



**CATÓLICA
LISBON**
BUSINESS & ECONOMICS



BECOMING A PURPOSE-DRIVEN ORGANIZATION: WHY AND HOW TO TRANSITION

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Dissertation submitted in partial fulfilment of requirements for the MSc in International Management, at Universidade Católica Portuguesa and for the MSc in Management at Grenoble EM, at Grenoble École de Management, in 2020.

Abstract

Given the emergency of actual social and environmental problematics, can companies still think of their legitimacy independently from their contribution to the world?

Then, which responsibility should be given to shareholders? This is from this radical questioning, putting at stake the very fundamentals of our economic model, that the concept of purpose-driven companies was born.

But installing a purpose within a company requires not only a modification in communication or status, but in the global functioning of a company. This is where difficulties could start to threaten actions: differences of visions, lack of engagement from the shareholders, difficulties to convince, to adapt its economic model... This paper and its problematic came from a will to give companies, that wish to transition to become purpose-driven, some motivations and guidelines.

Our quantitative study, by collecting and analyzing the opinions of late millennials and early generation Z participants, representing the future of consumers and employees, we hope to make companies realize all the pertinence there is to choose to transition to become purpose driven in order to become more perennial, and coherent with how society is evolving.

Resumo

Dada a emergência de reais problemáticas sociais e ambientais, as empresas ainda podem pensar em sua legitimidade independentemente de sua contribuição para o mundo?

Então, qual responsabilidade deve ser dada aos acionistas? É desse questionamento radical, colocando em jogo os próprios fundamentos do nosso modelo econômico, que nasceu o conceito de empresas com propósitos.

Mas instalar um propósito dentro de uma empresa requer não apenas uma modificação na comunicação ou no status, mas no funcionamento global de uma empresa. É aqui que as dificuldades podem começar a ameaçar as ações: divergências de visões, falta de envolvimento dos acionistas, dificuldades de convencer, de adaptar o seu modelo econômico... Este artigo e a sua problemática surgiram de uma vontade de dar empresas, que desejam fazer a transição para se tornar com propósitos, algumas motivações e diretrizes.

Nosso estudo quantitativo, ao coletar e analisar as opiniões dos participantes do final da geração Y e da primeira geração Z, representando o futuro dos consumidores e funcionários, esperamos fazer com que as empresas percebam toda a pertinência que existe para escolher fazer a transição para se tornarem impulsionadas por um propósito a fim de se tornar mais perene e coerente com a forma como a sociedade está evoluindo.

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I. Introduction

Over 10 years ago, economy researchers started reflecting on the nature of companies: what is the use of a company? To whom does a company belong to?

The crisis of 2008 surely was the start of such reflections: are we only witnessing an economic and financial crisis, or are we facing a deeper transformation of companies' governance systems? Since then, this reflection amplified with the growing responsibility attributed to companies in the environmental and social crisis we are facing.

Given the emergency of such problematics, can companies still think of their legitimacy independently from their contribution to the world? Then, which responsibility should be given to shareholders? This is from this radical questioning, putting at stake the very fundamentals of our economic model, that the concept of purpose-driven companies was born.

However, there is a high risk for a company of only changing its communication, solely to make it seem more "ethical". But installing a purpose within a company requires not only a modification in communication or status, but in the global functioning of a company. This is where difficulties could start to threaten actions: differences of visions, lack of engagement from the shareholders, difficulties to convince, to adapt its economic model... Also, the legitimacy of purpose-driven companies today and tomorrow depends for a large part on good comprehension of challenges, and their ability to put concrete actions into place.

This paper and its problematic came from a will to give companies, that wish to transition to become purpose-driven, some motivations and guidelines.

The decision to undertake such an important transition is a rather new concept, and there will be some pioneers at first. Those first experience will serve as guide for the next ones. Our paper, providing some guidelines for whoever is interested in becoming purpose-driven, aims to accelerate this new movement: give reasons to transition, and advocate in favour of a new type of governance which responds to the needs and expectations of our modern societies.

Our quantitative study hopes to bring an additional motivation, supported by relevant quantitative figures, for companies to transition to become purpose driven. By collecting the opinions of late millennials and early generation Z participants, who are the future consumers and employees, we hope to make companies realize all the pertinence there is to choose to

transition to become purpose driven in order to become more perennial and coherent with how society is evolving.

Companies contribute to shaping our societies, with innovative capacities such that it is able to change the fate of the planet and of people.

The economic, technological and human weight of companies make them key players, able of carrying out projects for the deep society transformation. Apple alone weighs \$ 900 billion in market capitalization, Samsung invests 14 billion in R&D each year (just as much as France!), Toyota is richer than Greece...

Can we still think of our companies independently of their project to society and their environment?

The first part of this paper consists of a Literature Review, which draws conclusions and recommendations from gathering information through specialized literature about purpose-driven companies. After defining the delicate notion of Purpose, we will see why companies should transition to become purpose-driven, how to define it, and finally how to transition.

The Second part of this paper will be dedicated to our qualitative and quantitative analysis, its design, characteristics and its conclusions.

II. Literature Review

1) Definition of Purpose and Purpose-driven Organization characteristics

After Corporate Social Responsibility, sustainable development, and social economy, we could be tempted to say purpose-driven companies are just another trending topic. However, purpose-driven companies could deeply change our society by allowing committed players to conciliate economic efficiency and societal contribution like never before.

Purpose-driven companies hold the ambition to put their economic model and their search for profit at the service of a social or environmental goal. Such companies thus offer an unprecedented way of functioning.

Since the beginning of the 20th century, the generalization of CSR (Corporate Social Responsibility) has paved the way for a better consideration of the impact companies have on their environment. During these past two decades, we have been able to witness several visible

milestones in that area: the advent of "extra-financial" performance, the multiplication of standards and labels, the generalization of CSR reports. However, corporate CSR commitments have too often remained "outside" the core of business activity with results considered to be too weak in terms of reducing negative impacts. Several factors have contributed to this relative failure of CSR. Many companies have chosen to be oriented towards reducing risks rather than making a positive contribution, the limitation of CSR to its reporting obligations only, its instrumentalization through communication without concrete actions (which have popularized the term "green washing"), the insufficiency of resources mobilized (both human and financial)... All those factors are among the main reasons why there has been a growing discredit of CSR.

But being purpose-driven is not built on the same logic, since it is located on the strategic level of a company: purpose is at the heart of its activity and business model, and it aims to profoundly transform the nature of its performance.

Social economy is a major socio-economic player of our European social market economy. There are 2.8 million social economy enterprises and organizations, ranging from SMEs to large EU groups, that operate in all sectors, employing 13.6 million citizens and accounting for 8% of the Union's GDP. However, part of the actors of social economy dissociate the profitability from the expressed social purpose by imposing a limit on the profitability on nonprofit social organization, as well as the impossibility to take equity investments.

Such limitations fail to offer a convincing governance framework for "classic" companies that would like to transition. By offering a model that does not discredit profitability, purpose-driven companies fit perfectly for companies that, as of now, could not identify or claim to belong to SSE players.

In recent years, initiatives helping to renew the company's representation have multiplied in several countries, for example with the creation of statuses: "Benefit Corporation" in the United States, or "Entreprise à mission" in France which was introduced in 2019. We can observe the birth of a new positioning and new type of governance: companies that define a purpose that is distinct from the sole search for profit, but not incompatible with it. This purpose explicitly aims to solve a social problem, which should not be reduced to the "reason for being".

Making a difference between those two concepts is still being debated among experts, due to the notion being rather new in the economic field. Though it would be difficult to close this semantic debate, we can still make a distinction by stating that a company necessarily has a

reason for being, whether it is expressed or not. Every company exists to bring an idea to life, deploy a patent, fill a need, etc.

On the other hand, defining a purpose, and living by it, is part of a proactive approach. In that case, the purpose-driven company aims to articulate its business model and its core business around the resolution of an identified social or environmental problem and put its business model at the service of this ambition.

2) Why transition to become Purpose-driven

a) Giving growth strategy a goal: heading towards a perennial model prepared to face future challenges

By placing a long-term objective at the very heart of the corporate strategy, the purpose sets an objective which will be able to guide all of its choices and ensure the consistency of its model. It acts as a decision-making tool, which will support the company throughout its creation, its development and even until its strategy of resale, capital increase, etc., by aligning the different stakeholders and their expectations at each stage of the company's life.

Faced with climate challenges, our economic models are very fragile. Rethinking your business in the light of environmental and social issues should allow decision-makers to imagine models capable of offering solutions to the major challenges facing society. To do this, thinking about its purpose should allow the company to consolidate knowledge of its ecosystems, its suppliers and its logistics chains. By reflecting on its responsibilities and its impact on its environment, it is its entire chain of partners that it is developing and helping to adapt the models of an entire sector or an entire sector to new realities. In addition, the company stimulates its innovation and its search for new solutions responding to complex challenges.

We can illustrate that idea by using the example of IKEA, whose purpose is to “serve people of limited means whose only way to acquire furniture was to make or inherit it”.

That purpose resulted in an aggressive low price strategy IKEA’s early competitors were so upset about that they organized a suppliers’ boycott of IKEA. But the company stayed true to its purpose and did not charge its customers more. Instead, IKEA decided to internalize the design department and turn to new sources for manufacturing (Eastern European Countries). Seeing the amazing results of IKEA today, it is easy to tell that this was the right decision to make.

Purpose projects the company into a relatively distant future, by fitting it into a broad societal issue: as long as the problem persists, the business has just as many reasons to continue. Profit and growth are no longer an end in themselves, but a tool at the service of the resolution of the purpose. This business-to-mission model, based on a broad corporate vision and a long-term approach, demonstrates greater resilience and stability in the face of crises (economic, media, etc.). According to Thomas W. Malnight, Ivy Buch and Charles Dhanaraj in their article published in Harvard Business Review, purpose has even become “crucial” for any organization that aims to “overcome the challenges of slowing growth and decreasing profitability”.

b) Society is Increasingly Looking for it

If the company was yesterday a source of technical, economic and social progress; it is now increasingly seen as a financial instrument serving shareholders only, sometimes even to the detriment of its employees, society and the State. The financialization of companies from the 1980s exploded inequalities and mistrust towards them. And the more the company sets aside societal issues, the more people will be left behind, widening inequalities, fueling this mistrust and fueling the rise of populism. The recurrence of social crises reminds us of this regularly. There is an urgent need to return to the notion of business as above all a matter of men and women who come together to work together on a common project.

Shareholders' interest shouldn't be the only one taken into consideration anymore. People should be taken into consideration, both as consumers and as potential employees.

The success of the new "Eat Well" apps (Yuka, ScanUp...) demonstrates that the power is not on one side only, invisible and in high places. The company's stakeholders, starting with its customers, no longer believe in brand rhetoric. They demand proof, and become drivers of transformation.

It's not just food. The multiplication of ethic checking apps and labels also happen in other sectors, like fashion or cosmetics for example.

Solutions aimed at helping employees and their companies to dialogue more harmoniously are also being developed with, for example, OurCompany or Bloom At Work.

More generally, in an economy based mainly on service, value creation depends more than ever on collaboration between people. Talent has become a highly strategic commodity, and employees are now asking for their company to “care” about them and their personal growth. Employees no longer “just” provide their capacity for work, they expect the company to develop their potential: which is exactly the kind of work environment a purpose-driven company aims to create.

c) Shareholders Profile is Beginning to Change

It is fair to assume that, since a company needs investments to exist and grow, there will be no responsible company without responsible investors.

One of the main problem (if not the main one) that could make companies reluctant to the idea of becoming purpose driven is that the typical shareholder is someone looking for short-term profit. However, this shareholder profile is becoming to change.

The financialization of the economy put the emphasis on maximization of short-term profits. The duration of average holding of listed companies is between 4 and 8 months (according to World Bank estimates). This pursuit has ousted the fundamental indicators of a company’s health: human capital (health, self-development, motivation) and environmental capital (resource availability, soil condition, congestion level, etc.). However, the financial world has recognized these limitations, and is starting to look at a more holistic view of a company's performance. As evidenced by the now famous annual letter from Larry Fink, head of the investment fund BlackRock5 (weighing nearly \$ 6 trillion) who in 2019 urged companies and shareholders to think long term. In his letter, which title was “Profit & Purpose”, Larry Fink qualified Purpose as “the animating force for achieving profits”.

Recently, the French giant of the food industry Danone became a “Entreprise à mission”, a French recognized legal status for purpose-driven companies, created in 2019. Its project to become purpose-driven was approved by 99% of its shareholders. Shareholders allowing that change for such a big and powerful company holds a lot of promises for the rest of big “classic” companies that had not considered transitioning by fear of losing investors.

Finally, it is also important to underline that activist funds are also developing. These impact investors offer a broad approach to their obligations: their objective of not only financial, but are also strongly oriented towards social or environmental performance.

d) Purpose is a Workforce and Activity Booster

A growing number of companies are wondering about their positioning and how their products or services will meet consumer expectations in the short or medium term. Becoming a purpose-driven company means launching a real wave of changes and internal questions: rethinking its long-term strategy, thinking it collectively, opening up to the outside, reviewing its corporate culture, turning its organization, transform and boost innovation, encourage foresight and experimentation, give all employees the means to contribute, collaborate with more or less direct competitors to transform a sector, work with new types of partners (NGOs, States, consumers, etc.). Such transformations make it possible to unite as never before around a meaningful business project, able to give a new breath to an activity or a brand.

That way, purpose also holds a great potential to inspire the workforce. According to a PWC (Strategy&) report, employees considered it to be more than twice as important, on average, as traditional motivators such as compensation and career advancement. At companies that have clearly defined and communicated how they create value, 63% of employees say they're motivated, versus 31% at other companies; 65% say they're passionate about their work, versus 32% at other companies. And there are amazing benefits coming out of being purpose-driven: According to the same report, more than 90% of purpose-driven companies deliver growth and profits at or above the industry average.

3) Ways for an Organization to Define its Own Purpose

For a company to formulate its Purpose is an essential preliminary step, but it is only the starting point to the restructuring and development strategy of a purposeful company. It is the whole long term alignment of the company with its Purpose, that constitutes the whole point of becoming purpose-driven and that distinguishes it from other less effective concepts.

There is no single method for a company to define its purpose, since it depends on each company's own level of maturity, its history, sector, culture... Nevertheless, through the literature published on the matter, we can gather three characteristics a company's Purpose should have, which should be borne in mind when formulating it.

a) The Expression of the Company's "Social Contract"

Formulating a mission is not the same as formulating a customer promise or a communicating slogan. The mission must be able to inspire them but cannot be reduced to it. It is about articulating, in a clear and understandable manner, the specific contribution of the company to society through the very heart of its activity.

This mission, once formulated, becomes a "contract" between the company and all of its stakeholders. Therefore, It should include obligations of means and results: the company is accountable for its mission. Each stakeholder can, in this capacity, call him to account. Since Purpose will guide the purpose-driven company's development throughout its life, that contract should also provide opportunities (market development, product, innovation, etc).

Of course, linked to the previous dimension, comes the necessity for the contract to be a long-term commitment: Purpose must be formulated to last. It should be the sign of the company's commitment sustainability.

b) The Result of a Dialogue with the Company and its Stakeholders

As explained previously, Purpose combines economic purpose and societal purpose. In this context, one must be able to identify what the company "needs".

Because not all companies target everyone, society can be represented, in the eyes of the company, by stakeholders. The latter can be defined as all the spheres of society impacted, directly or indirectly, by the purpose of the company. These can refer to customers, consumers, users, NGOs and associations related to the activities of the company, the regions where it operates, the suppliers, the shareholders, the politicians... And of course, the employees.

This dialogue with a company's own workforce appears as even more necessary if we consider that a company cannot just "invent" a higher purpose, because it already exists within the company.

An example to illustrate that idea would be KPMG. When the company started to explore the notion of Purpose, its leaders decided to search the company's history. They found out that KPMG had made many significant contributions to major world events. In addition, they also conducted and analyzed hundreds of employee interviews. After that work of introspection, KPMG concluded that its purpose was to help clients "Inspire confidence and empower change".

Another way of defining its purpose statement would be with the help of existing tools.

The United Nations' Sustainable Development Goals, which list 17 major challenges for humanity, could represent a useful basis for specifying "the needs of society". Of course, these SDGs remain generic and need to be adapted to the specific contexts of companies and their sphere of impact.

Nevertheless, SDGs have the merit of offering companies ways to contribute to issues on which there is consensus, rather than limiting the responsibility of companies to reduce their negative impacts. Linked to other analysis matrices, such as the B Corp certification, for example, these sustainable development objectives could constitute a first-rate tool for purpose-driven companies.

Whatever method is chosen, a purpose cannot be defined without surveying at least one - ideally several - of these stakeholders. This dialogue will identify the problem, the insufficiency, the stake - social, environmental and societal - to which the purpose offers a solution.

c) Decision Support Tool

Good wording should make the Purpose a concrete decision-making tool. Each investment choice, each development opportunity must be able to be motivated or dismissed according to the Purpose formulated. Therefore, the precise terms used to formalize the purpose carry significant weight. Before being validated, the wording of the Purpose must therefore be tested in practical cases.

Since employees will be actors and representatives of the Purpose, it is very important for the purpose statement to be clearly articulated so that employees understand precisely what their organization is trying to accomplish and how they can contribute in every decision they make.

To make Purpose an even clearer decision support tool, the commitments it implies should be translated into operational objectives, ideally anchored in a not too distant time horizon.

4) How to Transition to Become Purpose-driven

a) Employees as Ambassadors and Actors

Employee represent an essential stakeholder, both beneficiaries and actors of the purpose. Which is why it is crucial for them to agree with that purpose, and “own” it.

Becoming purpose-driven requires building a managerial model that can best mobilize the workforce around the Purpose. Pedagogy and communication are not enough: the entire management must be turned towards translating the Purpose statement into concrete actions, giving every employee the power to make a difference and take initiatives.

There is no typical managerial model for purpose-driven companies. But purposeful management is definitely opposite to the standard economic model assumption concerning the relationship between employers and employees, the “principal-agent problem,” in which the agent (employee) is effort-averse and will deliver a certain amount of labor equal to a certain amount of money, and no more. Still according to that theory, agents underperform unless the principal (employer) puts into place control systems.

To make a purpose-company work, employers must trust in their employee’s will to outdo themselves if they truly connect to the purpose and therefore connect their company’s success with their own individual success. The management must create an organization where the collective inspires the individuals, and vice versa.

The imperative of a purpose-driven company must be making sure that the accomplishment of the purpose by individuals (at their level) is as equally important than the accomplishment of the purpose by the firm. In fact, the two should be seen as linked.

b) Transformation of all the Services

Making purpose operational means making it visible through all of the company's activities, at each stage of its value chain.

The restructuring of the company's managerial model should make it easy to tell how each function contributes to the execution of the purpose, to unite the company around the purpose, and promote it inside and outside of the company. It should also allow to easily assess the performance of the company regarding the accomplishment of its purpose statement.

Such consistency is crucial to anchor the legitimacy and credibility of a purpose-driven company.

It is easier to put it into place for "native" purpose-driven companies, those that have been that way since their creation. All professions will be originally designed in coherence with the purpose and the necessity for everyone to contribute to its achievement.

On the other hand, for "classic" companies that wish to transition to achieve that goal, it is necessary for them to question the scope and meaning of each profession, which is a tough and long task to do. Indeed, transitioning purpose-driven companies will need to redefine the objectives and expertise to make them based on an impact to be made, and no longer on a financial result to be generated. Let's take the example of a buyer, concerned about costs, deadlines and quality, will have to take charge of new subjects in a business context. He will now have to take into consideration the environmental or local footprint of job creation, or the degree of inclusion of disadvantaged populations, etc.

c) Adapted Governance

A first Anglo-Saxon conception of governance defines the relation between shareholders and managers. It describes the way in which the board of directors, the general meetings of shareholders, the executive compensation systems, and the legal and accounting regulations operate and are structured. It aims to understand how the management of the company is oriented in the interests of the shareholders and promotes the maximization of profits.

A more recent definition, dating from the 1980s, describes governance by all the rules and processes, formalized or not, by which the actors participate to decisions and the implementation of defined actions. In this definition, these rules and processes, and the decisions linked to them, are the result of negotiation between the multiple actors involved.

Negotiation, in addition to guiding decisions and actions, facilitates the sharing of responsibility between all the actors involved, each possessing a certain form of power.

Thus, the status of a purpose-driven company finds an immediate translation in the structuration of its governance, at the level of its shareholders as well as in the participation mechanisms.

This new governance should be articulated around two key ideas: a shareholder governance that seeks common interest, and an operational governance to follow up on the respect of the purpose.

The mission must be the subject of a vote by all the shareholders or at least a proven consensus on the part of the partners. That way, shareholders vow to support and to finance the implementation of this purpose. As such, they are the guarantors of a strategy aimed at the success of the mission; this can lead to lower profits, or even capital in the event of a reorientation of the activity. They also have a duty to ensure that the leader continues the smooth running of this mission in each of the decisions taken or the investments made.

The management of the purpose-driven company must be based on clear indicators, defined and accepted by all, the monitoring of which must be integrated into all regular reporting and must be recognized as part of the business performance.

Though this type of shareholder governance is necessary, it is not sufficient when setting up a purpose, especially when it comes to a process of transition from a traditional company to a purpose-driven one.

An operational governance must be able to coordinate and operationalize the purpose to every level of the company, and ensure consistency throughout the organization.

This committee is only one of the forms that new corporate governance can take. Indeed, the implementation of the purpose calls for modalities of decision-making and renewed gratification system, the form of which will depend on the culture, sector and the nature of the purpose-driven company.

d) Self-evaluation

Evaluation is a crucial step in measuring the progress made in achieving a purpose-driven company's goals. There can be many assessment tools, and several dimensions should be measured.

Firstly, the assessment of the purpose itself.

However, Purpose evaluation is still a rather grey area. The impact indicators must be directly linked to the positive contribution the company wishes to make to society. It should be essential to build them with actors in the field (scientific experts, NGOs, representatives of the populations concerned, etc.). For some sectors, there are already global and sectoral indicators (eg GHG emissions), but for others, they still need to be created. Purpose-driven companies can therefore be the push to create new pertinent and shareable indices, that could become a common benchmark.

Secondly, the positive or negative impacts of the company to ensure that the achievement of the purpose does not come at the cost of significant negative social or environmental impacts. A company's purpose cannot cover all the fields of sustainable development objectives. Therefore, it is important to ensure that, beyond its positive contribution through its purpose, a company does not cause negative externalities for the environment or the society in which it operates. Also, if it does not directly contribute to improving a particular situation, it should in no way worsen it.

Finally, the assessment of the overall performance of the company to ensure of the good balancing between the business model and the purpose, as it is essential to align the economic model and the impact model.

It is therefore likely that evaluation methods are to evolve rapidly and that comparable verification standards will have to be found in the near future.

e) Business Model Alignment

Purpose-driven companies therefore combine social utility and profit research. However, solving a social problem or meeting an environmental challenge at the very heart of its value proposition raises the issue of the revenue model. Indeed, if purpose-driven companies can, marginally, benefit from public aid or subsidies in certain aspects of their activities, their model is essentially based on a market model of value creation.

For “native” purpose-driven companies, the question of alignment usually arises from creation, and can prove to be a strategic, commercial, or HR. lever.

On the other hand, transitioning companies for which purpose involves an evolution of their product or service will have to ask themselves the question of the alignment of their economic model with their purpose.

For the business model with a mission to demonstrate its sustainability, it therefore means broadening the notion of value, and radically innovate in its business and production model.

The value proposition of a purpose-driven company is not limited to the sole definition of its offer (product or service) but integrates a broader vision of value that takes into account the "service provided" to the targeted community (suppliers, clients, local partners, employees...). This value must be integrated into the model, and well perceived by users and customers (who may be the same people or different audiences).

It is from this broader definition of value that new business models can emerge: for example, a circular model that is based more on reparability, recyclability, reuse of services or products; or vertical alliance models (within the same sectors), etc.

Aligning the business model and the operating model with the purpose brings radical innovations that allow the companies implementing it to shake up their markets and significantly enrich not only the value proposition but also the perceived value.

f) Communicating About Purpose

Purpose-driven companies are in competition with companies whose marketing discourse claims having a purpose, without it being at the heart of their operation. The communication about social or environmental goals is so popular and abundant that it has become challenging for the market to differentiate purpose-driven companies from the others, that simply have an engaged program or just doing some green washing.

Then, how to promote the particularity of a purpose-driven company through their marketing, their communication campaigns and their value proposition?

The challenge is to focus on the "impacts" of the mission, and on the company's contribution to solving the identified problem. Communication must therefore essentially be full of proven facts, ideally legitimized through third party testimonies. Perfect transparency is also required: it is crucial that stakeholders associate a purpose-driven company with honesty. It may mean to be also public about potential failures.

Another useful consumer-friendly way to communicate about the status of “purpose-driven” company would be getting certifications provided by a third party (B Corp for example), or access an official legal status like “Enterprise à mission” in France.

III. Research Methodology

1) Research Objective & Hypothesis

This research is conducted in order to identify the degree of importance young people give to the notion of purpose related to a company. By young people, we wanted to include all of the individuals that will soon be on the job market, or who recently started their working life. That is why we chose to focus our study on late Millennials and early Generation Z, with birth years ranging from 1994 to 2002 (between 18 and 26 years old).

We hope that our results will form a strong basis for managerial decisions making in the future, and motivate “classic” companies to transition to become purpose-driven.

Thus, the *research objective* of this research is to find out ***How does the new generation perceive Purpose-driven companies?***

Our goal is to collect their opinion considering them both as consumers, job seekers, and then will freshly graduate students pay attention to the existence of a company purpose when applying? Does it make a difference to them when having to choose among different potential employers?

To achieve this objective, we strive to gain understanding of place corporate purpose has in young people’s minds by analyzing the factors that they take into consideration when buying a product or applying for a job. Further, we aim to better understand how different demographics and profiles can have an influence, and if the covid-19 crisis has had an impact on their perception. Finally, in order to make sufficient recommendations, we aim to find out how brand purpose could influence the willingness to pay and willingness to apply for a job.

In the particular time this study was conducted, it seemed also necessary to evaluate the extent to which the pandemic has had an impact on Gen Z’s perception of what a company should exist for, and their way of consuming.

We will focus on the following questions, and test the following hypothesis:

Q1: Does being a responsible brand matter when choosing to buy a product?

H1: Young people pay attention to the ethics of product

H2: Young people are willing to pay more to support an ethical brand

Q2: From a company perspective, does being purpose driven make a difference when looking for an employee?

H1: Young job seekers will give high importance to the purpose of a brand when applying

H2: Young job seekers will prioritize purposeful brands when applying, even if the salary is less important

Q3: To which extent being a purpose-driven company would drive a young employee's motivation at work?

H1: Feeling purposeful would motivate more than a salary raise

H2: Young employees want to feel part of their companies purpose and seek to get involved in their social/environmental efforts

Q4: Has the pandemic crisis change the vision of what the use of a company should be?

H1: Respondents pay more attention to brands ethics since the pandemic

H2: Respondents have adjusted their behaviour following the pandemic

2) Research Design

Our study requires an understanding of the different perspectives young people may have regarding purpose driven companies, both as consumers and as (potential) employees. In order to find answers to our research questions, we will need to use both exploratory and descriptive approaches.

To collect all the necessary data, we chose two articulate our research in two times using two distinct methods: a focus group, followed by an online survey.

The focus group will help us better understand young people point of views, and therefore collect their insights on some interesting problematics we could explore. This will also help us

point out which topics to focus on in our survey later on, and the different variables we should include.

After conducting the focus group, we were able to structure the questionnaire, of which responses were collected through an online survey. By getting a large number of responses, the online survey helped us establish more precise and reliable conclusions.

2.1 Qualitative Research

a) Research Method

The need for qualitative research emerged from the need to better understand attitudes and perceptions.

As the main objective of this primary research is to understand young people's perceptions and behaviors towards purpose-driven companies, the best option that fitted into this objective was a focus group. By "focus group" please consider an unstructured interview where the presence of others promote group interactions regarding the topic being discussed, thus creating more detailed and accurate insights.

Group discussions stimulate each participants' responses individually (they react to what other participants say) and allow them to compare their experience to others.

Through this method, we were able to gain basic and valuable insights, necessary to develop an initial understanding and then build the online survey.

b) Sample Characteristics

In order to collect reliable and useful data, the focus group required some homogeneity. The 7 participants were all students (from different fields of study) or young workers belonging to Gen Z (or late Millennials), with ages ranging from 21 to 25 years old. Four of them were females, and three were males. Different nationalities were represented: French, Belgian, German, and Italian.

Due to this study being conducted during the COVID19 pandemic, the focus group had to be led through a Zoom conference.

2.2. Quantitative Research

a) Research Method

After collecting and interpreting the focus group's results, the next step was to understand young people's perceptions about purpose-driven companies and their offer, both from a consumer and a (potential) employee point of view, on a much larger scale in order to draw some general conclusions. The online survey was build using the responses got during the focus group discussion. This method allowed us to collect a wide variety of information, make a more precise analysis of the data, and reach more people more easily. The questionnaire can be found in *Appendix*. The survey was made using the platform Google Forms, and sent mainly through social media (Facebook, Instagram and WhatsApp), which was the fastest and easiest way to reach young people – the target – in a short amount of time.

b) Survey Design

Our online survey had to be in line with our research questions, and only target Gen Z and late Millennials. That is why we had one screening question to “filter” respondents according to their age, which must be between 18 and 26 years old. We did not make other screening questions throughout the questionnaire since we wanted to get all the insights possible, and not only from people that have worked before (for example).

Concerning the attributes we wanted the participants to evaluate, we mainly chose them according to our focus group's responses, but also with the help of literature concerning previous surveys that had evaluated similar behaviours on different kinds of population segments.

The questionnaire was split into four parts.

The first part of our questionnaire was introduction questions intended to collect information about the demographics of the respondents, and also evaluate their knowledge about purpose-driven companies. The second part focused on getting insights about respondents' perception of ethical brands from a consumer perspective. Then, the third part of our study was focused on getting their perspective from a job seeker point of view. Finally, the last part focused on

evaluating the (non) evolution of their behaviour towards brands following the COVID-19 crisis.

c) Sample Demographics

After the data cleaning stage, which filtered out responses that were not given by a respondent whose age was between 18 and 26, our sample accounted for 93 respondents in total.

In order to provide a better overview of our sample's demographics, we analyzed Frequencies for Age, Nationality and Gender (Appendix)

IV. Analysis of Research Results

1) Qualitative Research Findings

a) Introduction Questions – General Understanding and Knowledge

The group discussion started with some “introduction” questions; which were general questions concerning the topic. The first two questions treated of their vision on the “use” a company should have in society, and what should the “company of the future” be like. Though the “classic” roles a company were cited (Employing people, providing goods and services), all of the seven participants agreed that the company of the future must adapt to the social and environmental challenges we are facing. They underlined the fact that more and more companies have decided to grow more responsible in the past few years. “A company needs to adapt to survive, and I feel like we are going to face so many social and environmental crisis in the future that companies will need to integrate it in their actions.” As one of the participants also pointed out, “Amazon, for example, has more power and money than many countries, which give them a responsibility that go beyond providing jobs and products, and making profit.”

Participants were then asked to define what a purpose-driven company is, and if they could cite a few examples. Only two of them could define what a purpose-driven organization was – but still in unclear terms. More precisely, those two were able to cite a few brands that were known for being purpose-driven, but only brands that were built that way from the very beginning: of

course, the very famous Patagonia, Veja (French ethical sneakers brand). Only one of those two participants could cite a “traditional” company that had transitioned to become purpose-driven: MAIF (French insurance company), for having worked there.

The definition of a purpose-driven company was then given, illustrated with the example of Patagonia, so everyone could have a clear idea of what we were talking about to respond accurately to the following questions.

b) Young People as Consumers – Findings

The second part of the group discussion was focused on getting the participant’s’ point of view from a consumer perspective.

All of the participants said that most of the time, they were giving importance to the brand they were buying from, and its image.

That importance changed from one participant to another according to the type of product being bought. Four of them said they paid greater attention when it comes to food. However, people using makeup said that even though they were still buying their “usual products”, they were paying more and more attention to new brands proposing responsible alternative (vegan materials, anti-animal testing...), though

The attention given to brand responsibility is still limited when it comes to buying clothes, due to the relatively high prices of ethical brands...However all agreed that it has to change, but might be slower.

It was also highlighted that communication plays a great role in trying to buy more ethical: the ethics of a brand and way

When asked to describe the consumer of tomorrow in one word, the first spontaneous replies were all “Responsible” and “Conscious”: “The consumer of tomorrow should seek to be aware of what they are consuming: its provenance, condition of fabrication, environmental print...”, which they all agreed with. Though it was pointed out that a large-scale change in habits will require more transparency, more options of responsible brands, and lower prices for some categories of ethical products.

The last question of this section was to investigate whether, now that all participants knew about purpose-driven companies, they would learn more about it for their purchases in the future. They were all willing to learn more, but it requires some extra efforts from their part since the communication to make it known to the clients is not easy.

c) Young People as Job Seekers – Findings

All the focus group participants had already had a job in the past (or currently), and three of them were looking for a job at the time the focus group was led.

Participants were asked about the characteristics they take into consideration when applying for a job, most replied spontaneously that they were looking for a job with interesting missions, that were coherent with their study and what they want their career to be. Of course the “salary” factor was cited by everyone. But for 6 participants out of 7, they would choose a rewarding job with

Participants were then asked to describe their dream job in a few adjectives: interesting, good team spirit, fulfilling, benevolent relations, pushing you to be your best self, individual recognition: everyone is taken into consideration.

When asked if they pictured themselves working for a company that does not pay attention to the social and environmental challenges we are facing. One of the answer was that in the short term, as long as they did not have a lot of job experience, they were willing to work for a company that did not have strong social or environmental commitment. “Finding a job or internship can be quite hard for people beginning their career nowadays; so the fear of not getting one makes me more indulgent regarding the level of ethics a company can have.” But in the long term, “I would absolutely prefer working for a company that is strongly committed to making a positive change on society”. One other participant agreed with this point of view. However, two other participants said they only pictured a career in strongly committed companies, therefore they only pictured themselves working for such companies, or at least

have a job which is environment or social oriented (within a company that may not be wholly purpose-driven).

When the question was reformulated to “Would you work for a company that does not have strong social or environmental commitments”, an answer from a participant was that for instance they would never work for companies such as Total or Philip Morris, no matter the salary. All participants agreed with that statement.

The next question was to investigate if participants were willing to prioritize a company that has a clear social or environmental purpose when applying for a job.

The first spontaneous reply was “Absolutely, especially if the purpose really speaks to me and my beliefs.” Given the opportunity to apply for such company, they would definitely prefer their offer over some other offer that did not have that dimension. That opinion was shared by...

The following question, linked to the previous one was whether they would still prioritize a job offer from a purpose-driven company even if the salary is lower than in other companies. All participants agreed that in order to keep prioritizing the job offer from a purpose-driven company, the salary difference should not be too different “The salary should still be decent, but I would accept earning a bit less if I was certain the company and job in question was committed to a purpose that I believe in and that would fulfill me for certain.”.

d) Young People as Employees – Findings

The last few questions aimed to get their point of view as employee (not job seekers).

When asked what motivate them most at work, a lot of different responses came out, and though the salary bonus was stated, most of the responses were personal-growth related: opportunity to learn and grow, believing in the project, being surrounded by motivated and inspiring people, having their opinion taken into consideration, seeing concrete results of your work, feeling like they are making an impact, feeling useful...

When participants were asked if they would be more loyal to a brand that helps them contribute to social or environmental issues, the first reply was that if they felt strongly connected to the purpose of their company, then they would be more loyal. All six of the other participants agreed with that statement. Another participant added that they would have to be certain that their commitments are not “just communication”.

Six out of seven participants agreed with that statement, the last participant felt like unless they did not strongly disagree with the activity of its company and that they liked their job and the people, they would be loyal regardless.

The last questions about that topic were about the motivational role a company should have. All of the participants agreed that a job is more fulfilling when your company provides you opportunities to make a positive impact on societal or environmental issues. “Even if that is just a small part of the job”, one of the participants stated, “my previous job itself was not wholly oriented toward a social or environmental purpose, but part of it was to submit ideas to recycle our unsold products. Feeling like my job helped made a positive impact was very fulfilling”. Again, all of them agreed that it would be important for them to help their company respect and improve its responsible business practices (by providing feedback, ideas, potential solutions...)

e) Impact of the COVID19 crisis - Findings

Only two of them said they paid attention to the brand reactions during the pandemic. However, all appreciated the fact that some company chose to contribute by suspending their activity to help produce medical supplies.

2) Summarization and relevance for the quantitative research

For most of the participants, the very notion of purpose-driven company was still unclear, which means that this notion still has to gain popularity and the communication around that notion has to be clearer and more visible.

The majority of them were not aware that being purpose-driven was a different type of governance, that was taking purpose even further than “just” setting socially or environmentally responsible goals. This unclear vision underlines the challenge in communication we were discussing in the literature review – the communication about responsible goals is so abundant that it has become blurry to the consumers.

Given the relative “blur” around the notion of purpose-driven companies, it was decided to include a short definition of the term at the very beginning of the online survey, illustrated with a short example (Patagonia).

The discussions concerning their perception as job seekers and employees turned out interesting and lively; which is why a lot of questions asked during the focus group were also used in the online survey.

3) Quantitative Research Findings - Hypothesis Testing

After defining what a purpose-driven company was (illustrated with the example of Patagonia), some introduction questions were asked to the respondents. They were meant to learn more about their demographics, but also to learn more about their knowledge on the topic. Similarly to the focus group answers, 76.3% of respondents did not know, or only partly, what a purpose-driven organization was before taking the survey.

Q1: Does being a responsible brand matter when choosing to buy a product?

➤ H1: Young people pay attention to the ethics of product

On a scale from 1=Never to 5=Always, participants were asked “When buying a product, how often do you usually pay attention to the ethics of a brand?”

When buying a product, 33.7% of respondents often pay attention to the ethics of a brand (“4” selected), and 29.3% only do it sometimes (“3”) selected. We can anticipate from those answers that young people pay more or less attention depending on the products.

The next question asked participants “How important are social/environmental responsibility characteristics when buying the following types of goods/services?”. Participants then could choose between Not Important, Rather not important, Neither important or unimportant, Somewhat important and Very important.

The categories of products that polarized votes on the “important side” were, firstly, Food. Food had the highest rate of “somewhat important” (50/93) and “Very important” (24/93) votes. Very few votes went to the other three possibilities. Cosmetics also had a majority of first “Somewhat important” (31/93) followed by “Very Important” (24/93).

Clothes shoes and accessories also gathered a majority of responses to “Somewhat important” (33/93), but the second most popular choice was “Neither”.

On the other hand, household products drawn more “Neither important or unimportant” but the second most popular choice was “Somewhat important”. Electronics also had a similar repartition.

Banks & Insurances, alongside with Cars, and Furniture, also got more “Neither” responses, but results tended to be polarized on the “Not important” part of the scale..

We can conclude that a majority of young people actually pay attention to the “responsible” variable when buying products, but the importance given quite strongly depends on the category of product considered.

➤ **H2: Young people are willing to pay more to support a purpose-driven brand**

When asked if they would be willing to pay more for a product made by a purpose-driven company, 54.8% of participants answered that it “Depends on the product”, and 36.6% replied “Yes”. Though that first number confirms our previous conclusion, it is still great news for purpose-driven companies since only 8.6% of young consumers would not consider paying more for such product.

Participants were then invited to consider two products, the first being an eco-responsible toothbrush made by a purpose-driven company, and the second one a classic supermarket plastic toothbrush.

They were then asked how much they were willing to pay for each product.

On average, respondents would pay 5€ for the ethical toothbrush, versus 2.5€ for the second toothbrush, or half the price!

The hypothesis has therefore be verified, even if we must highlight that not all ethical products would most likely be treated the same way.

Finally, to conclude consumer insights on another uplifting note: 77.5% of respondents stated that now that they knew better what a purpose-driven company is, they investigate about that kind of brands for the next time they buy products.

85% of respondents would also have more trust in a purpose-driven company’s product than in a classic company’s product, though it would depend on the product for 49.5% of them.

Q2: From a company perspective, does being purpose driven make a difference when looking for an employee?

➤ **H1: Young job seekers will give high importance to the purpose of a brand and its ethical characteristics when applying**

Participants were asked how much they valued a list of different characteristics when reading a job offer.

All of the characteristics chosen seemed important to the respondents, since all of them gathered a clear majority of “Somewhat important” and “Very important”.

The two characteristics that gathered the most “Very important” votes were “The missions give me the opportunity to make a positive impact on society” followed by “Career evolution perspectives”.

In the future, only 21.5% would picture themselves working for a company that doesn't have strong social or environmental commitments. 35.5% of participants don't (under any circumstance), and 43% stated that it would depend on the salary/location/advantages.

We can conclude that even though more “classic” motivations still matter a lot for an unneglectable part of young people, a majority cares more about what the brand is about, and what it can bring them: they give the highest importance to having the chance to make a positive impact on society.

➤ **H2: Young job seekers will prioritize purposeful brands when applying, even if the salary is less important**

With 76.1% of positive answers, a vast majority of respondents declared they would prioritize a company that has a clear social or environmental purpose when applying for a job. 39.8% would still prioritize it even if the salary is lower than in other companies, and another 43% would consider it. Leaving only 17.2% of respondents giving more importance to the salary.

The respondents were then confronted to two job offers, coming from two different sportswear brands, both looking for a Corporate Development Manager.

Those two job offers were actually real ones found on LinkedIn: the first was from Nike, and the second from Patagonia (purpose-driven company). The two job descriptions can be found in Appendix.

They were then asked to select the job offer they would rather apply for.

Both brand names had been erased, so the participants could only judge by the missions and the way the announcement was formulated. Both job offers were in the same location and asked for the

same amount of past experience. The major difference resided in what the different companies expected from the employee: the purpose-driven one was clearly giving the employee great opportunities to make a positive social and environmental impact. Another difference was in the salary. The purpose-driven brand offered a salary of 2400€, versus 2850% for the other one. Despite the difference in salaries, 74.2% of participants preferred the offer from the purpose-driven company.

Q3: To which extent being a purpose-driven company would drive a young employee's motivation at work?

➤ H1: Feeling purposeful would motivate more than a salary raise

The first question on that section of the questionnaire asked for participants to select the two greatest daily sources of motivation when working among a list.

The two main motivation selected were “Feeling like my job is making a difference” (46.2%) and “Feeling that I am making a positive change” (39.8%). The third position goes to a “Possible salary raise / Bonus) (30.1%).

Salary is still one of the main motivation, but it seems to matter less than the possibility for a job to allow the employee to make a good impact on the world. Again, this is exactly what a purpose-driven company has to offer.

➤ H2: Young employees want to feel part of their company's purpose and seek to get involved in its social/environmental efforts

The question asked to test that hypothesis was whether participants agreed (Totally disagree/Somewhat agree/Neither/Somewhat agree/Totally agree) with four statements concerning the social opportunities companies offer their employees.

The four statements were the following:

- “I would be more loyal to a company that helps me contribute to social or environmental issues”
- “My job is more fulfilling when my company provides me opportunities to make a positive impact on societal or environmental issues”
- “It is important to me to help my company respect and improve its responsible business practices (by providing feedback, ideas, potential solutions...)”

- “It is important to me that my company is transparent about its practices”

All of the statements gathered a clear majority of positive answers. Though we can note that the two recording the most “Totally agree” answers were the one about providing opportunities to make a positive impact, and the one concerning the need for transparency.

Q4: Has the pandemic crisis changed the vision of young people have of companies and consuming?

- **H1: Young people pay more attention to companies’ responsible actions since the pandemic**

The results match the answer gotten during the focus group: a great majority appreciated companies putting their activity and cost-saving logics aside to help produce medicine supplies. Again 77,4% of respondents agreed (or somewhat agreed) that the pandemic has revealed the necessity for companies to take into consideration social issues. Which confirms that purpose-driven companies will become more and more coherent with what future consumers will expect from them.

- **H2: Young people have adjusted their behaviour following the pandemic**

Though participants tended to respond rather favorably to “My consuming habits have become more responsible since the crisis” and “My career objectives have become more social/environmental oriented since the crisis”, but the rather important amount of “Neither agree or disagree” responses, respectively 29% and 23%, make it more difficult to draw conclusions.

Though the expectations people have of companies may have changed, young people’s behavior might evolve more slowly.

As a whole, the quantitative study conducted here has fulfilled its goal to add quantified data to support motivational arguments for companies wishing to transition to become purpose-driven. The future consumers and people arriving on the labor market are, according to our results, truly demanding of playing a part in society’s well being.

V. Conclusion

Reflections on companies' role in our societies have been amplified with alarming warnings from scientists and experts regarding the state of our planet and more generally, our development model. Following those statements, our conviction is that companies no longer have a choice: they must reinvent themselves.

This is a necessity in an unprecedented context of scarcity of resources, depletion of biodiversity and inexorable global warming.

We believe that this is a company's responsibility to adapt and transform to answer societal challenges since it constitutes a place of sociability, resources and life for many employees; but also as, in our modern world, companies represent the most powerful vehicle of innovation.

At the crossroads of these major trends, purpose-driven companies offer a real hope for redefining the functioning of our economy and putting it at the service of the challenges society is currently facing. This unprecedented way of functioning reveals the possibility of a model where performance is gauged by the ability to meet a social or environmental issue. A model in which shareholders see profitability as a means to serve this purpose.

In the long term, if more and more companies transition to become purpose-driven, we believe it could provide the framework for a new Global business context. Thereby, it would define the attributes of tomorrow's economic competitiveness: the ability of companies to solve societal problems, to innovate in order to offer models of preservation and regenerating resources, attracting talent and including those left behind.

VI. APPENDIX

I. Focus Group Guide

1) Introduction Questions

First, I would like to get your general impressions on the role a company should have in society, and then talk about something more specific, the topic of my research: purpose-driven companies.

- a. *What do you think the use of a company should be? Do you think that it's the role of a company to make a positive impact on society? Should it go further than employing people, produce goods, and give salaries?*
- b. *According to you, how must the company of the future be like?*
- c. *Do you know what a purpose-driven organization is?*
- d. *Could you cite me an example? Whether it is a company that has been a purpose-driven one from the start, or a classic one that has transitioned.*

Definition of a purpose-driven organization: it is an organization that puts its purpose, which replies to a social or environmental problematic, at the core of its functioning. All the governance and decision-making processes revolve around that purpose, so it is more than just having an "environment preservation" program for example. It goes against what a "traditional" capitalist company is: a company whose goal is to make profit, to satisfy shareholders. In the case of a purpose driven company, since all the decisions are meant to be aligned with the purpose, some decisions may go against what would be profitable in the short term. However the strong statement of this approach is the belief that economic performance and purpose-driven governance can go hand in hand in the mid or long term.

Let me give you an example, using perhaps one of the most famous purpose-driven brand at the moment: Patagonia (explained to the participants).

2) Consumer Insights

- e. *When buying a product, do you usually pay attention to the ethics of a brand?*
- f. *If so, for which category of products? Is there one where the ethics of a brand have more importance?*
- g. *How would you define the consumer of tomorrow, in one word?*
- h. *Do you, yourself, try to be responsible in your buying habits?*
- i. *Would you be willing to pay more for a product made by a purpose-driven company? If so, for which kind of product and to which extent?*
- j. *Now that you know better what a purpose-driven company is, would you investigate about that kind of brands for the next time you buy products?*

3) Job seeker Insights

I would now like to have your opinions from you from a job seeker perspective.

- k. *Have you had a job in the past? Or have you ever looked for a job?*
- l. *When applying for a job, what are the things you are looking for in the company or job itself?*
- m. *Thinking about your dream job, could you describe it in two or three adjectives or characteristics?*
- n. *Could you picture yourself working for a company that does not pay attention to the social/environmental challenges we are facing? In other words, would you work for a company that doesn't have strong social or environmental commitments?*
- o. *Would you prioritize a company that has a clear social or environmental purpose when applying for jobs?*
- p. *Would you be willing to prioritize a job offer from a purpose-driven company, truly committed to be socially responsible, even if the salary is lower than other companies?*

4) Employee insights

- q. *What motivates you when working?*
- r. *Would you be more loyal to a company that helps you contribute to social or environmental issues? In other words, would you likely stay longer in such company?*
- s. *Do you think a job is more fulfilling when your company provides you opportunities to make a positive impact on societal or environmental issues?*

- t. *Would it be important to you to help your company respect and improve its responsible business practices (by providing feedback, ideas, potential solutions...)?*

5) Impact of COVID-19 crisis

Now I would be interested in knowing if the pandemic has had an impact on your perspective.

- a. *Did you pay attention to the companies' reactions during the crisis?*
- b. *Do you think the pandemic has revealed the necessity of a different kind of companies, more social centered?*
- c. *Have your consuming habits become more responsible following the pandemic crisis?*

II. Online Survey

Purpose-driven companies

Purpose-driven companies hold the ambition to put their search for profit at the service of a social or environmental goal. By allying profit and social responsibility, such companies offer an unprecedented way of functioning. Their Purpose statement, which aims to resolve a societal challenge, is located on the strategic level of a purpose-driven company, at the heart of its activity and business model. Purpose will guide all of a purpose-driven company's decisions, which may imply to make less profits (in the short term) and take important business risks. Such logic goes against what a "traditional" for-profit company is about.

Please consider the example of the sportswear brand Patagonia.

Patagonia's Purpose statement: Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

How it is translated: Making durable products that will last (anti fast fashion logic), and use recyclable materials only (very high control over their supply chain), making every single employees and store an ambassador a proactive actor of their Purpose, etc.

This study aims to better understand young people's perception of societal challenges in relation to companies. Survey answers are anonymous and the data collected is completely confidential.

Your personal experience is really important for us and we thank you in an advance for your participation.

1. What is your age?

2. What is your gender?

Mark only one oval.

- Female
 Male
 Other
 Prefer not to say

3. What is your nationality?

Check all that apply.

- Portuguese
 French
 Italian
 Belgian
 German
 Dutch
 Spanish
 American
 English

Other: _____

4. Did you know what a purpose-driven organization was before taking this survey? (Explained in the description)

Mark only one oval.

- Yes
 No
 Partly

5. Do you think making a positive impact on society should be part of companies' role?

Mark only one oval.

- Yes
 No

Consumer insights

6. When buying a product, how often do you usually pay attention to the ethics of a brand?

Mark only one oval.

- 1 2 3 4 5
Never Always

7. How important are social/environmental responsibility characteristics when buying the following types of goods/services:

Mark only one oval per row.

	Not important	Somewhat not important	Neither	Somewhat important	Very important
Food	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clothes, shoes, accessories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electronics (phone, camera, TV...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cosmetics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Household products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Banks, Insurances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cars	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Furniture and decoration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Would you be willing to pay more for a product made by a purpose-driven company?

Mark only one oval.

- Yes
 No
 Depends on the product

Please consider the two following products:

Toothbrush #1

Start your day the right way and make difference on the planet. We can reduce the billions of plastic toothbrushes that end up in the ocean and landfills when we brush mindfully!

Our mission is to reduce our plastic footprint on the environment by promoting eco-friendly oral care products. Made from environmentally and sustainable bamboo, Twiggy Fresh's Bamboo Toothbrushes are all natural, eco-friendly and BPA free.

Every time you buy one of our toothbrushes, we donate portion of our profits to support local organizations who are making positive change in the community.



Toothbrush #2

The 360° Advanced White manual toothbrush features an advanced multi-action bristle design (vs. an ordinary flat trim toothbrush), spiral polishing bristles to remove teeth stains, and an innovative cheek & tongue cleaner design to remove bacteria from teeth, tongue, cheeks, and gums.



9. How much would you be willing to pay for toothbrush #1? Please indicate a price in euros.

10. How much would you be willing to pay for toothbrush #2? Please indicate a price in euros.

11. Now that you know better what a purpose-driven company is, would you investigate about that kind of brands for the next time you buy products?

Mark only one oval.

- Yes
 No

12. Would you have more trust in a purpose-driven company's products than in a classic company's products?

Mark only one oval.

- Yes
 No
 Depends on the product

Job seeker insights

13. Have you ever had a job, or looked for a job?

Mark only one oval.

- Yes
 No

14. How much do you value those following characteristics when reading a job offer:

Mark only one oval per row.

	Not important	Somewhat not important	Neither important or unimportant	Somewhat important	Very important
The salary matches your expectations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The missions match my field of studies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The sector of the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The company is involved in making a positive societal or environmental impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The missions give me the opportunity to make a positive impact on society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Career evolution perspectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. In the future, could you picture yourself working for a company that does not pay attention to the social/environmental challenges we are facing? In other words, would you work for a company that doesn't have strong social or environmental commitments?

Mark only one oval.

- Yes
 No
 It depends (salary, location, advantages, etc.)

16. Would you prioritize a company that has a clear social or environmental purpose when applying for jobs?

Mark only one oval.

- Yes
 No

17. Would you be willing to prioritize a job offer from a purpose-driven company, of which purpose truly speaks to you, even if the salary is lower than in other companies?

Mark only one oval.

- Yes
 No
 Maybe

Please consider the two job offers below, coming from two different sportswear brands, both looking for a Corporate Development Manager.

Job offer #1

Corporate Development is responsible for the identification and execution of strategic transactions. We are seeking a Corporate Development Manager with expertise in strategic analysis and planning, deal execution and integration planning to strengthen our team and support central initiatives across the enterprise.

As a member of the Corporate Development Team, you will partner closely with our Leadership team to execute partnerships (investment, acquisition, joint venture, etc.) that drive strategic and financial value. In this role, you will assist in strategic transaction planning and vetting, including gathering information from various sources and incorporate multiple views into well-reasoned recommendations. You will be responsible for performing market analysis, providing analytic and financial modeling support, project managing strategic initiatives and communicating new ideas to Senior Leaders.

You will report to the Sr. Director, Corporate Development, while engaging with leadership across the organization and regularly partner cross-functionally with key functional partners and partners within the Strategy, Finance, Controlling and Legal organization.

Experience required: 3 years

Location: Paris

Salary: 2850€ per month

Job offer #2

Within the Corporate Development team, you will oversee and support strategy efforts for various Corporate Development initiatives, including Worn Wear, Tin Shed Ventures, and other activities. You will work with the broader Corporate Development, Worn Wear, and Marketing teams to best position these initiatives to achieve their goals around saving the home planet. While defining the marketing and funding strategy for Worn Wear and Tin Shed Ventures, you may also serve as a marketing resource for Tin Shed Ventures portfolio companies, the Regenerative Organic Alliance, the Patagonia Case Competition, and other Corporate Development activities.

You will oversee the strategy for messaging, executing, and budgeting the Worn Wear program, and will be responsible for identifying key marketing initiatives and channels. Ultimately you play a critical role in driving awareness of these initiatives (repair, recycle, reuse, trade-in, buying used) as well as continuing to push the vision and global sustainability leadership of the Worn Wear program.

Experience required: 3 years

Location: Paris

Salary: 2400€ per month

18. Please select the job offer you would rather apply for:

Check all that apply.

- Job offer #1
- Job offer #2

Employee insights

19. Please select the 2 greatest daily sources of motivation when working, that (would) push you do outdo yourself:

Check all that apply.

- Peer pressure
- Feeling like my job is making a difference
- Feeling that my ideas are valued
- Possible salary raise / bonus
- Personal growth opportunities
- Possible career evolution
- Feeling that I am making a positive impact on society
- Feeling connected to my company's goals

Other: _____

20. Do you agree with the following statements:

Mark only one oval per row.

	Totally disagree	Somewhat disagree	Neither agree or disagree	Somewhat agree	Totally Agree
I would be more loyal to a company that helps me contribute to social or environmental issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job is more fulfilling when my company provides me opportunities to make a positive impact on societal or environmental issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to me to help my company respect and improve its responsible business practices (by providing feedback, ideas, potential solutions...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to me that my company is transparent about its practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Impact of the COVID-19 crisis

21. Do you agree with the following statements?

Mark only one oval per row.

	Totally disagree	Somewhat disagree	Neither agree or disagree	Somewhat agree	Totally agree
I payed attention to the companies' reaction to the crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I appreciated companies putting their activity aside to help	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I expect more social and environmental commitments from companies since the crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The pandemic has revealed the necessity for companies to take into consideration social issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My consuming habits have become more responsible since the crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My career objectives has become more social/environmental oriented since the crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

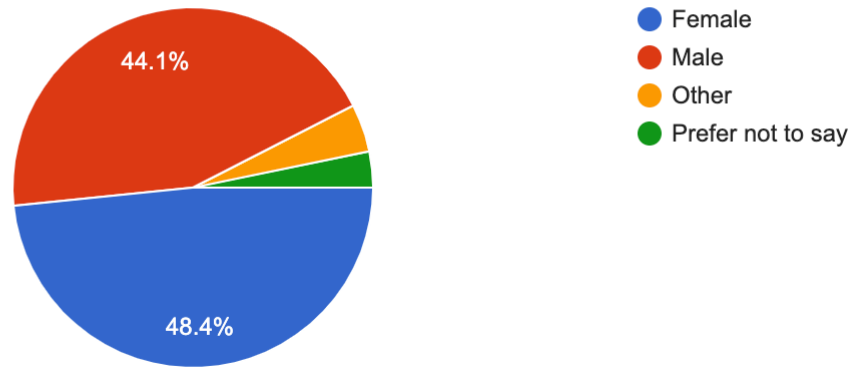
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Google Forms

III. Online survey sample demographics

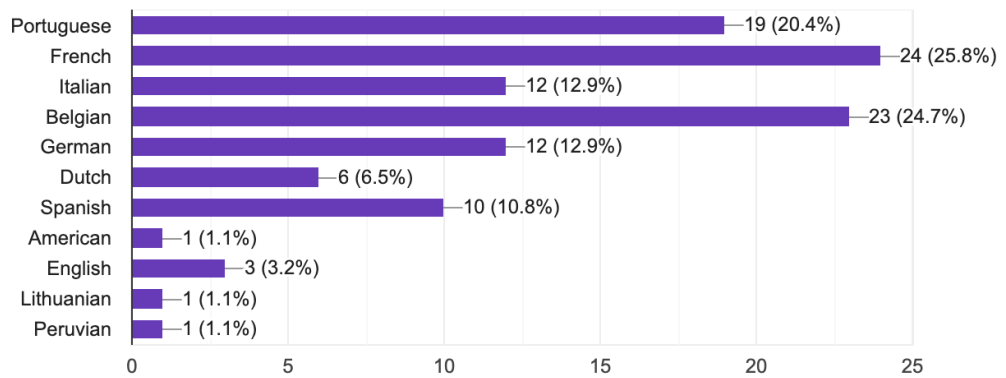
What is your gender?

93 responses



What is your nationality?

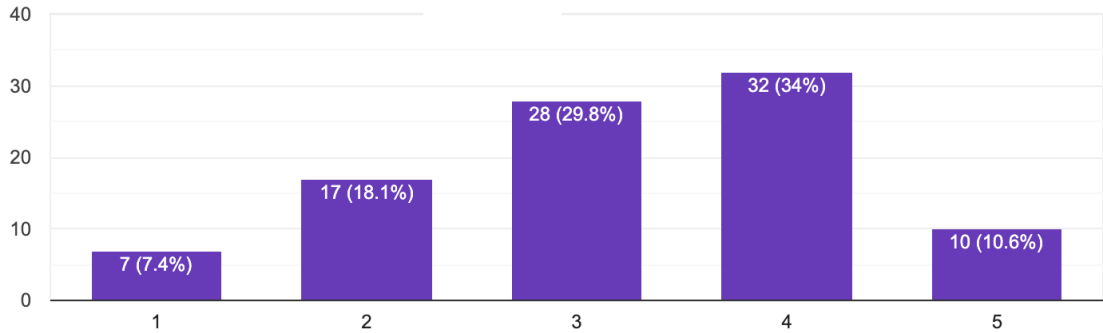
93 responses



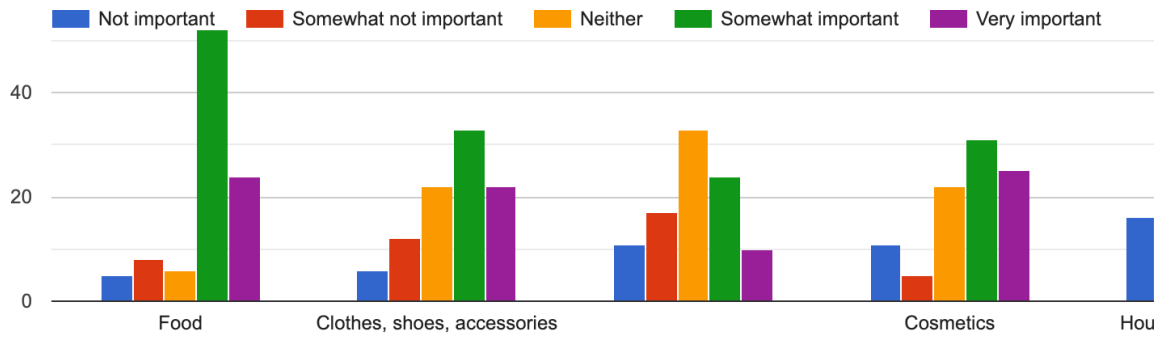
IV. Online survey charts

Consumer insights

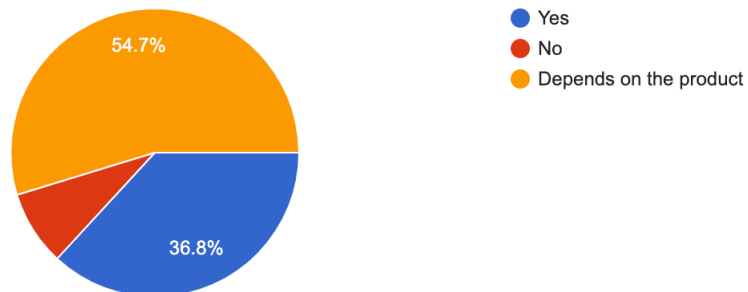
When buying a product, how often do you usually pay attention to the ethics of a brand?



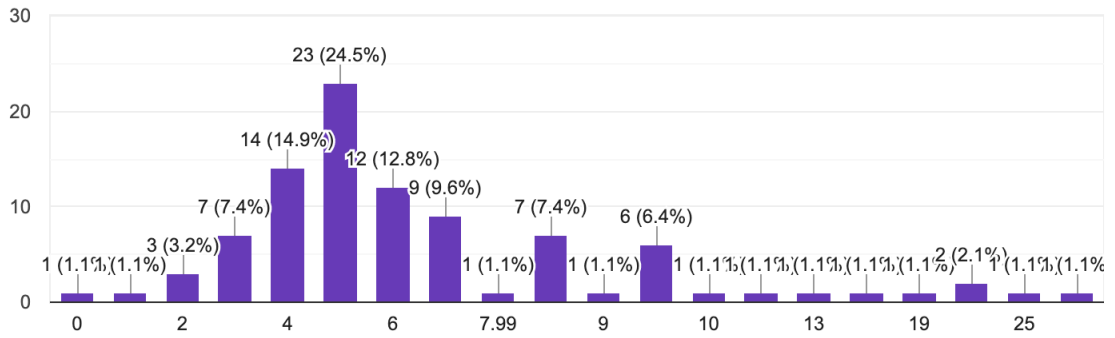
How important are social/environmental responsibility characteristics when buying the following types of goods/services:



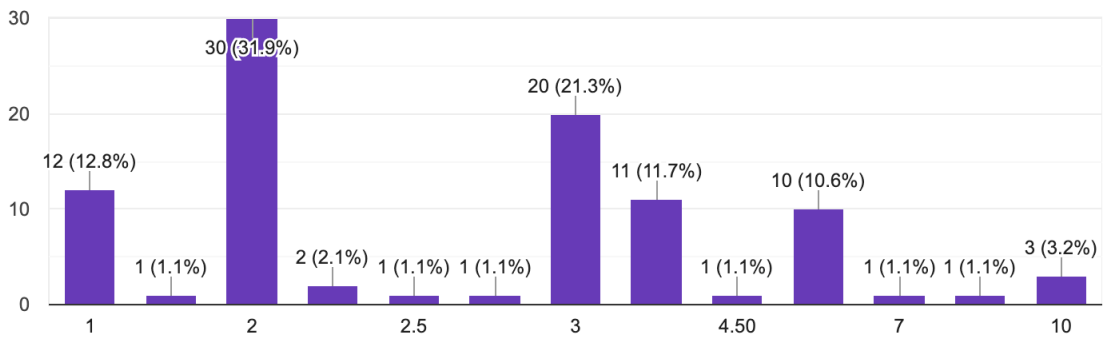
Would you be willing to pay more for a product made by a purpose-driven company?



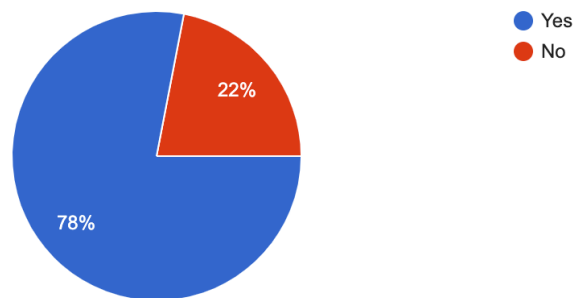
How much would you be willing to pay for toothbrush #1? Please indicate a price in euros.



How much would you be willing to pay for toothbrush #2? Please indicate a price in euros.

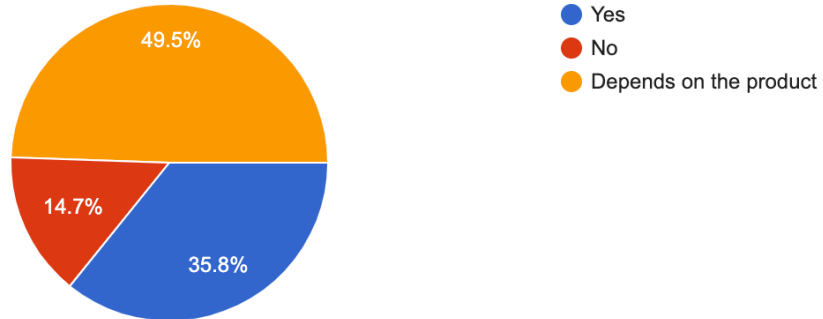


Now that you know better what a purpose-driven company is, would you investigate about that kind of brands for the next time you buy products?

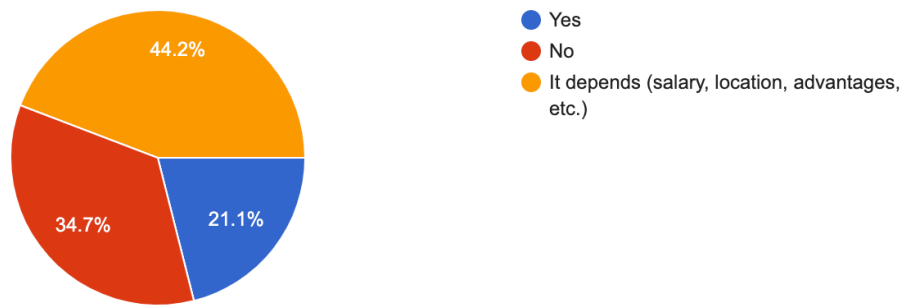


Would you have more trust in a purpose-driven company's products than in a classic company's products?

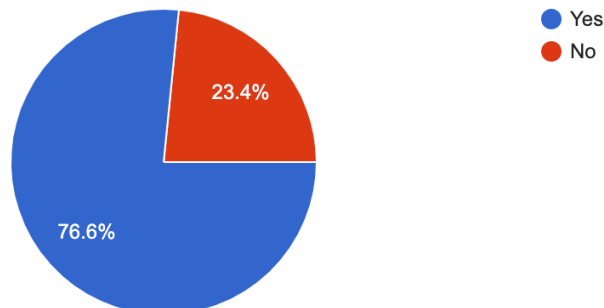
95 responses



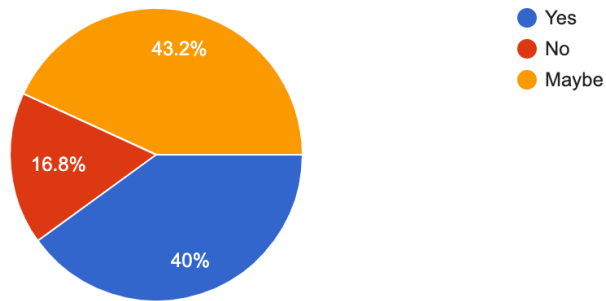
In the future, could you picture yourself working for a company that does not pay attention to the social/environmental challenges we are facing? In other words, would you work for a company that doesn't have strong social or environmental commitments?



Would you prioritize a company that has a clear social or environmental purpose when applying for jobs?

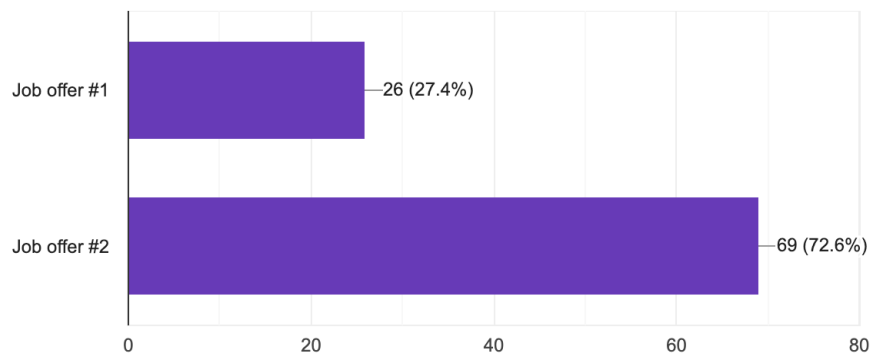


Would you be willing to prioritize a job offer from a purpose-driven company, of which purpose truly speaks to you, even if the salary is lower than in other companies?

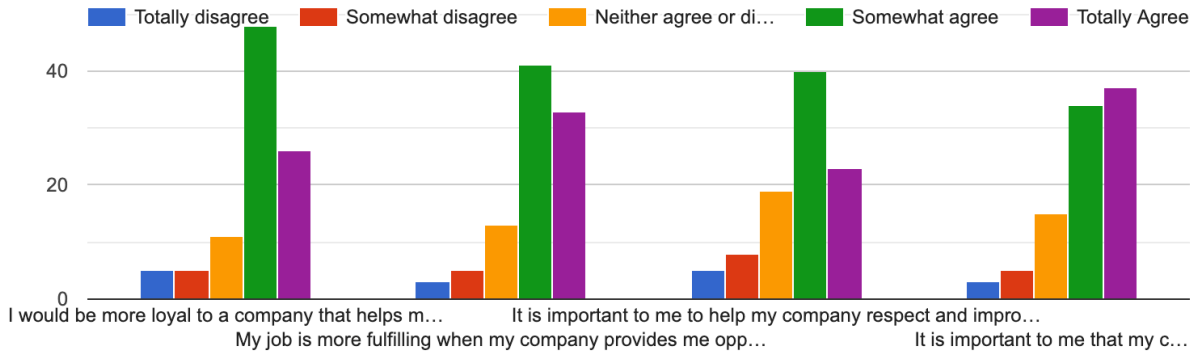


Please consider the two job offers below, coming from two different sportswear brands, both looking for a Corporate Development Manager.

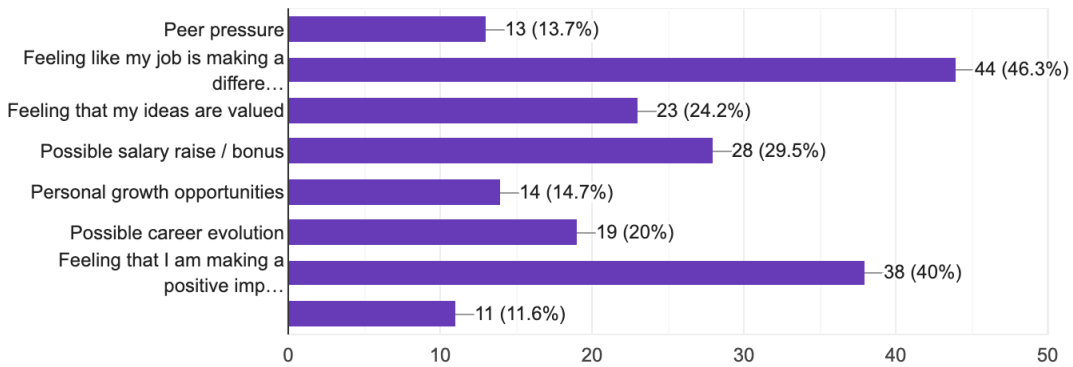
Please select the job offer you would rather apply for:



Do you agree with the following statements:

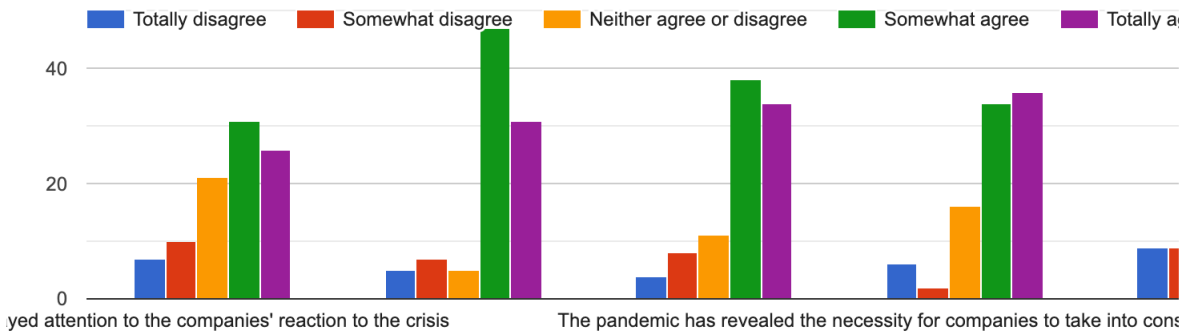


Please select the 2 greatest daily sources of motivation when working, that (would) push you do outdo yourself:



Impact of the COVID-19 crisis

Do you agree with the following statements?



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