being a highly contested concept (McManus 1996), it is traditionally described using the three original pillars of financial, environmental and social sustainability (Brundtland 1987). When asked why purpose was becoming popular in the business community, executives often said that many businesses focused too much on financial resources at the expense of environmental and social resources. As the former global vice president of human resources for a transnational consumer goods company put it:

> There's money everywhere, right. What's not around is social and environmental capital…So, we've generated more and more financial capital at the expense of social and environmental and human capital.

Contemporary definitions of sustainability appear to center on the achievement of long-term societal wellbeing for all (IUCN 2006; Porritt 2010). As the definition of organizational purpose encompasses delivering societal wellbeing in the long-term, a close relationship between purpose and sustainability impacts exists. As the director of a multinational professional services firm stated:

> So, everyone has that impact on society whether they like it or not. And so if you're purpose-oriented, in my view, that means that you are aware of what your impact on society is... and you take action off the back of that.

Same ultimate ends, different ultimate means. Sustainability is widely believed to extend the focus of an organization from the 'intermediate ends' of goods, services and financial gain and short-term want satiation, to the 'ultimate ends' of increased wellbeing[1] (see Figure 2). Purpose also focuses on the same ultimate ends of wellbeing, and hence reinforces sustainability. However, whereas sustainability highlights the finite, non-human resources as the ultimate means on which wellbeing rests, whereas purpose emphasises the limitless source of human motivation to serve the wellbeing of others – which in turn provides wellbeing to those who serve (Ryff and Keyes 1995). Hence, the concepts of purpose and sustainability could be seen as intricately overlapping and complementary.

(Insert Figure 2)

Interviewees saw sustainability as having a more functional focus of delivery while purpose was more motivational. At the same time, they also recognised the two concepts as complementary in their shared focus on wellbeing. For instance, the director of a multinational professional services network said:

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[1] It is important to note that wellbeing here is interpreted in human terms. But meaningful wellbeing goals could be both human and non-human, and so our definition of meaningful encompasses species or eco-centric wellbeing motivation.

> Sustainability…sort of underpins a sense of a purpose being all about serving society. So purpose is the umbrella, and sustainability plans…or whatever it is are things that underpin…bring the purpose to life.

And the former global vice president of human resources for a transnational consumer goods company said:

> If you use the word sustainability in its broadest sense, of helping to address social and environmental issues in the world, you can use that as the vehicle to live your purpose.

Corporate Social Responsibility and Corporate Shared Value

The most vivid conceptualization of purpose by the executives we interviewed was in its contrast to CSR. Over the past 70 years, the concept of Corporate Social Responsibility has been invested with a wide range of interpretations (Carroll 2015). Traditionally, however, CSR has not questioned the core organizational logic and has been criticised for adapting to the dominant logic of organizations instead of transforming them (Freeman and Liedtka 1991). In more recent years this has been somewhat addressed through what it known as 'broad CSR' (Schwartz and Saiia 2012). In this respect some see CSR as having the potential to integrate people and planetary concerns into a company's core operations (Cheng, Ioannou, and Serafeim 2014). Reflecting the more traditional view of CSR, nearly all our executives thought of it as an add-on; an important device for keeping up a public image but not central to the business. As the director of a multinational professional services firm put it:

> If you think about corporate social responsibility it kind of feels very bolted on to an organization and it's often one of the first things that gets hit by budget cuts. It's often one of the things that most people dismiss as not core to their business strategy. If you have a purpose, then that is your core.

Purpose also contrasted to CSR in its ability to unlock organizational success if you embrace the business model fully. As a director of sustainable business at a multinational retailer described:

> CSR is about managing the status quo, so CSR is not purposeful, it's just risk management."… "So, either in a very binary world you have low cost and you manage your backside, or you absolutely purpose driven with huge levels of engagement passion and emotion about what you do. What you don't get is caught in the middle with the costs but none of the benefits

At first glance, purpose might also seem similar to the concept of creating shared value (CSV) (Kramer and Porter 2011). CSV was conceptualized as a progression from CSR towards a focus on doing good through the business itself. However, while CSV remains at the strategic or tactical level – optimizing opportunities for shared value wherever they present themselves – purpose starts at the core level pre-strategy and so should be viewed as the motivational foundation on which CSV can be optimized. Moreover, a general focus on doing good through the business itself is very different from placing one specific good or set of goods into the very core of the identity and business model and orientating the entire company to those aspirations. A purpose is the specific, motivational and guiding force that moves employees throughout the entire company in a single direction, rather than a broad concern with doing good through business (see table 4 for examples of purpose statements).

(Insert Table 4)

Antecedents of Organizational Purpose

Having outlined the concept, we now turn to developing a theory of organizational purpose (see Figure 1) and use this model to generate relevant research propositions. We begin by looking at antecedents of the construct and asking why companies are turning to purpose as an overriding framework for their organizations. Our analysis reveals three major antecedents of the phenomenon: 1) the drive to increase and maintain legitimacy, 2) the desire to attract, motivate and retain talent, and 3) a drive for strong customer and stakeholder relationships.

Drive to Increase and Maintain Legitimacy

Increase Legitimacy. Organizational legitimacy, "the acceptance of the organization by its environment," is considered critical to organizational success (Kostova and Zaheer 1999, Pg 64). Many executives we interviewed believed organizational purpose was a reaction to a series of global scandals and failures that had severely damaged the legitimacy

of the for-profit company. Purpose was a way to mend the ensuing lack of trust that threatened their 'license to operate' or 'social contract.' As the director of a multinational professional services network put it:

> Well, for some years we have been looking at this whole issue of trust and the dynamic of trust and those sorts of things post the Enron WorldCom financial scandals in 2002 and obviously the global financial crises and the events that followed whether it be expensive scandals, phone hacking so on and so forth ... And the sense that organizations need to be clear around why they exist and their actions and decisions need to underpin that purpose. Because that seems to be one of the key actions that businesses can take to bridge the trust divide."

At the same time, technological innovation has reduced companies' ability to hide activities or create their own 'truth' (Pires, Stanton, and Rita 2006; Tapscott and Ticoll 2003). The CEO of a professional services firm remarked:

> We had a round table debate last week and a number of things were said about purpose by very senior people in corporates, and one of them was, "everything we do is exposed now given the internet. We have to assume that absolutely everything we do is in the public domain, whereas in the past that wasn't the case".

When an organization faces a social legitimacy crisis, it may engage in a corporate apologia to re-establish trust and therefore legitimacy (Hearit 1995; Lamin and Zaheer 2012). Under the current climate of low trust in for-profit enterprises, purpose plays the role of a corporate apologia as organizations try to re-establish their legitimacy and secure their social contract.

Risk mitigation. While also establishing legitimacy, authentically pursuing a societal aspiration was seen by most executives as a way of defending against reputational damage. Doing so would convince the world that the organization is valuable for society and ensuring that no uncovered actions would jeopardize their reputation. As a Group Finance Director of a multinational services and construction company noted:

> It's about, on the defensive side, ensuring that a business has a license to operate in society, and is sort of doing everything it can to insulate itself from toxic effects of corporate scandals and losing trust.

Our findings suggest that corporations may adopt or pursue a corporate purpose to improve or defend their organizational legitimacy in the eyes of important stakeholders. Accordingly, we offer the following propositions:

P_1: The greater the importance of legitimacy for an organization, the more likely the organization is to adopt or prioritize a corporate purpose.

P_2: The more transparent a company's actions are, the more likely the company is to adopt or prioritize a corporate purpose.

Desire to Attract, Retain, and Motivate Talent

Attracting, retaining, and motivating the best talent are three of the most critical issues faced by contemporary businesses (Dineen and Allen 2016; Menges et al. 2017). For our executives, organizational purpose was a key factor in all three areas. First, they saw purpose as a way to differentiate themselves in the talent market. As the director of a multinational professional services firm noted:

> Attracting and retaining talent is really tough. Especially in some industries at the moment. So how can you differentiate yourself as an employer? Many people will go to purpose as an anchor space for that differentiation.

Since purpose is a meaningful, motivational concept, many also saw it as motivating for the workforce. The CEO of an insurance provider said:

> Why does that take us back to purpose... because (it's) important to be able to express to people what the benefits are of undertaking effort. And that it's no longer enough to say, "because we will pay you more".

Further, most executives believed that organizational purpose could improve employee retention by creating a deeper reason to stay that is resistant to financial and other setbacks. As the senior vice president of the multinational publishing and education company said:

> I think for organizations that don't have purpose that's truly embedded in the DNA, that when things get rocky people start to leave…when we did have financial difficulties we didn't have major talent loss because people knew that we were still headed in the right direction - still believed in the purpose of our organization.

There is considerable support for these practitioner perspectives. Research supports the view that employees are motivated by meaningful goals (Grant 2007), that the meaningfulness of work directly translates to both motivation (Hackman and Oldham 1976) and organizational commitment (Eby et al. 1999; Gagné and Deci 2005), and that traditional financial incentives have limited scope (Pink 2011), (Piekema 2014)). Moreover, recent surveys indicate that the emerging generation of employees are interested in working for ethically and socially

conscious companies, even at the expense of additional earnings (Cone Communications 2016). From the above, we propose that:

P_3: The stronger the market competition for talented employees, the more likely a corporation will seek to become purpose-oriented.

P_4: The more a company perceived its reliance on employees, the more likely a corporation will seek to become purpose driven.

The relationship between organizational purpose and talent attraction, motivation, and retention can be further specified by separating internal and external perceptions of a company's purpose. For example, an employee applying to work for a company will likely be influenced by the company's external reputation for being purpose driven, while having little knowledge of the company's internal focus on its prosocial goals. Generalizing this example, employee attraction will likely depend on the extent to which the external world sees the organization as being authentically purpose-driven, rather than how embedded the purpose is within the everyday lives of the employees. On the other hand, employee motivation will likely depend on the extent to which a purpose is embedded and felt throughout the organization by its employees, rather than external perception. As one CEO mentioned regarding motivation for the contemporary employee.

> It's therefore important to be able to express to people what the benefits of an activity are when asking them to undertake effort. It's no longer enough to say, 'because we will pay you more,' or 'because we tell you that that's what needs to be done.'

Finally, employee retention is likely to be affected by both the experience of the employee in the organization, as well as the external reputation of the organization for being purpose-oriented. One CEO characterized the typical, talented recruit:

> I'm not going to join you if you don't have a good purpose and if you can't tell me the greater good for why you exist. And If I can't see that you are doing that and I don't feel it, they I won't stick around.

P_5: The usefulness of an organizational purpose for the attraction or acquisition of talent will be related to the extent to which the purpose is perceived as authentic and effective by the external world.

P_6: The usefulness of an organizational purpose for the motivation of talent will be related to the extent to which the purpose is embedded within the organization and felt by the employees.

P_7: The usefulness of an organizational purpose for the retention of talent will be related to both the extent to which the purpose is perceived as authentic and effective by the external world, as well as the extent to which the purpose is embedded within the organization and felt by the employees.

Drive for Strong Customer and Stakeholder Relationships

Executives believed that authentically pursuing an organizational purpose would help the firm differentiate itself in the marketplace through clarifying and exposing its identity and thus creating deeper relationships with customers and other stakeholders. As the director of sustainable business at the multinational retailer noted:

> For (our company) to survive this hugely competitive marketplace it needed the point of difference. And therefore, it needed to go back to the customer, it needed to reconnect with the customer in the way it had in the 1930s and 1950s by making her life better by being purposeful…Purpose was part of that emotional reconnection with the customers.

A global services head of strategy also described how purpose deepens relationships:

> …a purpose creates a sense of belonging. you know, you attract talent, you attract customers, people want to work with you if they understand why you exist.

Organizational authenticity is widely recognized as having a positive effect on customer experience (Hennig-Thurau et al. 2006). This effect, coupled with the affinity that many have towards meaningful company agendas (Trudel and Cotte 2009), results in a powerful motivation for customer or stakeholder oriented companies to become purpose-oriented, although the latter effect may be tempered as some stakeholders are shunned where they do not align with the purpose.

P_8: The more customer orientated the corporation, the more likely it will be to seek to become purpose-oriented.

P_9: The more stakeholder orientated the corporation, the more likely it will be to seek to become purpose-oriented.

Consequences of Organizational Purpose

Beyond the expectations embedded in the antecedents, our interviews and the extant literature reveal three likely consequences of organizational purpose: 1) increased employee psychological wellbeing, 2) increased purpose-based vetting of stakeholders, 3) increased purpose-oriented marketing practice and communications, and 4) increased business performance.

Increased Employee Psychological Wellbeing

Executives mentioned attraction, motivation and retention as drivers of pursuing a purpose, but employees may also gain as a consequence of pursuing a purpose. For instance, a study of 2000 students found that those with a prosocial purpose for learning had better self-regulation while learning and were able to keep working on uninteresting tasks for longer (Yeager et al. 2014). In the same study, manipulating a prosocial purpose actually resulted in a higher GPA and the ability to sustain a task even as disutility increased. Another study on nurses found that those with higher self-transcendence also had higher work engagement, dedication, and absorption in their work (Palmer et al. 2010). Further studies have linked higher self-transcendence with higher psychological capital (Pandey, Navare, and Chandwani 2017) and decreased depression in middle aged adults (Ellermann and Reed 2001). For these reasons it is reasonable that increased perceptions of self-transcendence, generated by a corporate adherence to a transcendent purpose, will result in increased employee wellbeing and performance.

P_{10}: The more a company successfully embeds organizational purpose, the greater will be the employee wellbeing and performance at the company.

Increased Purpose-based vetting of Stakeholders

For the purpose-oriented organization, relationships will be vetted with respect to achieving the organizational purpose. Organizations that previously focused solely on financial concerns may even reject business relationships that they would have previously pursued but

which they now find to be counter to their purpose. As the head of sustainability for the

construction and civil engineering company stated:

> We've declined contracts because certain customers didn't align with our purpose…. Just
> recently in the last two years. We've never done that before.

Loyalty to previous stakeholders may also decline as organizational purpose causes

companies to re-evaluate their relationships. Thus:

> P_{11}: The more a company successfully embeds organizational purpose, the more that
> company will proactively develop purpose-supporting relationships with
> stakeholders.

Increased Purpose-Oriented Marketing Practice and Communications

Purpose leads to relationships with customers and stakeholders that are based on a

different starting point regarding what value a company creates, who benefits from

value creation, and how value is created. Rather than being focused on increasing

volumes sold or on finding short-term appeal to customer preferences, purpose-

oriented companies are likely to create profitable offerings that balance short and

long-term wellbeing value for the chosen service group(s) and supporting

stakeholders.

The core to being a successful purpose-driven company is understanding and

meeting the 'real' needs of customers and supporting stakeholders, so that value for

all parties can be achieved profitably in the short and long-term. This requires an

understanding of the intended and unintended consequences of marketing decisions,

creating deep relationships with stakeholders, and having a view of the internal and

system-wide threats to long-term value. Innovation will have to meet purpose

profitably in the long-term and dynamically match real needs, perceptions, market

offerings and the system of resources that can deliver them. Hence, the ongoing co-

creation of such innovations will likely be seen as the most appropriate means of

achieving this. 'LEGO ideas' and the 'Unilever Foundry', and online platform where

innovators and start up organizations can engage, is a good example of this.

Such an approach to marketing bears some similarities to Kotler's societal

marketing concept (2000) where "the enlightened marketer attempts to satisfy the

consumer and enhance his total well-being" (p. 57) through desirable products which

"combine high immediate satisfaction with high long-run benefit". It could also be

seen as related to the concept of 'social innovation' which focusses on increasing

wellbeing for the system as well as the core service group (Bureau of European Policy

Advisors: page 9). An example of practice resulting from this shift is wholescale

screening of communication messages for negative wellbeing impacts, for example

Unilever's Gender auditing though its 'Unstereotype Alliance' (Unilever 2017).

Thus:

> P_{12}: The more a company successfully embeds organizational purpose, the more
> marketing will take responsibility for the wellbeing needs of customers and
> stakeholders.
> P_{13}: The more a company successfully embeds organizational purpose, the more
> marketing will adopt relationship driven co-creation as the modus-operandi of
> innovation processes

Increased Business Performance

Executives were unanimous that pursuing a corporate purpose would lead to better business

performance. As the head of sustainability for the construction and civil engineering

company noted:

> It (corporate purpose) will be sustainable. It will be life affirming and life supporting. It
> will make a lot of money. A lot of money. More than we do now.

Executives based their reasoning for this outcome on many of the previously mentioned

antecedents for pursuing corporate purpose: attracting, retaining and motivating employees;

establishing corporate legitimacy; and creating authentic customer relationships. As leaders

of for-profit corporations, they were adamant that these performance benefit was not

overlooked. Whether from increased employee motivation, increased loyalty of workers, better talent attraction, more authentic relationships with customers, or improved organizational legitimacy, all participants believed purpose would help the company succeed.

P_{14}: The more embedded the organizational purpose the better the organization's performance.

The Moderating Effects of Individual Orientations and Corporate Governance

Many of the proposed benefits of corporate purpose are dependent on a positive reaction from an organization's internal and external stakeholders. The potential for this to happen is likely to be hampered or promoted by a number of factors. Here we highlight two: the individual orientations of stakeholder groups and the structure of the governing system.

Individual Identity Orientations within Stakeholder Groups

Organizational identity research suggests that the identity orientations of individuals within firms come in three types – personal, relational and collectivistic. (Brickson 2007). Furthermore, different individual identities correspond to different motivational sources. For personal orientations, individuals are motivated by self-comparison with others. Relational orientation is more concerned with dyadic relationship performance (e.g., being a good friend). Finally, individuals with collectivistic orientations are motivated by enhancing broader group outcomes (Brickson 2007).

The identity orientation of individuals within different stakeholder groups such as investors, employees and customers, affects the extent to which those stakeholder groups resonate with and are motivated by a self-transcendent purpose. Since collectivistic individual identities are concerned with broader shared outcomes, a purpose will resonate more strongly with individuals who are collectivistic, rather than individualistic or relational.

The strength of stakeholder reactions will, in turn, affect the positive consequences of pursuing an organizational purpose. Thus:

P_{15}: The more individuals within stakeholder groups hold collectivistic identity orientations, the stronger the relationship between organizational purpose and organizational success.

Effectiveness of the governing system

Our research suggests that much of the energy around creating and maintaining purpose-oriented organizations operates at a managerial level. However, purpose is ultimately created and overseen by the governing body of a company as it is here that the structuring conditions for relationships between the organization and all stakeholders are set and maintained over the long-term. Additionally, it is increasingly recognized that the governing body is responsible for the culture of the organization (FRC, 2016). Without the ownership of purpose by the governing body, and without appropriate cultural leadership and system-wide oversight, the move to purpose is ultimately unsustainable. A company with a governing body leading the transition will have a more embedded purpose and will be better at leveraging it in order to succeed.

P_{16}: The stronger the governing body ownership of purpose the stronger the relationship between organizational purpose and organizational success.

Developing and Implementing Organizational Purpose

All the executives we interviewed recognized the challenge of embedding organizational purpose within the identity and operations of a commercial organization. Many referred to purpose as a long and difficult 'journey'. Others noted it would be better for the company not to start the journey at all if it could not be undertaken authentically and for the long-term. For those companies interested in undertaking such a challenge, our executives offered insights on three dimensions: 1) choosing the purpose and its framing, 2) embedding purpose deeply and strategically, and 3) identifying important organizational actors.

Choosing the Purpose and its Framing

For a company at the beginning of the 'purpose journey', choosing the appropriate purpose and articulating it is a crucial first step. The right purpose should be motivating and guiding for the entire organization and its stakeholders, while a misaligned or forced purpose can come off at inauthentic and be detrimental to the organization. Collins and Porras (1991:38) believe the purpose statement is crucial: "A statement of purpose should quickly and clearly convey how the organization fills basic human needs. A good purpose statement is broad, fundamental,inspirational, and enduring". However deciding how to arrive at the content is less clear, athough they state it always involved the questions such as "What fundamental need are we filling?" (p.39) "What would the world lose if our company ceased to exist? Why do we want to dedicate our precious creative energies to this company's efforts?" (p. 40). According to Warriner (1965), a company's purpose can be derived by totalling up the expected human value the company's internal members hope to achieve with company actions, weighted by how much time is spent by internal members on that activity. The resulting landscape of weighted, intended value would describe the purpose of the organization. However, no company we interviewed adopted this strategy. Rather, executives utilised two key methods in deciding its purpose which we outline below.

  Consult many stakeholders. Purpose is a reflection of the organization's identity, including its values and beliefs (Collins and Porras, 1991). In one of the few papers to empirically address the formation of an organization's identity, Kroezen and Heugens (2012) find that the first step in the identity formation process is identifying, "potentially suitable identity elements" (Gioia et al. 2013) from external and internal sources. In this vein, some executives chose their purpose by relying on input from multiple internal and external sources such as the company employees, peer organizations, partners, and various external audiences or stakeholders. This aligns with Freeman (2004:364) who stated that one of the two foundations of stakeholder theory is the requirement for the organization to articulate it

purpose: "the shared sense of the value they create, and what brings its core stakeholders together". The group director of corporate affairs at the multinational telecommunications company put this as follows:

> We sent out, for the first time, a questionnaire to all of them (stakeholders) to try and understand where we are building long lasting relationships. And then we had some focus groups to try and understand what were the real issues.

While this executive's firm relied most heavily on outside stakeholders, other executives noted that it is more important to make sure that the chosen purpose aligns with the interests of internal stakeholders, as this is where the organization's identity is created and lived out.

Tap into the historical or original identity. Considering the company's original identity and history was another common strategy for choosing a purpose. As the former global vice president of human resources at the transnational consumer goods company described:

> So, what is our purpose? And that's not too difficult, if you go back to the heritage of your organization.

This method is known in the identity literature as "organizational nostalgia" (Gabriel 1993), and has been used to influence organizational identity change. Another use of company history is to create an "identity gap" where the past is seen as a time period when the organization had a stronger positive identity than today (Gioia et al. 2013). Although an internal identity fit is the most important element within the meta-frame of long-term wellbeing, a company would choose its purpose based on whose long-term wellbeing it is in a position to serve based on its internal capacities and market advantages.

Embed Purpose Deeply and Strategically

Organizational purpose must be deeply and strategically embedded within the firm for it to become part of the organization's identity. As Gioia et al. (2013) state, organizational identity is "*deeply embedded and inextricable from organizational routines, practices, knowledge,*

skill, and capabilities … as well as distinctive competencies." The strategy director of the international communications company echoed the sentiment:

> That's really how we'd love purpose to work its way into the DNA of the company. In the center, working out all the different jobs and tasks it will do. This is what you need to do to be purposeful.

Three strategies emerged for effectively embedding a purpose. We describe these below.

Create narratives and proof points. Chreim (2005) has noted that companies use rhetorical tactics and discursive strategies to reinforce organizational identity. This is a fitting approach as the upper echelon of organizations tend to be more focused on label changes, while employees in lower levels of an organization are more focused on meaning-level changes (Corley 2004). Thus, a discursive strategy must be rich enough to sufficiently convey a change in meaning. The executives we interviewed highlighted such 'proof points' as good methods for showing the potential of purpose. As the strategy director of the international communications company put it:

> What we would call a proof point. Something symbolic you've chosen not to do or you've chosen to do that... I mean what you really want to try and do is show things where you can that have made that positive difference and haven't sort of harmed the bottom line. They've actually helped the bottom line.

Change the guard. It is recognised that a company's previous identity can be perceived as a threat to the successful introduction of a new identity (Biggart 1977). Biggart suggested replacing members of the old guard to avoid this issue. While none of the companies we interviewed had taken such drastic action recently, this was mentioned as a useful approach and the start of the purpose journey within many companies resulted from the hiring of a new member of the top management team who brought a passion for purpose into the company. The former global Vice President of human resources for the transnational consumer goods company reflected on his company's history:

> (The new CEO) wanted to resurrect this whole concept of (the company's) purpose, and he wanted to embed it into what (the company) does.

Go public with the organizational purpose: To create extra motivation and signal

authenticity and buy-in, many executives went public with their commitment to a purpose,

some declaring ambitious goals within specific timelines. On one occasion, a third-party

company was hired to monitor their progress. This act serves as a way to assure incumbents

in the firm that the identity has really shifted and to align the company away from the old and

towards the new. At the same time, external review creates a stakeholder accountability

imperative. As the senior vice president of the multinational publishing and education

company said:

> We launched a very public commitment because we said that's how you galvanize an
> organization. Internal strategies, everyone's got one, they are all on the shelves - we really
> need to make a public commitment that will really force us to get this done.

Similarly, the former global vice president of human resources for the transnational

consumer goods company, told us:

> One of the most brave things that (the company) did was go outside. Talk about
> accountability around those goals! We could have kept that to ourselves, but (the CEO)
> decided that he was going to go to the external market.

The identity literature has noted the motivational and accountability contribution of external

audiences (Gioia et al. 2013). External audiences develop expectations about how a company

should be acting and build institutional pressure on it to fulfil its objectives and

commitments.

Identifying Important Organizational Actors

The ultimate responsibility for defining and accounting for purpose sits with the governing

body of an organization (BSI Group 2013). Authentic purpose that can be sustained therefore

requires board-level support and leadership. Despite this requirement, the executives we

interviewed rarely referenced the role of the governing body in defining and delivering

purpose. Instead, their views on how purpose can be delivered tended to center on the

managerial and senior executives. Although participants felt that purpose must be owned and

led throughout the organization, senior leadership and middle management were noted as being particularly important for initiating and maintaining the purpose journey.

Senior Leadership. Our executives strongly felt that purpose needed to be led from the top to drive credibility. As the senior vice president of the multinational publishing and education company put it:

> You obviously need top leadership to be shouting from the rooftops 'we are purpose-driven, profit and purpose, growth and impact'... without that you have no credibility.

Leading from the top demonstrates the advocacy that gives others the permission to act. As the former global vice president of human resources for the transnational consumer goods company put it:

> Move the leadership from being aware of the purpose and understanding the purpose, to engaging and becoming advocates for it.

Executives also highlighted particular leadership styles as being important for the purpose journey. Among these, courageous and vulnerable leadership were commonly cited. The CEO of the professional services firm described a vulnerable leader as someone who was personally committed to the purpose journey and willing to put themselves on the line by admitting it would be tough and that mistakes would be made along the way. Specifically, this CEO said:

> A leader who says look I know I'm not getting all of this right but I know what we have to do.

In the literature, vulnerable leadership is important for establishing trust with subordinates, which in turn increases employee focus on "value-producing activities" and company loyalty (Mayer and Gavin 2005). Increased levels of trust are likely to be important when trying to convince a workforce to adjust their behaviours to align with organizational purpose.

Middle management. Research has shown the potential of middle managers to be "change agents", positively aiding the movement of top-level direction into the rest of the organization (Ahearne, Lam, and Kraus 2014). Our executives echoed this point and stressed

how important this level of the organization was for successfully implementing purpose. As the director of a multinational professional services firm put it:

> The middle management is the group of people that translate purpose, for example to their teams, but also demonstrate it coming to life for their upper management. So, I think they have a huge responsibility in that space.

Research has also recognized that middle managers present several challenges when implementing transformational change. For example, those who have been with the company for a while may cling to a prior ideology (Gioia et al. 2013), making identity transformation nearly impossible. Purpose represents a shift of such magnitude in ideology that executives were particularly concerned about getting buy-in from middle management. As the head of sustainability for the construction and civil engineering company put it:

> I was always really concerned about people that didn't get it and didn't walk the walk. Because if they're managers, if they're in a position of responsibility and they aren't doing it, then all of this is undermined. All of it.

At the time of interviewing, no executive had yet figured out how to get buy in from this important section of the workforce. Indeed, middle management buy-in remains a key challenge for firms wishing to become purpose-oriented or implement change management in general (Terziovski, Fitzpatrick, and O'Neill 2003).

Discussion

Organizational purpose is a concept that orients companies towards a shared external view of what is ultimately valuable, as well as helping them pinpoint and implement their unique way of contributing to it. As such, it has profound implications for marketing, business and society. The concept of purpose has been only sporadically considered in an organizational context and has suffered from poor conceptualization, sparse theoretical development, and little empirical attention. However, in the aftermath of the 2008 financial crisis, the concept appears to have found new practitioner resonance. In its contemporary form, organizational

purpose has been positioned to allow firms to systemically respond to waves of corporate scandals, a global talent shortage, volatile operating environments, contemporary insights into the interdependence of resources, and growing evidence of the unsustainability of the status quo. Importantly, organizational purpose can inform current discussions regarding the fundamental nature of 'value' that a firm creates both internally and externally and how a firm should relate to its wide variety of stakeholders, which help it deliver its purpose and are affected by it. As such, purpose provides a powerful orientation that can frame a strategic approach to creating organizations that are fit for the profound challenges of the 21st century.

Implications for Research

The role of the firm. The contemporary purpose movement we observe in practice suggests a shift in thought regarding what a company's role in society should be and the role of marketing in the firm. Academics and practitioners in the shareholder value tradition have long argued that an organization's chief purpose is to maximize financial returns (Friedman 2007; Jensen and Meckling 1976). This perspective represents the dominant view of why a firm exists (Weintraub 2002). Although marketing was spawned from this perspective, the traditional marketing concept long ago reconceptualised the organization's 'purpose' as being "to create a customer" (Drucker 1954:31) and "to create and maintain meaningful and beneficial customer relationships" (Sheth and Uslay 2007). These two views of ultimate value focus (shareholder and customer) are recognized as sitting uncomfortably alongside each other, vying for pole position (Ellsworth, 2002). Others criticize both these perspectives for being too narrow and too self-serving to ensure the long-term (sustainable) success of a company (Collier 1998; Martin 1985; Murphy, Laczniak, and Wood 2007); they instead argue that meeting long-term needs should be the meta-purpose of all organizations. Wellbeing is the state of fulfilling a suite of universal needs (Max-Neef, 1999; Tay & Diener, 2011). Wellbeing as the meta-purpose is embodied in the concept of sustainable development

(IUCN 2006; Porritt 2010) and within the marketing realm in concepts such as societal marketing (Kotler 1972), welfare marketing (Varey 2013), sustainable marketing (Van Dam and Apeldoorn 1996; Varey 2013) Quality of Life Marketing (Arndt 1981; Kilbourne, McDonagh, and Prothero 1997; Lee and Sirgy 2004) and the foundation of the emerging 'guide and co-create' paradigm of marketing (Hurth and Whittlesea 2017). Organizational purpose joins this ensemble but underlines a conceptual shift from ultimately subjective market-based preferences towards a firm taking ownership for the delivery of a more objective end state of wellbeing. In the process of doing so, the firm also stands to be profitable in the long-term.

A holistic environment for previous theories. There are a number of organization level concepts that argue that creating societal or environmental value supports the creation of financial and customer value: blended value (Emerson 2003), shared value (Porter and Kramer 2011), corporate social innovation (Marques, Morgan, and Richardson 2017), as well as 'broad CSR' which goes beyond narrow alignment to the shareholder value concept (Schwartz and Saiia 2012). In turn, these are variously supported by foundational, systems-based propositions that orient a firm towards harnessing and creating a strong network of interdependent resources, such as resource-advantage theory (Hunt), S-D logic (Vargo and Lusch 2004) and stakeholder theory (Freeman, Wicks, and Parmar 2004). These systems-based approaches serve to underpin a view of the firm that it must (and morally ought to) serve stakeholders and their wellbeing in order to succeed in the long-term (Payne, Ballantyne, and Christopher 2005). In this landscape of theories, the onset of 'purpose' may provide foundational basis for an operational environment within which these various value-focused ambitions can develop. Through this integrative role, purpose offers the possibility that issues of hybridity, where profit and doing good are seen as conflicting institutional logics, may be somewhat transcended through a clear logic of how profit and purpose relate

at the core identity of an organization. However, the level of deep change required for an organizations to become purpose-driven and the large suite of problems that purpose seems to address, means it could prove to be an unachievable distraction that oversimplifies how organizations can address multiple societal challenges that mark the contemporary business environment. Hence the complexity of the challenge cannot be underestimated. Certainly it has been argued that without a fundamental reconceptualization of organizations beyond shareholder value and associated views of marketing, sustainable value creation by companies is unlikely to be realized (Frank-Martin and Peattie 2009; Grönroos 2007; Hurth and Whittlesea 2017; Kotler and Levy 1969; McDonagh and Prothero 2014). Hence purpose may provide the basis upon which marketing and other disciplines enter a new stage of growth and flourishing.

Limitations and Future Research

Authenticity and Embeddedness. Due to the broad implications of the organizational purpose concept, it is important to outline the boundaries for what this paper is trying to achieve. This paper is not attempting to prove that the organizations interviewed, or presented as examples, are at any particular stage of their purpose journey, where the purpose is fully embedded and felt by every employee or where the upper echelon is just starting initial implementation. Nor does this paper claim that the organizations interviewed are consistently purpose-driven in their motivations or actions. Questions regarding the extent to which a purpose is currently felt in these organizations, or how authentic these company's purposeful activities are, fall outside the scope of this paper. Rather, this paper contributes to future attempts at verifying embeddedness and authenticity by providing a thorough description of organizational purpose, based on which employee perceptions and company actions can be judged.

Research approach and sample demographics. While using a combination of qualitative interviews, extant artefacts, archival data, and complementary literature to develop

our definition of organizational purpose and identify its antecedents and consequences was appropriate, given the nascent nature of purpose, our insights need to be examined and tested more systematically by future research. Moreover, our sample was primarily made up of large, incumbent, for-profit organizations; while our review of the literature suggests that the model holds for all organizational types, it is possible that some aspects may not hold for organizations with different constitutions.

Potential negative implications of purpose. While this paper has focused on the reasons why companies are deciding to adopt organizational purpose, a purpose-orientation may also have negative implications for some businesses. Research has shown that introducing a social or environmental priority into a commercial enterprise can lead to multiple challenges and tensions, including conflicting priorities under competitive contexts, threats to legitimacy as a company attempts to authentically pursue potentially conflicting goals, and uncertainties regarding how to balance stakeholders with competing social and commercial priorities (Doherty, Haugh, and Lyon 2014). Moreover, while some organization types, such as social enterprises, can offset the financial cost of pursuing a prosocial goal with their ability to acquire capital from both financial and philanthropic sources (Chertok, Hamaoui, and Jamison 2008), for-profit organizations cannot. Future research on organizational purpose can focus on the conditions where purpose is a benefit.

Moderating Conditions. Beyond examining and testing the insights in this paper, future research needs to test the moderating conditions mentioned above and develop these further. Examining organizational purpose as it is being implemented by different types of organizations, and researching the implications of differences between the characteristics of organizational purpose, will reveal deeper insights into the phenomenon. Such research may also generate novel perspectives regarding the emerging role of marketing within purpose-

oriented organizations mentioned in this paper. Figure 3 outlines key areas of potential future

research.

(Insert Figure 3)

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Table 1: Example Definitions of Purpose

	Academic		Practitioner
Management	A sense of purpose is a common understanding of a well-defined objective or end that is to be attained. (Logan 1984) …the statement of a company's moral response to its broadly defined responsibilities, not an amoral plan for exploiting commercial opportunity. (Bartlett and Ghoshal 1994) The primary justification for the organization's existence. The primary lines of business for the company. The products and services provided and the manner in which they are provided. (Want 1986) The purpose of the firm is not just to make a profit but to serve its customers, and grow and develop as a human group pursuing a specific mission in society. (Jordi 2010) Purpose expresses the company's fundamental value – the raison d'etre or over-riding reason for existing. It is the end to which the strategy is directed. (Ellsworth 2002) Purpose—Purpose, the second part of guiding philosophy, is an outgrowth of the organization's core values and beliefs. … how the organization fills basic human needs (Collins and Porras 1991)	**Consultancies**	The Purpose of an organization is the fundamental reason why the organization exists (Sheila Margolis, Consultant) Why we do all this in the first place, why we exist. (The Conscious Leadership Consultancy) In its simplest form, purpose is the organization's reason for being. (John Baldoni, Baldoni Consulting) Rather purpose is what is at the very heart of why the organization exists. (Carrie Foster, Consultant) Purpose is the why of an organization. (Rachel miller, Internal Comms Consultant) …purpose is the organization's "why." It's at the intersection of two fundamental questions: Who are we? (that is, What are our authentic and distinctive strengths?) and What need do we fulfill in society? (Why do we exist beyond what we make, do, or sell? and Why work for us?). (Brighthouse Consulting)
Finance	…something that is perceived as producing a social benefit over and above the tangible pecuniary payoff that is shared by the principal and the agent. (Thakor and Quinn 2013) (working)	**Non-profit**	…what the organization will do with a view to realising its vision. (Australian Institute of Company Directors)

Economics	…a concrete goal or objective for the firm that reaches beyond profit maximization (Henderson and Van den Steen 2015)	Museum Accreditation Body	The museum must be guided by a statement of purpose that defines why the museum exists and who it is for. (UK Museum Accreditation Scheme)
Marketing	To create a customer. (Drucker 1954) …purpose, or reason for being, of the organization is defined by the *effect* it undertakes to produce on an external entity called the customer. (Haeckel 2010)	Collaborative Report	…its reason for being. (Purposeful Company Report)
Sociology	Thus to define purpose we must deal with the assumed functions or consequences of the several activities of an organization… If activities are defined in terms of their assumed value function, then weighted by the proportion of member time devoted to each activity, we get measures of the relative influence of each value function in the organization. These measures define the purposes of the organization" (Warriner 1965)	Oil Industry	…purpose indicates what a company exists to achieve and what it is willing and not willing to do to achieve it. (John Browne, former CEO of British Petroleum)
Law	In reference to municipal corporations, and especially to their powers of taxation, a "corporate purpose" is one which shall promote the general prosperity and the welfare of the municipality, (Wetherell v. De- vine, 116 111. 631, 6 N. E. 24.) or a purpose necessary or proper to carry into effect the object of the creation of the corporate body, (People v. School Trustees, 78 111. 140.) or one which is germane to the general scope of the objects for which the corporation was created or has a legitimate connection with those objects and a manifest relation thereto. (Weightman v. Clark, 103 U. S. 256, 26 L. Ed. 392.) (Black's Law Dictionary 2011)	Research Institute	…an aspirational reason for being which inspires and provides a call to action for an organization and its partners and stakeholders and provides benefit to local and global society. (Harvard Business Review Analytic Services and EY research institute)

Critical Systems Thinking Perspective	The definition of organizational purpose is perceived to be the result of the resolution of organizational conflict, which is subject to the exercise of power in the form of coercion and false consciousness. (Panagiotidis and Edwards 2001)	**Professional Writer**	At its core, a company's purpose is a bold affirmation of its reason for being in business. (Nate Dvorak and Bryant Ott)
Shared Purpose framework	Purpose is the ultimate 'why' of the practice and/or service we provide; it is positioned above all other strategic statements and expresses our identity and the reason we exist. (Finney 2013)	**Religious**	The purpose of a business is to be a community of persons endeavouring to satisfy basic needs at the service of the service of the whole society. (Pope John Paul II)

Table 2: Key aspects, representative quotes, and relevant literature for definition components

Definitional aspect *Representative quotes*	Indicative Relevant Literature
The meaningful reason why the organization exists *Yes, exactly so you are looking to place it into a bigger framework. Saying, why are we here as a business? ... it sits above it. It's a higher reason. – Informant 8*	• • Management • (Hollensbe et al. 2014) • Construct Evolution Theory • (Singleton 2014)
A core attribute of the organizational identity *"Purpose is not like the flavour of the month. I mean…You don't shift it because it's at the core of your being." – Informant 3*	• Organizational Identity Theory • (Whetten 2006)
An alignment with long-term financial performance *So, we start off with the company's purpose but then we have the company's goal underneath which is growing (the company) to deliver sustainable profit and revenue growth – Informant 8*	• Management: • Porter and Kramer, 2011 • Kotler & Levy, 1969
A clear context that guides daily decision making *It needs to become the go-to-test that people have in their minds when they do what they do during every day and they hear what they hear every day, and see what they see every day. – Informant 6*	• Management: • (Bartlett and Ghoshal 1994; Challagalla, Murtha, and Jaworski 2014) • Psychology: • (Ryff 1989)
A unifying and motivating force for relevant stakeholders *Part of the solution for us was to say let's refocus and gather - our CEO very much wanted to do this - around the narrative of (the company) and our stakeholders and what our purpose is as a company. – Informant 8*	• SD logic • Vargo and Lusch, 2004 • Relationship marketing • Gronroos, 1994 • Leadership • (Carton, Murphy, and Clark 2014)

Table 3: Interviewee Characteristics

	Group 1 (n=6)	Group 2 (n=7)	Group 3 (n=2)	Group 4 (n=3)
Interviewee title				
CEO		1		2
Partner		1		1
VP/SVP	2			
Head of Department/ Director	4	4	2	
Senior Manager		3		
Experience (years)				
<5	3	3		2
[5,10)	1	3		1
[10-15)	2	1	1	
>=15			1	
Industry				
Retail	1			
Consumer goods	1			
Education	1			1
Construction	2		1	
Transportation		2		
Insurance		1		
Professional Services		2		2
Telecommunications		2	1	
Size of company (Revenue)				
Small (<1 Billion)			1	3
Medium (1 to 10 Billion)	3	3		
Large (>10 Billion)	3	4	1	
History (Age of Company)				
<20 years	1	3		1
20 to 40 Years		4	1	1
>40 years	5		1	1
Geography				
Regional		1	1	
Global	6	6	1	3

Groups 1-3 are from the Blueprint for Better Business classification of purpose-oriented organizations. Group 4 includes consultancy companies the offer programs for purpose development. Group 1: Organizations that have found their own way on the purpose journey and are seeking a wider movement of change. Group 2: Organizations who get the change required and are working to support their purpose journey. Group 3: Organizations that see the need for change but it is not their natural style. Group 4: Consultancy companies and an educational institution that offer services related to organizational purpose. Two interviews were conducted with a company that was deemed to be purpose-oriented by practitioner referral. This company has been included in group 1.

Table 4: Example Purpose Statements

BT: Using the power of communications to make a better world (BT 2016).

Unilever: To make sustainable living commonplace (Unilever 2016).

Flood Re: Flood Re exists to promote the availability and affordability of flood insurance (Flood Re 2016).

Contexis: Helping big companies harness the power of purpose through entrepreneurial thinking (Contexis 2016).

Walgreens Boots Alliance: We help people across the world lead healthier and happier lives (Walgreens Boots Alliance 2016).

M&S: Enhancing lives, Every day (M&S, 2015).

Coca-Cola HBC: To bring togetherness, spread happiness and inspire a better future (Coca-Cola HBC 2016).

Disney: To create happiness for others (Disney 2015).

Grant Thorton: To shape a vibrant economy (Grant Thorton 2016).

Hermes Investment Management: …to deliver excellent, long-term, risk-adjusted performance – responsibly – and to lead debate and contribute to the transformation of the investment industry, to the benefit of our clients, stakeholders and, ultimately, society at large (Hermes Investment Management 2016).

PricewaterhouseCoopers: To build trust in society and solve important problems (PricewaterhouseCoopers 2016).

Legal and General: We make a promise that everyday we will help make financial security easier to achieve (Legal & General 2016).

ING: Empowering people to stay a step ahead in life and in business (ING 2016).

Kelloggs: Nourishing families so they can flourish and thrive (Kellogg 2016).

Deloitte: Deloitte makes an impact that matters (Deloitte 2016).

Tomorrows company: Inspiring and enabling business to be a force for good (Tomorrow's Company 2016a).

Blueprint for Better Business: To support and challenge business to be a force for good (Blueprint for Better Business 2016).

Bridge Partnership: To inspire leaders to live an extraordinary working life. And to create it for those around them (Bridge Partnership 2016).

World Business Council: From a business perspective, the World Business Council on Sustainable Development, which comprises 150 of the world's largest companies and which operates at the CEO level, now explicitly and effortlessly describes the purpose of business in terms of three responsibilities: to create economic, social and environmental value (Wheeler et al. 2003)

Buurtzorg: Helping home-based patients become healthy and autonomous (Laloux 2014)

REA Group: …to make the property process simple, efficient, and stress free for people buying and selling a property (Kenny 2014).

IAG: That purpose is to help people manage risk and recover from the hardship of unexpected loss (IAG 2018).

Southwest Airlines: To connect People to what's important in their lives through friendly, reliable, and low-cost air travel (Southwest Airlines 2018).

CVS: Helping people on their path to better health (CVS 2018).

Barclays: Helping people achieve their ambitions – in the right way (Barclays 2018).

Telstra: To create a brilliant connected future for everyone (Telstra 2018).

Figure 1: Theory of Organizational Purpose

Intervening conditions

1. Individual Identity Orientations within Stakeholder Groups
2. Effectiveness of the governing system

Causal conditions

1. Drive to Increase and Maintain Legitimacy
2. Desire to Attract, Retain, and Motivate Talent
3. Drive for Strong Customer and Stakeholder Relationships

Phenomenon

1. The Transcendent, Meaningful Reason an Organization Exists
2. An Enduring Attribute of the Organizational Identity
3. An Alignment with Long-Term Financial Performance
4. A Clear Context for Daily Decision Making
5. A Unifying and Motivating Force for Relevant Stakeholders

Strategies

1. Choosing the Purpose and its Framing
2. Embed Purpose Deeply and Strategically
3. Identifying Important Organizational Actors

Consequences

1. Increased Employee Psychological Wellbeing
2. Increased Purpose-based vetting of Stakeholders
3. Increased Purpose-Oriented Marketing Practice and Communications
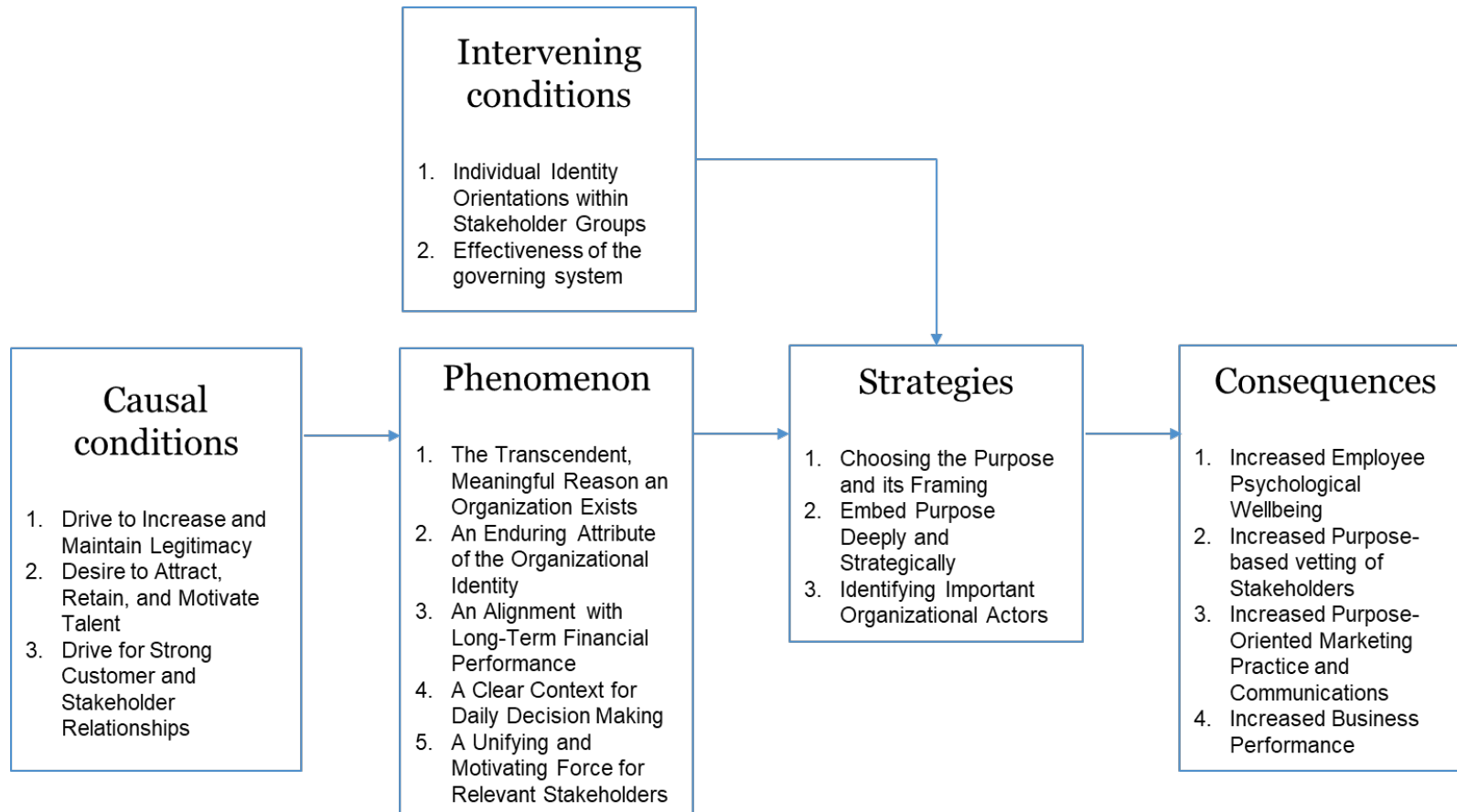4. Increased Business Performance

Figure 2: The Similarities and Differences Between Organizational Purpose and Sustainability
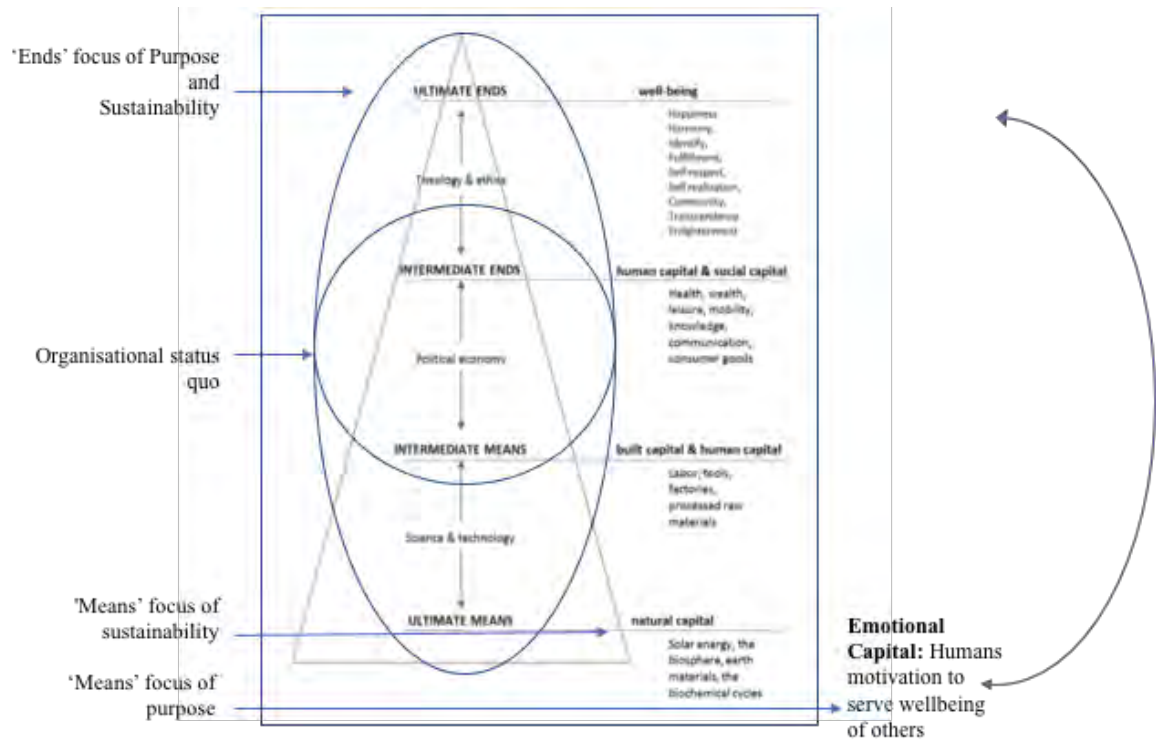
Figure 3: Organizational Purpose: Important Concepts, Descriptions, Potential Measurements and Directions for Future Research

Concept	Description	Potential Measurement Strategies	Future Research Questions
Organizational purpose	An organization's meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholders	*Subjective*: Perception of employees and external stakeholders that an organization adheres to a meaningful goal. *Objective*: Purpose statements published by the organization. Considerations meaningful operational goals present in company communications, policies, statements, strategies, etc.	How does organizational purpose affect modern business relationships with different stakeholders? Do businesses with an organizational purpose perform better on traditional performance metrics than those without an organizational purpose? What additional metrics are required?
Purpose Centrality/Maturity	The extent to which a purpose is embedded within an organization	*Subjective*: 1) Perception of stakeholders regarding the importance of organizational purpose to the organization. 2) Measure of purpose-driven culture e.g. levels of stakeholder perception of theoretically aligned cultural attributes such as ownership, trust, agility. *Objective*: Presence of purpose within internal and external communication, relationships, policies, standards, processes etc.	What conditions help/hinder embedding organizational purpose? Does the degree to which an organizational purpose is embedded affect the positive/negative impact of having an organizational purpose?

Purpose Origin	The source(s) and method(s) from which an organizational purpose was derived	*Subjective*: Perception of stakeholders regarding the sources and methods used. *Objective*: Alignment of the purpose with previous statements of intent, articles of incorporation, minutes of broad meetings, stakeholder consultation processes etc.	Does the origin of the purpose matter to the integration of purpose within the company or the acceptance of the purpose amongst stakeholders? What is the impact of different purpose origins? To what degree are stakeholders consulted or considered regarding which purpose to adopt and what implication does this have on other measures such as purpose centrality and purpose fit?
Purpose Scope	The construal level of the expressed purpose – e.g. near term, detailed and specific or broad, long-term and generalised	*Subjective*: Perception of stakeholders regarding the level at which the purpose is construed Objective: Analysis of the language of the expressed purpose and of the actions of the company	How narrowly defined or specific is the purpose relative to the most broad and global construal? What motivates this? Are broad loose framings or narrow specific framings more helpful to embedding purpose? How many layers of interpretation from the broadest level are required to optimize understand and agility in the organization?
Potential Purpose Landscape	The collection of potential meaningful goals relating to a purpose from which a company can choose to adopt one or more.	*Objective*: Number of stated meaningful goals generated from a company's search implementing an organizational purpose.	Which and how many meaningful goals are important for generating organizational, stakeholder or individual-purpose fit? How is the purpose landscape constrained by the purpose scope?
Purpose Plurality	The state of holding more than one organizational purpose	*Objective* Measurement: The number of organizational purposes that are adopted by the company.	What are the organizational effects of holding more than one organizational purpose? Can organizations effectively pursue multiple organizational purposes? Does the narrative that unties them in fact represent the purpose?

Stakeholder Impact of Purpose	The stakeholders affected positively and negatively by the organizational purpose	*Subjective*: The extent to which different stakeholders feel positively or negatively perceived, alienated or included, by a certain meaningful goal or position.	Can organizational purposes alienate certain stakeholder groups or market segments? What are the implications of organizational purposes that adopt politically or ideologically charged goals?
Purpose Value	The value (monetary or otherwise) of the purpose or sub-goals	*Subjective*: The perceived positive impact of a organizational purpose, or sub-goals, on any number of factors, including profit, sustainability, growth, stakeholder relationships, corporate legitimacy, and societal wellbeing.	What characteristics of a purpose are perceived as important by corporations, and why are these factors so important. What value and what different types of values are associated with pursuing different meaningful goals. Can societal goals be categorized and their positive impacts differentiated?
Purpose-Profit Relationship	The importance, priority, and perceived relationship between an organizational purpose and company profit	*Subjective*: Declared relationship between profit and purpose. *Objective*: In decisions where purpose and profit cannot both be optimized, which is chosen and why.	Are there common relationship types regarding purpose and profit in for-profit corporations depending on their purpose maturity? What moderates these? How do purpose-oriented corporations compare with hybrids and non-profit organizations in the handling of the relationship between prosocial goals and profit depending on the stage of maturity?
Purpose Ambivalence	Situations in which a number of relevant purposes exist, but which one to adopt as an organizational purpose is unclear.	*Subjective*: Perceived multitude of potentially useful organizational purposes. Perceived uncertainty regarding which one is the best to pursue, or how many to pursue.	Do different societal goals make for better or more useful organizational purposes under certain conditions?