

# WHAT IS A GOOD PURPOSE?

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We are developing a descriptive study of organizational purpose statements to facilitate a prescriptive examination of what constitutes a good organizational purpose and purpose statement.

Leaders are increasingly expected by employees and external stakeholders to articulate their companies' "reason for being" – typically characterized as having greater significance than driving profits alone. We see "purpose" as an organization's answer to the question, "Why do we exist?" Organizations, like people, want to see themselves and their actions as being worthy, valuable, and good. Purpose is about justifying the organization to its members and to others.

Today, purpose is not just beneficial for organizations to have; it is virtually mandatory. The renewed interest in purpose arises from at least two forces: a value shift (Paine, 2003) over the last few decades from share value to shared value (Porter & Kramer, 2011), and a more recent shift in workforce values, including Millennial workers that often prioritize meaning (Eagan et al., 2016) and worthwhile jobs (Park et al., 2014) higher than their predecessors do.

Our research seeks to identify the characteristics of a good organizational purpose. To that end, we are studying nearly 2,000 CEO statements of purpose collected for PwC's 19th Annual Global CEO Survey (2016). These statements were given in response to the question, "In your own words, what is the purpose of your organisation today?" We are analyzing these statements in relation to such factors as:

- Organization size, sector, headquarters location, and ownership structure
- CEO gender and economic confidence

In our analysis, we propose to:

- Explore the form of the statements, including construal level, length, rhetorical and aesthetic qualities, and so on;
- Examine the content of the statements, including stakeholders invoked, conception of financial and non-financial value, motivating problem, and so on.

We will then explore patterns and associations as the basis for a descriptive understanding of purpose, and we may develop a normative theory of purpose to answer the question, "What is a good purpose?"

## References

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