



**CORPORATE PURPOSE REFORMULATION**  
How companies can reformulate their corporate purpose

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## **Abstract**

Corporate purpose has been gaining attention among managers and academics, with increasing numbers of organizations adopting purpose-driven strategies to create sustainable value. However, the question arises about how companies with an original purpose since their founding reformulate their corporate purpose. This study uses a qualitative approach, through which a coding structure was constructed and used to analyze data from institutional documents and interviews conducted with internal and external stakeholders of two multinational companies. As the main finding, *Purpose Reformulation Framework* is presented, as a structured process for companies looking to redefine their corporate purpose. This framework introduces the motivations for initiating reformulation, as well as the elements included in internal and external drivers that influence the framing phase of the corporate purpose statement, emphasizing the characteristics that this statement should embody. The process results in the development of the corporate purpose statement, which can lead to a review of the company's values, mission, vision, and narratives. This research aims to bridge the gap between academic and professional knowledge, based on the framework of George *et al.* (2023), and cross-referencing it with other studies on corporate purpose. By proposing the *Purpose Reformulation Framework*, I aim to contribute to the literature on corporate purpose, establishing a basis for future research in this field. Furthermore, my model provides a guide for companies seeking to become purpose-driven businesses and generate a positive impact on society and the planet.

Keywords:

Corporate purpose, corporate purpose reformulation, re-purposing, internal drivers, external drivers, framing, statement of purpose

Title:

Corporate Purpose Reformulation - How companies can reformulate their corporate purpose

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## Sumário

O propósito corporativo vem ganhando atenção entre gestores e acadêmicos, com cada vez mais organizações a adotar estratégias orientadas para o propósito, de modo a criar valor sustentável. No entanto, surge a questão sobre como as empresas com um propósito original desde a sua fundação reformulam o seu propósito corporativo. Este estudo utiliza uma abordagem qualitativa, através da qual foi construída uma estrutura de codificação e utilizada para analisar dados de documentos institucionais e entrevistas realizadas a stakeholders internos e externos de duas empresas multinacionais. Como principal descoberta, é apresentado o Modelo de Reformulação do Propósito Corporativo, um processo estruturado para empresas que procuram redefinir o seu propósito corporativo. Esta estrutura apresenta as motivações para iniciar a reformulação, e os elementos incluídos nos *drivers* internos e externos que influenciam a fase de elaboração da declaração de propósito corporativo, enfatizando as características que deve incorporar. O processo resulta no desenvolvimento da declaração de propósito corporativo, que pode levar a uma revisão dos valores, missão, visão e narrativas da empresa. Esta pesquisa visa preencher a lacuna entre o conhecimento acadêmico e profissional, com base na estrutura de George *et al.* (2023), e cruzando-o com outros estudos sobre o propósito corporativo. Ao propor este Modelo, pretendo contribuir para a literatura sobre o propósito corporativo, estabelecendo uma base para futuras pesquisas neste campo. Além disso, o meu modelo fornece um guia para as empresas que procuram tornar-se negócios orientados para o propósito e gerar um impacto positivo na sociedade e no planeta.

Palavras-chave:

Propósito corporativo, reformulação do propósito corporativo, fatores internos, fatores externos, declaração de propósito

Título:

Reformulação do Propósito Corporativo – Como as empresas podem reformular o seu propósito corporativo

Autora:

Adriana Tomazela Zani

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My motivation for this study was very well translated in the words of an interviewee, a “finance man” with a human outlook, who made my eyes shine when I heard him say:

The goal is to fully inspire the people inside, the employees. So each of them already has, whether they know it or not, their own personal life purposes. Some of them may have this clearer, others may not have a constant sense of it, but they are not completely lost in the feeling that they are chasing something. What we want to do is, through a collective statement about the company we all represent together and the common purpose we share, inspire individual action from each individual. Thus, mobilizing each person to feel additionally inspired to carry out their own work and make it more meaningful. (Interviewee)

I thank my parents, who gave me life, a life with purpose and meaning. And that is my wish, to help other people understand what moves them and thus choose companies that are aligned with this movement and together we can contribute to a more prosperous world, that takes care of people and the planet.

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Minha motivação para este estudo foi muito bem traduzida na fala de um entrevistado, um “homem das finanças” com olhar humano, que fez meus olhos brilharem ao ouvi-lo dizer que:

O objetivo é inspirar totalmente as pessoas internas, os colaboradores. Assim cada um deles já tem, sabendo disso ou não, os seus próprios propósitos pessoais de vida. Alguns deles podem ter isso mais claro, outros podem não ter uma noção constante, mas não estão completamente perdidos na sensação de que estão a perseguir algo. O que queremos fazer é, através de uma declaração coletiva sobre a empresa que todos representamos em conjunto e o propósito comum partilhado, inspirar a ação individual de cada indivíduo. Assim, mobilizar cada um a sentir-se adicionalmente inspirado para a execução do seu próprio trabalho e torná-lo mais significativo. (Entrevistado)

Agradeço aos meus pais, que me deram a vida, uma vida com um propósito e significados. E esse é o meu desejo, auxiliar para que outras pessoas possam perceber o que as move e assim escolher empresas que estejam alinhadas com este movimento e juntos possam contribuir para um mundo mais próspero, que cuida das pessoas e do planeta.

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## 1. Introduction

Considering ongoing debates on short- versus long-term value and shareholder versus stakeholder interests, corporate purpose has gained new significance. Organizations are increasingly adopting purpose-driven strategies to build sustainable value, a trend notably highlighted by BlackRock CEO Larry Fink's 2018 letter to CEOs (Fink, 2018), which underscored the importance of expanding the focus from shareholder primacy to encompass the diverse stakeholders, who contribute to a company's value creation process. Numerous grand challenges like climate change, nature-resource exhaustion, and geopolitical tensions have increased, and companies have started reconsidering their position in society and reason for existence (Durand, 2023). This growing attention has prompted companies to (re)discover their purpose.

Academic interest in the topic of corporate purpose has also grown in recent years, connecting employees' perception of purpose to corporate value, greater identification, and an increased sense of meaningfulness in their daily activities (Gartenberg et al., 2019; Jasinenko & Steuber, 2023). Studies have shown that purpose-driven companies enjoy higher credibility with their customers, which increases the intention to purchase the company's products and services; greater interest from investors; competitive advantage in attracting talent; greater public recognition that the company deserves to make profit; and can be more profitable than others by strengthening employees' identity and reputation. (Henderson & Van den Steen, 2015; Lynxeye, n.d.). Additionally, a clear corporate purpose helps companies stabilize amid the volatility of the business environment, as it enables executives to have a more comprehensive view when making decisions, maintain focus on long-term ambitions, and foster a sense of shared care among the organization's members (Lee et al., 2023). It also enhances the image that employees have of board members, as noted in a study by Lianidou and Zhu (2023), which explains how being a for-purpose firm significantly benefits employees' perceptions of the CEO (Lianidou & Zhu, 2023). Despite the renewed interest related to corporate purpose, previous research has not yet focused on identifying best practices for discovering corporate purpose; under what conditions the purpose will tend to work best; and what the role of internal and external drivers is in its formation/reformulation (Almandoz, 2023; George et al., 2023). Studies are also needed to understand the motivations that lead companies to reformulate their purpose. Furthermore, whether, how, when, how much, and how often a company's purpose should be reassessed and reformulated over time (George et al., 2023; Lee et al., 2023). Therefore, in this thesis, I focus on the following research question:

Research question: How do companies reformulate their corporate purpose?

Building upon George *et al.* (2023) integrative framework on the process of framing, formalizing, and realizing purpose in organizations, this study proposes a framework for corporate purpose reformulation adopting a qualitative approach involving two large multinational companies. My framework aims to contribute to research on corporate purpose while also providing valuable insights for practitioners. For scholars, the objective is to strengthen the internal validity of corporate purpose and its effectiveness for companies. For practitioners, the goal is to offer guidance on how companies can follow a structured process to reformulate their corporate purpose. Furthermore, managers will be able to reflect on their company's current situation and identify the key drivers to consider when revisiting or redefining their corporate purpose. In doing so, this thesis seeks to bridge the gap between academic research and practical application (Durand, 2023).

This thesis is divided into five chapters. In Chapter 2, I provide a literature review divided into two parts, (1) the history of corporate purpose and (2) purpose reformulation. In Chapter 3, I describe the methodology, which consists of a qualitative analysis of two companies' data about their purpose reformulation process and interviews. Then, in Chapter 4, I will discuss updating the purpose and its continuity, using data collected from those companies, and present the results and findings. Finally, in Chapter 5, I present the discussions, conclusions, practical implications, limitations and recommendations for future research.

## **2. Literature Review**

### **2.1. The History of Corporate Purpose**

The topic of corporate purpose is not new. The lack of studies on the influence of formal organizations on society was pointed out by Barnard (1938), who argued that formal organizations are forms of cooperation between men that are conscious, deliberate, and purposeful, he adds that it is important to state the reason for the existence of these organizations (Barnard, 1938). Analyzing the attitude of law and public opinion, Dodd (1932) concluded that substantial changes were occurring and businesses were changing to be seen as “an economic institution which has a social service as well as a profit-making function” (Dodd, 1932, p. 1148) instead of existing for the sole objective of making a profit, similar to Friedman's view of stakeholder centrism (Friedman, 1970).

Over the years, companies have faced mounting complexities, including major challenges, greater diversity, heightened competition, rapid technological advancements, and evolving market dynamics. These factors intensify discussions and pressures concerning organizations' social impact on society. Bartlett and Ghoshal (1995) argued that companies facing these new complexities must fundamentally change doctrine (i.e., senior managers have to adapt and shift their focus from strategy, structure, and systems to a structure built on purpose, process, and people; Bartlett & Ghoshal, 1995). Since then, the concept of corporate purpose re-emerged both in management literature and through practitioners.

There are different concepts of corporate purpose in academic literature and there is no consensus on only one. Hence in this thesis, I define corporate purpose following Gartenberg *et al.* (2019) perspective as: “a concrete goal or objective for the firm that reaches beyond profit maximization” (Gartenberg, 2019, p.3).

## **2.2. Purpose reformulation**

Every company is founded with a purpose, before even launching a product or service, founders have in mind the reason why their company will exist. However, during their existence, companies face multiple internal and external pressures, and multiple changes, such as their size, ownership structure, regulation, financing, and technology, that lead them to reconceptualize their business around its corporate purpose (Mayer, 2021). This requires them to clarify (or express), adapt, or reconsider their corporate purpose, thus undergoing reformulation processes

The reformulation of a corporate purpose is shaped by a variety of forces that encompass both internal and external drivers. In this thesis, I will expand upon the theoretical framework for purpose formation and implementation proposed by George *et al.* (2023) (see Figure 1).

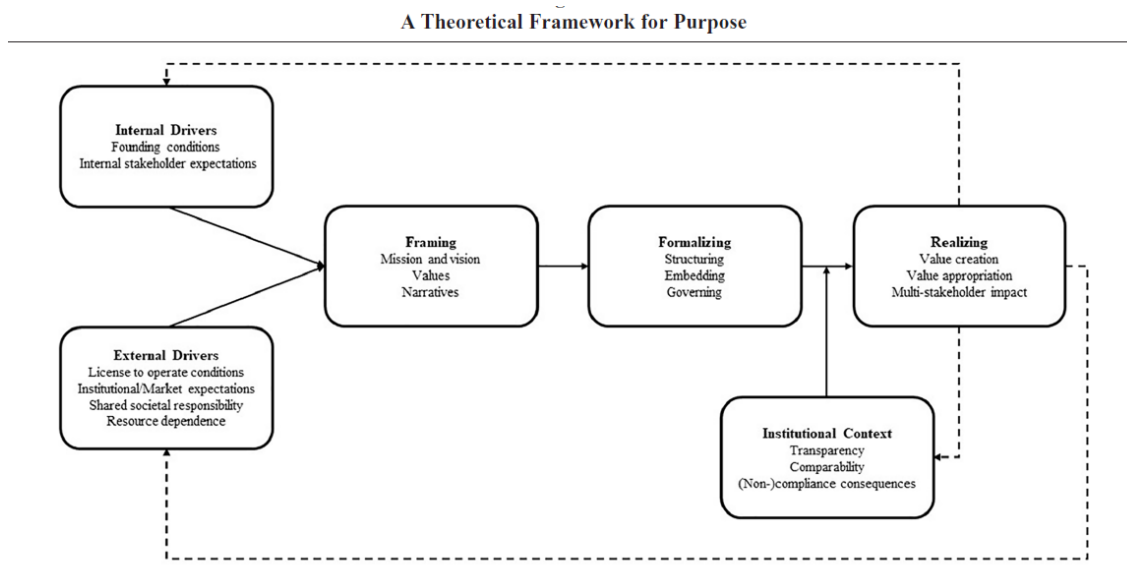


Figure 1 - A Theoretical Framework for Purpose (George et al., 2023, p. 1849)

George *et al.* (2023) divide the formation and implementation process into six foundational pillars. These pillars encompass internal and external drivers, the framing and formalization of purpose, the realization of purpose, and the influence of the institutional context. The framework begins with (1) internal and (2) external drivers, which together form the basis of purpose by addressing both organizational motivations and external pressures. This is in line with the “purpose of” and “purpose to” perspectives that need to be balanced in formulating corporate purpose, “purpose of” is about why the company exists, which stakeholders have rights over the company, and its level of responsibility towards society; and “purpose for” is related to the perceptions of purpose by various stakeholders (Chua et al., 2024). Building on these drivers, the next stage is the (3) framing process which is influenced by the organization’s mission, vision, values, and corporate narratives to define and articulate its fundamental intent. Once framed, the (4) formalization of purpose integrates this intent into organizational structures through structuring, embedding, and governing, establishing a foundation for meaningful action. The framework then progresses to (5) the realization of purpose, which focuses on value creation, value appropriation, and multi-stakeholder impact. As Chua *et al.* (2024) suggest, the realization of purpose cannot occur in isolation from the institutional context; thus, framing and formalization must align with broader societal norms and regulatory expectations. Finally, the (6) institutional context serves as both a facilitator and constraint, influencing the degree to which purpose is achieved. This stage emphasizes transparency, comparability, and compliance, reinforcing Chua *et al.*’s (2024) concept of “embedded

purpose,” which must align with the internal “embodied purpose” to ensure purpose becomes deeply rooted within the organization and is truly realized (Chua et al., 2024).

I will focus on the first three pillars – internal and external drivers and framing – to address the research question. In a reformulation process, the company already has an original purpose, whether clear and declared or not, and through organizational changes or external pressures, it decides to re-evaluate and build a (new) corporate purpose statement. This analysis will explore what are the essential elements in reformulating corporate purpose.

### **2.2.1. Internal Drivers**

The founders’ beliefs, values, and motivations are the first internal drivers and the basis of the culture and the implementation of management practices and systems. These practices and systems will allow those drivers to be incorporated and perpetuated throughout the company (George et al., 2023). Similarly to George *et al.* (2023), Aguilera (2023) believes that the departing point to the definition of corporate purpose must be when the organization was founded (Aguilera, 2023). However, it calls attention to the level of active involvement of the founders or majority owners, which will depend on their power and legitimacy and the type of society (for example, a publicly traded firm or a family firm). Founders will consult different owners and stakeholders on what the corporate purpose should be or they will, themselves, define the purpose if the firm operates in a more hierarchical society or with conflicting stakeholder voices (Aguilera, 2023). Ocasio *et al.* (2023) argue that a company's history begins with its founding, which leaves a lasting imprint on the organization. However, this foundational moment is just one aspect of the historical record, as the company's purpose is also shaped by events that occur afterward. Thus, when a corporate purpose is redefined, the new purpose that emerges – shaped by both the foundation and subsequent events – tends to be more complex than the original one established at the time of its founding (Ocasio et al., 2023).

This starting point marks the beginning of a cycle: the practices and systems established within the company enable the founders' beliefs, values, and motivations to be incorporated and perpetuated through the company. This, in turn, fosters greater employee engagement with the organizational culture — a key factor in translating purpose into action. Culture defines what is normative within a company, shaping the "oughts" that dictate what the organization and its people are expected to do. Through this normative quality, many of the benefits of purpose are realized, such as creating meaning, fostering trust, and generating a strong sense of identification (Henderson & Van den Steen, 2015). Furthermore, practices and structures not

only embody and sustain the purpose but also play a crucial role in its formation. When a company modifies its practices, it signals new commitments, communicates updated goals, and reshapes its evolving character (George et al., 2023; Ocasio et al., 2023).

Additionally, Chua *et al.* (2024) in their review propose the "purpose to" specific stakeholders, focusing on employees' perceptions of purpose and its effects on their motivation, identification, and engagement with corporate social responsibility and sustainability initiatives (Chua et al., 2024). In addition, the "embodied" perspective emphasizes internal alignment, assessing the extent to which purpose is deeply ingrained and reflected across all aspects of the company, including its artifacts, practices, behaviors, and shared values (Chua et al., 2024).

### **2.2.2. External Drivers**

From the perspective of external drivers, multiple external stakeholders can influence how the company defines and understands its purpose. This influence can be exerted, for example, through social movements, environmental changes, or legislation, which will generate the need for the company to revisit or reinforce the purpose previously followed (George et al., 2023). Aguilera (2023) states that:

“clear articulation and communication of the corporate purpose as well as periodical revisiting seem essential to avoiding purpose washing (Aguilera, 2023, p. 200).”

Mapping all stakeholders is an important step, illustrated in the example of the implementation of the Corporate Sustainability Reporting Directive (CSRD) within the European Union, an important legislative change underway. This legislation, among other topics, introduced the concept of double materiality in the sustainability reports that companies are/will be required to publish. This exercise will imply “two dimensions, namely: impact materiality and financial materiality” (Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, 2023, Article 37) regarding the processes used by the company to identify and evaluate the real and potential negative impacts that it could generate for all its stakeholders. To comply with this rule, companies must develop a process to list their stakeholders, listen to them, cast the material themes, and prioritize them, to finally define initiatives and actions that could meet the needs of the stakeholders. Regardless of whether or not a company is required to comply with this legislation, the process of mapping all stakeholders is essential for companies to proactively respond to sources of external influence to protect and potentially improve their potential to create and capture value, as well the possibility to leading them to revisit or reinforce their purpose (George et al., 2023).

The legal system in its formal and informal settings, is probably one of the two institutions with the greatest weight in formulating corporate purpose. For example, civil law countries have a much longer-term view of companies, more commitment to their members, and more patient capital. This allows companies to invest resources that will take more time to produce returns, but this decision will support and strengthen the corporate purpose (Aguilera, 2023).

The role of the government as an institutional developer is another stakeholder that should be considered. The company should analyze and decide how corporate purpose could complement or sometimes fill in government voids. This way, corporate purpose can be used as a nonmarket strategy to take advantage of government relations, as much as build trust among stakeholders (Aguilera, 2023).

Regarding institutional aspects, national culture plays an important role in the definition of purpose because it defines the expectations that society has on companies and impacts variations in the understanding of time and time horizons. Cultures that have more future orientation, also influenced by philosophical and religious beliefs, will transfer this orientation to the company and its long-term perspective (Aguilera, 2023). Also, the dimension of the company - whether it is local or multinational - will impose a more careful consideration of stakeholders' interests and the multiple institutional and cultural settings where the company operates, considering if they are compatible with local corporate purpose (Aguilera, 2023).

Additionally, Chua *et al.* (2024) propose the "purpose of" the corporation, which addresses historical questions about why companies exist in a free market, the legitimacy of stakeholders' claims on corporations, and the responsibilities of private-sector firms to society. Further, the "embedded" perspective looks at how institutional context shapes corporate purpose by examining the company's relationship with society, stakeholders, and institutional environments, using norms and logic that define the degree to which purpose aligns with the external environment and meets stakeholder demands.

Finally, changes in the context will also influence the reformulation of corporate purpose, such as social movements and environmental shocks and changes, to advance legitimacy, and subsequently allow the company a social license to operate (George *et al.*, 2023).

### **2.2.3. Framing**

The next step in the framework proposed by George *et al.* (2023) is the framing process that, in their proposal, encompasses the company's mission statement and vision; the articulation of a

clear set of values; and the expression of corporate narratives that make the connection between those values, mission and vision (George et al., 2023).

George *et al.* (2023) emphasize that engaging the members of the organization is a critical requirement to frame the statement of purpose, only with engaged members it will be possible to create a distinctive and actionable idea of what the purpose should be (George et al., 2023). Leaders have an indispensable role in this formulation process (as in implementation), as they can shape the purpose and make it a vital force in organizational life, “purpose starts with leadership and often ends with it as well” (Ocasio et al., 2023, p. 133).

For George *et al.* (2023), the starting point can be defining a set of values (typically originating from the founders), in a way that the company can see them as part of a coherent organizational identity. Then, those values should be translated into a clear mission statement and a broader vision (George et al., 2023). The authors also suggest that declarations of values, mission, and vision must merge into coherent narratives that will tell the company's story and serve as input for framing the statement of purpose:

“Narrative devices such as complete stories and story fragments help organizational members and stakeholders make sense of their environment and can guide them toward action. (George et al., 2023, p. 1852).”

There is little literature regarding the process by which companies frame their purpose statements. Nevertheless, among practitioners, there is more content available, such as reports from consultants (for example McKinsey and Deloitte), initiatives (such as the Enacting Purpose Initiative and Shared Value Initiative), and authors who have published in non-scientific media.

As previously mentioned, the following steps of “formalizing”, “realizing” and “institutional context” stages are necessary for the purpose to be incorporated into the company, however, they will not be detailed in this work.

### **3. Methodology**

In this chapter, I present the methodology used in this thesis. First, in section 3.1, I present the general research strategy of the work, explaining the companies’ selection. Second, in section 3.2, I elaborate on the research methods, which refer to the decisions made on data collection, by explaining the use of research type, semi-structured interviews, participants, and the process

they were exposed to. Afterward, in section 3.3, I illustrate the data analysis method for the evaluation of the collected data.

### **3.1. Research Strategy**

This thesis examines the reformulation of corporate purpose within companies. It draws insights from academic literature, procedures employed by practitioners – particularly consulting firms—and the perspectives of individuals within these organizations regarding their experiences. As Gioia *et al.* (2013) note, “people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions” (Gioia et al., 2013). Therefore, this study adopts a qualitative research approach, which has as one of its objectives the exploration of the internal experiences of the participants (Corbin & Strauss, 2015; Miles & Huberman, 1994). Qualitative data enables researchers to maintain the chronological flow of events and encourages them to look beyond established concepts, allowing for the review and generation of new frameworks (Miles & Huberman, 1994).

This thesis employs a grounded theory approach, incorporating semi-structured interviews with dimensions emerging from the interview process. Initial coding is utilized as a first-cycle method, with the distinctive feature that first-order codes were derived from the literature review, serving as a “provisional initial list of codes prior to fieldwork” (Miles & Huberman, 1994, p. 58). Subsequently, second-cycle methods are applied to consolidate the codes into categories (akin to Axial Coding) to identify the central category – or aggregated dimensions, as termed by Gioia *et al.* – which form the foundation for the proposed theory's explanations (Saldaña, 2013). Consequently, it can be stated that this framework was consistently applied throughout the thesis coding process, progressing from the identification of first-order themes to second-order concepts, and ultimately to the aggregated dimensions (Gioia et al., 2013).

The choice of companies to be studied was based on three criteria: the company having a purpose statement, the company having undergone a recent reformulation process, and the possibility of accessing historical data about the purpose reformulation process undertaken by the companies. Three companies were invited to participate in the study for this thesis. The invitation was based on the maturity level regarding the formulation and implementation process of organizational purpose. One company completed the process the year before (Company A), another company four years ago (Company B), and the last six years before, with more significant advancements on the topic. Companies were advised that participation in the

study would involve accessing historical process data and conducting interviews with internal and external stakeholders.

Company A is a Portuguese family business conglomerate with almost 80 years of existence, with international operations in several countries and more than 50,000 employees. It operates in different sectors of the economy. For Company A, I had access to all the data collected during the consultancy process, which was carried out by the CATÓLICA-LISBON Center for Responsible Business and Leadership in 2023.

Company B is a Portuguese family business group over 100 years old, which employs more than 16,000 employees (including their subsidiaries) and operates in different economic sectors and countries. The study focused on the Holding Group, which has around 80 employees, although it included the participation of executive members of the group's companies. Company B provided access to the data in its possession; however, I did not have access to all the historical data of the process, which was conducted by an external consulting firm in 2021.

### **3.2.Data collection**

In the following sections, I outline the decisions made regarding data collection for this research. First, I describe how information was gathered on the organizational purpose reformulation processes each company underwent (archival data). Next, I will explain the decision to use the semi-structured qualitative interview approach, and the criteria established for choosing participants, including an explanation of the process they were subjected to.

#### **3.2.1. Overview of the qualitative process**

The database for this thesis consists of three types of data used to describe and analyze the processes of purpose reformulation. The database, developed over an eleven-month data collection process, includes materials from 2021 to 2025 and is composed of: (1) Archival data, both written and video (including recorded interviews); (2) Semi-structured interviews (Table 1).

*Table 1 – Sample: archival data and semi-structured interviews*

Source of Data	Data Size	Types of Data
(1) Company A: Archival data (2021-2023)	Around 5 hours	- 9 interviews with stakeholders: 1 from Board, 3 shareholders, 2 suppliers, 1 client and supplier, 1 representative of society and 1 representative of environment field

	Consulted documents: 15	<ul style="list-style-type: none"> <li>- Institutional documents: Investor presentation; Institutional brochure; Strategic Plan 2022-2026; Consolidated Annual Report 2021 and 2022;</li> <li>- Documents from the Consultancy Project: reports, interview forms and presentations</li> </ul>
(2) Company A: Semi-structured interviews (2024-2025)	Around 8 hours	<ul style="list-style-type: none"> <li>- 11 interviews with stakeholders: 7 from Internal stakeholders (1 CEO, 4 Directors and 2 Technicians); 2 shareholders; 1 client and supplier; and 1 representative of society.</li> </ul>
(3) Company B: Archival data (2021-2024)	<p>Consulted documents: around 26</p> <p>Videos: 3, around 7 minutes</p>	<ul style="list-style-type: none"> <li>- Institutional documents: Institutional brochure; Strategic Vision; Investment Policy</li> <li>- Institutional videos</li> <li>- Documents from the Consultancy Project: reports and presentations</li> </ul>
(4) Company B: Semi-structured interviews (2025)	Around 9 hours	<ul style="list-style-type: none"> <li>- 15 interviews with stakeholders: 5 from Internal stakeholders (1 CEO and 4 Directors); 3 Shareholders; and 7 from subsidiary companies (from the executive level)</li> </ul>

### 3.2.2. Archival data

The corporate purpose reformulation process followed by Company A employed document analysis, surveys, semi-structured interviews, and workshops. The survey was carried out among employees. The interviews were conducted with stakeholders and were based on an interview guide (see Appendix A) that provided directions during the sessions. However, it is worth noting that participants had access to the questions prior to the interview. The criteria for selecting internal company interviewees by the consulting team were the age, business unit, role, and time working in the company. For external stakeholders, the selection criteria were the frequency and level of interaction between the external company and the company. From the chosen sample of 18 participants, nine interviews were recorded, which included the participants listed in Table 1. In this process, interviews were conducted via the Zoom platform between April and May 2023, lasting between 17 and 39 minutes. The transcription of these interviews was done by me using the free version of an online application (TurboScribe). For the workshops, the participants were selected by criteria established to ensure the sample of employees was as diverse as possible. Thus, employees from different business units, with varying lengths of professional experience in the company, as well as different ages and genders, were included.

In the case of Company B, data collection was done through document analysis, interviews, and workshops. The interviews had a sample of 56 participants including 15 from the Shareholder Council, 8 from the Board, 17 from the subsidiary’s Executive Commission and holding’s Directors, and 16 from external stakeholders. A total of 34 interviews were conducted; however, the interview guide and recordings (if any were made) were not made available for analysis. The criteria used by the company and the external consulting for selecting interviewees were people with good knowledge of the Portuguese economy since the interviews were conducted in the Strategic Planning project and their information was incorporated into the corporate purpose reformulation project. In Company B, no data collection was conducted with employees.

### 3.2.3. Semi-structured interviews

The interviews were guided by interview form, with pre-determined questions, but with an open and flexible dialogue. This data source allows for obtaining retrospective and real-time accounts by interviewees who are experiencing (or experienced) the object of study (Gioia et al., 2013).

For this process, interview guides were developed for each type of participant (see Appendix B). One interview guide was directed at internal stakeholders who were involved in the decision-making about the purpose reformulation process and was divided into three blocks of questions: prior to purpose reformulation; purpose statement reformulation process; and evaluating the process ex-post. The other interview guide was directed at internal stakeholders who were not part of the decision-making but participated in the process, as well at external stakeholders. This guide was divided into two blocks of questions: about the process and about your company (for external stakeholders only). Unlike the process in Company A, participants did not receive the questions in advance.

Regarding Company A, the same sample of interviewees from Company A’s process led by the consulting team was considered, with the addition of participants from the workshops (which included only internal employees). Thus, the selected sample was composed as shown in Table 2.

*Table 2 – Company A Sample of Interviewees*

Type of Stakeholder	Amount
Board	1
Shareholder	7
External stakeholder	11
Internal stakeholder	24

TOTAL	43
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Regarding Company B, the company’s focal point was asked to identify (1) individuals who participated throughout the entire purpose reformulation process, including the decision-making process that initiated the project; (2) shareholders; (3) Board members; (4) individuals who participated in at least one workshop conducted during the process, including executives from the Holding and executive members from other companies within the Group. External stakeholders were not considered as it is a holding company, which does not have direct customers and suppliers.

*Table 3– Company B Sample of Interviewees*

Type of Stakeholder	Amount
Board	1
Shareholder	13
Executive Committee (subsidiary companies)	6
Internal stakeholder	24
TOTAL	44

The semi-structured interviews were conducted on the Microsoft Teams platform between December 2024 and February 2025, involving interviewees from Companies A and B. The interviews lasted between 18 and 75 minutes, and the transcriptions were performed using the free version of an online application (TurboScribe). The number of interviews conducted in each company, categorized by type of stakeholder and average time in the company, is presented in Tables 4 and 5.

*Table 4– Company A Interviewees*

Type of Stakeholder	Amount	Average tenure
Shareholder	2	16 years
External stakeholder	2	4 years
Internal stakeholder	7	20 years
TOTAL	11	16 years

*Table 5– Company B Interviewees*

Type of Stakeholder	Amount	Average tenure
Shareholder	3	22 years
Executive Committee (subsidiary companies)	7	21 years
Internal stakeholder	5	17 years
TOTAL	15	20 years

### **3.3. Analysis process**

The first analysis focused on the documents from the purpose reformulation processes, specifically the reports and workshop presentations, to identify the process followed by each company in their reformulation of corporate purpose. From this initial analysis, questions arose that were explored with the focal points of the companies studied. Subsequently, questions were incorporated into the semi-structured interview guide to clarify the stages of the process followed by each company.

The second step was the coding process of the literature review to summarize the content related to the research question of this thesis, staying true to the terms used by the authors of the scientific articles. In other words, chunks of words summarizing the elements of the processes of reformulation, review, and reformulation of corporate purpose were extracted to distill the information to its essence while maintaining clarity and integrity. This process generated three data structures, each composed of three cycles. First-order codes were taken from the literature review (see Appendix C with the list of articles considered). Second-order codes are the result of a higher level of abstraction (like a summary) based on the interpretation of content similarities between first-order codes. The third cycle was derived from the framework by George *et al.* (2023) on purpose formulation, as it was identified that the stages of this framework (considered in this study), correspond to a higher level of abstraction compared to the data coded in the first and second cycles. The three data structures can be seen in Appendices D, E, and F.

The third step involved the coding process of institutional documents and the transcriptions of interviews from the archival data and semi-structured interviews. Sentences or paragraphs related to the research question were extracted and coded by using the data structures derived from the literature review while remaining open to the identification of new codes.

## **4. Results and Findings**

In this Chapter, I present (1) the motivations for companies to start their corporate purpose reformulation processes, (2) the processes followed by the two studied companies, and (3) elements that emerged from coding the data studied.

## 4.1. Motivations for purpose reformulation

Both companies had internal and external motivations to start their corporate purpose reformulation processes. The internal motivations were related to changes such as leadership, strategy, ownership, growth, and financial structure. External motivations involved aspects such as pressures from the market, branding, talent attraction, and the necessity of differentiation.

In general, internal motivations refer to the organizational changes faced by companies, resulting from one or more circumstances that led them to transform the organizational environment. At Company A, the set of motivations involved a change in leadership, a review of the strategic plan, and the entry of a new investor. Furthermore, the company's rapid growth and the search for other investors created the need to clarify the corporate purpose, to maintain the company's identity and culture. At Company B, interviewees pointed to a specific moment that triggered organizational change. A large divestment generated a considerable change in the financial structure. The new and stable medium to long-term financing structure gave the company the strength to carry out some restructuring, including reviewing the shareholding structure, changing leadership, and reviewing the strategic plan. Table 6 illustrates the internal motivations listed through the interviewees' statements.

*Table 6 – Internal motivations identified in interviewee statements*

<i>Internal motivations</i>	<i>Interviewee's statements</i>	<i>Interviewee ID and Sources</i>
Changing in leadership	"It was at a great time when the third generation took over the company"	P14
	"We felt the need, at the time we were transitioning the group's leadership, when I was replaced by my brother, who became the CEO of the group"	P21
Reviewing the strategic plan	"It was considered to be a great opportunity because the company had set a very ambitious strategic plan"	P18
Entry of new investor	"After a new shareholder came in (...) I think it's time to stay strong on culture and on legacy that we can maintain it for the future"	P14
Searching for other investors	"They want to get new investors and people that understand that the culture is something really important, the culture and the purpose is something really important in the company"	P13
Rapid growth	"We are growing very fast since, let's say, 15 years. And we are still growing in the next	P30

	years. And it's very important for us to have a conduction, let's say, a 'fio conductor', to be sure that our culture is always evolving, of course, but remains the same culture, the same values, and the response actually for the new times”	
Reviewing the shareholding structure	“Because the future is for them, the future is for the fifth generation and the sixth generation, we wanted that they had a role in the definition of what would be the purpose for the next hundred years of the group”	P33
	“After the protocol was developed, in which a commitment to the long-term continuity and development of the Group was established, it became essential to deepen and articulate the Group’s purpose, which should reflect its raison d’être”	Consultancy document
Changing in the financial structure	“Internally, the Group is entering a new phase of its existence following the [***] operation, with a robust equity structure and a stabilized medium-to-long-term financing structure”	Consultancy document

Note: Consultancy document refers to an internal document. Since it is not a public publication, it is not included in the reference list but has been included in the table as a personal communication.

External motivations are related to the pressures faced by companies. Both Companies A and B felt the need to make their corporate purpose explicit because they considered it to be a new market trend and a way of attracting talent. Due to the industry in which Company A operates, the need for rebranding was also mentioned to assist in the transition to the new generation. Company A also mentioned the opportunity to be pioneers in their sector, since competing companies did not have a statement of purpose. Table 7 illustrates the external motivations listed through the interviewees' statements.

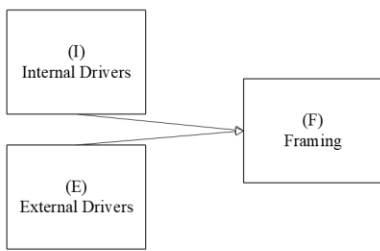
Table 7 – External motivations identified in interviewee statements

<i>External motivations</i>	<i>Interviewee’s statements</i>	<i>Interviewee ID</i>
New market trend	“At the time, a lot of companies were developing their purpose statements”	P24
	“Purpose is very trendy, and we had no references to ours”	P34
Talent attraction	“So people were looking for reasons to work in certain companies and reasons for not working were reasons to attach to certain	P18

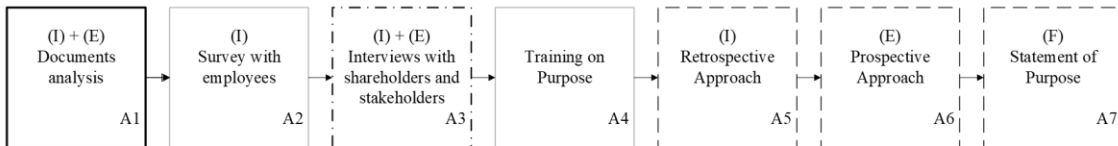
	companies and certain brands rather than others”	
	“In the context of significant growth, this kind of exercise is good for alignment, not only alignment of the people working here, but then also to clarify in a better way what do we stand for when new people come in”	P31
Rebranding	“I think the driving reasons were a bit of a repositioning and branding for what was a new generation transition”	P08
	“Can we rebrand below the founder? I think we can rebrand below the achievements we made in the last eight years”	P12
Differentiation	“The opportunity of being a pioneer in this sector”	P18

#### 4.2.Reformulation processes

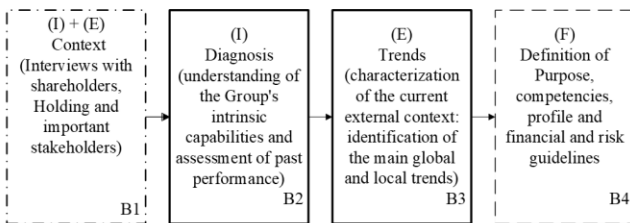
The processes followed by both companies show similarities to each other and the framework by George *et al.* (2023). Figure 3 presents the excerpt of the framework of George *et al.* (2023) as well as the processes undertaken by Company A and Company B.



COMPANY A - PROCESS OF PURPOSE FORMATION:



COMPANY B - PROCESS OF PURPOSE FORMATION:



*Figure 2 – Processes of Purpose Reformulation*

The Internal (I) and External (E) drivers, as well as the Framing (F) stage by George *et al.* (2023) are present in the process stages of both companies (represented in the figure by the respective initial letters).

The diagram illustrates that phase A1 of Company A corresponds to phases B2 and B3 of Company B. Likewise, A3 and B1 are comparable, as well as A5, A6, and A7 with B4. The main difference lies in phases A2 and A4 of Company A, which were not part of Company B's process.

When asked what they would do differently about the process they followed, interviewees from both companies praised the processes, particularly because they were conducted by external consultants and were of an appropriate length of time. Regarding improvements, broader stakeholder involvement; fewer participants in each workshop (so that they could have more time and freedom to participate); and the level of the discussion not being so "high level". Regarding the phases of the process, a change in the order of the stages was also suggested, so that strategic planning, specifically the vision, would be an input for the purpose review process. Another suggestion was to add a new phase at the end of the process to deal with the next steps

for implementing the purpose. Table 8 illustrates the assessment of the process listed through the interviewees' statements.

*Table 8 – Assessment of the process identified in interviewee statements*

<i>Assessment of the process</i>	<i>Interviewee's statements</i>	<i>Interviewee ID</i>
External consultants conduction	“They should not be biased by the opinion of the people that are running the process in the company (...) we have our bias. So it's completely, it's, I think it's a very important aspect. But the project was quite, it was anonymous. It was quite transparent. The word, the questions that I can remember were quite assertive and direct”	P13
	“We wanted to do this in a structured and in-depth way, with the support of specialists who could help”	P28
Length of time	“We had time to incorporate reflection and to build consensus or compromise (...) With time, we were not pressed to take a decision”	P33
	“Steps were taken slowly, not in a slow way, but in the necessary time to think, present ideas, reflect, revisit the topic, question things, there were several iterations, and that was interesting”	P22
Stakeholder involvement	“I think there was something that I would have done differently, which is to bring more locals, I would also put more women talking about it”	P14
Workshops	“I think the discussion was very high level in terms of hierarchy, and that ends up being somewhat inhibiting”	P20
	“I have the feeling that there was a lot of people in the workshop. So not everyone had the same room to share or the same space to share his opinion”	P26
Phases of the process	“I would align a vision exercise within a temporal logic, meaning, what is the group's vision? From this vision, what is the master plan, the strategic plan that will define the next five years? And I would connect these two management elements to the purpose”	P15
	“An additional meeting with some more restricted persons, I'm not sure, to further explain which are the next steps after the statement of purpose”	P19

### 4.3. Elements in the reformulation process

In this section, I will show the representativeness of codes in data and list the elements that emerged from the analysis process. In Figures 3 and 4 below, I present the newly proposed data structures for the aggregated dimensions from George *et al.* (2023) – Internal drivers and External drivers.

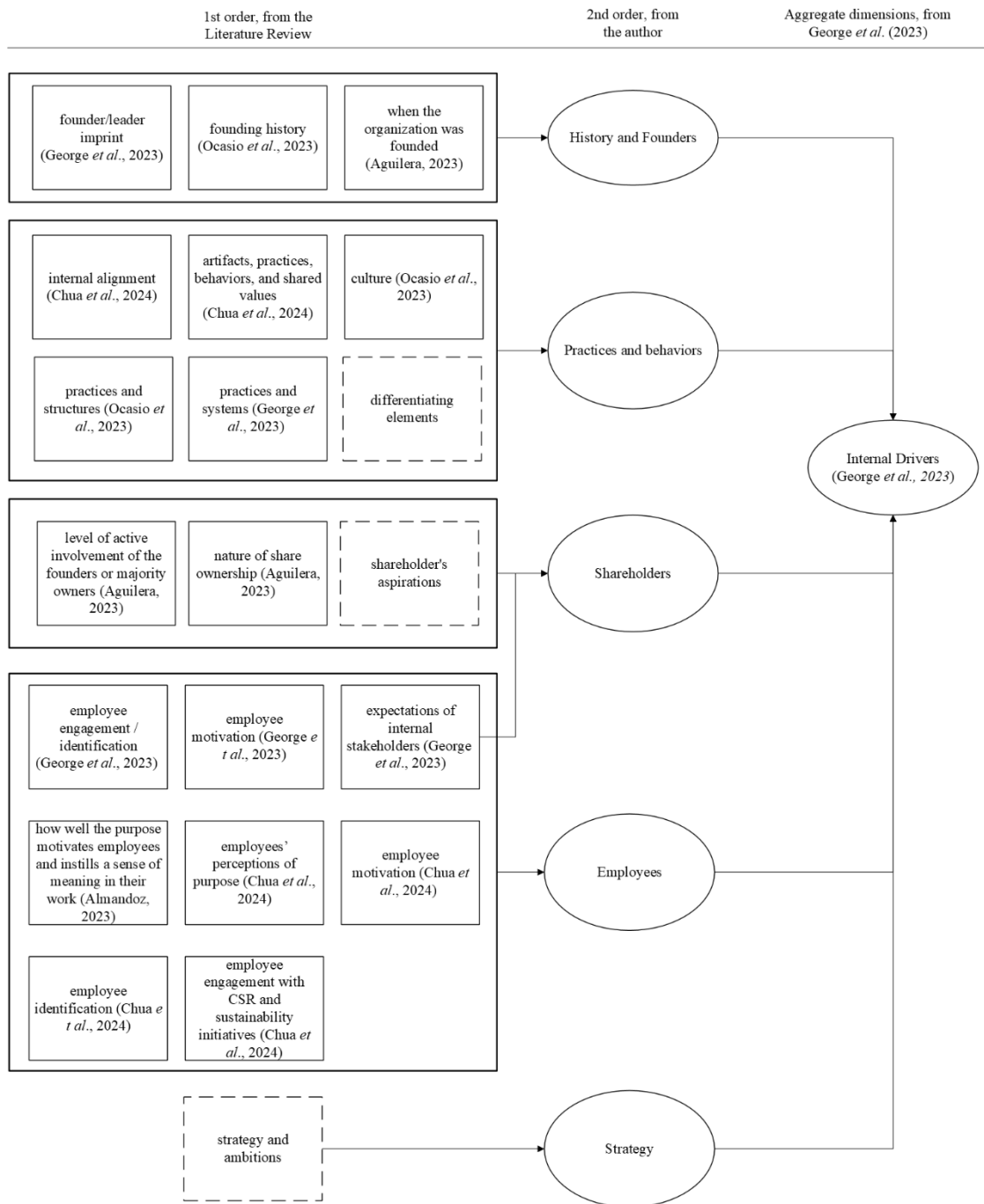


Figure 3 – A revised data structure for Internal Drivers

"Practices and Behaviors" and "Stakeholders" were the two most present elements in the reformulation processes of the companies studied, followed by "History and Founders" and "Employees", both from the aggregated dimension "Internal Drivers". This result indicates that the internal drivers possibly carried greater weight in the process compared to the external ones.

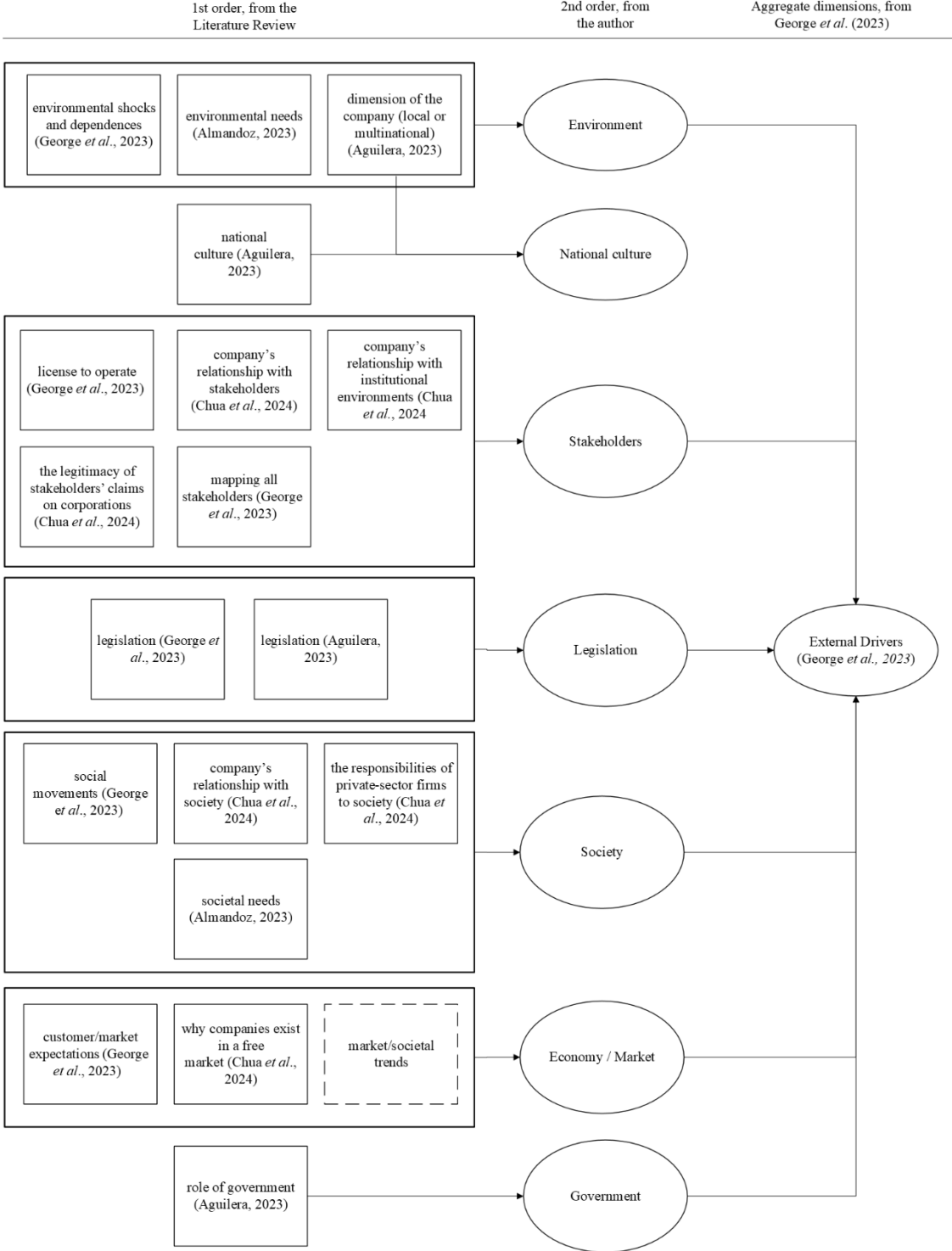


Figure 4 – A revised data structure for External Drivers

Regarding the external drivers, "National culture", "Legislation", "Economy/Market" and "Government" did not receive much attention from those involved in the process. These elements may serve as concrete limits to be taken into account in defining the purpose, rather than something that will be part of the reflections since many are "immutable" or difficult for the company to change.

#### **4.3.1. Internal drivers – Practices and behaviors - Differentiating elements**

In the documents from both consulting firms, I found mentions of the need to identify the company's differentiating elements so that they should be considered in defining the statement of purpose. Each company uses different expressions to refer to this element, which I have chosen to designate as “differentiating elements” and to include under the first-order category “Practices and behaviors”.

I obtained evidence from company documents including statements such as: “the factors that make the company unique and truly differentiating”; “positioning (...) – the importance of making the purpose explicit as a differentiating element”; and “a distinctive element of the group since its foundation”. In the interviews, P21 stated: “what defines us, what is essential in the group and cannot be replicated”, while P29 added:

“we are looking to express what differentiates us. And as a collective people, as a collective person. So what differentiates us as a business when we are all together, but at the same time, that can also help us inspire within each of us (P29).”

#### **4.3.2. Internal drivers – Shareholders – Shareholder’s aspirations**

I identified the “shareholders' aspirations” code in the data, which was not covered by the elements of the initial data structure. The initial structure refers to the level of shareholder involvement and the nature of ownership, however, neither of these elements captures the shareholders' aspirations for the company, which influence the corporate purpose definition process.

In the documents from Company B, I identified the following evidence, leading to my suggestion of incorporating this element: “raison d’être – Ensuring returns for shareholders” and “Objective of remunerating shareholder capital, with returns above market levels and a sustained distribution of dividends”.

### **4.3.3. Internal drivers – Strategy – Strategy and ambitions**

Company A had undergone a strategic plan review less than a year before the corporate purpose reformulation process, and I checked that this was considered during the document analysis phase conducted by the consulting firm. This is explicitly stated in the consultancy reports, which mention, for example, that the company aims to be “a global company focused on delivering value to all stakeholders in a sustainable way”, among other strategies defined by the group and referenced in these reports. Another piece of evidence demonstrating that strategy – meaning the company’s future – was taken into account is the question used by the consultancy in the interviews: “From an environmental and social point of view, where should Company A's focus be in the future?”.

Company B was in the early stages of its strategic review but chose to reformulate its corporate purpose first, as explained by P24:

“we took the decision (...) to launch a strategic reflection project where we would define the vision, the strategic vision for the next 10 years (...) we decided to involve [consulting firm]. And when we defined the calendar for the project at the time, [consulting firm] advised us to start with the purpose. (...) we had some blocks that ran in parallel. So we did not wait to have the purpose statements defined to start working on other blocks. But that was the cornerstone of the strategic reflection (P24).”

Additionally, in the summary of interviews conducted with external stakeholders of Company B, I verified that the consulting firm outlined the opportunities and challenges identified by these individuals.

### **4.3.4. External drivers – Economy/Market – Market/Societal trends**

Just as the element “strategy and ambitions” provides a forward-looking perspective from an internal environment standpoint, the element “market/societal trends” that I propose is introduced as a new component within the second-order category “Economy/Market”.

I verified that this element is present in the “Document Analysis” (A1) phase of Company A, where one of the documents used was “Competitor Analysis | Summary Table.” Additionally, the interviews included questions such as “What are the 3 fundamental trends in Company A's operating sector that the company should pay attention to?” and “What are the 3 societal trends the company should pay attention to?”. In Company B, the importance of this element is evident from the name of one of the phases itself – “Trends (characterization of the current external context: identification of the main global and local trends)” (B3).

#### 4.4.Framing – objective, aspirational, and what to consider

In the Framing stage, I did not identify new elements that would change the initial data structure. However, my data analysis raises important topics regarding the aspects of purpose and what should be considered when crafting the statement that will represent the corporate purpose.

I analyzed that there are different opinions on the aspects of corporate purpose, and whether it should be framed considering objective and/or aspirational aspects. Some interviewees believe that purpose should represent what the company is, either to clarify externally what the company is or to align its understanding among internal stakeholders. The definition of this objective part of the purpose is more strongly related to internal drivers, despite the influence of external drivers. Others believe that the purpose statement should reflect what the company is, while also incorporating an element of ambition or future challenge. In this aspect, external drivers have greater weight than internal ones, external ones indicate future trends, although internal drivers will be the decision-makers on which future possibilities will be pursued. Table 9 illustrates the objective and aspirational framing aspects listed through the interviewees' statements.

*Table 9 – Objective and aspirational framing aspects identified in interviewee statements*

<i>Framing stages</i>	<i>Interviewee's statements</i>	<i>Interviewee ID</i>
Objective framing aspect - to be externally recognized through the statement	“When the sentence is constructed, someone that does not work and hears for the first time the sentence must... understand and say, oh, this is... This refers to [Company A]”	P17
Objective framing aspect - to be recognized internally through the statement	“All of us, we recognize ourselves in the statement”	P18
	“It has brought clarification, so now we have a stated purpose. It's not implied”	P29
Aspirational framing aspect	“To be an instrument to have the teams together with the same direction, in a stable way over time”	P30
	“I see purpose as something more related to the future in the sense that it is something that will guide us in what we'll do”	P25
	“The purpose statement must clearly reflect what we want to achieve, or what we want to become”	P22

Regarding what should be considered when framing the statement that will represent the corporate purpose, according to the interviewees, the statement should identify the company DNA and differentiating elements; generate a sense of belonging among employees; be short and direct; be impactful and inspirational; be genuine, aligning with the company’s values and aspirations. It is also interesting to mention a very practical dimension of the purpose statement, which acts as a mental guideline for executives in decision-making processes. Table 10 illustrates the characteristics of the statement of purpose listed through the interviewees' statements.

*Table 10 – Characteristics of the statement of purpose identified in interviewee statements*

<i>Characteristics of the statement of purpose</i>	<i>Interviewee’s statements</i>	<i>Interviewee ID</i>
Identify the company and its differentiating elements	“I think the purpose must be something very genuine and intrinsic, something that has been in our DNA forever and will always remain”	P28
	“We believe that there are elements that differentiate our organization, and some of them are already embedded within the DNA of the organization and the company”	P29
	“I hope that the purpose (...) helps the market perceive the difference”	P28
Generate a sense of belonging among employees	“Everyone is necessary to contribute to the final product, and everyone needs to have the same approach, let's say, to the purpose that we will finally establish”	P30
	“At the end, (...) I think we will be sure that the purpose is good when we see that people are using it to reflect on their lives, on their work lives”	P30
Be short and direct	“Direct” and “That people know by heart”	P31
Be impactful and inspirational	“Very good, short, and very impactful”	P17
Aligning with the company’s values and aspirations	“I think it is important for us to state our values, but also what we want for the future”	P32
Serve as a mental guideline for decision-making	“Once it is written and clear (...), it becomes a mental guideline that helps you make decisions”	P27

### 5. Discussion

In this section, I present my *Purpose Reformulation Framework*, illustrated in Figure 5, that can be used in corporate purpose reformulation processes, as well as in the identification of the characteristics necessary to frame a statement of purpose that facilitates its implementation within the company. At the end of the section, I show a summary table of findings (Table 11).

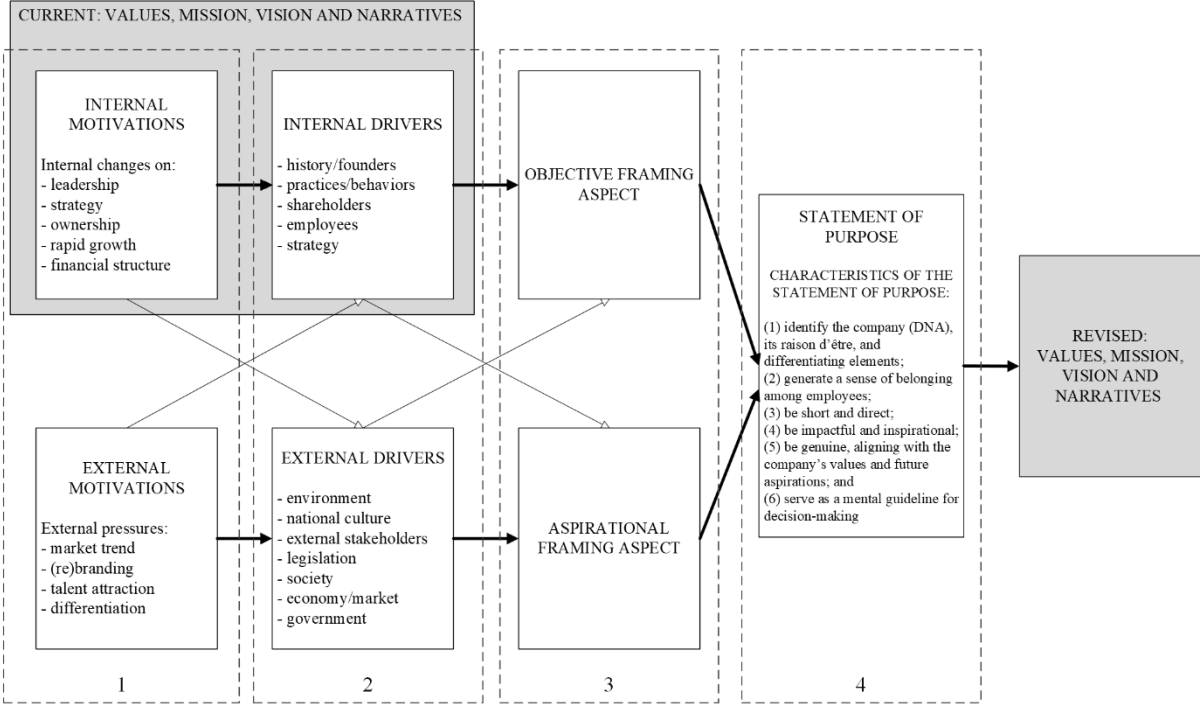


Figure 5 – Purpose Reformulation Framework

The *Purpose Reformulation Framework*, illustrated in Figure 5, highlights the current and revised values, mission, vision, and narratives. I propose that companies that go through a corporate purpose reformulating process already have values, mission, vision, and narratives, whether they are clear and declared or not. These elements will serve as a basis for the initial phase of the process, influencing the internal motivations and internal drivers, which are at the beginning of the process. After completing the entire reformulation process – which will primarily produce the statement of purpose – the values, mission, vision, and narratives may be reviewed whether they are changed or not.

The process starts with the motivations that lead to the decision to reformulate the corporate purpose. They are driven by internal factors, like changes in leadership, strategy, ownership, rapid growth, and financial structure; and external factors, like pressures: market trends,

(re)branding, talent attraction, and differentiating. Those motivations are aligned with the discussions raised by Durand (2023) and Lee *et al.* (2023).

Once the decision to proceed with the reformulation process has been made, both the literature and practice indicate that a collection of information regarding the internal and external drivers that permeate the company should be conducted. The drivers listed in the *Purpose Reformulation Framework* serve as a "checklist" of what should be taken into account. The relationships between the internal and external elements are also important, internal motivations have a stronger relationship with internal drivers, while external motivations exert a greater influence on external drivers. However, both are impacted by each other since internal changes can have an impact on external drivers, and/or external pressures can have an impact on internal drivers.

The process moves on to the “Framing” phase, which is divided into two: the objective framing aspect and the aspirational framing aspect. This division is related to two issues: the lack of a consensual concept of purpose among academics and the discussion regarding its stability.

While Fitzsimmons *et al.* (2022) have clarified the differences between mission, vision, and purpose, broader dissemination of these concepts is still necessary to avoid misunderstandings, such as the idea that purpose has "replaced" the mission. Also, the stability of corporate purpose, as studied by Chua *et al.* (2024), is an issue that requires further reflection and a clearer understanding. Proponents of a long-lasting purpose argue that an unwavering sense of purpose enables a company to remain anchored, regardless of external events. In contrast, proponents of an adaptive purpose emphasize the need for a flexible and situational purpose that allows for quick responses to changes while maintaining a sense of shared meaning (Chua *et al.*, 2024). This debate directly impacts the purpose statement formulation phase.

George *et al.* (2023) state that the framing of purpose should consider both dimensions – the aspirational and the objective (he uses the terms duty-based and goal-based) – which is the reason for the separation between these two aspects in the *Purpose Reformulation Framework*. Additionally, internal motivations and drivers tend to have a stronger influence in defining the objective part of corporate purpose since they are well aware of what the company is and want to take that legacy into account. In contrast, external motivations and drivers exert a greater influence on defining the aspirational part of corporate purpose, as they more strongly represent the future outlook. It is worth noting that the complexity of organizations means that all these elements are interconnected, albeit with varying degrees of interaction.

The next stage of the Framework is the definition of the Statement of Purpose. It is essential to determine what should be considered when drafting this declaration. Although such insights are present in consultancy reports, they are absent from the academic literature on corporate purpose. From an external perspective, corporate purpose is increasingly being used as an institutional communication tool, as well as a marketing and/or (re)branding instrument – so much so that, in some companies, the reformulation process is led by the communication department. This may explain the inclusion of a future vision within the statement of purpose. This communicational focus could also be why consulting firms incorporated the identification and analysis of differentiating elements in the early stages of the process. These elements capture both the past and present of the company while introducing a future-oriented aspect by positioning it distinctively in the market. Through this approach, the company communicates who it is willing to engage with, what kind of employees will identify with it, and how it intends to seize market opportunities.

Considering the importance of the statement and its internal and external impact, identifying the characteristics of the purpose statement is a valuable contribution to both academic literature and practitioners. In the penultimate stage of the Purpose Reformulation Framework, I present the characteristics that a corporate purpose statement should have, as pointed out by practitioners and interviewees: (1) identify the company’s *raison d’être* and differentiating elements; (2) generate a sense of belonging among employees; (3) be short and direct; (4) be impactful and inspirational; (5) be genuine, aligning with the company’s values; and (6) serve as a mental guideline for decision-making.

Finally, once the process is completed, the company will have sufficient inputs to evaluate whether to change its values, mission, and vision and, if changes are made, to identify and construct new narratives that will support the new institutional identity.

*Table 11– Summary of Findings*

<u>Main finding: Purpose Reformulation Framework</u> , a structured process to reformulate corporate purpose. The framework demonstrates the following conclusions:	
<i>Findings:</i>	<i>Description:</i>
Current values, mission, vision, and narratives are the basis for the initial phase of process reformulation	Companies reformulating their purpose already have values, mission, vision, and narratives (whether clear and declared or not), which serve as a basis for the process, influencing the internal motivations and internal drivers.

Values, mission, vision, and narratives may be reviewed after the reformulation process	The reformulation process allows companies to reassess their values, mission, vision, and narratives, whether they are changed or not.
The motivations to start reformulation processes can be internal or external	Internal motivations can be leadership, strategy, ownership, rapid growth, and financial structure changes. External motivations can be pressures such as market trends, (re)branding, talent attraction, and differentiating.
Information about the internal and external drivers may be collected to conduct the process	The <i>Purpose Reformulation Framework</i> lists which elements influence corporate purpose and demonstrates that internal motivations are more related to internal drivers, while external motivations are more aligned with external drivers. However, both have interactions.
Practitioners add new forward-looking elements	In contrast to academic literature, which predominantly focuses on past and present elements, consulting firms are adding elements that will trigger objective and aspirational aspects to the statement of purpose.
The framing phase can be divided into the objective and the aspirational aspects of corporate purpose	Corporate purpose must balance what the company is (objective) and what it wants to be (aspirational). Internal motivations and drivers tend to have a stronger influence in defining the objective part, while external motivations and drivers exert a greater influence on defining the aspirational part.
The Statement of Purpose should be carefully framed	Characteristics that a corporate purpose statement should have, as pointed out by practitioners and interviewees: (1) identify the company's <i>raison d'être</i> and differentiating elements; (2) generate a sense of belonging among employees; (3) be short and direct; (4) be impactful and inspirational; (5) be genuine, aligning with the company's values; and (6) serve as a mental guideline for decision-making.
<i>And corroborates other findings:</i>	
Corporate purpose stability is still under debate	Some propose a long-lasting purpose to keep the company anchored, while others defend an adaptive purpose to allow the company to give quick responses. This discussion impacts how corporate purposes are formulated.
The Statement of Purpose is being used as a communication tool	The statement has been used as a marketing and/or (re)branding instrument. This may explain the inclusion of a future vision within the statement of purpose.

## **5.1. Conclusions**

This thesis introduces the *Purpose Reformulation Framework*, a model that companies can use to reformulate their corporate purpose. This framework is a structured process that combines new elements identified in the study with those already existing in the literature on corporate purpose. It extends the framework from George *et al.* (2023), identifying the elements that should be present at the beginning of the corporate purpose process (internal and external drivers) and during the phase of framing. This thesis cross-references George *et al.* (2023) Theoretical Framework for Purpose, the only academic framework that proposes a structure for the processes of purpose formulation, with other studies on corporate purpose to develop a coding structure that enabled the analysis of the collected data.

The findings reveal that practitioners incorporate largely forward-looking elements into their approaches, making corporate purpose encompass both objective and aspirational aspects, in contrast to George *et al.* (2023) framework, which predominantly focuses on past and present elements. The analyzed documents and interviews highlighted the need to include a preliminary stage in the process – the motivations that drive companies to initiate corporate purpose reformulation. Additionally, they provided valuable insights into the characteristics that a statement of purpose should include, such as identifying the company, generating a sense of belonging among employees, being short, direct, impactful, inspirational, and genuine, and serving as a mental guide for decision-making. Given the importance of this statement in engaging employees, shaping corporate identity both internally and externally, and establishing market positioning, these characteristics serve as a guideline to be followed in the construction of the statement of purpose.

This is the first framework specifically focused on corporate purpose reformulation, filling the gap in academic literature, since until now it has only one framework that proposes a formulation process. In this way, this study contributes to further research and provides managers and consultants with a structure to adapt corporate purpose reformulation processes within companies.

## **5.2. Practical implications**

The results of this study offer important contributions to companies and managers seeking to reformulate corporate purpose. First, they present a structured process to be followed so that the company has a declared corporate purpose. Second, since the corporate purpose, represented

by this statement, is a powerful tool to reinforce the company's identity internally and externally and increase employee motivation, the requirements proposed in *Purpose Reformulation Framework* represent a reflection to be taken into consideration. A well-defined purpose, with the due participation of employees and other stakeholders, will facilitate its implementation in the company, making it truly integrated into the company's daily routines and decision-making processes. For academics, the study contributes to bringing academia and business reality closer together, in addition to providing new insights for future studies.

### **5.3. Limitations and Further Research**

Although this study makes important contributions to both academic research and practitioners, it has certain limitations that should be considered. Firstly, the studied sample, consisting of large Portuguese family-owned companies, does not allow for the generalization of results to all types of companies. There would be significant advantages to extending the study and identifying whether there are differences in corporate purpose reformulation processes between family-owned and non-family-owned companies.

Additionally, not all types of comparisons can be made between the two companies in the sample, as they operate in different industries, vary in size, and have differences in the amount of data available for each. Future studies could analyze whether business sector differences and/or company size impact the corporate purpose reformulation process and/or the elements considered in it.

Since data coding was conducted by a single researcher, there is a potential for bias. Therefore, future studies could apply the methodology proposed in this study to reassess the data analyzed, as well as to examine data from other companies.

The motivations behind corporate purpose reformulation processes were not the primary focus of this study. I suggest that future research should explore and evaluate the factors that trigger these processes or examine to what extent a corporate purpose can be modified over time due to contextual circumstances faced by the company.

This study also generated additional reflections, which I register here as suggestions for future research: (1) Why is having a written purpose important, even when a company already feels that its purpose is lived out in daily operations?; (2) What is the impact of employee involvement in the reformulation process of corporate purpose?; (3) Should the purpose represent what the company is or what it aspires to become?

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## 7. Appendices

### Appendix A – Interview Guideline of Company A from archival data

Thank you very much for joining this study that Católica Lisbon School of Business and Economics is developing through the Center for Responsible Business and Leadership, aiming to better understand the Purpose, the foundational principles and "reason for being" by \*Company A\*.

This interview constitutes the third step in implementing the Purpose process in the organization, after the company's Management's commitment to reinforce \*Company A\*'s identity as a "Purpose-Driven Organization" and the consultation of all the company's stakeholders. We understand Purpose as the "reason for existing" of the company, capable of uniting all stakeholders around the same systemic aspiration, and which, consequently, is the guide for decision-making, capable of bringing the company a competitive advantage.

The concept of Purpose has gained significant relevance in strategic management in recent years. Several studies show that organizations with a purpose are more successful in the market, can better attract and retain their customers and employees, and are also more attractive to investors. Profit is fundamental for companies to survive and succeed in the market, but without Purpose, companies will hardly be able to succeed in the long term. It is with great honour that CATÓLICA-LISBON joins \*Company A\* in constructing its Purpose, an important step to the long-term success of \*Company A\*, in total harmony with the society in which it operates.

This interview lasts approximately 30 minutes and is divided into 3 parts: 1) The reason for being, 2) Values and Culture and identity, and 3) Ecosystem vision. The interview includes several questions that must be answered concisely and directly.

The interview will be recorded and kept for use within this project only. Any quote from you or direct reference to what you reveal to us during the interview will only be made with your express authorization.

(If you want to understand in more depth the process in question, as well as the concepts of Purpose and Purpose Driven Organization, you can consult this Research Note prepared by the Center for Responsible Business and Leadership).

Thank you for your availability!

Preamble

1. How is your relationship with \*Company A\*?

2. For how long have you had your relationship with \*Company A\*?

- a. The. Less than a year
- b. 1 to 3 years
- c. 3 to 6 years
- d. 6 to 10 years
- e. 10 to 20 years
- f. More than 20 years

#### Part 1. Reason for Being

1. If you had to describe in a line or two what \*Company A\*'s fundamental reason for being what makes the company unique in the market where it operates, how would you describe it?
2. How do you justify your choice?
3. What would make you question the relationship with \*Company A\*?
4. In three words, what is \*Company A\* for you?

#### Part 2. Values, Culture and Identity

1. What are the five values that you associate with \*Company A\*?
2. What five values would you like to see in \*Company A\* in the future?
3. Any concrete episode that illustrates one or more values that you associate with \*Company A\*?
4. What most impressed you in your years of relationship with \*Company A\*?
5. If \*Company A\* were a person, how would you characterize it using only 3 adjectives?

#### Part 3. Ecosystem view and Status Quo Analysis

1. What are the 3 fundamental trends in the \*Company A\* operating sector that the company should pay attention to?
2. What are the 3 societal trends the company should pay attention to?

3. From an environmental and social point of view, where should \*Company A\*'s focus be in the future? If you need inspiration, you can consult the Sustainable Development Goals.

Final

Would you like have any comments or additional information? (open answer)

Final Note

Thank you for contributing to defining \*Company A\*'s Statement of Purpose! It is a great pleasure to count on you in this process! See you soon!

## **Appendix B – Interview Guidelines for Company A and Company B**

### *Introduction*

Good morning/afternoon

I am ( ) and these are my colleagues ( ). We are researchers from CATÓLICA-LISBON.

As mentioned in the email invite, this project is a research project about corporate purpose formation. For this reason, we are recording the interviews, which will be only accessible to the research team. All information and opinions are confidential, and transcripts are kept in our university's secure database.

Do you have any questions?

Do you mind if I start recording?

START RECORDING (If external stakeholder, after start recording, ask interviewee to confirm that they consent to having the meeting recorded and their answers will be anonymized and analyzed with other data in the project)

***FOR INTERNAL STAKEHOLDERS (who were involved in the decision-making about the purpose reformulation process)***

*Warm-up questions:*

1. Can you tell me briefly about your role in the company? How long have you been working at the company?

*Prior to purpose reformulation*

1. Did the company have a formulated purpose statement before the current one? (If yes) Was it well-known and understood? Did it serve a role?
2. What led the company to the decision to (re)formulate its purpose statement?

*Purpose statement reformulation process*

3. Who was involved in the process of reformulating the purpose statement? (group of stakeholder) How was the decision-making around who needed to be involved?

4. Does the motivation to (re)formulate influence the decision regarding the stakeholders involved?
5. In the (re)formulation, was the objective to reflect what the company already was or represent a new path for the company?
6. Were the founder's story and the company's founding considered in the (re)formulation process? How much weight did they have?

*Evaluating the process ex-post*

7. Now analyzing the process you followed, would you do anything differently?
8. In terms of who participated in the process, do you believe that the internal and external stakeholders were selected appropriately? Why or why not?
  - a. How do you assess the number of times and moments in which they were listened to?
9. Did the input from internal versus external stakeholders carry different weights in shaping the final formulation of the purpose? How so?
10. After the purpose reformulation, have you perceived an impact on the organization? How so? (Probe for: in communication, in strategy, in which dimensions?)

*Wrap up*

11. Is there some other important aspect of the purpose reformulation we did not ask about?
12. Do you have any additional recommendations or comments you would like to make for this study? Who would you recommend interviewing next?

***FOR INTERNAL STAKEHOLDERS (who were not a part of the decision-making but participated in the process) AND EXTERNAL STAKEHOLDERS***

*Introduction*

Good morning/afternoon

I am ( ) and these are my colleagues ( ). We are researchers from CATÓLICA-LISBON.

As mentioned in the email invite, this project is a research project about corporate purpose formation. For this reason, we are recording the interviews, which will be only accessible to the research team. All information and opinions are confidential, and transcripts are kept in our university's secure database.

Do you have any questions?

Do you mind if I start recording?

START RECORDING (If external stakeholder, after start recording, ask interviewee to confirm that they consent to having the meeting recorded and their answers will be anonymized and analyzed with other data in the project)

*Warm-up questions:*

1. (Internal stakeholder) Can you tell me briefly about your role in the company? How long have you been working at the company?

(External stakeholder) Can you tell me briefly about your involvement with the company?  
When did this relationship start?

*About the process*

2. What did you know about the objective of the purpose formulation?
3. How were you involved in the process?
4. What were your impressions about the process?
5. After the purpose statement reformulation, have you perceived an impact on the organization? How so? (Probe for: in communication, in strategy, in the relationship with stakeholders, in which dimensions?) If not, what would you suggest regarding communicating the company's purpose?
6. How do you perceive the company's purpose? Do you think it fits well with the company? Would you change it somehow?
7. What do you think are the most important things to take into account in a process of formulating the purpose?
8. Do you think organizational/corporate purpose matters? How? Why?

*About your company (FOR EXTERNAL STAKEHOLDERS ONLY)*

9. Does your company have a purpose statement?
10. Do you know how the process of formulating the purpose statement of your company was?
11. (If the answer in 9 is positive) Do you see any parallel between your company's purpose and the company purpose?

*Wrap up*

12. Is there some other important aspect of the purpose reformulation we did not ask about?
13. Do you have any additional recommendations or comments you would like to make for this study? Who would you recommend interviewing next?

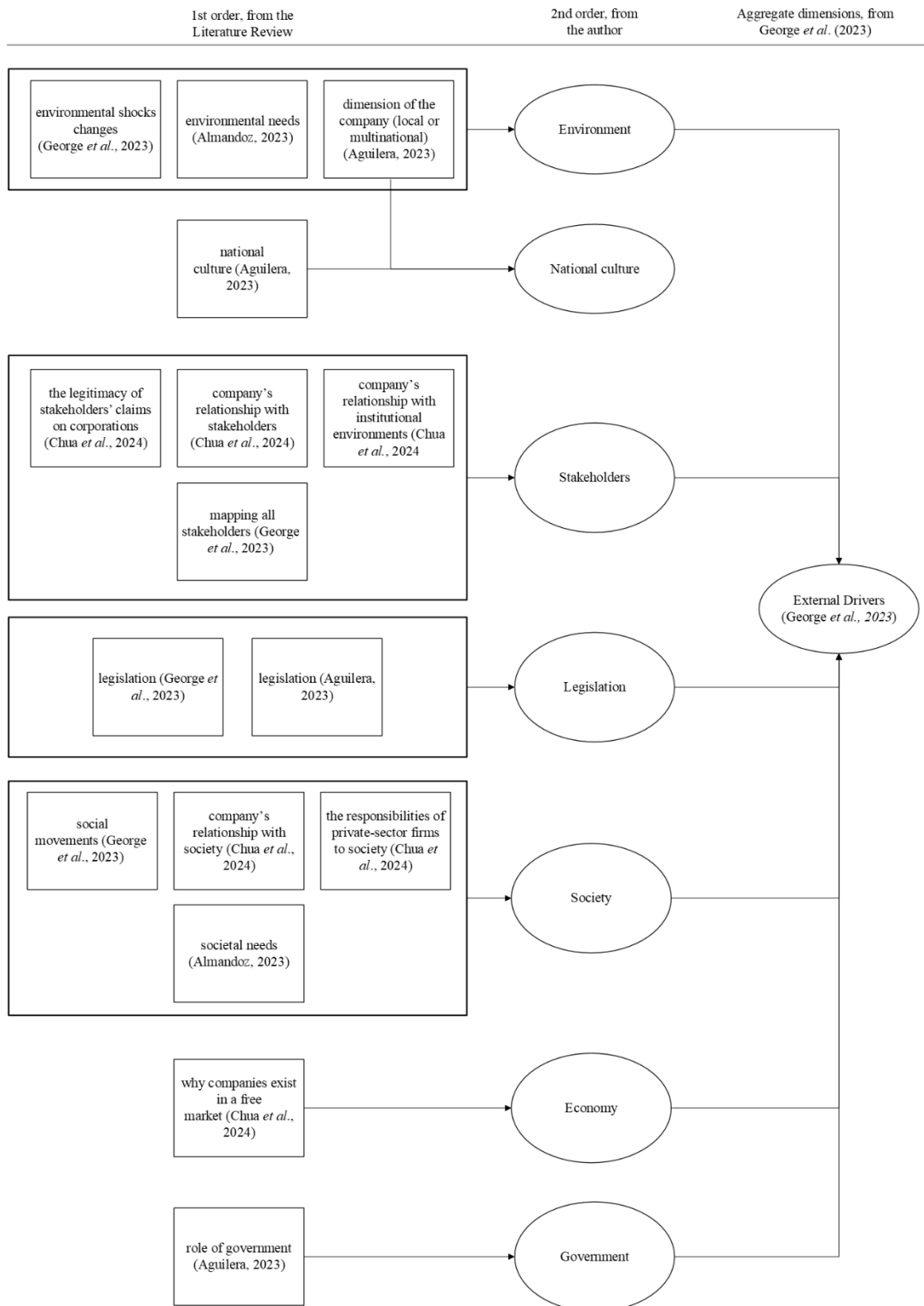
### Appendix C – List of articles considered in 1<sup>st</sup> order codes

<b>Author(s)</b>	<b>Title</b>	<b>Year</b>	<b>Journal</b>
Aguilera, R. V.	Corporate Purpose in Comparative Perspective: The Role of Governance	2023	Strategy Science
Almandoz, J. (“John”).	Inside-out and Outside-in Perspectives on Corporate Purpose.	2023	Strategy Science
Chua, N., Miska, C., Mair, J., & Stahl, G. K.	Purpose in Management Research: Navigating a Complex and Fragmented Area of Study.	2024	Academy of Management Annals
George, G., Haas, M. R., McGahan, A. M., Schillebeeckx, S. J. D., & Tracey, P.	Purpose in the For-Profit Firm: A Review and Framework for Management Research	2023	Journal of Management
Ocasio, W., Kraatz, M., & Chandler, D.	Making Sense of Corporate Purpose.	2023	Strategy Science

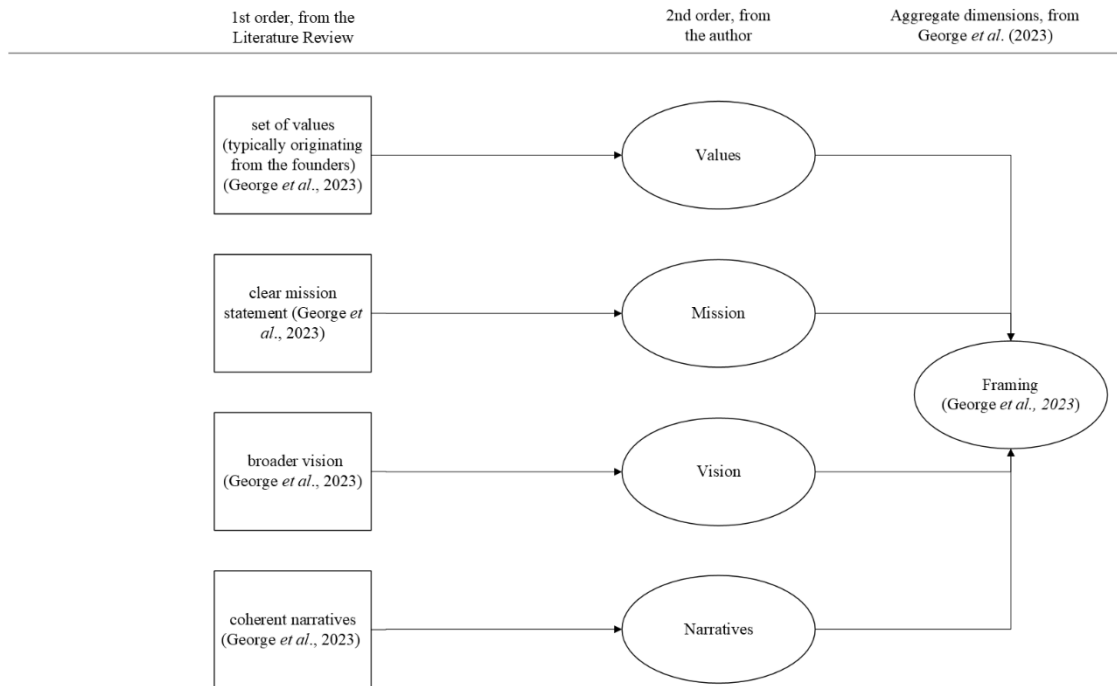
## Appendix D – Internal drivers data structure used for coding



## Appendix E – External drivers data structure used for coding



## Appendix F – Framing data structure used for coding



## Appendix G – Example of transcript (interview from archival data)

### Company A - Interview Transcript IV

Participant: Referred to as P06

Role: Board

Type of Stakeholder: Shareholder

Interviewer: Referred to as IA

Date: 05/22/2023

Duration: 17 minutes

Language: English

*IA:* So, fine, in your view, what is the common trait that links the company since the beginning? What is the thing that in these \* years that they have that makes some sort of link with all of that?

*P06:* I think because, you know, \*Company A\* is set up by the \*name\* family since \*, almost \* years ago. So I think **the characteristic of the company is largely impacted by the family**. And since we know the family member, I know Mr. \*name\*, \*name\*, and also some of the family members. That is the major shareholder of \*Company A\* since more than \* years. So I think the member of the family that I know is of this characteristic. **They are full of commitment and they are good people. They are caring about the people and also full of commitment. If they promise something, I think they will make it.** Yeah, that's very important.

*IA:* Thank you very much. In three words, what is the \*Company A\* to you? One you already said, which is commitment, right?

*P06:* Yeah. **Commitment and trustworthiness and also caring for people.**

*IA:* Okay. Okay, great. I mean, just follow some of the questions I sent you. Which are the three words that you would like society to attach to you, to \*Company A\*?

*P06:* You mean?

*IA:* In the perspective of a society, of a normal society. Imagine a normal Portuguese citizen, Portuguese or doesn't matter, any citizen in the world. How would you like them to see \*Company A\*?

*P06:* Okay, so I think it's almost the same that I described with my words to \*Company A\*. I think we would like people in the society which \*Company A\* operates, I think we would like to deliver the same idea that \*Company A\* is a trustworthy company, full of commitment and also full of sense of responsibility. And also integrity.

IA: Now, in terms of the three goals for the next 10 years, which do you believe are the most important goals to be achieved by \*Company A\* in the next 10 years?

P06: Three goals? I think it should be sustainable and contribute to all the stakeholders of the company, like the employee, like the shareholder and like the society that it operates. And the other one I think will be successful.

IA: Okay, good. Okay, so let's move to the second building block, which is about values and the culture of the company. Which are the five values? Well, I say five, it could be four, it could be six. Five values that you associate with \*Company A\*?

P06: Five values, I think, because it is a very general word for value. So I think the **social responsibility** should be one of the most important values for the company. And also the **ethics** and also the other thing I think is the **commitment**. And the other one I think is also the **ambition**. Yeah, I think there are several values that I could think of.

IA: Right. Is there any specific, because we like to ask this question, because it helps to create some sort of war stories. Any episode that you could share with us that reflects some of those values? Something specific that's happening and you say, this is a good example of any of those values that you've mentioned?

P06: I think the first one is the social responsibility. I could think of that because the \*name\* family has set up a foundation. **This foundation is set up to support the people that will need the help of the company.** Like some disabled people and some poor people in the African country, like in Angola, Mozambique, that will need the help from the society, from the third party for a better education, for a better life. And also **I see a lot of programs that have been launched by the foundation in this respect.** So I think this is quite a good example that \*Company A\* is a company that is full of responsibility, a social responsibility. And also **in terms of the quality of the work that \*Company A\* provides, largely it's \*\* projects with high quality, with sustainable technology, that carry about the environment, carry about the sustainability of the society.** So I think this is all a good example.

IA: Very good. Mr. \*Respondent F\*, this is the question I love most. If \*Company A\* was a person, how would you describe that person?

P06: It's a person? I think now it's \* years old. So I would not describe it as... I think for me, it's like a family. **I enjoy the environment and the atmosphere of working in \*Company A\* because people are very nice and also caring for others.** So I would like to describe it as... How to say? A **friendly old guy.** Yeah, a friendly old guy. I would like to be a \*Company A\* family member of myself. Like an uncle or...

IA: Or the grandfather.

*P06:* Yes, yes. But now, because the third generation of \*Company A\* family now is operating this company, so I can take it as a friend also.

*IA:* Okay, good. Very good. Okay, let's get to the last block, which is what we call the ecosystem. Which are the three most important trends to which the business needs to be very attentive?

*P06:* Three fundamental trends in \*Company A\*. I think... Not only the people, but also the whole society. Now, we are more focusing on the sustainability, the eco-environment of our world. So I think the technology innovation, which will help the company to be a more environment-friendly company. And also, the other important thing, except for the innovative technology, the other thing will be for the equality of the people. In terms of gender, I think ladies and gentlemen should be treated equally. We all know that it is not an easy task in a \*\* company, because this \*\* company, by its nature, is almost dominated by the male management team. But now we are trying to promote more female management members to be part of the management team of the company. And also, we are trying to create more opportunities for the female members. So we would like them to get more involved in the management of this company. And one is technology, one is equality, and I think the other one will be caring for the environment. So we will pay more attention to reduce the emission of the gas, and also try to use more environment-friendly material when we are doing our business.

*IA:* If you go to the future and look back, what would look like a very successful \*Company A\*, in your view? What is your biggest aspiration as a board member? What is a success for you?

*P06:* You mean the ambition of the company? What will it be like maybe in 20 years?

*IA:* I'm asking the question because one of the exercises that we did in the last class was telling people, imagine that you are in the year 2030, and you buy the Financial Times. What would you like to see on the front page of the Financial Times concerning \*Company A\*? Which is a way of asking what would make you feel proud of the company, right? So just try to imagine an headline. What would you like to see in the Financial Times?

*P06:* You know, now \*Company A\* is almost \* years old. I think after 23 years, it will be \* years anniversary for \*Company A\*. So looking back from the year of \* years old \*Company A\*, I would like to see that maybe \*Company A\* will be proud of itself, of being a bridge between \*\* and Europe. Because now I think with my background as a \*\* company representative in \*Company A\*, I would like to see more communication between the East and the West. And I would like \*Company A\* to be that bridge. Because it is already quite a divided world. But we want it to be integrated. So I think if \*Company A\* can play that role, I will be very proud of that.

*IA:* That's a very, very good point, Mr. \*Respondent F\*. Because I strongly believe, as you do, that companies have a fantastic role to play there. Forget about governments and public authorities. It will be the companies, if they want to do it, they have the chance to do it.

*P06:* Because the purpose of the company is to do good to the society, to the people. So how could we make that? We have to be united. We don't want to be divided.

*IA:* Very good point. Mr. \*Respondent F\*, I think we have done it. Because the rest of the questions are basically the same. Asking them different ways. Is there any specific thing that you would like to tell us in terms of the process? Any specific thing that we should do or carry?

*P06:* Yeah. It is my strong feeling that, because you know, before this partnership with the shareholder from \*\*, that is \*name\*. I think \*Company A\* is in its own path to the future. But now with the partner or with the shareholder from the East, I would not say from \*\*, but from the East. I think we could make the path a little bit different from its original path. Because now we have the capacity to improve our financial situation. And also we have the capacity to expand our business to a broader business. Because \*Company A\*'s capacity is now deeply affected by the shareholder. Because \*name\* is the world's third largest \*\* company. So I think with this synergy that both parties can create, I think we could make this already very historical company a little bit different. A little bit different. It can achieve more. And I think we should have this kind of ambition. Because with the culture merged, with the management skill merged, with all the capacity merged with each other, I think \*Company A\* could become a very different company.

*IA:* Okay, well, in that note, we will keep all of this. I'm sure I will see you in \*\*. I will see you again because when we finish with this, I will be making a presentation to the board. We don't have a date yet, but it will be the beginning of June. I understood from \*name\* that you would like this to be already included in your new strategic plan. So if that's the case, we have now the final meeting this week on the 25th. \*name\* will be there for a while. And then we will produce a final report that we will send to all of you. That will be next week. And then I will be presenting to the board and you need to approve the new Statement of Purpose and that's it. We will see each other in person, I hope, in the next month.

*P06:* Yeah, I'm looking forward to that.

*IA:* Thank you very much.

*P06:* Thanks for everything.

## Appendix H – Example of transcript (semi-structure interview)

### Company A - Interview Transcript X

Participant: Referred to as P15

Role: Director

Type of Stakeholder: Internal Stakeholder

Interviewer: Adriana Zani

Date: 01/06/2025

Duration: 27 minutes

Language: Portuguese (translated to English)

*Adriana Zani:* P15, do you have any questions regarding the project, or do you want to understand why we are talking?

*P15:* I think that naturally, and especially in current organizations and with the type of generations of resources that we will use in the future, the logic of the purpose of giving meaning to things is fundamental and, therefore, in itself already explains and gives meaning to this conversation. Now, perhaps I would follow the list of questions that you have to ask me, which is perhaps the easiest way to make the exercise objective and valid.

*Adriana Zani:* Yes, absolutely. Well, just to start, I would like P15 to talk a little bit about his role at \*Company A\*, how long have you been with the company?

*P15:* Ok, my experience at \*Company A\* is divided into two phases, I had a first experience in 2009 and [excerpt removed for confidentiality reasons] since 2018 I returned to the group [excerpt removed for confidentiality reasons]. This is a bit of the scope of my role in the group, which has been, in a way, reinforced, but clarified year after year, because there have been changes in the organization of the group that have reinforced this mission, namely the issue of the creation of \*Company A\* 3 years ago, precisely with the mission of transversalizing and standardizing processes for the group with the objective of greater efficiency and indirect impact on the profitability of the group's operations and businesses, but anyway, that is still a path because we have been following a model of rapid growth, a very large internationalization since 2010, more or less, but at the same time that there was a great transformation and internationalization of the company that showed a capacity for very strong growth and internationalization, it lost much of what was the logic of good practices, standardization of processes, because the speed of internationalization caused a very large decentralization of activities and this went against the idea of efficiency and today we are trying, in a way, to reformulate, taking advantage of all the good things that decentralization and decision-making autonomy have to offer,

reformulate and refocus some of the group's core processes to, at least, ensure uniformity and transversality of these processes.

*Adriana Zani:* And P15 talked a little about policies, I'll put it broadly, but I would say the management system, can we put it that way?

*P15:* Yes.

*Adriana Zani:* And does P15 see that there is any link between the purpose and the management system, both in terms of its implementation?

*P15:* I feel that there is still a very clear idea about the purpose. The purpose was communicated about a year and a half ago, and the fact that there is a purpose is already a start. I think that there is still a lack of connection between this purpose and, in particular, the operational activities of the different processes in the group. Perhaps a more practical aspect, if we are unable to somehow translate the group's purpose into a measurement, for example, of an indicator, where, more directly or indirectly, the areas, the different operational areas of the group, feel that they have an impact on this indicator, it will be difficult to make people feel, on a daily basis, that their actions, their role, within a given department and on a given macro-process, will have an impact on the group's purpose. And I think that this inability to measure and materialize the purpose through numbers, in my opinion, shows that there is still some distance between the reality of the purpose and the reality of the business every day.

*Adriana Zani:* Okay, perfect. Well, I ended up going with a question that was at the end, but I wanted to take advantage of the link. Now I'm going to go back to the beginning.

*P15:* Could I perhaps give a practical example from another experience of mine?

*Adriana Zani:* Yes, of course.

*P15:* In another life there. Between these two moments at \*Company A\*, I also worked at two different times at the company [excerpt removed for confidentiality reasons], and where, in fact, I had most of my professional experience. At the time, the purpose of [excerpt removed for confidentiality reasons] was [excerpt removed for confidentiality reasons]. The [excerpt removed for confidentiality reasons] was measured by the sales turnover, in cash, and by the part that each of the areas induced in the value of the product that was sold in the store. In practical terms, what happened? Each and every employee, especially, and I'll simplify, each and every employee in a management role, therefore, management, had an indicator that counted towards that same employee's bonus. 50% had to do directly with the sales results, which was, in quotation marks, a global indicator in which it is the result and in the end that is what matters. And if the result is growing, it means that more sport is being made available to people through access to products, and the other 50% had to do with the performance of the area over which that person had management influence. And the coefficient 50 plus 50 gave a value from 0 to 20% that

measured the prize that was measured on that scale. There was clearly an immediate identification between the purpose and the daily actions of people. This is an example.

*Adriana Zani:* Perfect. Well, I'm going to go back a little now so we can talk a little about the training process that took place in 2023. As far as I know, P15 participated in some workshops, right?

*P15:* Yes.

*Adriana Zani:* And what did P15 know about the purpose of this project at the time?

*P15:* Very little. Until the exercise took place, I knew very little. Later, by participating in the workshops, I learned a lot, especially because, it was funny, **the phrase or slogan that determined the purpose of the group actually came from the work group I was part of.** And so, obviously, that's when I understood the whole dynamic of the exercise. In particular, your team, which guided the purpose of the exercise very well. **And honestly, I felt proud to participate, because I understood how important it was for the company to define its purpose.**

*Adriana Zani:* Well, P15 will talk a little bit about how he was involved in the workshops, but is there anything else that P15 would like to say about this involvement? What was it like? How were you involved?

*P15:* From what I understand, the involvement was direct. So, I participated in the various workshops, from the concept development phase to the last day, which coincided with the presentation of the final sentence, and then we followed up on all the work, let's say more on social marketing, with the creation of the video, with all the information that was shared first-hand and that helped to clarify the objective of this purpose. Yes, I also felt indirectly that in some dynamics or events where members of the company's presidency participated, there was also a concern to gradually start introducing the topic to the organization and especially to the organization's top management. What I feel today is that perhaps there is still no... I think this is all new for the company and for the group, and especially for the members of the group's executive committee. I think it is a path that will be followed and that it is perhaps seen more from an academic perspective and not so much as a real natural need for business management. But this is my perspective. I say this mostly by comparison... There's that other experience I had, where every day any interaction between a manager and his hierarchy, whether intermediate or high level, everything started with the phrase "our purpose is..." And that was clearly present in management and business. I don't feel that way here yet, but I believe and give the benefit of the doubt that it will be part of a process of something that until now had never been thought of, had never been experienced as such and that it is an appropriation that will be made proportionally.

*Adriana Zani:* Right. And today, revisiting this process in memory, does P15 think there would be anything that P15 would do differently?

*P15:* Yes, maybe. Yes, maybe not. I would definitely do it differently, but obviously... P15 asked me the question, not directly, that is, if P15 thought about or imagined the exercise, what would it be like?

*Adriana Zani:* Not what P15 responded at the time, no, but in relation to the process, seeing how the process was and how it would be done today.

*P15:* Right. Okay. What I would do differently is to try to align a vision exercise with a timeline, that is, what is the group's vision? From this vision, what is the master plan, the strategic plan that will be defined for the next 5 years? And I would link these two management elements to the purpose. The purpose emerged as an isolated exercise, when it happened, a year and a half ago, it emerged as an isolated exercise, already within a strategic program that had been running for 2 or 3 years and without a logic based on the vision. And I think that being able to link these three dimensions, I think it will give much more strength to the purpose itself and above all it will give, or will force or would force us to reflect on the connections between a purpose and the vision of a group and how, in terms of the roadmap for implementing strategic initiatives, all these actions must be properly identified and also monitored, namely through indicators that are quantifiable, simple and objective.

*Adriana Zani:* Okay, perfect. And after this statement of purpose was released, the phrase, did P15 notice any impact on \*Company A\*?

*P15:* There it is. I think that the way I felt was that the impact I felt from having participated in the exercise and realizing how important it was was much stronger than the impact it had on the lives of the \*thousand employees on a daily basis. I think that this impact was very little reduced. My opinion, but I could be, I certainly could be biased or wrong, I can't answer for the \*thousand employees, but from my perception I felt that it was, ok, here's a beautiful video that appeals to something that has an impact at that moment when I'm watching the video because it makes sense to me, but that I don't feel in my daily life.

*Adriana Zani:* Well, P15 has already said a little bit about how one way to make the purpose more communicated and felt by the organization would be through indicators. Is there anything else or even anything related to communication that P15 would suggest?

*P15:* Yes, namely the monitoring of careers and the monitoring of employee performance assessments in regular meetings between, for example, the hierarchical manager and N-1 or the person to whom they report. I think that these monthly and quarterly monitoring meetings, at the time and in the dynamic routines that were defined, should constantly revisit this notion of purpose and how the purpose was being individually applied, ideally also translated into an indicator, so that little by little all employees feel this message as part of their daily routines, bottom-up and top-down. Because if this is not done and if there is no education in this sense, it will always be a promotional campaign and nothing more than that.

*Adriana Zani:* Yes, yes, perfect. And regarding the statement of purpose, does P15 understand that it fits well, has a good fit with what \*Company A\* is?

*P15:* Yes, yes, yes, I think so, I think so.

*Adriana Zani:* I'm asking the person who is biased, it was from the group that put it together.

*P15:* That's true. No, but you can explain it another way. The group has a strong tendency to look to the past. Legacy is a very strong and heavy thing. Sometimes, perhaps even heavy, like the weight it shouldn't have. But **this legacy, when well-affirmed, as I think the message says, allows us to look forward without forgetting the past.** And **this past is a past of great pride and above all a company that has a very strong family charisma.** It is normal for there to be a logic of transmission from grandparents to parents, from parents to children, which is the history of \*Company A\*. And that this legacy has this pride, this very strong stamp. But at the same time, looking to the challenges of the future and thinking about the new generations and how we want to captivate them. And I think that in this aspect it is well achieved. And this is well achieved in the sentence. The video is also very well constructed, I think, because it then appeals a lot to the issue of proximity to local communities, with a phrase that is very present in the history of \*Company A\*, which is often used as an example, which is transferable to any country, but the phrase is, [excerpt removed for confidentiality reasons]. Wherever we go, we will adapt and be part of that culture. And that is very powerful, because it conveys an idea of continuity, of transformation, of passing on a message of legacy, but positive and always respectful of the development of the communities and places where we are. And I think that conveys a very strong idea also in terms of sustainability, both social and environmental, which is also another component of the purpose. So, I think that in that aspect it is very well achieved.

*Adriana Zani:* And speaking a little bit about how P15 mentioned, in my interpretation, some points of culture that is what I have heard. He spoke about this issue of [excerpt removed for confidentiality reasons]. So, going a little bit into the issue of culture, what are the strongest points that P15 sees in the culture of \*Company A\*?

*P15:* This sense of belonging is very strong. I would highlight the following. There is a great deal of ambition. I think I even went to one of the workshops where we were doing a briefing, a brainstorming session about what the strengths would be, almost a SWOT. Sometimes there is almost a crazy ambition. I even use another word. **More than ambition, it is a bold courage. And that conveys a lot of strength.** And perhaps that is largely why in just a few years the company has achieved the international growth it has, at a time of crisis, when many companies have collapsed. And there it is. So, this courage, this bold ambition, almost a permanent restlessness, this is a very strong aspect. The other, and not to go on too long and, above all, to focus on those that I consider strong, is the sense of commitment. In other words, I think \*Company A\* induces a sense of confidence that it will deliver. In other words, when we commit to a project, we will deliver. We may even miss deadlines, but we will deliver. Whoever has

committed to doing business will receive the business they requested. And I also think this is very important. Especially in a sector, yes, we already have several sectors, but if we look at the [excerpt removed for confidentiality reasons] sector as the most core, it is very important because, above all, and because of the type of business [excerpt removed for confidentiality reasons] that we develop, which is mainly at the level of [excerpt removed for confidentiality reasons]. And this, this confidence in delivering, I think is very important to induce this notion that there is a respectable company there and that it does, in fact, have an impact because it induces trust.

*Adriana Zani:* Okay. It's a cultural trait that is reflected more externally, and internally?

*P15:* Internally. Good question. Without wanting to repeat myself, this issue of ambition is very specific, it is very internal. If there are other distinctive, internal traits... There is a nature, I don't know if it could be a trait in itself, but there is a very internal approach. There is a very family approach to the business, for better or for worse. For better, because it leads to this rapid alignment of people around a certain objective, which almost like around a table, like in a family, decides the future. This is the positive side. The negative side is that, because of this, there is a very strong intervention between the family and the more operational aspect. And this, sometimes, takes away a lot of what, in my opinion, should be a greater professionalization of management. Management should be much more professional and much more, let's say, leave it to those who, from a technical point of view, and in terms of software skills, of a certain process, should have the capacity to take this type of management decision. And often this, let's say, professionalization is blurred by very direct intervention by the family.

*Adriana Zani:* Okay, perfect. Well, we're moving towards the end of the interview. I just wanted to ask if there is any other important aspect about this process of reformulating the purpose that I may not have asked about and that P15 would like to add.

*P15:* I was more of a... I think the questions were great because they were objective and allowed me to get answers that allowed me to develop your teaching. Maybe now I should ask a question out of curiosity. That is, where is this work going and what will be, hopefully, the next steps and whether much of what I also gave as my own opinion is aligned with that path or not. Okay, it's a topic that I'm curious about and that really catches my attention and that I really believe is a very important topic and, therefore, because of this curiosity and even because of the active participation I had in the workshops, I don't know if it's possible to share, but I'm curious.

*Adriana Zani:* Yes, of course, perfect, you have every right to be curious. Well, the starting point, a product that we already know will be generated, which is the initial intention of the project, let's say, is a case study of \*Company A\* in relation to the purpose. And, in addition, the focal points of the project are \*\*. And they are also very attentive, you know, they realize that there needs to be progress on this topic of purpose. So, in addition to generating a case study, this will also generate inputs, information for them to make strategic decisions about the next steps in relation to the purpose.

*P15:* Ok, very good, thank you for the clarity. I hope I have helped and contributed to this exercise. If you are available to contact me if I need any additional information, I would be very happy to do so.

*Adriana Zani:* It's great, perfect, thank you very much for participating, P15.

*P15:* Thank you, good afternoon. Good afternoon, thank you.