



# Power of Corporate Purpose: Its Impact on Engagement and Turnover Intention, and Amplified by Person- Organization Fit

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Dissertation written under the supervision of Professor

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Dissertation submitted in partial fulfillment of requirements for the MSc in  
International Management (Strategy & Consulting), at the Universidade Católica  
Portuguesa, 31<sup>st</sup> of May 2024.

## **Abstract**

In recent decades the interest from both academia and business in the concept of corporate purpose rose drastically, due to its various benefits to multiple stakeholder groups, the company, and the environment. A compelling corporate purpose can not only improve Employee satisfaction, commitment, and retention but also improve profitability and offer new strategic objectives. Due to its popularity and impact various companies try to find their purpose. However, the influence of employee perception on corporate purpose remains less explored. This dissertation examines how employees' perception of the company's purpose affects their engagement and turnover intentions. Furthermore, it explores the role of value congruence, specifically through person-organization fit, in moderating these effects.

A methodological approach combining an online survey with 293 participants, with five semi-structured interviews, was used to investigate these relationships. The results demonstrate significant relationships between the perception of purpose and their engagement and turnover intentions. Additionally, an interaction effect between perceived purpose and Person-organization fit was identified, especially on turnover intention. The interviews gave a broader perspective on the perception of purpose, such as the importance of communication, or awareness. These findings highlight the importance of a clear corporate purpose in enhancing employee engagement and retention. The dissertation concludes with a discussion of its limitations and proposes avenues for future research.

**Title:** Power of Corporate Purpose: Its Impact on Engagement and Turnover Intention, and Amplified by Person-Organization Fit

**Author:** Lucie Marie Uhrlau

**Key Words:** Corporate Purpose, Purpose Perception, Employee Engagement, Turnover Intention, Employee Retention, Value Congruence, Person-Organization Fit

## **Abstrato**

Nas últimas décadas, o interesse do mundo acadêmico e empresarial pelo conceito de propósito aumentou drasticamente, devido aos seus vários benefícios para múltiplos grupos de partes interessadas, para a empresa e para o ambiente. Um propósito convincente pode não só aumentar a satisfação, o empenho e a retenção dos trabalhadores, mas também melhorar a rentabilidade e oferecer novos objetivos estratégicos. Devido à sua popularidade e impacto, várias empresas tentam encontrar o seu propósito. No entanto, a influência da percepção dos trabalhadores sobre o propósito continua a ser pouco explorada. Esta dissertação analisa a forma como a percepção dos trabalhadores sobre o propósito afeta as suas intenções de envolvimento e de retenção. Para além disso, explora o papel da congruência de valores, especificamente através do Ajuste Pessoa-Organização, na moderação destes efeitos.

Para investigar estas relações, foi utilizada uma abordagem metodológica que combina um inquérito em linha com 293 participantes e cinco entrevistas semi-estruturadas. Os resultados demonstram relações significativas entre a percepção do propósito e as intenções de envolvimento e de rotatividade. Além disso, foi identificado um efeito de interação entre a percepção do propósito e a adequação pessoa-organização, especialmente na retenção. As entrevistas deram uma perspetiva mais ampla sobre a percepção do propósito, como a importância da comunicação ou da sensibilização. Estas conclusões realçam a importância de um propósito claro para aumentar o envolvimento e a retenção dos trabalhadores. A dissertação conclui com uma discussão das suas limitações e propõe pistas para investigação futura.

**Título:** Poder do objetivo empresarial: o seu impacto no empenho e na intenção de rotatividade, amplificado pela adequação pessoa-organização

**Autor:** Lucie Marie Uhrlau

**Palavras-chave:** Propósito Corporativo, Percepção do Propósito, Envolvimento dos Colaboradores, Intenção de Rotatividade, Retenção de Colaboradores, Congruência de Valores, Ajuste Pessoa-Organização

## **Acknowledgments**

I want to express my gratitude to my supervisor, Professor Nuno Moreira da Cruz, for his continuous support and guidance during the master's dissertation. Furthermore, I'd like to thank Andrea Cavicchini for this support and expert advice on perceived organizational purpose. His insights have enriched my understanding and the development of my research.

I extend my sincere thanks to Católica Lisbon for providing an incredible learning environment and the opportunity to deepen my knowledge. I am grateful for the resources, support, and opportunities that Católica Lisbon offered me – and of course, all the people I met.

Additionally, I am profoundly grateful for my interview participants Jose Silva Almeida, Ana Leão, Nuno Vaz Neto, Emil Johnny Guder, and Malenny Pavón García. Their willingness to share their experiences and insights has been invaluable to my research. Their contributions were crucial to this dissertation.

On a personal note, I want to thank my family for their unwavering and unconditional support. Their continuous support has made this journey possible and their belief in me encouraged me over the last two years. Thank you for embracing my never-ending and spontaneous plans to move abroad, with such enthusiasm and love. I am especially thankful to my partner, for his daily support of my master's studies and for joining me on the exciting journey of moving to Lisbon. Discovering Portugal and its culture together has been a truly wonderful experience that I will always cherish. A big thank you to all my friends for their support along the way – from friends I made here in Lisbon, during my internship, or back in my lovely hometown.

As I look forward to my next steps, I am excited about what the future holds. I'm confident that my experiences and knowledge gained during this period will serve as a strong foundation for my future endeavors. Lisbon will be deeply missed.

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# 1. Introduction

Corporate purpose has gained significant popularity over the past few decades. The benefits of purpose-driven companies are numerous, ranging from increased employee commitment and satisfaction (Gartenberg, Prat, & Serafeim, 2019) to serving as a new strategic objective (Besharov & Mitzinneck, 2023) or a means to prevent declining profitability (Malnight, Buche, & Dhanaraj, 2019). Given these benefits, it is crucial to understand how employees perceive the corporate purpose. Understanding this perception can help predict the outcomes of corporate purpose more accurately (Jasinenko & Steuber, 2023). A misalignment between the employees' perception of purpose and the company's actions can lead to decreased trust and satisfaction among employees (Atkin, 2019).

Corporate purpose and its impact on employees can offer solutions to growing challenges. Purpose-driven companies can attract talents seeking employers with a purpose they can identify with (Plastino, 2022; Harter, 2024). Many employees report being disconnected and disengaged at work, with some continuously monitoring the job market or actively seeking new employment (Gallup, 2023). This dissertation aims to investigate how the perception of purpose impacts employee engagement and turnover intention. It will address the following question:

*Does the perceived organizational purpose of employees influence their engagement and turnover intention?*

Additionally, to understand how the perceived fit between the employee and the organization amplifies this impact, the concept of person-organization fit will be explored. The extent to which employees align with the company's values significantly affects employee retention (Abdalla, Elsetouhi, Negm, & Abdou, 2018) as well as their ability to adapt to the company's culture (Srivastava, Goldberg, Manian, & Potts, 2018). This dissertation will investigate the value congruence between employees and the organization in connection to the perceived purpose to answer the following question:

*Can the influence of perceived organizational purpose on engagement and turnover intention be amplified by person-organization fit?*

The two research questions will be investigated and answered using a quantitative and qualitative approach. Firstly, an online survey will be conducted, supplemented by semi-structured interviews.

## **2. Literature review**

### **2.1 Corporate Purpose**

According to the Cambridge Dictionary purpose is defined as “an intention or aim; a reason for doing something or for allowing something to happen” (Cambridge Dictionary, 2024). Academic literature offers various definitions of corporate purpose. The purpose of a company answers the question of “why” the organization exists (Gartenberg & Serafeim 2022; Bartlett & Ghoshal, 1994). Gartenberg et al. describe it as “a set of beliefs about the meaning of a firm’s work beyond quantitative measures of financial performance.” (2019:3). Henderson (2021) highlights that a purpose-driven company would sacrifice short-term profits to pursue and be aligned with its purpose (Henderson, 2021). A corporate purpose is furthermore likely to be directed towards a prosocial goal and provide benefits to society (Henderson & Van den Steen, 2015).

Corporate purpose is conceptually distinct but related to organizational culture, identity, values, and stakeholder orientation (Gartenberg & Serafeim, 2023). Prior research on corporate purpose included organizational theory, organizational hybridity, and systems perspectives. The opportunity for purpose to foster meaningfulness among the workforce is a focus of organizational theory, while organizational hybridity highlights purpose, next to profit, being a new strategic objective. The systems perspective includes external systems and the role of an organization in impacting the environment and communities in which they operate (Besharov & Mitzinneck, 2023).

#### **2.1.1 Relevance of Corporate Purpose**

Corporate purpose has gained increased attention in the last decades due to its many benefits. For example, corporate purpose helps executives see challenges they may have missed, creates a sense of shared attention (Lee, Bansal, & Barbosa, 2023), enables the company to achieve their full potential (Fink, 2018), increases profitability (Gartenberg, Prat, & Serafeim, 2019), as well as support them in discovering profitable new businesses (Henderson, 2020). Furthermore, corporate purpose can empower companies to overcome slowing growth and declining profitability. Using purpose in the company’s strategy helps companies redefine the playing field, reshape their value proposition (Malnight, Buche, & Dhanaraj, 2019), and attract consumers who value buying from purpose-driven companies (Polman, 2021). If the corporate purpose is aligned with values beyond financial gains, and is clear and accepted by the workforce, it increases employee commitment and satisfaction and, therefore, tends to reduce

employee turnover. For the corporate purpose to have this impact, it must be communicated by management, especially to mid-level and low-level employees (Gartenberg, Prat, & Serafeim, 2019).

Companies recognize that setting a clear purpose can bring benefits beyond financial gains. For example, it is acknowledged that purpose can also be key in setting climate goals for the organization (Henderson & Serafeim, 2020). Thus, in recent years, corporate purpose has been gaining executives' attention and moving into the focus of their discussions (Lee, Bansal, & Barbosa, 2023). Larry Fink, co-founder, and CEO of BlackRock made a strong public case for corporate purpose in his letter to CEOs in 2018. In this letter, Fink demands companies serve a social purpose. This means that companies should contribute positively to society as a whole and not only focus on their financial performance. Therefore, companies must consider and benefit all stakeholders, including shareholders, employees, customers, and the affected communities. His view on the importance of corporate purpose was made clear with the following statement, "Without a sense of purpose, no company, either public or private, can achieve its full potential" (Fink, 2018:1). This perspective was supported by a statement by the Business Roundtable which was signed by 181 CEOs in the US. In the statement, the Roundtable commits to deliver value to all the stakeholders, such as customers, employees, suppliers, communities as well as shareholders, "for the future success of our companies, our communities and our country." (Business Roundtable, 2019). Corporate purpose can be an opportunity towards sustainable prosperity for society and therefore challenges capitalism based on shareholder value and promotes sustainable capitalism instead (Ocasio, Kraatz, & Chandler, 2023).

Furthermore, through a change in legislation in France corporate purpose became relevant and moved into the conversation about corporate governance, law, and regulation. The French Pacte Law of 2019 requires organizations to redefine their purpose and to consider its impact on the broader society and the environment. Organizations in France therefore need to articulate the corporate purpose or hold general assemblies on the inclusion of the purpose in the firm's status. Including the purpose in the firm's status can lead to a change of the legal status and the transformation of the company's governance through, for example, the implementation of a purpose committee (Durand, 2023).

The focus beyond the financial performance underlines the relevance and long-term impact of corporate purpose on the company's success, on society, and the natural environment (Lee,

Bansal, & Barbosa, 2023). Purpose-driven companies can benefit from high commitment throughout the organization, positive recognition from stakeholders, and a net positive impact on society (Malnight, Buche, & Dhanaraj, 2019). To be recognized as a net positive company means to enhance the well-being of everyone impacted by the company at any level. This encompasses every product in every country and every stakeholder - from employees, and suppliers to current and future communities, to the planet itself. Understanding the purpose of the company is crucial for driving these improvements (Polman & Winston, 2021). One example that leveraged their company history and purpose to make these improvements is Unilever. Under the former CEO Paul Polman, Unilever returned to its core values and adapted them to meet today's needs, taking full responsibility for the company's total impact. This approach resulted in higher workforce engagement, trust, and increased talent attraction. With its purpose at the core, Unilever has tackled societal issues through product innovations such as water-free shampoos, targeting emerging markets with limited access to water (Polman, 2021).

Corporate purpose becomes more relevant because a company is more than just a business today. The workplace is a primary means to provide employees with personal fulfillment and organizations should give meaning to employees' work and life (Bartlett & Ghoshal, 1994). This idea is not new - Bartlett and Ghoshal (1994) presented the importance of corporate purpose three decades ago. In their introduction, which sparked the conversation on purpose, they describe it as "If employees are to put out extraordinary efforts to realize company targets, they must be able to identify with them." (1994:84). Hence to engage and inspire employees to deliver consistent high performance, it is not sufficient to just use logic arguments or strategic analyses – organizations need employees who care and have an emotional link to the organization (Bartlett & Ghoshal, 1994). A company's purpose strengthens employees' identification (Gartenberg, Prat, & Serafeim, 2019) and creates a sense that employees' work has meaning hence convincing employees to go above and beyond for the company (Henderson & Serafeim, 2020).

Besides, corporate purpose can impact how potential employees view the company and its attractiveness. The younger generations of employees no longer only work to pay bills but are searching for an employer with a purpose they can identify with (Plastino, 2022; Harter, 2024). For example, two-thirds of millennials take environmental and social commitments into account when researching a potential employer. Most employees claim they look for companies

with a clear, distinct, and positive impact on the world and whose decisions and behaviors they can support (Gast, Illanes, Probst, Schaninger, & Simpson, 2020).

#### **2.1.4. Perceived Organizational Purpose**

A challenge with corporate purpose can be that if employees are not able to connect the aspiration and purpose of the company to their daily work life, they won't be able to reframe their everyday tasks. This can leave employees feeling disconnected from the company's objectives and aspirations (Carton, 2018). Aligning personal purpose with work can enhance satisfaction, and perceived work-life balance, while also improving fulfillment among the workforce and the organizational performance (Ashraf, Bandiera, Minni, & Zingales, 2024).

For this, the leaders are crucial in supporting employees in reframing their tasks to connect them to the company's overarching aspiration. Using NASA as an example, the organization's early aspiration and purpose to advance science and to reach the moon acted as a higher beacon. This resulted in even low-level employees (e.g. janitors and repairmen) adopting this aspiration. As a janitor stated to being asked, why he was working late: "Because I'm not mopping the floors, I'm putting a man on the moon." (Carton, 2018:354). Once the company identified and defined the purpose, the next challenge is to take tangible and concrete actions to fulfill the purpose. If the company fails to do that, the purpose will become "nothing more than nice-sounding words on the wall" (Malnight, Buche, & Dhanaraj, 2019:9). Hence, organizations should ensure that employees understand the "why" behind the purpose and the "how" as the concrete actions that will be taken to pursue this purpose (Malnight, Buche, & Dhanaraj, 2019).

If the employees' perception of the company's purpose does not align with the culture, decisions, or values, the employees' trust and motivation could diminish. An example of a company where this misalignment created various challenges is Airbnb. When Airbnb expanded due to rapid growth, employees had the perception that business decisions and parts of the management were not aligned with the overarching purpose of the company. The employees had the impression that new joiners were recruited, who didn't fully represent and support the company culture, purpose and values. This situation created high dissatisfaction among the workforce and Airbnb's founders needed to address this quickly (Atkin, 2019).

Highlighted by the more recent research on perceived organizational purpose, the possible outcomes of corporate purpose can be predicted, if there is an understanding of whether and how employees perceive the intended corporate purpose. The perceived organizational purpose is defined as: "the individual perception of an authentic organizational-level aspiration to

contribute positively to society that guides all organizational decisions and provides inspiration in daily operations” (Jasinenko & Steuber, 2023:1427). Perceived organizational purpose is positively related to meaningful work, subjective well-being and job satisfaction (Jasinenko & Steuber, 2023).

### **2.3. Employee Engagement**

Engagement - the complex concept, utilized in applied psychology and HR consulting companies, may provide a key aspect in developing a competitive advantage. Having an engaged workforce is not easily imitated by competitors compared to pricing strategies or the product. Business and academia offer different interpretations of the concept of engagement (Macey & Schneider, 2008).

Engagement was originally defined as “the harnessing of organizations members’ selves to their work roles: in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance” (Kahn, 1990: 694). Three fundamental psychological conditions influence how employees act in their role: meaningfulness, psychological safety and psychological availability (Kahn, 1990). Employees who experience meaningfulness feel useful, valuable, and not taken for granted. Psychological safety is described as employees feeling safe to show their full selves without fearing negative consequences to their status or career. Especially when employees are experiencing an unclear or unpredictable situation in the workplace, engagement is decreasing and deemed unsafe. Psychological Availability depicts people having the resources (physical, emotional, or psychological) to personally engage in that situation given the distraction they might experience, e.g., both work and nonwork distractions (Kahn, 1990). Even though Kahn’s model is comprehensive, it does not offer an operationalization of the construct (Schaufeli, Salanova, González-Romá, & Bakker, 2002).

Another definition of engagement is offered by Schaufeli et al. (2002) as a “positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption” (2002:74). The state of engagement is more persistent and not specifically focused on any event, individual or behavior (Schaufeli, Salanova, González-Romá, & Bakker, 2002). Vigor is indicated by a high level of energy, persistence while facing challenges, mental resilience and willingness to invest in the work—dedication by enthusiasm, sense of significance, pride, inspiration and involvement. Furthermore, absorption is characterized by immersion in one’s work, difficulties removing oneself from work and a sense of time passing quickly (Schaufeli, Salanova, González-Romá, & Bakker, 2002).

### **2.3.1. Relevance of Engagement**

High employee engagement has several advantages. It is negatively related to burnout (Schaufeli, Salanova, González-Romá, & Bakker, 2002), implicates involvement, commitment, and loyalty (Macey & Schneider, 2008) and employees report feeling more connected to their team and taking ownership of their performance and work (Gallup, 2023). Gallup's research on engagement within organizations found that 23% of the world's employees thrive at work and are engaged, while 59% are psychologically disconnected and not engaged in 2022. Gallup considers the latter as "Quiet Quitting" as this group is only making minimal effort, trying to pass the time, and is more likely to burn out. Out of the entire workforce, 18% of the employees are actively disengaged and are directly harming the organization with their behavior, e.g., frequently challenging leaders (Gallup, 2023). As beforementioned increasing engagement within the company has many advantages, e.g., higher loyalty to the company (Macey & Schneider, 2008), and it can also be an opportunity for economic growth. Gallup estimates that low engagement costs the global economy US\$8.8 trillion. This highlights the relevance of improving the engagement of the "Quiet Quitting" group, who still have the potential to become engaged team members through encouragement and inspiration by their leaders (Gallup, 2023).

### **2.3.2. Engagement and Corporate Purpose**

In prior research, it was found that a higher purpose can be seen as an antecedent of work engagement. Employees who claim to be inspired by their organization's purpose feel like they are contributing positively to its realization and are more engaged than other employees who are not as inspired (van Tuin, Schaufeli, Van den Broeck, & van Rhenen, 2020). The relationship of purpose and engagement is not yet fully understood, and this dissertation aims to contribute to this understanding. Additionally, it focuses on the employees' perception of organizational purpose, which can lead to higher engagement. This is described by the following hypothesis:

*H1: The higher the perception of organizational purpose, the higher the employee engagement.*

## **2.4. Turnover Intention**

Last century, employee turnover has gained the attention of scholars, practitioners and management alike. Especially in the Journal of Applied Psychology a wide range of theory-driven research emerged on turnover (Hom, Lee, Shaw, & Hausknecht, 2017). One of the first empirical research on turnover was conducted in 1925, investigating the relationship between the parents' occupations and turnover (Bills, 1925). A focus of turnover research was the direct relationship between job satisfaction and turnover. The process of the "intention to leave" the

company was already investigated in 1977. The researcher points out that the withdrawal process of an individual might be a far more complex decision process than just spontaneous. This process considers various aspects such as the cost of quitting, the search for alternative jobs, or non-job-related factors like spousal relocation (Mobley, 1977).

Furthermore, the relationship between turnover intention and actual turnover was identified as a determinant of turnover decisions, next to general organizational commitment (Mitchel, 1981). More recent research has focused on, for example, job embeddedness. This direction focuses more on why employees are staying in the company rather than leaving (Hom, Lee, Shaw, & Hausknecht, 2017). Aspects that could improve the decision to stay are links to other employees or teams, the perception of job fit, and the evaluation of the sacrifice if they left. Job embeddedness was identified as a predictor of the intention to leave and voluntary turnover (Mitchell, Holton, Lee, Salynski, & Erez, 2001). Turnover research is still dynamic with ever-changing theories emerging (Hom, Lee, Shaw, & Hausknecht, 2017).

#### **2.4.1 Relevance of Turnover Intention**

Employee turnover is costly for companies and can cause disruptions. Retaining the talents, on the other hand, guarantees competitive advantages (Holtom & Allen, 2019). For industries or organizations that rely heavily on niche and specific knowledge of employees, finding suitable replacements is especially difficult, and turnover is quite costly (Guthrie, 2001). Additionally, the company's performance can be negatively affected by turnover in the long term. Terminated employees are replaced by new hires whose abilities and experience deviate from their predecessors and require more learning opportunities on the job (Arlotto, Chick, & Gans, 2014). Next to the negative impacts of turnover on performance and productivity, turnover can impair the communication networks and relationships within the company. Especially, if employees depart from the company, who held critical network positions in them (Shaw, Duffy, Johnson, & Lockhart, 2005).

To avert high turnover rates, managers can use specific selection procedures and focus on onboarding practices. Research has shown that new hires are most likely to leave the company, especially when facing difficulties during the onboarding phase (Hom, Lee, Shaw, & Hausknecht, 2017). Managers who select talents who fit well with the company's values and goals are more likely to retain these (Abdalla, Elsetouhi, Negm, & Abdou, 2018). As mentioned, it is crucial to select employees who fit the company culture, but they need the ability to adapt to it. The research found that both initial cultural fit and early enculturation predict long tenure in the company. How newcomers adapt at the start of their tenure can determine whether they

will voluntarily or involuntarily exit the company. The latter can occur when newcomers fail to conform to the company's culture and norms, leading to social rejection from their peers. Even those newcomers who initially conform may experience a decreased cultural fit later, resulting in a voluntary exit later on due to a low attachment to the company (Srivastava, Goldberg, Manian, & Potts, 2018). Managers can reduce turnover by fostering a work environment that supports continual enculturation throughout the employee's tenure. Additionally, having a stable cultural identity within the organization can impact the likelihood of turnover as well as improve the social standing of the employee and reputation with colleagues (Goldberg, Srivastava, Manian, Monroe, & Potts, 2016).

Moreover, high occupational prestige, organizational reputation and work-life balance were found to decrease turnover intention. Employees who believe they work for a highly esteemed company are more likely to feel proud at work and at home. This can lessen the friction between work and family life, which in turn decreases the turnover intention (Ahmad Saufi, et al., 2023). Likewise, if employees can communicate their dissatisfaction at work, they are more likely to reconsider and remain in the organization (Spencer, 1986). Additionally, advice and friendship networks at the workplace were found to influence and moderate the turnover intentions of employees. Employees who have strong connections and hold a central network position were less likely to act on their turnover intention. Suggesting that fostering an environment of supportive relationships at the workplace could improve employee retention, especially with employees who might have an intention to leave the company (Vardaman, Taylor, Allen, Gondo, & Amis, 2015).

An increase in available jobs after the recovery from COVID-19 results in the employee's opportunity to look for a new job if they seek to leave their current employer. It was discovered that 51% of currently employed workers reported watching for job offers or actively seeking a new job. Higher competition in the market leads to more attractive job offers and increased active recruitment (Gallup, 2023). The more outside opportunities the employee is aware of and believes to have can increase the intention to leave the company. A study focused on repatriated employees found that the higher the number of opportunities these employees were aware of and believed they had, the higher the likelihood of them leaving the company (Lazarova & Cerdin, 2007).

### **2.4.2 Turnover Intention and Corporate Purpose**

The intention to leave the company significantly correlates with the actual retention of employees (Mitchel, 1981). If clear and convincing, corporate purpose tends to increase commitment and satisfaction, reducing employee turnover (Gartenberg, Prat, & Serafeim, 2019). Therefore, I suggest that the employee's perception of organizational purpose decreases turnover intentions. As the perception of organizational purpose has been shown to improve employee job satisfaction (Jasinenko & Steuber, 2023) a lower turnover intention is expected from employees with a high perception of organizational purpose, resulting in the following hypothesis:

*H2: The higher the perception of organizational purpose the lower the employee turnover intention*

## **2.5. Person-Organization Fit**

The person-organization fit is defined as the compatibility between people and the organizations they work for (Kristof, 1996). Moreover, this fit has been referred to as the congruence or similarity between the personal values of the employee and the organization's culture (Cable & DeRue, 2002). The value congruence highlights, that individuals who show similar values to the company are more likely to present favorable work attitudes (Abdalla, Elsetouhi, Negm, & Abdou, 2018). Person-organization fit has various advantages in the workplace, for example, person-organization fit is seen as a predictor for job satisfaction (Netemeyer, Boles, McKee, & McMurrian, 1997). On the other side, when value congruence between the employee and the organization does not exist, the employee won't identify deeply with the organization, will be less trusting, less likely to contribute beyond their job role, and therefore less likely to stay in the company (Cable & DeRue, 2002).

### **2.5.1 Relevance of Person-Organization Fit**

Multiple studies found that applicants who value prosocial actions choose companies with a social purpose (Henderson & Van den Steen, 2015) and vice versa; purpose-driven companies are more likely to select employees who value prosocial actions, which then can create a high level of trust and cooperation within the company (Henderson & Serafeim, 2020). Moreover, companies that state their purpose publicly attract and retain employees who identify with them. If organizations solely focus on their self-interest instead of connecting to their purpose and broader human aspirations, they risk quickly losing employees' support, commitment, identification and pride (Bartlett & Ghoshal, 1994). Studies show inconsistencies between the

values and goals of the individual and the organization lead to a higher turnover intention. The compatibility between the person and the organization is linked to positive organizational outcomes and employees' attitudes (Abdalla, Elsetouhi, Negm, & Abdou, 2018). Moreover, aligning the organization's purpose and the employees' values and higher purpose is expected to increase and promote organizational integrity (Kinjerski & Skrypnek, 2006).

Early research investigated the relationship between organizational culture and personal values and the importance of the fit between them. The individual preferences of the organizational culture of accountants and M.B.A students were matched with the existing culture within multiple companies to measure the person-organization fit. Their results suggest that participants with a high person-organization fit upon job entry reported higher normative commitment and overall satisfaction a year later. Furthermore, the extent to which the individual preferences matched the existing realities in companies predicted turnover two years later. Hence person-organization fit was indicated to be a significant predictor of normative commitment, job satisfaction and turnover intention, regardless of age, gender, and tenure (O'Reilly III, Chatman, & Caldwell, 1991).

Achieving a high level of person-organization fit through the hiring process and socialization within the company was already advised over two decades ago as a key to the retention of employees and improving organizational commitment. Person-organization fit research focuses on the company's values, goals and culture, frequently measured by the employees' perceptions of those. Kristof (1996) highlighted the relevance of the perceived person-organization fit because "good fit is said to exist as long as it is perceived to exist, regardless of whether or not the person has similar characteristics to (...) the organization" (Kristof, 1996:11). In the research of person-organization fit, various types of fit perceptions exist, such as Person-Job Fit, or Person-Vocation Fit. Person-organization fit perceptions were found to be the best predictors of organizational outcome variables, such as citizen behaviors or turnover decisions (Cable & DeRue, 2002). Due to this and the complexity of the various types only the person-organization fit is being examined in this dissertation.

### **2.5.2 Person-Organization Fit and Corporate Purpose**

Employees "use the perceptions of fit as they maneuver through organizational life" (Cable & DeRue, 2002:1), and therefore this dissertation will focus on the subjective person-organization fit through the employee's perception of the company's purpose. In previous research using expert interviews the person-organization fit was investigated. It was found to be an explaining mechanism and the corporate purpose seemed to be motivational especially if the employees

perceived a fit with their purpose or even their team’s purpose (van Ingen, Peters, De Ruiter, & Robben, 2021). As described in the paragraphs before, the importance of subjective value-congruence between the employee and the organization (e.g., Cable & DeRue, 2002; Abdalla, Elsetouhi, Negm, & Abdou, 2018) was highlighted. The impact of person-organization fit on turnover intention was investigated in prior research and engagement was highlighted as a possible future research (Abdalla, Elsetouhi, Negm, & Abdou, 2018). Therefore, showing relevance for further exploration. This dissertation wants to examine the potential of person-organization fit as a moderator, which leads to the following two hypotheses:

*H3a: A high person-organization fit moderates the positive relationship between employees’ perception of purpose and their engagement.*

*H3b: A low person-organization fit moderates the negative relationship between perception of purpose and turnover intention.*

## 2.6 Proposed Research

As described in the chapters above, this dissertation focuses on perceived organizational purpose, employee engagement, turnover intention and person-organization fit. First, the relationship between perceived purpose and employee engagement will be examined. This relationship is expected to be positive, based on the literature review. Furthermore, the impact of perceived purpose on turnover intention will be analyzed, which is expected to be negative. To understand what role the subjective person-organization fit plays, its’ moderator role will be further investigated both between perceived purpose and engagement as well as turnover intention. It is expected that a high person-organization fit can amplify the relationship between perceived purpose and engagement or turnover intention. The proposed relationship between the concepts is visualized in Figure 1 below.

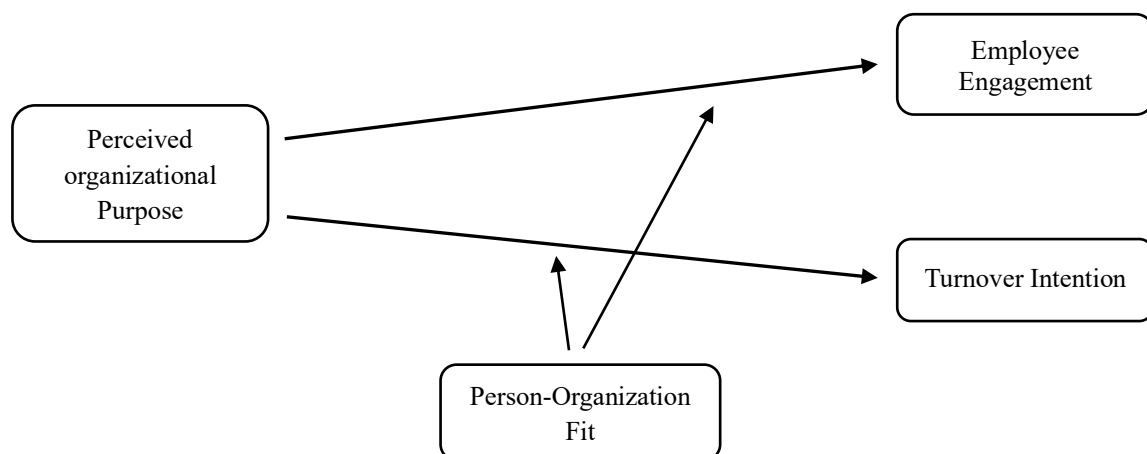


Figure 1 Visualization of Hypotheses

### 3. Methodology

#### 3.1 Quantitative Research

To investigate the research question and hypotheses a survey questionnaire was created on Qualtrics and distributed firstly via LinkedIn, professional, and personal contacts. Afterward, the service of Prolific was used to gather more participants and insights. Prolific was chosen to as it provides high data quality and a diverse pool of participants (Peer, Brandimarte, Samat, & Acquisti, 2017).

The first part of the survey included demographic variables such as age, gender, and nationality. As the questionnaire targets employees, specific questions concerning employment status were asked. The participants needed to describe their employment status (e.g., Working full-time, Unemployed, Student), which industry they work in (e.g., Consulting, Finance, etc.), the size of the company they work for, their tenure at the company, their annual income and lastly the country they're currently employed in. The participants were presented with a short introduction to corporate purpose, including a broad definition, characteristics, and three examples of purpose statements of popular organizations, e.g. Patagonia, and Google. The full questionnaire is available in the appendix.

Corporate purpose is being measured by a 4-item used by Gartenberg et al. (2019). Gartenberg et al. used data that was collected by Good Place to Work using The Culture Audit Survey and Trust Index employee survey. The questions concerning corporate purpose were aggregated of questions that directly relate to two concepts impact and meaning, as they consider a strongly purpose-driven company to be one with employees who hold strong beliefs on these two concepts. An example item is "My work has special meaning: this is 'not just a job'" or "When I look at what we accomplish, I feel a sense of pride" measured Likert-scale from 1 *almost always untrue* to 5 *almost always true* (Gartenberg, Prat, & Serafeim, 2019). This scale was included in the survey for exploratory analysis, as a control variable, and to prevent participants from guessing its underlying driver.

The perception of organizational purpose offers a feasible approach to test the direct effects of the company's purpose on the employees. Perceived Organizational Purpose is measured by the 12-item scale by Jasinenko and Steuber (2023). Jasinenko and Steuber validated a four-dimensional scale including the dimensions of authenticity, guidance, contribution, and inspiration. An example of the scale is "My organization aims to achieve something that goes

beyond its own benefit” or “My organization’s higher goals guide decisions and actions” (Jasinenko & Steuber, 2023).

Employee Engagement is measured by the UWES-9 by Schaufeli et al (2006). Indicated in their research, the original UWES containing 17 items could be shortened to 9 items (Schaufeli, Bakker, & Salanova, 2006). When the UWES-17 and the UWES-9 were compared concerning validity and factor structure, the UWES-9 was the preferred version (Mills, Culbertson, & Fullagar, 2012). The UWES-9 includes the three dimensions of engagement suggested by Schaufeli et al.: vigor, dedication, and absorption (Schaufeli, Salanova, González-Romá, & Bakker, 2002). These three dimensions are taken into account in the UWES-9 questionnaire with examples for vigor “When I get up in the morning, I feel like going to work.”, dedication “I am proud of the work that I do”, and absorption “I get carried away when I am working”. A Likert-scale ranging from 0 *never* to 6 *always every day* (Schaufeli, Bakker, & Salanova, 2006).

Subjective person-organization fit is measured by the 4-item scale developed by Piasentin and Chapman (2010). The scale is measured on a Likert scale from 1 *strongly disagree* to 7 *strongly agree*. One of the four items is reversely scored: “I would probably fit in better at another organization than the one I currently work for” (Piasentin & Chapman, 2010). Also from Piasentin and Chapman (2010), two items for turnover intention were used. The scale is measured on a Likert scale from 1 *strongly disagree* to 7 *strongly agree*. An example of an item is “I doubt that I will be here in a few months”.

In the last part of the questionnaire, the participants were asked, if they remembered the purpose statement of the company. Therefore the examples of purpose statements mentioned earlier in the survey were repeated and participants were asked if they recall the purpose statement of the company. The participants were given multiple options, such as, “No, don’t remember” or “My company doesn’t have a statement”. Afterward, participants who remembered the purpose statement were asked to please indicate the statement. This part was included for exploratory research, as this could further offer insights into the perception of the company’s purpose.

### **3.2 Qualitative Research**

To gather more insights into the employee’s perception of the organizational purpose and its impact on engagement and turnover intention, qualitative research was also conducted. This serves as an extension of the questionnaire. A semi-structured interview script was used including five questions about perceived purpose, personal values, person-organization fit, engagement as well as turnover intention. To give an example question: “How would you define

the company's purpose, and how do you feel it aligns with your values?". The interviews were conducted via Microsoft Teams, telephone calls or Zoom. The interview script can be found in the appendix and the full transcripts of the interviews as well as needed translations will be made available upon request.

## **4. Results & Findings**

### **4.1 Quantitative Research**

As mentioned in Chapter 3, multiple channels were used to distribute the online survey. The survey was accessible from the 2<sup>nd</sup> until the 28<sup>th</sup> of April. Firstly, LinkedIn, professional, and personal contacts were used to distribute the survey and asked to complete it. This resulted in 179 participants, of whom almost a third did not finish the entire questionnaire. This could have been due to various reasons, for example, they were distracted, or not employed at any point in the last 12 months. Due to this fact, another channel was used – Prolific. The usage of which resulted in an additional 168 participants. The participants received an average of £0.75 and took an average of 5 minutes and 25 seconds.

#### **4.1.1 Descriptive Statistics**

In total, 347 participants answered the online survey. After inspecting the data, 54 were excluded from the dataset, as they did not complete the entire survey. This resulted in a total of  $n = 293$  observations. Out of the total observers, 48% are between 25-34 years old, 17% between 18-24, 17% between 35-44, 10% 45-54, 6% between 55-64 and 0,6 % over 65 years old. Over 55% of the observations identified as Female, 43% as Male and 0,3% as non-binary/third gender. 25% of the participants reported their nationality as German, 23% Portuguese, 10% British, 6% Greek, 4% French, and 4% Italian. Furthermore, a majority of 26% indicated other nationalities, such as American, Irish, Spanish, Turkish, and more. In the observation 27% are currently employed in Portugal, 25% in Germany, 12% in the United Kingdom, 9% in France, 5% in Italy, and 20% reported 'other', for example, Austria, Denmark, Spain, Greece, or Ireland.

Concerning their employee status, 68% reported working full-time, 21% part-time, 6% students, 2% 'other' and 0,3% unemployed. Out of the 'other' category, the participants clarified their status as studying and working part-time, having a mini-job, or being on maternity leave. In the sample of participants, 20% are currently working in the Technology industry, 12% in Consulting, 8% in Education, 8% in Finance, 4% in Information services, and the majority of 45% are currently working in other industries, such as Fast-moving consumer goods (FMCG),

Beauty, Healthcare, Government, Marketing or Retail. Participants indicated the company size with 38% under 99 employees, 15% between 99 and 250 employees, 14% between 300 and 1000 employees, 8% between 1000 and 3000 employees, and 22% with more than 3000 employees. Furthermore, 23% of the participants are employed at their current company under 1 year, 27% between 1 and 2 years, 26% between 3 and 5 years, 9% up to 10 years and 12% over 10 years. Concerning income, the majority (34%) report earning less than 25.000€ annually, 21% earning up to 45.000€, 17% up to 75.000€, and 12% under 9.000€. Moreover, 2% earn over 100.000€ annually and 3% over 150.000€, while 6% indicated ‘prefer not to say’.

Lastly the question concerning the purpose statement of their company 31% reported, they do remember it, 17% are not sure, 17% don’t remember, and 32% reported their company doesn’t have a purpose statement. The answers were recoded for logical reasons, so that “no, the company doesn’t have one” equals 0, “No, I don’t remember” equals 1, “not sure” equals 2, and “Yes, I remember it” equals 3.

Firstly, the Cronbach alpha for all Likert scales was calculated. A Cronbach’s alpha above 0.7 indicates that the items in the scale capture the concept well (McNeish, 2017). The items used to capture corporate purpose have a Cronbach’s alpha of 0.89, the items for perceived purpose 0.96, for engagement 0.95, Person-organization fit 0.81, and turnover intention 0.79. For descriptive statistics, the overall corporate purpose is 3.40, indicating a positive outlook of the participants. The participants showed a positive perception of purpose through a mean of 3.82, and positive engagement with a mean of 4.54. Furthermore, a rather positive Person-organization fit with 4.68 and an overall average turnover intention of 3.21.

#### **4.1.2 Correlation**

Before testing the hypothesis for this dissertation, the correlation between key variables was tested in the data set. Therefore, a correlation matrix including the correlation coefficient was created.

The perceived purpose showed a significant positive correlation to employee engagement (0.65,  $p < .01$ ), person-organization fit (0.57,  $p < .01$ ), corporate purpose (0.76,  $p < .01$ ), and the recall of the purpose statement (0.30,  $p < .001$ ). This suggests that participants with a higher perceived purpose report a higher engagement, person-organization fit, corporate purpose, and tend to remember the purpose statement. Furthermore, a moderately significant correlation between perceived purpose and income (0.18,  $p = 0.05$ ) and a low significant correlation to company size (0.13,  $p = 0.1$ ) exists. Therefore, if the purpose of the participants increases, so does the income

and the size of the company. Between perceived purpose and turnover intention, a negative significant correlation was found (-0.40,  $p < .01$ ), indicating that when perceived purpose increases, the turnover intention decreases.

Employee engagement showed a positive significant correlation with perceived purpose (0.65,  $p < .01$ ), person-organization fit (0.61,  $p < .01$ ), and corporate purpose (0.67,  $p < .01$ ). Indicating that if engagement increases the perceived purpose, person-organization fit and corporate purpose increases as well. Furthermore, employee engagement shows a significant positive correlation to income (0.20,  $p < .01$ ), indicating that people who report being highly engaged also report higher income. Similarly to perceived purpose, engagement correlates significantly with purpose recall (0.23,  $p < .01$ ). A negative correlation was found between engagement and turnover intentions (-0.52,  $p < .01$ ). Indicating an increase in engagement tends to lead to a decrease in turnover intention.

Turnover intention exhibited a substantial negative correlation with perceived purpose (-0.40,  $p < .01$ ), employee engagement (-0.52,  $p < .01$ ), person-organizational Fit (-0.61,  $p < .01$ ) and corporate purpose (-0.41,  $p < .01$ ). A moderate negative correlation between turnover intention and purpose recall (-0.15,  $p < .05$ ) was found. Lastly, a low negative correlation was found between turnover intention and income (-0.12,  $p < .1$ ). This implies that an increase in income can result in a decrease of turnover intention and vice versa.

Next to the already defined correlations person-organization fit correlates with purpose recall (0.19,  $p < .01$ ) and slightly with income (0.14,  $p < .05$ ). Lastly the company size correlates with income (0.18,  $p < .05$ ) and purpose recall (0.30,  $p < .01$ ). The full correlation matrix can be found in the appendix.

#### **4.1.3 Hypotheses Testing**

Two linear regressions were conducted to investigate the impact of perceived purpose on employee engagement (H1). First univariate linear regression showed a statistically significant relationship between engagement and perceived purpose ( $\beta = 0.695$ ,  $p < .01$ ). This suggests that there is an increase in engagement of 0.695 units for every unit increase in perceived purpose. More factors were included in the multiple regression in model 2, such as the person-organization fit, turnover intention, corporate purpose, tenure, company size, income, and age. Once the other factors were included the relation between engagement and perceived purpose decreased from 0.695 to 0.228 ( $p < .01$ ). This indicates that after controlling for the other variables, there is an increase in engagement of 0.228 units for every unit increase in perceived

purpose. The multiple regression exhibits a significant relationship between engagement and person-organization fit ( $\beta=0.177$ ,  $p<.001$ ), indicating an increase in engagement of 0.177 units for every unit increase in person-organization fit. Furthermore, the significant relationship with corporate purpose ( $\beta=0.428$ ,  $p<.001$ ). Similarly to the correlation, a negative significant relationship between engagement and turnover intention was found ( $\beta=-0.139$ ,  $p<.001$ ).

Additionally, a significant negative relationship was found to company size ( $\beta=-0.085$ ,  $p<.001$ ) suggesting a decrease in engagement with 0.085 units for every unit increase in company size. Indicating that people who reported to work at a large company might be less engaged compared to employees in small companies. Furthermore, a positive relationship was found between engagement and income ( $\beta=0.076$ ,  $p<.01$ ) suggesting an increase of 0.068 units per every unit increase in income. The adjusted R2 of 0.58 implies a fair level of explanatory power of the chosen variables in Model 2.

Impact on Engagement		
Dependent variable:		
Engagement		
	(1)	(2)
Perceived purpose	0.695*** (0.048)	0.207*** (0.067)
Person-Organization fit		0.173*** (0.055)
Corporate purpose		0.442*** (0.078)
Turnover intention		-0.136*** (0.035)
Purpose recall		0.065 (0.044)
Company size		-0.097*** (0.033)
Income		0.068** (0.029)
Tenure		-0.034 (0.046)
Age		-0.072 (0.054)
Constant	1.889*** (0.190)	2.159*** (0.382)
Observations	293	293
R2	0.423	0.600
Adjusted R2	0.422	0.588
Residual Std. Error	0.968 (df = 291)	0.817 (df = 283)
F Statistic	213.761*** (df = 1; 291)	47.265*** (df = 9; 283)
Note:	* $p<0.1$ ; ** $p<0.05$ ; *** $p<0.01$	

Table 1 Regression Model H1

To test for linear assumptions firstly linearity was tested through the plotted fitted vs. residual values, showing no distinct pattern hence the linearity assumption is met with both models. Furthermore, the Durbin-Watson test was conducted and resulted in a statistic of 2.0814 (p-value=0.7581) for model 1, and 2.0914 (p-value = 0.7722) for model 2, therefore no evidence was found in the autocorrelation in the residuals. Homoscedasticity of the residuals was tested with the Breusch-Pagan test with a p-value of 0.0643 for model 1 and 0.06382 for model 2, indicating the equal variance of the residuals in both models. Normal distributed residuals were

tested with the Shapiro-Wilk test and confirmed that residuals were normally distributed (p-value = 0.00113 (model 1), p-value = 0.007455 (model 2)). The Multicollinearity was tested with the variance inflation factors (VIFs). Resulting in a predictor for model 1 around 1 and for model 2 in some predictors above 2, indicating that there is a slight multicollinearity in model 2, but within the acceptable range. To conclude the analysis for Hypothesis 1, no statistically significant outliers were detected for both models (Bonferroni p-value  $p < 0.05$ ). Both models are statistically valid.

For hypothesis 2, the turnover intention is closely analyzed with the same procedure as hypothesis 1. The conducted linear regression (seen in Table 2) shows a significant negative relationship impact of perceived purpose on turnover intention ( $\beta = -0.595$ ,  $p < 0.01$ ) indicating that there is a decrease of 0.595 units in turnover intention for every unit of increase of perceived purpose. Focusing on the Adjusted R<sup>2</sup>, the model only explains a low percentage (16,4%) of the variance of turnover intention. Therefore, this model 1 is not optimal. To explore if an interaction term could improve the model, the control variable 'corporate\_purpose' was used. The variable was formed out of the corporate purpose items and grouped into two groups: 'Purpose' (above average of 2.5 out of a maximum of 5) and 'No Purpose' (below average of 2.5). The interaction term and the corporate purpose showed no significance, and the significance of the perceived purpose decreased to  $\beta = -0.543$  with  $p < 0.05$ . Model 2 including the interaction term improved the adjusted R<sup>2</sup> to 0.170. Therefore, the model with the interaction term can explain a higher percentage of the variance in turnover intention, but is still not optimal

For this Hypothesis test, additionally, a multiple regression was conducted (model 3). Once other factors are included in the regression model, the relationship between perceived purpose and turnover intention is not significant anymore. Model 3 found significant relationships to person-organization fit ( $\beta = -0.651$ ,  $p < 0.01$ ) and engagement ( $\beta = -0.365$ ,  $p < 0.01$ ). This indicates that other variables influence the relationship between perceived purpose and turnover intention. The last model can explain a moderate level with 40,7% of the variance of turnover intention due to an adjusted R<sup>2</sup> of 0.407.

Impact on Turnover intention

	Dependent variable:		
	(1)	(2)	(3)
Perceived purpose	-0.595*** (0.079)	-0.543** (0.213)	0.001 (0.189)
Corporate purpose 'Purpose'		-0.838 (0.738)	-0.302 (0.640)
Person-Organization Fit			-0.651*** (0.083)
Engagement			-0.365*** (0.094)
Purpose Recall			-0.034 (0.072)
Company size			-0.029 (0.054)
Income			0.033 (0.048)
Tenure			-0.111 (0.076)
Age			-0.082 (0.090)
Perceived purp:corporate purp 'Purpose'		0.081 (0.237)	0.076 (0.204)
Constant	5.484*** (0.315)	5.676*** (0.585)	8.494*** (0.602)
Observations	293	293	293
R2	0.164	0.178	0.427
Adjusted R2	0.161	0.170	0.407
Residual Std. Error	1.605 (df = 291)	1.597 (df = 289)	1.350 (df = 282)
F Statistic	56.992*** (df = 1; 291)	20.914*** (df = 3; 289)	21.025*** (df = 10; 282)

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 2 Regression Models H2

Linearity assumptions were tested through the residual scatter plot, which showed a funnel-shaped pattern. This could indicate the potential non-linearity of the models. The Durbin-Watson test indicated no autocorrelation between the residuals (m1 p=0.1474, m2 p=0.1759, m3 p=0.1742), the Breusch-Pagan tested homoscedasticity, and indicated evidence of unequal variance only for model 3 (m1 p=0.5732, m2 p=0.8603, m3 p=0.01024) no evidence of Multicollinearity in model 1, and a slight multicollinearity in model 2 within acceptable range (m1 VIF=1.45, m2 VIF = 1, m3 VIF ~ 2.2). The residuals are likely non-normally distributed as tested with the Shapiro-Wilk test (m1 p=3.572e-06, m2 p=1.934e-06, m3 p=0.001685). Additionally, histograms and Q-Q plots were used to investigate the relationship, which can be found in the appendix. Lastly, no significant outliers were found in both models (p<0.05).

To analyze hypotheses 3a and 3b a moderated regression analysis is conducted. This regression analysis includes next to the variables the interaction term between perceived purpose and the subjective person-organization fit.

For hypothesis 3a:

*Employee Engagement*

$$= \beta_0 + \beta_1 \text{PerceivedPurpose} + \beta_2 \text{PersonOrganizationFit} + \beta_3 (\text{PerceivedPurpose} \times \text{PersonOrganizationFit})$$

The moderator effect is reflected by  $\beta_3$  in the equation above. If the interaction term is significant, it's suggested that the person-organization fit moderates the relationship between

perceived purpose and employee engagement. For the moderator analysis, the variable person-organization fit was transformed. Two groups were formed, participants with a mean of person-organization fit below 3.5 out of 7 in the group “No Fit”, and above 3.5 in the group “Fit”. Analyzing the moderation effect will be more tangible and make interpretation easier.

In the table below, the moderation effect is displayed. The model shows a significant relationship with perceived purpose ( $\beta=0.400$ ,  $p<0.01$ ) and the interaction term shows low significance ( $\beta=0.240$ ,  $p<0.1$ ). Model 1 indicates for each unit increase of perceived purpose for participants with a person-organization fit we can expect an increase of engagement of 0.240 compared to participants with no fit. Once the model is controlled for other variables, such as company size, income, tenure, and age, the interaction term shows no significance. Similarly to the linear regression models for Hypothesis 1 the variables corporate purpose, company size and income have a significant relationship with employee engagement. Model 1 shows an adjusted R2 of 0.460 and model 2 of 0.534, which means that both models explain a fair amount of variance of the employee engagement around its mean.

Moderator analysis		
	Dependent variable:	
	Engagement	
	(1)	(2)
Perceived purpose	0.400*** (0.129)	0.123 (0.130)
Person-Organization 'Fit'	-0.008 (0.443)	-0.151 (0.415)
Corporate purpose		0.502*** (0.081)
Company size		-0.088*** (0.034)
Income		0.082*** (0.030)
Tenure		-0.027 (0.049)
Age		-0.044 (0.058)
Perceived purp:Person-Organization 'Fit'	0.240* (0.140)	0.216 (0.132)
Constant	2.220*** (0.379)	1.965*** (0.387)
Observations	293	293
R2	0.466	0.547
Adjusted R2	0.460	0.534
Residual Std. Error	0.935 (df = 289)	0.869 (df = 284)
F Statistic	83.899*** (df = 3; 289)	42.784*** (df = 8; 284)
Note:	* $p<0.1$ ; ** $p<0.05$ ; *** $p<0.01$	

Table 3 Regression Models H3a

Similarly to Hypothesis 1 and 2, the linear assumptions are tested. Linearity assumptions were tested through the residuals scatter plot, showing no distinct pattern. The Durbin-Watson test indicated no autocorrelation between the residuals (m1  $p=0.7029$ , m2  $p=0.8578$ ), the Breusch-Pagan test showed homoscedasticity is met (m1  $p=0.3126$ , m2  $p=0.4966$ ) no evidence of Multicollinearity in model 1, and a slight multicollinearity in model 2 within acceptable range

(m1 VIF=1, m2 VIF ~ 2.5). The residuals are likely non-normally distributed as tested with the Shapiro-Wilk test (m1 p=0.003107, m2 p=0.0003754). Additionally, histograms and Q-Q plots were used to investigate the relationship, which can be found in the appendix. Lastly, no significant outliers were found in both models (p<0.05).

Hypothesis 3b:

*Turnover intention*

$$= \beta_0 + \beta_1 \text{PerceivedPurpose} + \beta_2 \text{PersonOrganizationFit} + \beta_3 (\text{PerceivedPurpose} \times \text{PersonOrganizationFit})$$

The same procedure as before is conducted for the last hypothesis 3b. A significant interaction term would suggest that person-organization fit moderates the relationship between perceived purpose and turnover intention. The model indicates no significant relationship between person-organization fit or perceived purpose. A statistically significant relationship with the interaction term was found ( $\beta=-0.434$ ,  $p<0.05$ ). Model 1 indicates for each unit increase of perceived purpose for the participants with a person-organization fit we can expect a decrease of 0.434 units in turnover intention compared to participants with no fit. Once other control variables were included in the model a significance with corporate purpose was found, like the hypothesis testing for H2. The interaction term remains significant ( $\beta=-0.478$ ,  $p<0.05$ ). With each unit increase of perceived purpose for employees with a person-organization fit, there is a 0.478 unit decrease in turnover intention.

Moderator analysis		
Dependent variable:		
Turnover intention		
	(1)	(2)
Perceived purpose	0.007 (0.203)	0.197 (0.218)
Person-Organization 'Fit'	-0.515 (0.698)	-0.328 (0.696)
Corporate purpose		-0.260* (0.135)
Company size		-0.001 (0.056)
Income		-0.012 (0.050)
Tenure		-0.099 (0.081)
Age		-0.120 (0.097)
Perceived purp:Person-Organization 'Fit'	-0.434** (0.220)	-0.478** (0.220)
Constant	5.058*** (0.597)	5.916*** (0.648)
Observations	293	293
R2	0.300	0.329
Adjusted R2	0.293	0.310
Residual Std. Error	1.474 (df = 289)	1.456 (df = 284)
F Statistic	41.274*** (df = 3; 289)	17.394*** (df = 8; 284)
Note:	*p<0.1; **p<0.05; ***p<0.01	

Table 4 Regression Models H3b

Linearity assumptions were tested through the residuals scatter plot, similarly to H1b a pattern in the residuals was indicated. The Durbin-Watson test indicated no autocorrelation between the residuals (m1  $p=0.08701$ , m2  $p=0.1136$ ), the Breusch-Pagan test showed no evidence for unequal variance and homoscedasticity is met (m1  $p=0.8708$ , m2  $p=0.7902$ ), no evidence of Multicollinearity in model 1, and a slight multicollinearity in model 2 within acceptable range (m1  $VIF=1$ , m2  $VIF \sim 2.5$ ). The residuals are likely non-normally distributed as tested with the Shapiro-Wilk test (m1  $p=1.969e-06$ , m2  $p=1.5e-05$ ). Additionally, histograms and Q-Q plots were used to investigate the relationship, which can be found in the appendix. Lastly, no significant outliers were found in both models ( $p<0.05$ ).

#### **4.1.4 Exploratory analysis**

As beforementioned, the concept and scale of perceived organizational purpose consist of four dimensions: contribution, authenticity, guidance, and inspiration. Each dimension is represented in the scale by three items, for example, “My organization seeks to create a positive change in the world” (contribution) or “My organization inspires by providing a higher cause.” (inspiration) (Jasinenko & Steuber, 2023). To understand the relationship between engagement or turnover intention and the four dimensions this was further investigated and will be shortly presented. Four variables were created out of the mean of the corresponding items and univariate as well as multiple regressions were run. The results show, that for engagement and turnover intention, the individual dimensions all show a significant relationship to the dependent variable.

For engagement (seen in Table 5) positive significant relationships to the four dimensions were found at a 1% significance level with contribution  $\beta=0.508$ , authenticity = 0.630, guidance  $\beta=0.618$ , inspiration  $\beta=0.596$ . The adjusted  $R^2$ s ranged from 0.332 to 0.399. Therefore model 1 (Contribution) explains the least variance of the variable engagement with 33,2% and model 4 (Inspiration) the most with 39,9%.

Dependent variable:				
Engagement				
	(1)	(2)	(3)	(4)
Contribution	0.508*** (0.042)			
Authenticity		0.630*** (0.052)		
Guidance			0.618*** (0.049)	
Inspiration				0.596*** (0.043)
Constant	2.615*** (0.171)	2.002*** (0.217)	2.196*** (0.196)	2.366*** (0.166)
Observations	293	293	293	293
R2	0.334	0.338	0.352	0.402
Adjusted R2	0.332	0.336	0.350	0.399
Residual Std. Error (df = 291)	1.040	1.037	1.027	0.986
F Statistic (df = 1; 291)	146.095***	148.877***	157.886***	195.239***

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 5 Exploratory Analysis Four Dimensions and Engagement

For turnover intention negative significant relationships at a 1% significance level can be seen for all four dimensions with contribution  $\beta=-0.453$ , authenticity  $\beta=-0.536$ , guidance  $\beta=-0.513$ , inspiration  $\beta=-0.505$ . The adjusted R2 of model 3 guidance explains the least variance of the variable turnover intention (12,5%) and with model 4 inspiration the most (14,9%).

Dependent variable:				
Turnover Intention				
	(1)	(2)	(3)	(4)
Contribution	-0.453*** (0.066)			
Authenticity		-0.536*** (0.082)		
Guidance			-0.513*** (0.078)	
Inspiration				-0.505*** (0.070)
Constant	4.929*** (0.267)	5.372*** (0.343)	5.161*** (0.313)	5.056*** (0.272)
Observations	293	293	293	293
R2	0.140	0.129	0.128	0.152
Adjusted R2	0.137	0.126	0.125	0.149
Residual Std. Error (df = 291)	1.628	1.638	1.639	1.616
F Statistic (df = 1; 291)	47.387***	43.168***	42.746***	52.214***

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 6 Exploratory Analysis Four Dimensions and Turnover Intention

When adding the four dimensions in a multiple regression the significance of the dimensions decreases. For engagement, only authenticity shows a slight positive significance at a 10% significance level ( $\beta=0.167$ ) and a strong positive significance with inspiration ( $\beta=0.331$ ), seen in model 1. Model 3 displays the impact on turnover intention and three dimensions show no significance. A slight positive relationship exists between turnover intention and inspiration at a 10% significance level ( $\beta=-0.261$ ). As a comparison, the variable of perceived purpose can be seen in Table 7 below. Inspiration has the most significant relationship with engagement and

turnover additionally authenticity with turnover intention, compared to the other dimensions. This suggests an increase in engagement of 0.167 units per every unit increase of authenticity. An increase in engagement of 0.331 units per every unit increase of inspiration and a decrease in turnover intention of 0.261 units per every increase unit increase in inspiration.

Impact of individual dimensions of perceived purpose

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Dependent variable:

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	Engagement		Turnover intention	
	(1)	(2)	(3)	(4)
Contribution	0.100 (0.072)		-0.157 (0.119)	
Authenticity	0.167* (0.093)		-0.136 (0.155)	
Guidance	0.089 (0.100)		-0.025 (0.167)	
Inspiration	0.331*** (0.090)		-0.261* (0.149)	
Perceived Purpose		0.695*** (0.048)		-0.595*** (0.079)
Constant	1.940*** (0.205)	1.889*** (0.190)	5.404*** (0.341)	5.484*** (0.315)
Observations	293	293	293	293
R2	0.430	0.423	0.166	0.164
Adjusted R2	0.422	0.422	0.155	0.161
Residual Std. Error	0.968 (df = 288)	0.968 (df = 291)	1.611 (df = 288)	1.605 (df = 291)
F Statistic	54.207*** (df = 4; 288)	213.761*** (df = 1; 291)	14.346*** (df = 4; 288)	56.992*** (df = 1; 291)

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Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 7 Exploratory Analysis Multiple Regression Four Dimensions

4.2 Qualitative results

In total, five interviews were conducted lasting between 20 and 50 minutes. The interviews were used to further understand and support the quantitative research results. An overview of the interviewees is visualized in the table below.

Name	ID	Age	Position	Tenure	Industry
Jose Silva Almeida	1	46 years	ESG Director	24 years	Construction
Ana Leão	2	43 years	Head of Communication & Marketing, Purpose Officer	6 years	Environmental serviced
Nuno Vaz Neto	3	49 years	Lead Rebranding Project	22 years	Energy
Emil Johnny Guder	4	25 years	Graphic Designer	3 years	Fast Moving Consumer Goods
Malenny Pavón García	5	24 years	ERP Specialist	>1 year	Security

Table 8 Overview of Interviewees

Out of the five interviewees, three worked closely with the purpose department/purpose project and have a high overlap with the purpose work within the company. ID No. 1, with daily responsibilities concerning the purpose of the company, and ID No. 3, holds the position of purpose officer with tasks such as purpose workshops with new managers. ID No. 2 is currently

leading the rebranding project for the company focusing on the purpose and formulation of a revised purpose statement. On the other side interviewees ID No. 4 and 5 don't have any responsibilities connected to purpose work or purpose projects within the company and work in junior-level positions.

#### **4.2.1 Perceived Purpose**

When asked about how the interviewees perceive the purpose of the company, various aspects were discussed. ID No. 1 perceived that the purpose is authentic and put into words the feeling, culture and history of the company: "It's not something new, the company was always like this". Therefore, for him, the purpose only articulated what was known to him, the employees and the workforce. He mentioned the purpose statement only added and clarified the future orientation. For other participants who work in companies, where the purpose is not in the center of the strategy or at the forefront of discussions, the purpose is unclear. One interviewee (ID No. 4) was unsure if the company even had a purpose before the interview and investigated this just because of it. ID No. 4 underlines that he "never bothered to look it up or to get to know it better", indicating the company's purpose also might not be communicated clearly.

It is to be noted, that once participants were asked about how they perceive the purpose of the company, the majority mentioned the purpose statement and the actions the company takes to realize the purpose. Besides, in the discussion, the aspects of a future orientation, communities and various stakeholders were mentioned. Furthermore, the four dimensions of perceived organizational purpose, contribution, authenticity, guidance and inspiration (Jasinenko & Steuber, 2023), were touched upon. The interviewees ID No. 1 and 2 stated that they contribute to realizing the corporate purpose. ID No. 3 discussed how crucial it is for employees to understand how they can concretely contribute to the purpose through their daily work. As beforementioned the perceived purpose was described as authentic. It's putting into words, what the company's culture and values already reflected. Guidance by the corporate purpose was expressed by ID No. 2 perception as "the purpose is a kind of compass", ID No. 3 perceived the purpose as giving the company a "clearer perspective of direction" and ID No. 5 discussed that the purpose guided how she interacts and behaves at work daily. The corporate purposes were perceived as inspiring by ID 1, 2, and 3.

Interviewee ID No. 4 did not touch on these topics, suggesting that he is not as impacted by the corporate purpose or doesn't have a high perception of it.

### **4.2.2 Person-Organization Fit**

When discussing how the values of the company fit the personal values of the interviewees, all interviewees touched on similar topics. Overall, all interviewees felt like their values and the organization fit well. ID No. 2, for example, discussed, that in previous companies she didn't feel completely aligned with their purpose compared to her current employer. The work as a purpose officer helped her discover her own personal purpose and simplified her daily tasks. Additionally, the interviewees discussed that they identify not just with the company's purpose but also with its values and culture. ID No. 4 still feels like he fits within the company, especially due to the culture and the portrayed values. This resulted in him seeing no need to investigate the company's purpose: "I felt like I knew what the company was about when I started working there".

### **4.2.3 Engagement**

To understand if the purpose has a positive impact on employee engagement, participants were asked if and how the purpose affects their daily tasks. As the daily responsibilities of three of the participants directly involved the company's purpose, their work is deeply impacted by it. ID No. 2 mentioned that knowing the purpose improved how she explains and justifies her responsibilities and choices to other stakeholders within the company. The purpose of the company also influenced her well-being at work: "Sometimes I feel like it (the purpose) changed my way to deal with stress and anxiety." Furthermore, ID No. 1 and 3 both highlighted, that employee engagement can be improved by the purpose only if it's communicated and activated correctly.

Additionally, the aspect of value creation for employees was raised (ID No. 3) concerning engagement. For employees, it is crucial to understand how to participate and contribute to the purpose every day. ID No. 3 explained that in their current purpose project within the company, a major part of the project is the definition of a new employee value proposition. For the purpose to be effective within the company, it's not only important to understand how it creates value for whom. But the different needs of the stakeholders are just as important: "If you only focus on the purpose, you might lose the impact."

ID No. 1 mentioned, that for employees who are further away from the business and occupying more operational positions, it is relevant to communicate and emphasize the purpose even more. Moreover, one interviewee (ID No. 2) mentioned, that managers could be more interested and invested than operational workers in realizing the purpose objectives as they personally benefit

from it, for example, if they are linked to their bonuses. Summarised by ID No. 3: “If you don’t activate every single day, the purpose with intention, the people will forget.”

Building on this aspect, ID No. 4 mentioned that he is not particularly engaged or impacted by the purpose, as the purpose has no impact on his daily tasks. His role supports the technology team and the backbone of the company therefore he feels like he is far away from the daily business of the FMCG company.

#### **4.2.3 Turnover Intention**

Concerning turnover intention, the interviewees had different opinions. Additionally, the relevance of how the purpose translates into concrete actions and the company culture was emphasized. For most of the interviewees, the purpose is not a major reason to consider leaving the company. Other aspects were mentioned to be more important than the purpose of the company, for example, the values of the company, great colleagues, salary, and how satisfied the interviewees were with their work. ID No. 5 raised that the development opportunities were especially relevant in a junior-level position and her short tenure at the company and therefore are more crucial when deciding to stay or leave. ID No.3 would not leave the company because of the purpose, as especially diversity, equality, and ethical behavior of the company are more important to him and affect him more in his daily work. He adds, however, that he’s aware of others seeing the purpose as a relevant aspect when considering staying or leaving the company, especially in the younger generations.

For other participants, ID No. 2, and 4 the purpose would neither be a reason to leave nor to stay. ID No. 4 describes having a positive purpose as a “great add-on” to his daily work. He will only consider purpose as a reason to leave the company if he fundamentally disagrees with the purpose and hence with the company’s values. ID No. 1, 2, and 3 raised the aspect of communication and awareness concerning turnover intention. ID No. 1 underlines this can be a challenge, especially for an international company with various locations. In smaller and more operational locations, the purpose and culture might not have the same impact as in the headquarters. Therefore, it could be a reason for employees to leave the company, or not be a reason for them to stay.

## **5. Discussion & Limitations**

### **5.1 Discussion**

The corporate purpose is the reason why an organization exists (Gartenberg & Serafeim, 2023; Bartlett & Ghoshal, 1994) beyond just the financial performance of the firm (Gartenberg, Prat, & Serafeim, 2019). Corporate purpose is seen as a key aspect in setting climate goals (Henderson & Serafeim, 2020) besides achieving the company's full potential (Fink, 2018). To understand and predict the outcomes of corporate purpose correctly, it is crucial to investigate how employees perceive it (Jasinenko & Steuber, 2023).

Misalignment between the perception and the actual organization's values and experience causes dissatisfaction within the workforce (Atkin, 2019). When the purpose is only a nice-sounding statement without concrete actions being taken (Malnight, Buche, & Dhanaraj, 2019), employees are unable to connect their tasks to it, making employees likely to feel detached from the organization's purpose (Carton, 2018). On the contrary, employees who are inspired by the purpose of the company report being more engaged at work (van Tuin, Schaufeli, Van den Broeck, & van Rhenen, 2020). Increasing engagement of employees bears multiple advantages, such as a negative relationship to burnout (Schaufeli, Salanova, González-Romá, & Bakker, 2002), a higher connection with their team (Gallup, 2023), or higher involvement and loyalty (Macey & Schneider, 2008). Additionally, a high engagement can be seen as an opportunity for economic growth (Gallup, 2023) and a key to the competitive advantage of the company (Macey & Schneider, 2008). Another constant challenge for companies is high turnover. It can cause disruptions (Holtom & Allen, 2019) create difficulties in finding suitable replacements (Guthrie, 2001) and decrease performance (Arlotto, Chick, & Gans, 2014) as well as productivity (Shaw, Duffy, Johnson, & Lockhart, 2005). The fit between the employee and the organization affects employee retention and offers possible research for engagement (Abdalla, Elsetouhi, Negm, & Abdou, 2018). The perception of a corporate purpose and its alignment with personal values suggest an increased motivation (van Ingen, Peters, De Ruiter, & Robben, 2021). However, further research is needed. The impact of perceived organizational purpose on engagement and turnover intention, moderated by person-organization fit was investigated in this dissertation. This study revealed significant insights into the relationship between perceived purpose, employee engagement and turnover intentions, highlighting the direct and the moderating effects of person-organization fit. The findings of this dissertation, the qualitative and quantitative analysis, will be discussed in the following.

The first hypothesis investigated the positive relationship between perceived organizational purpose and engagement. Perceived purpose significantly affected engagement even when controlling for other variables in the regression model, underlining the crucial role of perceived purpose in influencing employee engagement. This was also supported by the significant correlation between perceived purpose and engagement. Indicating, that when perceived purpose increases, engagement increases as well. The positive relationship with engagement bears many benefits for the companies. Engaged employees report higher levels of energy, persistence and resilience (Schaufeli, Salanova, González-Romá, & Bakker, 2002). They are a key to competitive advantage (Macey & Schneider, 2008). The quantitative analysis suggests that there are factors next to perceived purpose, that impact engagement, e.g. person-organization fit, income or company size. The interviews revealed mixed attitudes and experiences concerning engagement. A few interviewees discussed aspects that indicate higher engagement, such as high involvement and mental resilience when facing difficulties. Then again, one interviewee explained that their daily work and behavior are not affected at all by their perception of the company's purpose.

The second hypothesis showed a significant relationship between perceived purpose and turnover intention. However, once other relevant control variables were added to the analysis the significance was no longer present. A low adjusted R<sup>2</sup> indicated the models are not optimal and don't offer a fair percentage of the variance of turnover intention. Overall, this implies that there are potentially unmeasured or omitted variables that influence turnover intention. The absent significance when controlling for other variables does not necessarily mean that perceived purpose is unrelated to the turnover intention. It underlines the complexity of the concept and the interaction. Most interviewees mentioned purpose not to be the main reason to leave the company. They highlighted other aspects that would be more important when considering leaving the company, such as satisfaction, the company's values, or team spirit. As the decision process about leaving a company is more complex than a spontaneous decision (Mobley, 1977), considering more aspects than the perception of purpose aligns with prior research.

Additionally, considering the team and connections to co-workers could indicate friendship networks and strong connections in the workplace with reduced turnover intentions (Vardaman, Taylor, Allen, Gondo, & Amis, 2015) also aligning with prior research. In line with Gartenberg et al. (2019) aspects such as proper communication and awareness were discussed various times concerning the perception of purpose as well as turnover intention. Therefore, perceived

purpose can negatively affect turnover intention. Nevertheless, perceived purpose is not the only aspect of the individual work life that influences turnover intention. More research is required to fully understand which variables interact and shape turnover intention within the context of perceived purpose.

The role of person-organization fit for the perception of purpose was examined with hypotheses 3a and 3b with a moderator analysis. Based on the analyses, person-organization fit moderates the relationship between perceived purpose and both engagement and turnover intention. When controlling for other relevant control variables, the combined effect on engagement showed no significance anymore. This suggests the complexity of the interaction of person-organization fit with the perception of purpose and its influence on engagement. Further research is needed to understand this interaction and influence concerning engagement. The combined effect on turnover intention yields statistically significant results even after adding control variables. Therefore, points out the crucial role of the interaction of person-organization fit with perceived purpose on employees' turnover intention. This supports prior findings indicating that person-organization fit as the best predictor of organizational outcomes, such as turnover intention (Cable & DeRue, 2002). Furthermore, it suggests the importance of aligning personal values with the organization's purpose and values to improve the tenure of employees. Based on the qualitative results, regardless of the perception of the company's purpose or their awareness, all interviewees reported a good fit between them and the organization and reported a low turnover intention at the moment of the interview. This could support the findings of the moderator analysis, however further qualitative research would be necessary.

Based on the interviews, it again became clear that the perception of the organizational purpose is complex. The perception depends on clarity, awareness and the position of the employee. Employees whose daily tasks (fully or partly) concerned the company's purpose were more aware of the concrete action compared to employees who aren't. The importance of clear communication and activation of the purpose was discussed multiple times, supporting prior research highlighting the need to communicate to mid- and low-level employees to reap the full benefits of corporate purpose (Gartenberg, Prat, & Serafeim, 2019). Interviewees who are currently holding such mid- or low-level positions and didn't feel purpose was correctly communicated with them, reported a lower perception of corporate purpose and hence felt less impacted by it. Moreover, in line with prior research by Carton, employees who can't connect their tasks to the broader purpose and aspiration of the company are left feeling disconnected from it (Carton, 2018), as brought up by one interviewee.

Additionally, the dimensions included in the perceived organizational purpose scale by Jasinenko and Steuber (2023), were identified within the interviews. Mainly by participants who worked daily in the area of purpose or were part of the purpose project team. This indicates that employees with a high perception and awareness of the purpose feel like they contribute. They perceive the purpose as authentic, guiding and inspiring, compared to employees without a high perception or lack of corporate purpose within the company.

## **5.2 Managerial Implications**

The findings of this dissertation have several relevant implications for managers. Firstly, managers must realize the significant impact that corporate purpose can have on employee engagement and turnover intention, which was examined by this study. By clearly communicating the company's purpose (Gartenberg, Prat, & Serafeim, 2019) and ensuring it aligns with daily practices and policies (Atkin, 2019), managers can improve connection and commitment among employees. To fully understand the impact corporate purpose can have on employees managers should understand how they perceive the organizational purpose (Jasinenko & Steuber, 2023). Managers can therefore benefit from developing strategies to improve and track the perception, for example through quarterly employee surveys or interviews. Companies and managers thus can benefit from the outcomes of a high perceived purpose, such as highly engaged employees who stay within the company for longer. Additionally, the findings of this dissertation support prior research (e.g. Abdalla, Elsetouhi, Negm, & Abdou, 2018, Netemeyer, Boles, McKee, & McMurrin, 1997, Cable & DeRue, 2002) on the relevance of understanding person-organization fit in the workplace. Managers need to identify a good fit in the selection process, actively foster and continuously promote value congruence between employees and the organization. Which then can enhance employee retention and engagement.

By being aware of the opportunities and benefits that lie in the perception of purpose, managers can create a more purpose-driven, engaged and loyal workforce, while contributing to the overall success, performance and sustainability of the organization.

## **5.3 Limitations and Future Research**

Even though this dissertation revealed significant insights the limitations of this dissertation need to be examined. Firstly, the use of different Likert scale levels was not optimal and could have affected the uniformity of the selected data. Additionally, the turnover intention was only measured with two items, compared to other concepts like engagement, which were measured with multiple items. Thus, the complexity of turnover intention might not have been fully

captured, posing challenges to the linearity of the analysis models for turnover intention. Other concepts should be included to capture alternative variables that could influence the turnover intention, for example ranking the possible reasons for the decision to leave the company. The cross-sectional design of the study only reflects the perceptions of the participants at a single point in time, hence the assumption of causality between the concepts is not fully possible.

The linear assumption tests revealed that especially for turnover intention the challenge of linearity arose, as well as the normality of residuals. This could have resulted from a high number of omitted variables not examined but impacting the models or because of the observations themselves. As the observations and participants of the survey were mainly employees within Europe, the sample is not fully representative of the population, which could have affected the models and analysis.

Furthermore, three interview participants are/were closely involved with purpose-related work or the purpose implementation project, potentially biasing their perception towards the whole impact of purpose within the company. Moreover, in line with general person-organization fit research, it is challenging to determine which exact aspects the participants thought about when answering survey questions about the perceived fit (Piasentin & Chapman, 2010). Additionally, as online questionnaires rely on self-reported data, response biases, such as social desirability bias, can affect the answers.

For future research, it would be valuable to investigate the impact of perceived purpose on turnover using real turnover data from a purpose-driven company. This would enable measuring actual turnover and not only the intention. Besides exploring different groups of employees, such as the “Quiet quitters” longitudinal surveys could offer insights into how the implementation and activation of corporate purpose impact engagement and turnover. Additionally, they could be used to investigate how corporate purpose is communicated throughout the company and its influence on perception. Communication was frequently mentioned throughout the interviews and is suspected to play a significant role in the employees’ perception and awareness of purpose. In addition, future studies might include overall satisfaction, identification with the company, or even remote work in the online survey. The alignment of personal and corporate purpose, which was touched upon in the literature review and mentioned in the interviews, offers a wide and interesting direction for future studies as well.

Overall, each concept in this dissertation reflected a high complexity, requiring further investigation to understand their full impact and outcomes for companies in the context of corporate purpose.

## **7. Conclusion**

This dissertation explores the critical role of perceived corporate purpose in influencing employee engagement and turnover intention as well as the moderating effect of person-organization fit. The study found that perceived purpose is pivotal in influencing employees' engagement, even after accounting for other control variables. This study shed light on the complexity of the relationship between perceived purpose and turnover intention, which requires further research. The person-organization fit amplified the interaction between perceived purpose and turnover intention, which aligned with prior research. On the contrary, the slight significant moderation of person-organization fit between perceived purpose and engagement, decreased once control variables were added. This suggests that other factors influence this interaction. The qualitative analysis highlighted various aspects concerning perceived purpose, such as communication, awareness, and relevance of concrete actions taken. The interviews supplemented the online survey and gave a broader perspective on perceived purpose, engagement, turnover intention and person-organization fit, which underlined the complexity of the concept and its relationship to corporate purpose. Future research should examine unmeasured variables and factors which might affect engagement and turnover intention especially in the context of corporate purpose and employee's perception of it.

This dissertation contributes to the existing literature and research on corporate purpose and its complex influence on employees. The relevance of corporate purpose to improve the company's long-term impact on the environment, stakeholders, shareholders, and the environment was demonstrated. Purpose-driven companies have the potential to thrive within the current market, and meet the rising expectations of consumers, while also attracting and retaining a highly talented workforce. Especially if the employees' perception of purpose is further investigated and understood, it has the potential to increase engagement and avert turnover intention, particularly if a good person-organization fit exists.

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## Appendix

### Dissertation survey

Welcome to this research study on corporate/organizational purpose. In the next few minutes, the topic of this questionnaire will be presented to you and after you'll be asked to answer questions about it. The questionnaire should take around 7 minutes.

The study is completely voluntary and your responses are anonymous. Please note that this survey is best displayed on a laptop or desktop computer.

The insights gathered by your participation will contribute to understanding knowledge gaps in this area – so thank you for taking the time!

(The principal investigator can be contacted at :s-luhrlau@ucp.pt)

#### **By clicking the button below, you acknowledge that:**

- You are at least 18 years old.
- You are aware that you may choose to terminate your participation at any time for any reason.
  - Yes, I consent.
  - No, I do not consent.

---

How old are you?

- Under 18
- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65+ years old

How do you describe yourself?

- Male
- Female
- Non-binary / third gender
- Prefer to self-describe \_\_\_\_\_
- Prefer not to say

Please indicate your nationality.

\_\_\_\_\_

-----  
The next step is about your employment.

If you are currently unemployed but have been employed at some point in the last 12 months, you can relate to the next questions to this job position and may answer them.

If you have been unemployed for more than 12 months, you may leave the survey now.

-----  
What describes your employment status over the last 12 months?

- Working full-time
- Working part-time
- Unemployed and looking for work
- A homemaker or stay-at-home parent
- Student
- Retired
- Other (Please indicate below) \_\_\_\_\_

Which of the following industries most closely matches the one in which you are employed?

- Consulting
- Entertainment
- Education
- Finance
- Information services
- Legal services
- Technology
- Other (Please name industry) \_\_\_\_\_

Size comp How many employees work in the company?

- 1-99
- 99-250
- 300-1000
- 1000-3000
- 3000+

How long have you been working at this company?

- Less than 1 year
- 1-2 years
- 3-5 years
- 6-10 years
- More than 10 years

Which of the following describes best your annual income?

- 0€ - 9,999€
- 10,000€ - 24,999€
- 25,000€ - 49,999€
- 50,000€ - 74,999€
- 75,000€ - 99,999€
- 100,000€ - 149,999€
- 150,000€ +

- Prefer not to say

Which country do you currently work in?

- Austria
  - Belgium
  - Canada
  - Denmark
  - France
  - Germany
  - Italy
  - Netherlands
  - Norway
  - Portugal
  - Spain
  - Sweden
  - Switzerland
  - UK
  - USA
  - Other Country
-

## Start of Block: Corporate purpose

The following questions are about corporate purpose of the company you work at. A corporate purpose is defined as the overarching reason for the existence of the organization, beyond just profit maximization. The purpose of the company is a set of beliefs which is deeply embedded in their strategy and corporate culture. This purpose is supposed to create value for all types of stakeholders – from employees, suppliers, entire communities to shareholders.

The following statements are examples of purpose statements of international companies:

- Patagonia: "We're in business to save our home planet."
- Ikea: "To create a better everyday life for the many people."
- Google: "To organize the world's information and make it universally accessible and useful."

Please indicate the extent to which you agree or disagree with the following statements.

	1 - almost always untrue	2	3	4	5 - almost always true
My work has special meaning: this is 'not just a job'.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I look at what we accomplish, I feel a sense of pride.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel good about the ways we contribute to the community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm proud to tell others I work here.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

---

Please indicate the extent to which you agree or disagree with the following statements.

	1 - strongly disagree	2	3	4	5	6 - strongly agree
My organization aims to contribute to the common good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization seeks to create a positive change in the world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization aims to achieve something that goes beyond its own benefit.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

My organization remains true to its core values even when conflicts occur.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization is fully committed to its overarching goals.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization credibly embodies its core values.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization's overarching goals provide orientation in complex situations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization's higher goals guide decisions and actions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organizations overarching goals provide stable guidance in times of rapid change.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization unites through inspiring higher goals.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization conveys the idea of being part of something bigger.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organization inspires by providing a higher cause.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

-----

The following 9 statements are about how you feel at work. Please read each statement carefully and decide if you ever feel this way about your job. If you have never had this feeling, cross the "0" (zero) in the space after the statement. If you have had this feeling, indicate how often you felt it by crossing the number (from 1 to 6) that best describes how frequently you feel that way.

Please indicate the extent to which you agree or disagree with the following statements.

	0 - never	1 - almost never / a few times a year or less	2 - rarely / once a month or less	3 - sometimes / a few times a month	4 - often / once a week	5 - very often / a few times a week	6 - always / every day
At my work, I feel bursting with energy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I get up in the morning, I feel like going to work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
At my job, I feel strong and vigorous.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I am proud of the work that I do.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am enthusiastic about my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job inspires me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I get carried away when I am working.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel happy when I am working intensely.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am immersed in my work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate the extent to which you agree or disagree with the following statements.

	1 - strongly disagree	2	3	4	5	6	7 - strongly agree
I fit in well with other people who work for this company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This organization is a good fit for me in terms of what I look for in an employer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think other people say that I fit into this organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would probably fit in better at another organization than the one I currently work for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate the extent to which you agree or disagree with the following statements.

	1 - strongly disagree	2	3	4	5	6	7 - strongly agree
I frequently think about quitting my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I doubt that I will be here in a few months.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

---

These examples of purpose statements were introduced earlier:

- Patagonia: "We're in business to save our home planet."
- Ikea: "To create a better everyday life for the many people."
- Google: "To organize the world's information and make it universally accessible and useful."

Do you recall the purpose statement of the company you work for?

- Yes, I recall the statement
- Not sure
- No, I don't remember
- The company does not have a purpose statement

If you remember the purpose statement, please indicate it below.

---

(End of survey)

**Thank you for your participation to this survey!**

## **Interview script**

Quick introduction: Hi I'm Lucie, I'm studying International Master of Science in Management and currently writing my master dissertation on corporate purpose. It is great to meet you and thank you for taking the time for the interview. The interview will last around 20-30 minutes, and I'll try to be as respectful of your time.

Before we start, is it okay for you if I name you in my dissertation, or would you like to stay anonymous? And is it okay If I record the interview?

Firstly, I will ask some questions about your person:

- How old are you?
- How long have you been working in the company?
- What is the Industry of the Company you work for?
- What is the official title of your position?

Coming to my questions about the corporate purpose and your perception, I can quickly summarize what exactly a corporate purpose is (If needed):

A corporate purpose is **defined as the overarching reason for the existence of the organization, beyond just profit maximization.** The purpose of the company is a set of beliefs which is deeply embedded in their strategy and corporate culture. This purpose is supposed to create value for all types of stakeholders – from employees, suppliers, entire communities to shareholders. (e.g., We're in business to save our home planet. (Patagonia))

### **Perceived corporate purpose & Person-Organization Fit:**

1. "How would you define the company's purpose, and how do you feel it aligns with your values?"

### **Engagement:**

2. "In which aspects, does this purpose you describe influence your everyday tasks / daily work?"

3. "How has your understanding of the company's purpose influenced your behavior at work?"

### **Turnover intention:**

4. "Thinking about the future, how does your understanding of the company's purpose influence your decision to stay or leave the company?"

5. "Would other factors be more important when thinking about leaving or staying? E.g. future development, income, other job opportunities?"

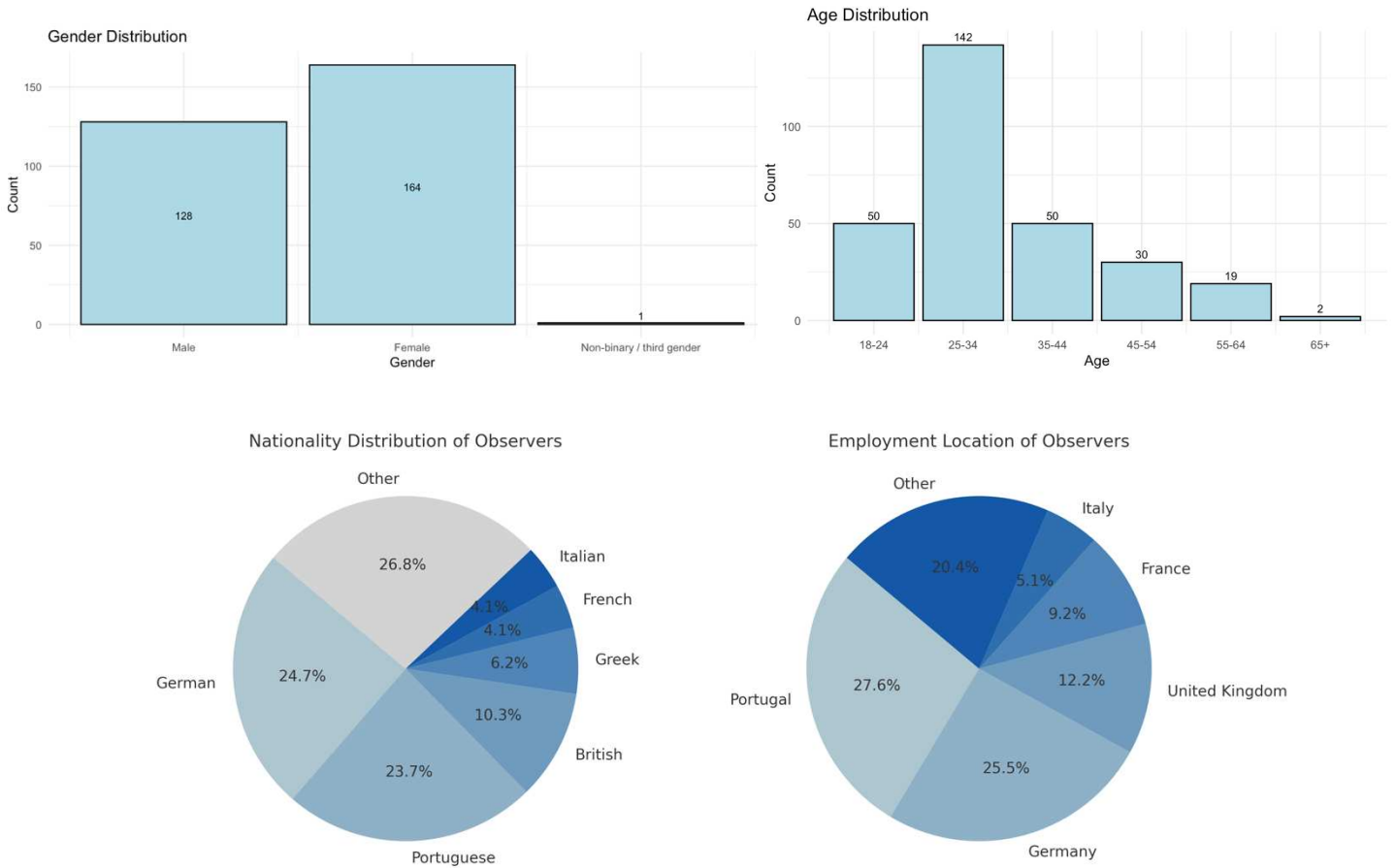
Thank you so much for your valuable insights, if you have any questions for me please reach out.

## Summary Statistics

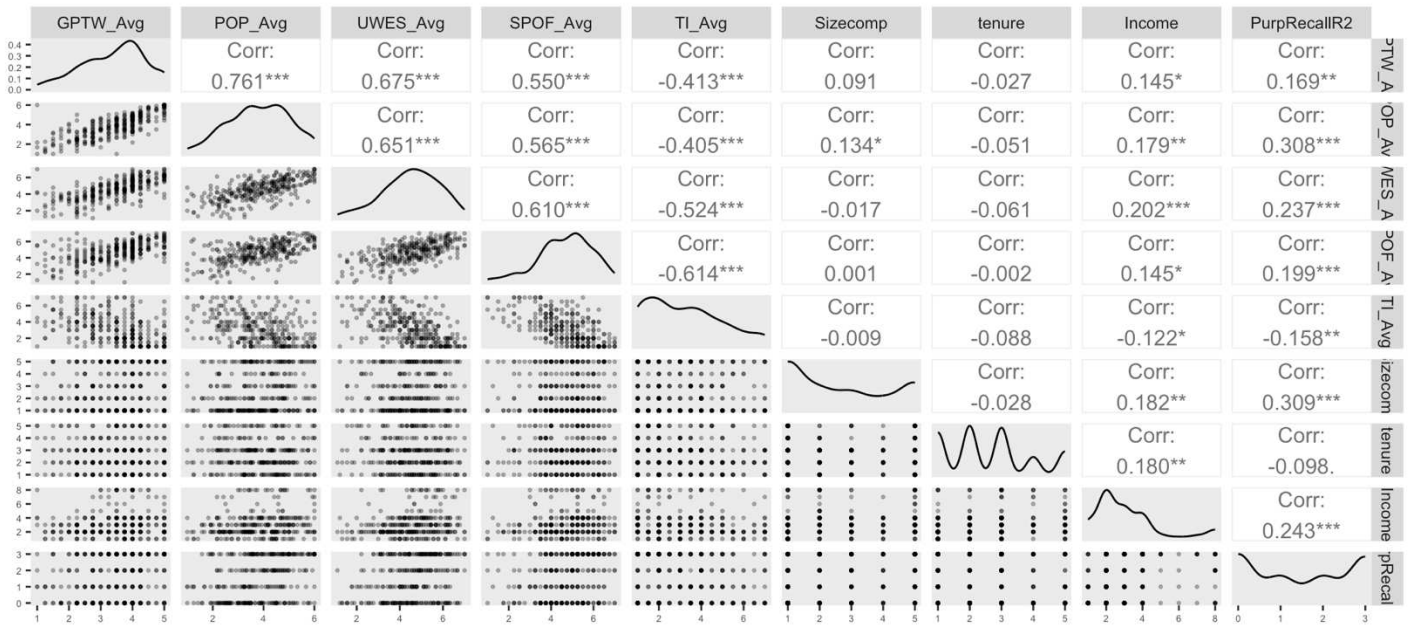
### Summary Statistics

Statistic	N	Mean	St. Dev.	Min	Max
Corporate Purpose	293	3.403	0.989	1.000	5.000
Perceived Purpose	293	3.822	1.192	1.000	6.000
Engagement	293	4.544	1.273	1.110	7.000
P-0 Fit	293	4.686	1.257	1.000	7.000
Turnover Intention	293	3.210	1.753	1.000	7.000
Company Size	293	2.601	1.590	1	5
Tenure	293	2.614	1.300	1	5
Income	293	3.116	1.826	1	8
Age	293	3.427	1.125	2	7
Gender	293	1.567	0.503	1	3
Industry	293	5.812	2.535	1	8

## Descriptive Statistics Visualization

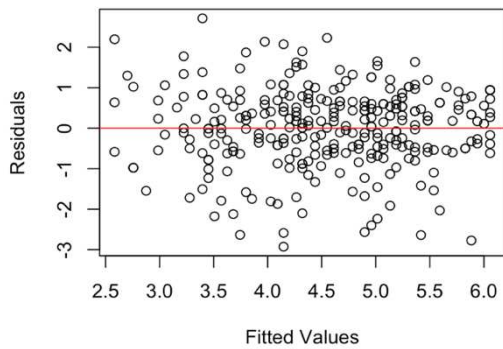


## Correlation Matrix



## Linear Assumption test H1

**Residuals vs. Fitted model 1 Engagement**



Durbin-Watson test

data: lm1  
DW = 2.0814, p-value = 0.7581  
alternative hypothesis: true autocorrelation is greater than 0

```
> print(dwtest(lm5))
```

Durbin-Watson test

data: lm5  
DW = 2.0805, p-value = 0.7423  
alternative hypothesis: true autocorrelation is greater than 0

```
> shapiro.test(resid(lm1))
```

Shapiro-Wilk normality test

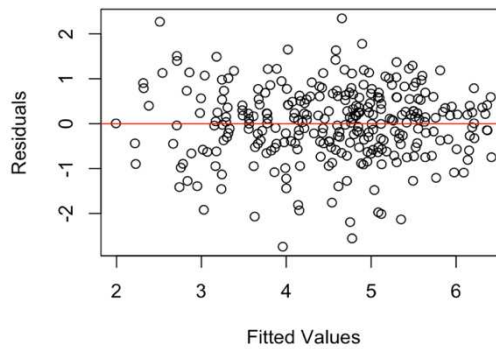
data: resid(lm1)  
W = 0.98237, p-value = 0.00113

```
> shapiro.test(resid(lm5))
```

Shapiro-Wilk normality test

data: resid(lm5)  
W = 0.98692, p-value = 0.009286

**Residuals vs. Fitted model 2 Engagement**



studentized Breusch-Pagan test

data: lm1  
BP = 3.4229, df = 1, p-value = 0.0643

```
> plot(lm5$fitted.values, lm5$residuals)
> print(bptest(lm5))
```

studentized Breusch-Pagan test

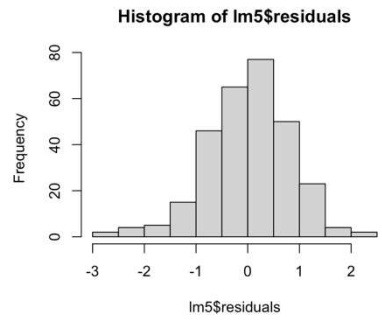
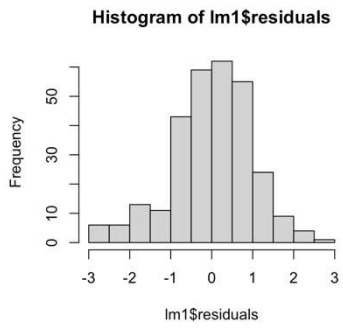
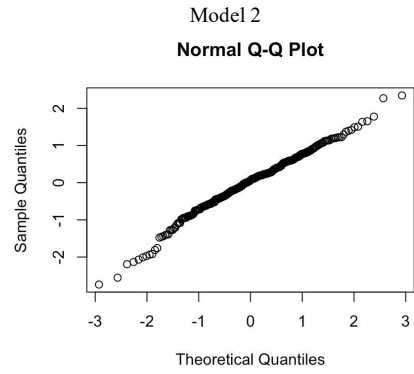
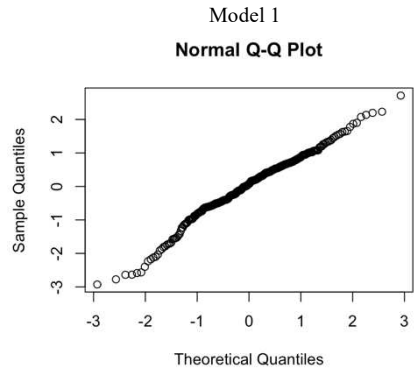
data: lm5  
BP = 13.565, df = 9, p-value = 0.1387

```
> print(outlierTest(lm1))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
144 -3.072901 0.0023214 0.68017
> print(outlierTest(lm5))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
144 -3.520857 0.00050145 0.14692
```

b

```
> print(vif(lm(UWES_Avg ~ POP_Avg + SPOF_Avg, data = final_data), type = "predictor"))
VIFs computed for predictors
[1] 1.469879 1.469879
> print(vif(lm(UWES_Avg ~ POP_Avg + SPOF_Avg + GPTW_Avg + PurpRecallR2 + Sizecomp + Income + tenure + Age, data = final_data), type = "predictor"))
GVIFs computed for predictors
```

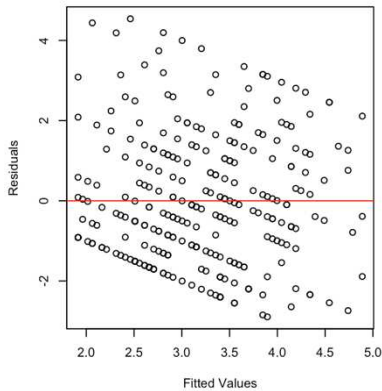
	GVIF	Df	GVIF^(1/(2*Df))	Interacts With	Other Predictors
POP_Avg	2.805562	1	1.674981	--	SPOF_Avg, GPTW_Avg, PurpRecallR2, Sizecomp, Income, tenure, Age
SPOF_Avg	1.605289	1	1.267000	--	POP_Avg, GPTW_Avg, PurpRecallR2, Sizecomp, Income, tenure, Age
GPTW_Avg	2.553826	1	1.598070	--	POP_Avg, SPOF_Avg, PurpRecallR2, Sizecomp, Income, tenure, Age
PurpRecallR2	1.395518	3	1.057116	--	POP_Avg, SPOF_Avg, GPTW_Avg, Sizecomp, Income, tenure, Age
Sizecomp	1.203224	1	1.096916	--	POP_Avg, SPOF_Avg, GPTW_Avg, PurpRecallR2, Income, tenure, Age
Income	1.192558	1	1.092043	--	POP_Avg, SPOF_Avg, GPTW_Avg, PurpRecallR2, Sizecomp, tenure, Age
tenure	1.579302	1	1.256703	--	POP_Avg, SPOF_Avg, GPTW_Avg, PurpRecallR2, Sizecomp, Income, Age
Age	1.614416	1	1.270597	--	POP_Avg, SPOF_Avg, GPTW_Avg, PurpRecallR2, Sizecomp, Income, tenure



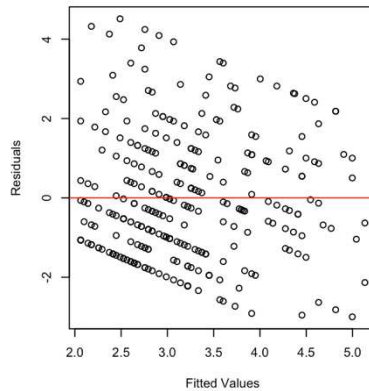
K

## Linear Assumption test H2

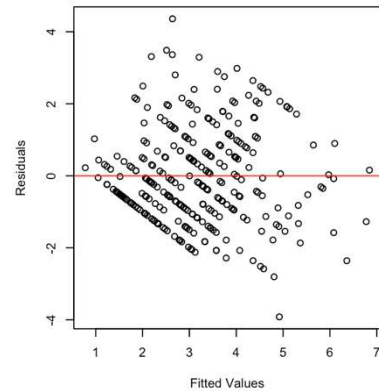
Residuals vs. Fitted model 1 Turnover intention



Residuals vs. Fitted model 2 Turnover intention



Residuals vs. Fitted model 3 Turnover intention



```
> print(dwtest(lm6))

Durbin-Watson test

data: lm6
DW = 1.8779, p-value = 0.1474
alternative hypothesis: true autocorrelation is greater than 0

> print(dwtest(lm7))

Durbin-Watson test

data: lm7
DW = 1.8911, p-value = 0.1759
alternative hypothesis: true autocorrelation is greater than 0

> print(dwtest(lm9.))

Durbin-Watson test

data: lm9.
DW = 1.8947, p-value = 0.1742
alternative hypothesis: true autocorrelation is greater than 0
```

```
studentized Breusch-Pagan test

data: lm6
BP = 0.31738, df = 1, p-value = 0.5732
```

```
> plot(lm7$fitted.values, lm7$residuals)
> print(bptest(lm7))
```

```
studentized Breusch-Pagan test

data: lm7
BP = 0.75469, df = 3, p-value = 0.8603
```

```
> plot(lm9.$fitted.values, lm9.$residuals)
> print(bptest(lm9.))
```

```
studentized Breusch-Pagan test

data: lm9.
BP = 23.139, df = 10, p-value = 0.01024
```

```
> shapiro.test(resid(lm6))

Shapiro-Wilk normality test

data: resid(lm6)
W = 0.96748, p-value = 3.572e-06

> shapiro.test(resid(lm7))

Shapiro-Wilk normality test

data: resid(lm7)
W = 0.96564, p-value = 1.934e-06

> shapiro.test(resid(lm9.))

Shapiro-Wilk normality test

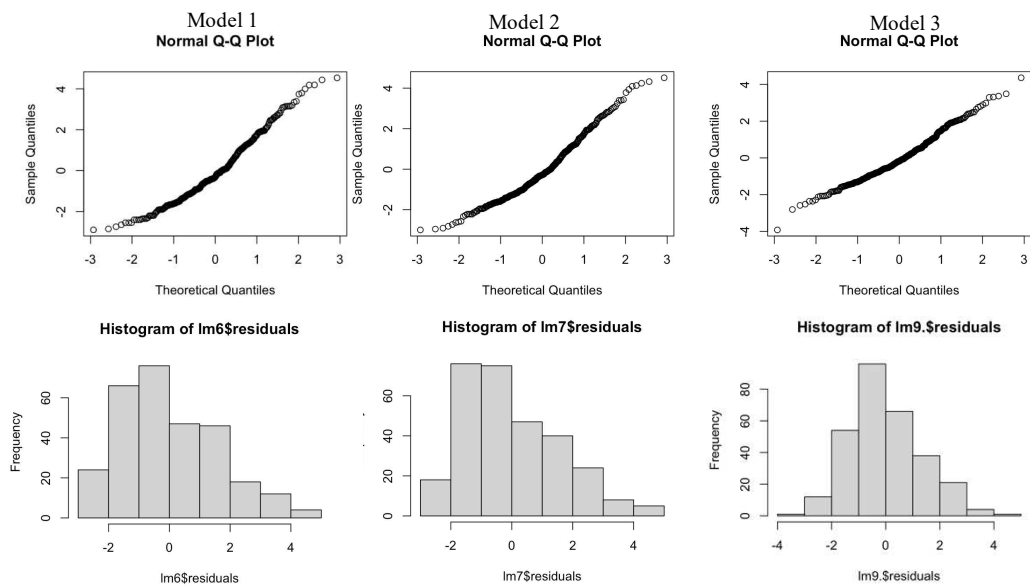
data: resid(lm9.)
W = 0.98326, p-value = 0.001685
```

```
> # ti - no outliers
> print(outlierTest(lm6))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
201 2.872405      0.0043742      NA

> print(outlierTest(lm7))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
201 2.871929      0.0043828      NA

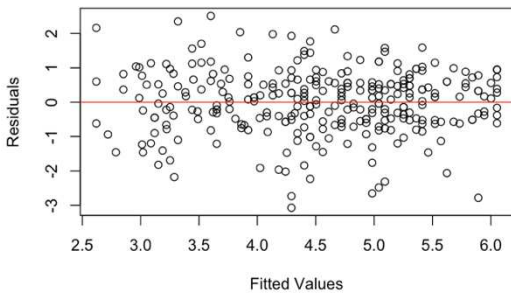
> print(outlierTest(lm9.))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
1 3.316786      0.0010304      0.30192
```

```
> print(vif(lm(TI_Avg ~ POP_Avg + SPOF_Avg, data = final_data), type = "predictor"))
VIFs computed for predictors
[1] 1.469879 1.469879
> print(vif(lm(TI_Avg ~ POP_Avg*corporate_purpose, data = final_data), type = "predictor"))
GVIFs computed for predictors
      GVIF Df GVIF^1/(2*Df)  Interacts With Other Predictors
POP_Avg      1 3      1.154477 corporate_purpose      --
corporate_purpose 1 3      1.154477 POP_Avg      --
> print(vif(lm(TI_Avg ~ POP_Avg*corporate_purpose + SPOF_Avg + UWES_Avg + PurpRecallR2 + Sizecomp + Income + tenure + Age, data = final_data, type = "predictor"))
GVIFs computed for predictors
      GVIF Df GVIF^1/(2*Df)  Interacts With
POP_Avg      2.367613 3      1.154477 corporate_purpose
corporate_purpose 2.367613 3      1.154477 POP_Avg
SPOF_Avg      1.779492 1      1.333976 --
UWES_Avg      2.290068 1      1.513297 --
PurpRecallR2  1.406176 3      1.058457 --
Sizecomp      1.227932 1      1.108121 --
Income        1.227284 1      1.107829 --
tenure        1.602702 1      1.265979 --
Age           1.642866 1      1.281744 --
```



### Linear Assumptions H3a

Residuals vs. Fitted model 1 Engagement moderator



```
> print(dwtest(lm10Fit))
Durbin-Watson test
data: lm10Fit
DW = 2.0621, p-value = 0.7029
alternative hypothesis: true autocorrelation is greater than 0

> print(dwtest(lm12Fit))
Durbin-Watson test
data: lm12Fit
DW = 2.1145, p-value = 0.8278
alternative hypothesis: true autocorrelation is greater than 0
```

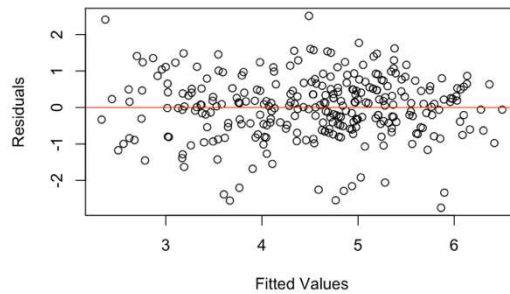
```
Shapiro-Wilk normality test
data: resid(lm10Fit)
W = 0.9846, p-value = 0.003107

> shapiro.test(resid(lm12Fit))
Shapiro-Wilk normality test
data: resid(lm12Fit)
W = 0.98125, p-value = 0.0006915
```

```
> print(vif(lm(UWES_Avg ~ POP_Avg*PersonOrganization + POP_Avg, data = final_data), type = "predictor"))
GVIFs computed for predictors
  GVIF Df GVIF^(1/(2*Df)) Interacts With
POP_Avg 1 3 1.168966 PersonOrganization --
PersonOrganization 1 3 1.168966 POP_Avg --

> print(vif(lm(UWES_Avg ~ POP_Avg*PersonOrganization + GPTW_Avg + Sizecomp + Income, data = final_data), type = "predictor"))
GVIFs computed for predictors
  GVIF Df GVIF^(1/(2*Df)) Interacts With Other Predictors
POP_Avg 2.551596 3 1.168966 PersonOrganization GPTW_Avg, Sizecomp, Income
PersonOrganization 2.551596 3 1.168966 POP_Avg GPTW_Avg, Sizecomp, Income
GPTW_Avg 2.450651 1 1.565455 -- POP_Avg, PersonOrganization, Sizecomp, Income
Sizecomp 1.059397 1 1.029270 -- POP_Avg, PersonOrganization, GPTW_Avg, Income
Income 1.070239 1 1.034523 -- POP_Avg, PersonOrganization, GPTW_Avg, Sizecomp
```

Residuals vs. Fitted model 2 Engagement moderator

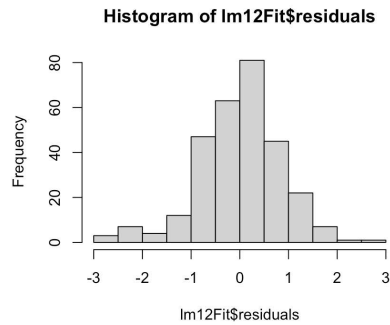
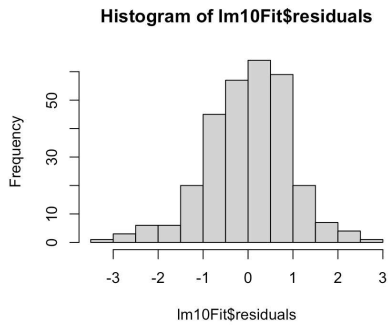
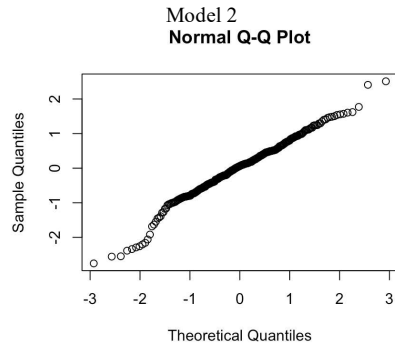
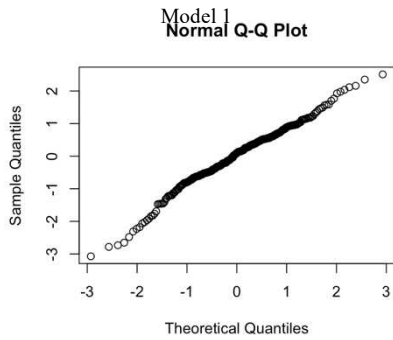


```
> print(opbtest(lm10Fit))
studentized Breusch-Pagan test
data: lm10Fit
BP = 3.564, df = 3, p-value = 0.3126

> plot(lm12Fit$fitted.values, lm12$residuals)
> print(bptest(lm12Fit))
studentized Breusch-Pagan test
data: lm12Fit
BP = 6.9395, df = 9, p-value = 0.6434

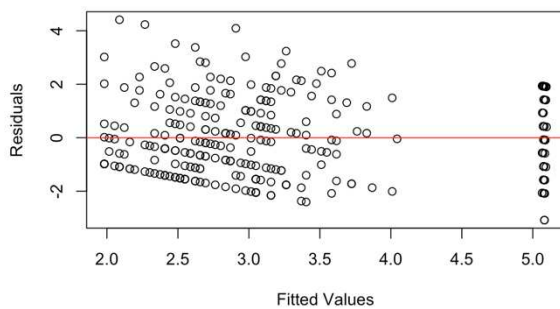
> print(outlierTest(lm10Fit))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
144 -3.352285 0.00090864 0.26623

> print(outlierTest(lm12Fit))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
  rstudent unadjusted p-value Bonferroni p
89 3.303008 0.00108 0.31643
```

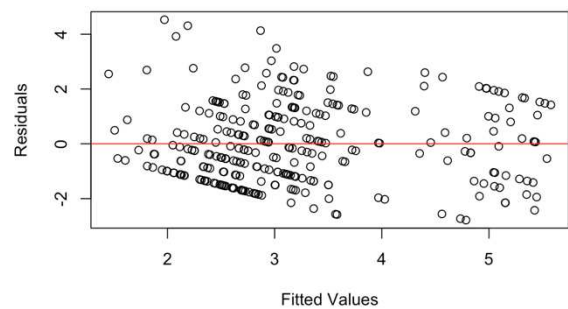


### Linear Assumptions H3b

Residuals vs. Fitted model 1 Turnover intention moderator



Residuals vs. Fitted model 2 Turnover intention moderator



```

Shapiro-Wilk normality test

data: resid(lm11Fit)
W = 0.9657, p-value = 1.969e-06

> shapiro.test(resid(lm13Fit))

Shapiro-Wilk normality test

data: resid(lm13Fit)
W = 0.97158, p-value = 1.5e-05

>

Durbin-Watson test

data: lm11Fit
DW = 1.8418, p-value = 0.08701
alternative hypothesis: true autocorrelation is greater than 0

> print(dwtest(lm13Fit))

Durbin-Watson test

data: lm13Fit
DW = 1.8638, p-value = 0.1136
alternative hypothesis: true autocorrelation is greater than 0

```

```

> print(bptest(lm11Fit))

studentized Breusch-Pagan test

data: lm11Fit
BP = 0.71036, df = 3, p-value = 0.8708

> plot(lm13Fit$fitted.values, lm13$residuals)
> print(bptest(lm13Fit))

studentized Breusch-Pagan test

data: lm13Fit
BP = 4.6893, df = 8, p-value = 0.7902

> print(outlierTest(lm11Fit))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
rstudent unadjusted p-value Bonferroni p
257 3.05762 0.0024406 0.7151
> print(outlierTest(lm13Fit))
No Studentized residuals with Bonferroni p < 0.05
Largest |rstudent|:
rstudent unadjusted p-value Bonferroni p
18 3.215486 0.0014532 0.42578

```

```

> print(vif(lm(TI_Avg ~ POP_Avg*PersonOrganization + POP_Avg, data = final_data), type = "predictor"))
GVIFs computed for predictors
      GVIF Df GVIF^(1/(2*Df))   Interacts With Other Predictors
POP_Avg      1 3          1.173171 PersonOrganization      --
PersonOrganization 1 3          1.173171      POP_Avg      --
> print(vif(lm(TI_Avg ~ POP_Avg * PersonOrganization + GPTW_Avg + Sizecomp + Income + tenure + Age, data = final_data), type = "predictor"))
GVIFs computed for predictors
      GVIF Df GVIF^(1/(2*Df))   Interacts With Other Predictors
POP_Avg      2.607163 3          1.173171 PersonOrganization      GPTW_Avg, Sizecomp, Income, tenure, Age
PersonOrganization 2.607163 3          1.173171      POP_Avg      GPTW_Avg, Sizecomp, Income, tenure, Age
GPTW_Avg      2.465870 1          1.570309      --      POP_Avg, PersonOrganization, Sizecomp, Income, tenure, Age
Sizecomp      1.097126 1          1.047438      --      POP_Avg, PersonOrganization, GPTW_Avg, Income, tenure, Age
Income      1.153161 1          1.073854      --      POP_Avg, PersonOrganization, GPTW_Avg, Sizecomp, tenure, Age
tenure      1.540423 1          1.241138      --      POP_Avg, PersonOrganization, GPTW_Avg, Sizecomp, Income, Age
Age      1.634720 1          1.278562      --      POP_Avg, PersonOrganization, GPTW_Avg, Sizecomp, Income, tenure

```

