



Corporate purpose: from a ‘Tower of Babel’ phenomenon towards construct clarity

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Abstract

In recent years, interest in corporate purpose has gained momentum among both practitioners and academic researchers. Despite this, the construct of corporate purpose is still under-conceptualized and suffers from multiple – and partly divergent – understandings. Given that a field’s development is shaped by the clarity of its constructs, this paper strives to evolve the construct of corporate purpose from a ‘tower of babel’ phenomenon towards construct clarity. To this end, it reviews and synthesizes the literature on corporate purpose and proposes a definition that integrates different approaches. In addition, this paper underpins the definition with seven core characteristics of corporate purpose, delineates scope conditions and elaborates on the relationship of corporate purpose with related concepts including mission, vision, corporate social responsibility and sustainability. By enhancing construct clarity, the paper paves the avenue for further research on corporate purpose and the further development of the field.

Keywords Corporate purpose · Mission · Vision · Corporate social responsibility · Construct clarity

JEL classification L10 · L21 · M10 · M14 · Q01

1 Introduction

The idea of purpose has been around management for quite some time (Barnard 1938; Selznick 1957; Singleton 2014). About three decades ago, Bartlett and Ghoshal (1994, p. 80) called for a change in the role of top management “*from setting strategy to defining purpose*”. In their view, the traditional focus in commercial organizations

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on maximizing profit is too narrow and neglects a company's broader role in its social environment (Bartlett & Ghoshal, 1994). However, at this time, the interest in purpose failed to take on a central role in management. The default purpose of organizations was in general grounded in the shareholder primacy that "*corporations exist principally to serve shareholders*" (Business Roundtable, 2019; Ostermaier and van Aaken 2020) and the sole "*social responsibility of business is to increase its profits*" (Friedman 1970, p. 32). It is only in recent years that the idea of corporate purpose has reemerged. The rediscovery of purpose is primarily driven by practitioners, such as business leaders (Leaders on Purpose, 2020), investors (Fink 2018) or employees (Deloitte 2015), who are increasingly calling for a sense of purpose. In many organizations, the discussion of purpose has meanwhile reached the highest levels of management. For instance, in 2019, the Business Roundtable – an association of almost 200 CEOs from America's leading companies – released a new 'Statement on the Purpose of a Corporation', which directly reversed the shareholder primacy endorsed in previous statements (Business Roundtable, 2019; Harrison et al. 2019). Similar developments can be found in Europe for instance at the World Economic Forum (World Economic Forum, 2019) or in Germany, where the number of the largest listed companies that publicly commit to a corporate purpose nearly doubled between 2019 and 2020 (Brosch and Greiner 2020). In academia, despite a call from Hollensbe et al. (2014, p. 1228) to put "*greater attention to the (re)discovery of purpose*" in management research and some pioneering empirical studies like Gartenberg et al. (2019), research on corporate purpose is only just beginning.

An important reason for the limited progress of academic research on corporate purpose can be seen in the absence of construct clarity, since the construct of corporate purpose still lacks an agreement on a common definition and its conceptual uniqueness that sets it apart from established concepts like mission, vision, corporate social responsibility (CSR) or corporate sustainability (George et al. 2021; Jimenez et al. 2021). Thereby, three different groups of researchers can be observed: A first large group considers corporate purpose as a unique construct and offered various definitions over time (Collins and Porras 1991; Gartenberg et al. 2019; Hollensbe et al. 2014; Mayer 2021). As a result, to date there are almost as many definitions of purpose as there are articles about it – some of them being ambiguous and some substantially divergent. At the same time, only a few researchers explicitly distinguish their understanding of corporate purpose from other related constructs (Brosch 2021; Bruce and Jeromin 2020; Collins & Porras, 1991; Enacting Purpose Initiative, 2020; Jimenez et al. 2021; Mackey and Sisodia 2014; Mayer 2021). A second group of researchers writes about purpose without providing a definition that clarifies how they understand the concept (Lleo et al. 2021; Malnight et al. 2019). A third group considers corporate purpose as overlapping or even interchangeable with related concepts, such as mission, vision, CSR or sustainability. For instance, Henderson and van den Steen (2015, p. 327) note that "*purpose is not necessarily different from mission*", Carton and Lucas (2018, p. 2124) propose that vision can be regarded as "*rhetorical tactics that a leader uses to establish a common purpose*" and Carroll (2021, 1267) considers purpose as "*an attempt to employ new language to*" CSR. This lack of construct clarity in academic research can also be observed in contemporary business practice (Greiner & Brosch, 2020; Kienbaum 2020). A practitioner study from Kien-

baum (2020) reports that only 1 in 3 organizations have a clear delimitation between purpose, vision and mission. Taken together, the lack of construct clarity results in a 'tower of babel' effect, where confusion arises because the same term has different meanings to different people in different contexts. In the absence of construct clarity, scholars fail to communicate effectively, avoid proliferation, accumulate knowledge, build theory or test theory empirically, which hinders the development of the field (Podsakoff et al. 2016; Suddaby, 2010).

The present paper strives to evolve the construct of corporate purpose from a 'tower of babel' phenomenon towards construct clarity. To this end, the paper reviews and synthesizes previous literature along the basic conditions outlined by Suddaby (2010) to establish construct clarity. First, it proposes a definition of corporate purpose that integrates different approaches identified in the literature; second, it underpins the definition with seven core characteristics of corporate purpose; third, it delineates the scope conditions of the concept; fourth, it describes the relationship of corporate purpose with the related concepts vision, mission and CSR & corporate sustainability by outlining common elements and difference; finally, it summarizes the constructs coherence. In doing so, this paper makes a contribution to theory and practice that provides an essential foundation for further developing the field.

The remainder of the paper proceeds as follows. Section 2 introduces the methodological approach. Section 3 develops the path towards construct clarity by synthesizing the construct's definition (Section 3.1), key characteristics (Section 3.2), scope conditions (Section 3.3), relationship to related concepts (Section 3.4) and coherence (Section 3.5). The paper concludes in Section 4.

2 Methodological approach

To enhance the construct clarity of corporate purpose, this paper follows the methodological approach recommended by Suddaby (2010), which has been adapted in previous literature to specify various constructs (Andersen 2018; Klein et al. 2012; Saebi et al. 2019; Stevens et al. 2015). Constructs are theoretical abstractions about a phenomena of interest that are not directly observable (Gioia et al. 2012; MacCorquodale and Meehl 1948; Morgeson and Hofmann 1999; Suddaby, 2010). Defined in this way, a construct can be considered similar to the term 'concept' (Podsakoff et al. 2016). According to Suddaby (2010), four basic conditions have to be met in order to achieve construct clarity. First, a clear definition of the construct is required. Second, the scope conditions under which the construct will or will not adhere have to be specified. Third, the logical connection to other related constructs must be outlined, because new constructs are usually the result of creatively building upon existing constructs. Finally, the construct, its definition, its scope conditions and its relationship to other constructs have to show a high degree of coherence and logical consistency (Suddaby, 2010). In addition to these four conditions, I follow the recommendations by Podsakoff et al. (2016) and underpin the definition of corporate purpose with several key characteristics.

In order to elaborate on the conditions for the construct of corporate purpose, this paper reviews existing literature. Similar to previous reviews like Bansal and Song

(2017), the intention of this review is not to provide an exhaustive meta-analysis or a formal historical review, but rather to understand and synthesize major streams of literature to enhance construct clarity. To review literature, I adopted a two-step approach. In a first step, I systematically reviewed articles published in top academic management and organizational journals. The review adapts the principles of Tranfield et al. (2003), Cronin and George (2020) and Short (2009) to ensure a systematic, transparent and replicable approach. Following the procedures by Short (2009) and Bansal and Song (2017), this review focused on the following journals: *Academy of Management Journal*, *Academy of Management Review*, *Administrative Science Quarterly*, *Journal of Management*, *Journal of Management Studies*, *Management Science*, *Organization Science* and *Strategic Management Journal*. In addition, the review was extended by three influential specialty journals including, *Business & Society*, *Business Ethics Quarterly* and the *Journal of Business Ethics* (Chan et al. 2016). To identify relevant articles within these journals, I conducted a full-text search for the keywords ‘corporate purpose’, ‘organizational purpose’, ‘ultimate purpose’, ‘shared purpose’, ‘business purpose’, ‘higher purpose’ and ‘purpose of business’. This broad set of keywords was deduced from an initial literature screening and accounts for the interchangeable usage of different wordings related to corporate purpose. The keywords are on the one hand broad enough to capture the most relevant articles and on the other hand sufficiently specific to remove less suitable articles (e.g. the common expression ‘the purpose of the study is...’). Based on this systematic search, 822 articles were identified. After removing duplicates, 722 articles remained. As suggested by Tranfield et al. (2003), these articles were screened and evaluated in more detail. By applying content-based exclusion criteria, articles were eliminated in which (1) corporate purpose was not a central element, (2) purpose was tied to an individual and not an organizational level or (3) the article was exclusively focused on non-profit organizations. The exclusion process resulted in 49 relevant academic articles. The high exclusion rate is likely to be grounded in the broad nature of the term purpose. In a second step, the review was extended by searching the references of the articles identified in the first step as well as searching for research citing these articles. Similar to Suddaby et al. (2016), it was also selectively supplemented with books, book chapters and practitioner oriented journals, such as *Harvard Business Review*, *MIT Sloan Management Review* and various practitioner reports. These are generally well recognized and frequently cited by scholars in the field of corporate purpose, since the recent reemergence of corporate purpose was initially driven through business practitioners. As a result, the final dataset consists of 138 articles. The chosen procedure should reveal the most important literature on corporate purpose published in the past three decades and thus provide a solid basis on which to synthesize major streams and enhance the construct clarity of corporate purpose.

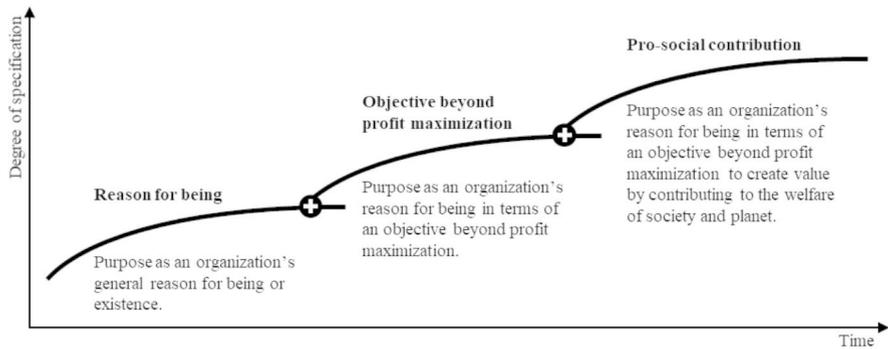


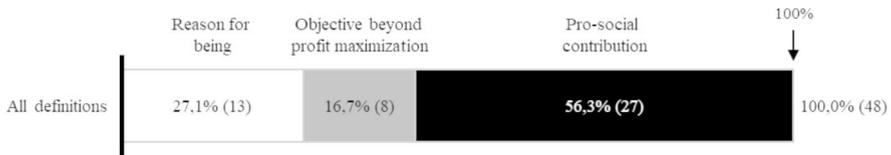
Fig. 1 Categorization of definition approaches for corporate purpose

3 Path towards construct clarity

3.1 Definition of corporate purpose

Achieving construct clarity requires according to Suddaby (2010) foremost a clear definition of the construct under consideration. The literature review confirms that the construct of corporate purpose lacks an agreement on a common definition. While some researchers write about purpose without providing a definition at all, others offered various different definitions over time. Overall, 48 different definitions utilized in academic journals and practitioner publications were identified. These include explicit definitions (e.g. 'we define corporate purpose as...') as well as more implicit definitions describing the essence in a few sentences (e.g. 'corporate purpose is/ refers to/ describes...'). Within the set of definitions identified, a wide diversity becomes evident, since almost no publication uses the same definition. In order to synthesis literature, the different elements utilized to define corporate purpose were extracted, coded as 1st-order terms and aggregated as 2nd-order themes. Out of these content-based categorization three different definition approaches emerged. These approaches define the essence of corporate purpose as (1) a reason for being, (2) an objective beyond profit maximization and (3) a pro-social contribution. As Fig. 1 illustrates, the three definition approaches build upon each other in terms of their degree of specification and show a tendency towards a temporal sequence (see Fig. 4 for details on the temporal sequence). Figure 2 further reports the frequency with which these different definition approaches have been identified in the literature review. Following Belur et al. (2021), the coding was done by two coders independently of each other. The evaluation between the coders exhibited a high degree of intercoder reliability (Krippendorff's alpha 0.89) and intercoder agreement (0.93). In the case of coding differences, the two coders achieved an agreement based on an in-depth discussion. In addition, the reliability over time for coder 1 was assessed with a time-lag of nine months. The results demonstrate a perfect intracoder reliability (1.00).

Reason for being. Across all definitions offered in the last few decades, the smallest common denominator seems to be that corporate purpose is an organization's



Note: $n = 48$. Percentage distribution reported; absolute numbers reported in parentheses.

Fig. 2 Frequency of occurrence of the different definition approaches

‘reason for being’, the fundamental reason why an organization exists in the first place. This definition of purpose is already historically grounded in ancient philosophy. The term ‘purpose’ is the common translation of the Greek word ‘telos’ used by Aristotle to label “*the end, i.e. that for the sake of which a thing*” exists (Aristotle, 350 B.C.E, V, 2). Based on these historic roots, the Oxford Dictionary (2021b) still defines purpose today as “*the reason for which something is done or made, or for which it exists [...] the end to which an object or action is directed*”. Applying this universal definition to an organizational context, Bart and Baetz (1998, p. 846) state that “*organizational purpose describes why an organization exists and/or what higher-order aims it is trying to meet or serve*”. Basu (1999, p. 8) defines a corporate purpose as “*the ultimate priority of the organization, its reason for their existence or raison d’être. It represents the highest priority within an organization. It is the end and not the means through which the end is attained*”. These kinds of definition are also adopted by some more recent academic researchers. For example, Hollensbe et al. (2014, p. 1228) define purpose as “*the reason for which business is created or exists, its meaning and direction*” and Wolf and Mair (2019, p. 540) as “*the reason for which an organization is created or exists*”. All these definitions focused on an organization’s reason for being have in common, that they consider purpose as an ultimate end that provides a higher-level reference for action. However, even if these types of definitions, as shown in Fig. 2, are widely used in literature, they remain relatively vague and unspecific. They offer no insights into the specific content of an organization’s pursued purpose. Thus, this set of definitions could comprise a corporate purpose that focuses on the longstanding default of maximizing shareholder value as well as on topics like satisfying customer needs, achieving technological excellence, ensuring employee well-being or contributing to the welfare of society (Campbell and Yeung 1991; Ellsworth 2002; Freeman et al. 2020; Pache and Santos 2013).

Objective beyond profit maximization. A second set of definitions applied in contemporary academic research goes one step further, offering a more specific definition of what is meant by corporate purpose. Instead of leaving the content of an organization’s reasons for being rather unspecified, these definitions state that a corporate purpose must reach beyond profit maximization (Gartenberg et al. 2019; Henderson & van den Steen, 2015; Jordi 2010; Thakor and Quinn 2019). According to this definition approach, Friedman’s (1970) view that the main purpose of an organization lies in generating profits and maximizing shareholder value does no longer qualify as a legitimate corporate purpose. This (re)definition of corporate purpose

moves away from the long-held shareholder primacy and considers organizations that are managed exclusively to maximize profits as having no corporate purpose (Freeman 2017; Hsieh et al. 2018). One of the first proponents of this type of purpose understanding was the economist Peter Drucker. According to Drucker (1986, p. 46), “*profitability is not the purpose of but a limiting factor on business enterprise and business activity*”. Within the context of this set of definitions, the question arises, whether a corporate purpose beyond profit-maximization has to be explicitly pro-social. There is an ongoing discussion in the academic literature on this question with no consensus to date. One subset of researchers holds the opinion that purpose does not have to be explicitly pro-social (Bunderson and Thakor 2021; Gartenberg et al. 2019; Henderson & van den Steen, 2015). One of the most prominent definitions representing this point of view refers to Henderson and van den Steen (2015, p. 327), who define “*purpose as a concrete goal or objective for the firm that reaches beyond profit maximization*”. A few other researchers build upon this definition. For instance, Hsieh et al. (2018, p. 55) define corporate purpose as “*overarching management objectives of a corporation that go beyond narrow financial metrics*” and Bunderson and Thakor (2021, p. 1) as “*a contribution goal that is related to the firm’s day-to-day business but reaches beyond profit maximization and represents the company’s raison d’être*”. Similar Gartenberg et al. (2019, p. 3) define “*corporate purpose as a set of beliefs about the meaning of a firm’s work beyond quantitative measures of financial performance*”. The authors argue in favor of this non-explicit pro-social view of purpose by utilizing examples like “*a firm’s purpose may be to fundamentally upend how an industry operates*” (Gartenberg et al. 2016, p. 3) or to strive for “*technological or creative excellence*” (Gartenberg, 2021, p. 11). In conclusion, the common element within this set of definitions is that corporate purpose reaches beyond profit maximization without using a pro-social orientation as an explicit building block of the definition. In addition, many of these definitions emphasize the objective-oriented character of purpose. However, even if a pro-social orientation of these objectives is not utilized as an explicit part of the definition, many authors who adopt these kinds of definition acknowledge that a corporate purpose appears to be often invariably linked towards an organization’s pro-social contribution (Gartenberg and Serafeim 2021; George et al. 2021; Henderson & van den Steen, 2015).

Pro-social contribution. The third definition approach adds upon the ‘objective beyond profit maximization’ approach by specifying purpose explicitly as an organization’s ‘pro-social contribution’. As Fig. 2 illustrates, this paper’s review reveals that the majority of definitions offered in academic and especially in practitioner-oriented literature incorporate this pro-social view explicitly within their definition of purpose. Bartlett and Ghoshal (1994, p. 88) were among the first to add a pro-social element, by defining corporate purpose as a “*statement of a company’s moral response to its broadly defined responsibilities, not an amoral plan for exploiting commercial opportunity*”. Similarly, Collins and Porras (1991, p. 38), who first acknowledged the difference between purpose, vision and mission, wrote that “*a statement of purpose should quickly and clearly convey how the organization fills basic human needs*”. This pro-social view of purpose is also increasingly adapted in contemporary research. For example, the British Academy (2018) and Mayer (2021, p. 889) propose one of the most recent definitions that defines corporate purpose

as producing “*profitable solutions to the problems of people and planet and not to profit from producing problems for people or planet*”. Leaders on Purpose (2020, p. 8) – a community of purpose-driven leaders grounded on a research collaboration between experts from Harvard University, Unilever, World Bank and London School of Economics – define purpose as “*the commitment to create value by contributing to the benefit of society*”. And Rey et al. (2019, p. 4) state that “*purpose represents the ‘why’ of our actions and efforts*” and “*specifies our contribution to this world and to the society in which we live*”. The common denominator of all these definitions is that a corporate purpose expresses an organization’s positive contribution to the welfare of society and planet.

Taken together, I propose a construction of how corporate purpose can be defined that aims to integrate the different approaches identified in previous literature as a logical continuation within a single definition:

Corporate purpose is an organization’s reason for being in terms of an objective beyond profit maximization to create value by contributing to the welfare of society and planet.

The proposed definition integrates the three building blocks ‘reason for being’, ‘objective beyond profit maximization’ and ‘pro-social contribution’ commonly used to define corporate purpose. Thereby, the definition is broad enough to capture the underlying essence and, at the same time, precise enough to prevent unintended connotations. As such, it fulfills the requirements of a good construct definition, as outlined by Suddaby (2010) and Podsakoff et al. (2016) and integrates contemporary discussions in both academic and practitioner communities.

3.2 Key characteristics of corporate purpose

To further underpin the proposed definition, I follow the best practice recommendations from Podsakoff et al. (2016) and synthesize literature on key characteristics and attributes associated with the construct of corporate purpose. On the one hand, this enables a concretization of the definition and the essence of corporate purpose. On the other hand, it enables a more profound distinction of corporate purpose from related concepts. Based on the review of literature, I derive seven key characteristics that sharpen the understanding of corporate purpose put forward in this article. The characteristics are exhaustive for the most frequently mentioned factors identified in the literature review, but should be considered as mutually interdependent. To enhance their memorability, the key characteristics are organized and labeled in a way that the first letters create the acronym ‘PURPOSE’. Figure 3 provides an overview of the seven key characteristics.

Corporate purpose as ‘part of normative management’. The first key characteristic specifies the construct of corporate purpose based on a systems approach of integrated management. Thereby, three different levels of management can be distinguished: normative management, strategic management and operational management (Rüegg-Stürm and Grand 2019; Ulrich 2001). The construct of corporate purpose can be seen as a part of the normative management level (Collins & Porras, 1991). Nor-

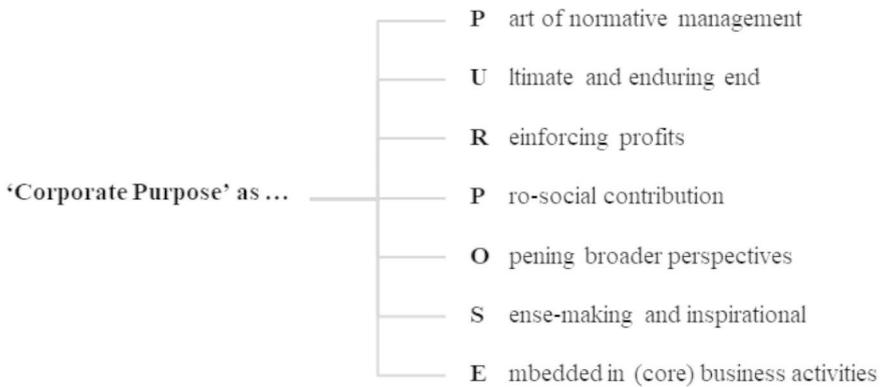


Fig. 3 Seven key characteristics of 'PURPOSE'

mative management constitutes the highest management level within an organization. It determines fundamental long-term objectives as well as guiding philosophies, principles, norms and beliefs of an organization (Bleichner 2017; Rüegg-Stürm & Grand, 2019; Ulrich 2001). By defining corporate purpose as an organization's reason for being, the construct is associated with fundamental normative questions like 'why does our organization exist?', 'why does it need to exist?' or 'why is its existence important for the world?' (Bart & Baetz, 1998; Duska 1997; Hollensbe et al. 2014; Rüegg-Stürm & Grand, 2019). By answering these normative 'why' questions, corporate purpose provides justification and legitimacy for the existence of an organization, its business models and its corporate activities (Hsieh et al. 2018; Kirchgeorg et al. 2017; Leaders on Purpose, 2019; Lepisto 2015; Weißenberger and Schattevoy 2021). Thereby, an organization's license to operate has to be considered in the context of the current, valid norms and values of a society, since the valuation of legitimacy constantly evolves over time (Melé and Armengou 2016; Rüegg-Stürm & Grand, 2019). As part of normative management, corporate purpose functions as a kind of 'north star' for an organization that guides the behavior of its members and provides a higher-order reference for subsequent levels of strategic and operative management (Lepisto 2015; Wolf & Mair, 2019). In order to effectively internalize a corporate purpose throughout the different levels of an organization, many companies articulate an explicit purpose statement that formalizes its purpose in one or two sentences (Brosch 2021; Bunderson & Thakor, 2021; Carton et al. 2014; Collins & Porras, 1991; Gioia and Chittipeddi 1991).

Corporate purpose as 'ultimate and enduring end'. The second key characteristic outlines corporate purpose as an end rather than means through which an end is attained. This distinctive characteristic was already anchored by Aristotle within his teleological thoughts that purpose is "*the end, i.e. that for the sake of which a thing*" exists (Aristotle, 350 B.C.E, V, 2). Embedding Aristotle's thoughts in an organizational context, corporate purpose describes an organization's reason for being in terms of a concrete objective for the firm that constitutes its ultimate and enduring end. Ultimate implies that purpose represents the very top of the organizational

objective hierarchy. It is the irreducible higher end to which corporate activities are directed (Basu 1999; Bateman, O'Neill, & Kenworthy-U'Ren, 2002; Carton et al. 2014; Ellsworth 2002). Enduring implies that the purpose of an organization remains relatively constant over time (Carton 2017; Collins & Porras, 1991; Rey and Bastons 2019). It is usually rooted in an organization's history and upholds its orientation for the future. The enduring character of purpose is also reflected by contemporary business practice, since practitioners claim that the first step of identifying an authentic purpose is to revisit an organization's founding legacy (Leaders on Purpose, 2019; Malnight et al. 2019; Quinn and Thakor 2018). This is also confirmed by the findings of a longitudinal case study by Hatch and Schultz (2017), which demonstrates the importance of historicizing in order to establish an authentic purpose. Overall, due to the ultimate and enduring character, purpose commonly implies a broad and far-reaching objective with abstract connotations towards which different means can be mobilized (Carton 2017; Wolf & Mair, 2019).

Corporate purpose as 'reinforcing profits'. The third key characteristic specifies the role of economic results within the context of purpose. This characteristic is tied to typical for-profit organizations, which represents a scope condition in this paper's conceptualization of corporate purpose (see Chap. 3.3). In line with contemporary conceptualizations, the proposed definition considers corporate purpose explicitly as an objective that reaches beyond profit maximization (Gartenberg et al. 2019; Harrison et al. 2019; Henderson & van den Steen, 2015; Mayer 2021). Profits are considered as a necessary result of business activities to ensure the survival of an organization rather than as an end in itself (Freeman and Ginena 2015; Jordi 2010). Drawing on an analogy to the human body, Freeman (2017) compares profits with red blood cells. Humans must produce red blood cells to survive, but the purpose of life is not to produce red blood cells. Contemporary conceptualizations of corporate purpose consider profit-making and purpose-achieving as interdependent and mutually reinforcing, rather than opposing forces (Fink 2019; George et al. 2021; Henderson 2021; Hollensbe et al. 2014; Leaders on Purpose, 2020; Wilson and Post 2013). By coupling purpose directly with the welfare of society and planet, economic value derives from delivering products or services in a reinforcing way that also generates social value (George et al. 2021; Hollensbe et al. 2014; Jimenez et al. 2021). This underpins the essence of this paper's understanding of purpose to contribute to the welfare of society and planet through market-based approaches rather than philanthropic approaches. Conceptualized in this way, several researchers argue that corporate purpose refers to the creation of "*profitable solutions to the problems of people and plant*" and as such "*corporate purposes are only valid if they are profitable*" (British Academy, 2018; Mayer 2021, p. 889). While pursuing an authentic corporate purpose might require organizations to routinely sacrifice short-term profits, it does not ultimately imply a lower level of profits in the long-term (Henderson 2021; Rey and Ricart 2019; Wolf & Mair, 2019). The conceptualization of a mutual reinforcement between purpose and profit is also in line with the leading practitioners who are at the forefront of driving the recent rediscovery of purpose. For instance, Larry Fink (CEO of Blackrock) argues in his annual letter to chief executives that "*profits are in no way inconsistent with purpose - in fact, profits and purpose are inextricably linked*" (Fink 2019); Thomas Buberl (CEO of AXA) reinforces this point by

noting that “*purpose and profit are not two opposite sides of an equation; instead, they are integrated*” (Leaders on Purpose, 2020, p. 25) and Arvind Krishna (CEO of IBM) states that “*purpose and profit go together, reinforcing each other* (Murray and Simpson 2020). In this sense, ‘reinforcing’ does not automatically imply an ultimate higher level of profit, it rather outlines the mutual interdependence between purpose and profit. However, first empirical results already provide some indications in favor of a positive long-term business case of corporate purpose (Gartenberg et al. 2019; Serafeim 2022). To sum up, embracing a corporate purpose shifts the focus from short-term profit maximization towards long-term, sustainable and reinforcing value creation that benefits an organization as well as society and planet as a whole.

Corporate purpose as ‘pro-social contribution’. The fourth key characteristic is already anchored as an essential building block in the proposed definition of corporate purpose. It specifies purpose as an organization’s pro-social contribution to the welfare of society and planet. Considering the interdependence of business and society, Drucker (2007, p. 32) argues that “*the purpose must lie outside the business itself. In fact, it must lie in society, since a business enterprise is an organ of society*”. In this context, the understanding of purpose put forward in this article outlines which societal challenge, need or benefit an organization strives to address through its business activities. It specifies a firm’s concrete and overarching contribution to the welfare of society or planet. This deliberately leaves open the specific contribution of each individual organization and thus offers no universal objective function (Enacting Purpose Initiative, 2020; Horváth 2021). The contribution can take various forms, such as promoting health, creating employment, enabling people to live better lives or tackling the world’s environmental and social issues (Freeman & Ginena, 2015; Henderson 2020; Kempster et al. 2011). A glance into contemporary business practice underpins the diverse pro-social contributions expressed in companies’ purpose statements. For instance, the consumer goods company Unilever has the purpose to “*make sustainable living commonplace*” (Unilever 2021), the insulin manufacturer Novo Nordisk wants “*to drive change to defeat diabetes and other serious chronic diseases*” (Novo Nordisk, 2021) and Danish power company Ørsted wants “*sustainable energy to empower people, businesses and societies*” (Ørsted, 2016, p. 10).

Corporate purpose as ‘opening broader perspectives’. The fifth key characteristic emphasizes that the purpose of a business organization exceeds beyond a narrow consideration of the company’s current product or service portfolio. A corporate purpose rather embeds an organization’s core business activities in a broader context and thus opens new perspectives (Grabner and Speckbacher 2021; Henderson 2021; Leaders on Purpose, 2019). For instance, for a producer of pet food the purpose to create “*a better world for pets*” (Mars 2021) opens new perspectives in fields like nutrition, veterinary services, smart collars or preventive health services and for a car manufacturer the purpose to “*to accelerate the world’s transition to sustainable energy*” (Tesla 2021) opens new perspectives in areas like e-mobility, battery-solutions or solar panels. In line with this examples, Henderson (2021) argues that a corporate purpose can lead organizations to take a broader view of the world that better positions them to identify new profitable business opportunities which others fail to see. Support for this reasoning comes from a Harvard Business Review Analytic Services

(2015) study, which shows that organizations with a strong sense of purpose have a greater ability to drive successful innovation and transformational change.

Corporate purpose as 'sense-making and inspirational'. The sixth key characteristic outlines the understanding of corporate purpose as an inspirational conduit to make sense of and find meaning. A corporate purpose expands the notion of work beyond one's particular job, beyond one's own benefit and beyond a sole profit focus. It embraces a positive narrative about a higher social context in which work is performed and connects an organization's activities to values that promote the welfare of society and planet (Barrick et al. 2013; Carton 2017; Cassar and Meier 2018; Freeman & Ginena, 2015; Martela and Pessi 2018). As such, it can function as a sense-making device to align different corporate activities. In addition, the contribution to a greater good makes the construct of corporate purpose meaningful (Steger et al. 2012). The key characteristic of meaning and sense-making is also outlined in several definitions of corporate purpose offered in previous literature. For instance, Ebert et al. (2018, p. 9) define organizational purpose as "*an organisation's meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholders*". And Gartenberg et al. (2019, p. 2) consider "*companies with strong purpose to be those in which employees in aggregate have a strong sense of the meaningfulness and collective impact of their work, and firms with weak or no purpose will contain employees without this sense*". In line with the sense-making characteristic, corporate purpose can also be characterized as inspirational. Purpose is not a sober and descriptive construct, but rather an inspirational and emotional one that should excite and align members of an organization as well as other stakeholders (Campbell 1992; Freeman & Ginena, 2015; George et al. 2021). Or, as Collins and Porras (1991, p. 38) put it, it should "*grab the 'soul' of each organizational member*". In short, the sixth key characteristic emphasizes that purpose is an inspirational construct and brings a sense of meaning to organizations.

Corporate purpose as 'embedded in (core) business activities'. The final core characteristic of the conceptualization put forward in this article points out that a corporate purpose has to be embedded in an organization's (core) business activities (Bruce & Jeromin, 2020; Gartenberg et al. 2019; Hsieh et al. 2018; Jimenez et al. 2021; Malnight et al. 2019; Rey et al. 2019). As such, purpose is positioned at the center rather than at the periphery of an organization. This implies that an organization has to provide solutions in its day-to-day business activities that create value for the organization itself as well as for society and planet (George et al. 2021; Hollensbe et al. 2014; Jimenez et al. 2021; Mayer 2021). In line with this last core characteristic of purpose, several academics and practitioners acknowledge that an authentic corporate purpose reaches beyond a formal articulation of a purpose statement (Gartenberg et al. 2019; Gartenberg, 2021; Rey and Bastons 2018). On the one hand, the articulation of a purpose is commonly seen as an important first step for embracing a corporate purpose since it can function as a signal of an organization's strategic priorities, manifest a commitment against which an organization can be judged and provide a compass for an intra-organizational alignment of activities (George et al. 2021; Grimes et al. 2019; Henderson 2021; Hsieh et al. 2018; Quinn & Thakor, 2018). On the other hand, in order to avoid being associated with terms like 'purpose-

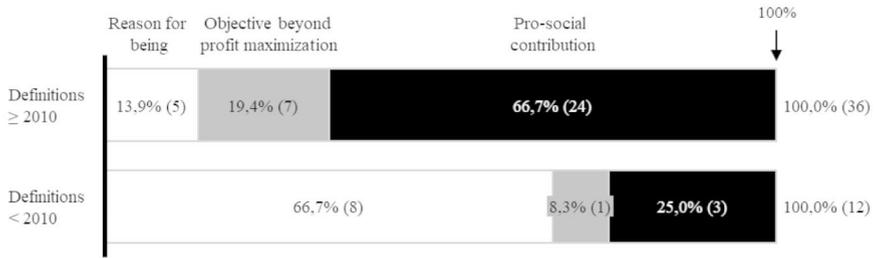
washing' or 'cheap talk', a corporate purpose also has to be activated, embedded and internalized throughout an entire organization and guide its day-to-day actions and decision-making (Gartenberg et al. 2019; Grabner & Speckbacher, 2021; Leaders on Purpose, 2019; Lleo et al. 2021; Thakor & Quinn, 2019). This involves designing an organization's core strategy, business models, structures, processes, management control systems, etc. in line with the corporate purpose. Taken together, organizations characterized as authentically purpose-driven combine both aspects: purpose talk and purpose practice.

In conclusion, the seven outlined key characteristics of corporate purpose further concretize the proposed definition and provide a foundation on which to elaborate on the scope conditions of corporate purpose and distinguish it from related concepts.

3.3 Scope conditions of corporate purpose

Besides a clear definition of corporate purpose and its core characteristics, reaching construct clarity requires according to Suddaby (2010) a delineation of scope conditions. Since organizational constructs tend to lack a universal application, it is necessary to specify the contextual boundary conditions under which a given construct will or will not adhere (Busse et al. 2016; Suddaby, 2010). These scope conditions can relate in general to constraints of space, time or value (Bacharach 1989; Suddaby, 2010). With regard to corporate purpose, I subsequently will outline three scope conditions in order to enhance construct clarity.

A first scope condition of space determines the level of analysis (Suddaby, 2010). In general, purpose in its broadest sense can be applied to multiple levels of analysis, including individual, organizational and institutional levels. Several scholars conducting research on the notion of purpose have adopted an individual-level focus (Damon 2008; Damon et al. 2003; Duffy and Dik 2013; Grant 2017). This stream of research primarily explores purpose from a psychological perspective, considering such constructs as 'personal purpose' and 'purpose of life'. At an institutional level, purpose relates to topics like the institutionalization of reporting practices, the elaboration of global frameworks like the United Nations Sustainable Development Goals or the introduction of purpose-driven legal business forms in corporate law (George et al. 2021; Levillain and Segrestin 2019). For example, several countries have already introduced specific 'profit-with-purpose' legal business forms, such as the 'benefit corporation', 'social purpose corporation' and 'public benefit corporation' in the United States, the 'Società Benefit' in Italy or the 'Société à Mission' in France (Levillain & Segrestin, 2019). In contrast to the individual and institutional level, the scope of the present study's conceptualization of corporate purpose is tied to an organizational level. An organization constitutes an organized group of people that work together in a system of consciously coordinated activities to achieve collective objectives (Barnard 1938; Oxford Dictionary, 2021a). Thereby, the corporate purpose of an organization describes its reason for being and contribution to the welfare of society and planet on an aggregated level for the organization as a whole. As such, each organization is free to define and choose its own unique purpose (George et al. 2021). In line with previous literature, terms like 'organizational purpose',



Note: $n = 48$. Percentage distribution reported; absolute numbers reported in parentheses.

Fig. 4 Frequency shifts in definition approaches of corporate purpose over time

‘business purpose’ or ‘company purpose’ can be considered to be interchangeable with ‘corporate purpose’.

A second scope condition of space specifies the types of organization to which the construct of corporate purpose can be applied (Suddaby, 2010). Various types of organizations can be distinguished, such as for-profit, non-profit, governmental or non-governmental (Oxford Dictionary, 2021a). In general, the concept of corporate purpose can be applied to any type of organization. As a high-level construct of normative management, a corporate purpose can be pursued by a for-profit organization as well as a non-profit organization or any other type of organization. However, contemporary considerations of corporate purpose are often particularly linked to traditional for-profit organizations, because in these organizations, the (re)definition of purpose beyond profit maximization implies a significant reversal from the long-standing shareholder primacy (Gartenberg et al. 2019; George et al. 2021; Harrison et al. 2019; Hollensbe et al. 2014; Mayer 2021). Other types of organizations, such as non-profit organizations, are traditionally associated with a purpose beyond profit maximization (Pache & Santos, 2013). As such, this paper’s conceptualization of corporate purpose is primarily tied to traditional for-profit organizations and thus reflects the zeitgeist of contemporary discussions among academic researchers and practitioners.

A third scope condition refers to constraints of time, since organizational constructs tend to have a temporal character varying over different points in time (Suddaby, 2010). The meaning of the term corporate purpose has shifted over time (Drucker 1986; Freeman 2017; Singleton 2014). For instance, Singleton (2011) describes in detail the evolution of the theoretical construct purpose in organizational studies from 1848 to 2005. Likewise, in more recent conceptualizations, a shift can be observed in the meaning of corporate purpose. Based on the review of definition approaches offered in academic and practitioner literature over time, I analyzed the shift between contemporary definitions offered during the last decade (2010 onwards) and definitions dating back further (before 2010). Figure 4 displays the shift in frequency in which the different definition approaches of corporate purpose were adopted prior to and post 2010. The results indicate that definitions provided before 2010 overwhelmingly define corporate purpose in broad terms as an organization’s general reason for being (Bart & Bartz, 1998; Basu 1999). In contrast, definitions offered since 2010

define corporate purpose in more concrete terms as an organizations' pro-social contribution (Freeman & Ginena, 2015; Henderson & van den Steen, 2015; Mayer 2021; Thakor & Quinn, 2019). The present paper's definition of purpose builds upon the latter conception of contemporary research and acknowledges the time-based shift in the meaning of corporate purpose.

To sum up the scope conditions, the present paper's conceptualization of corporate purpose is tied to an organizational rather than an individual or institutional level, is focused especially on traditional for-profit organizations rather than all types of organizations and builds upon contemporary conceptions with an explicitly pro-social rather than a general focus.

3.4 Relationship of corporate purpose to related concepts

Clarity of an organizational construct like corporate purpose can only partly be accomplished by a precision of its definition, key characteristics and scope conditions (Suddaby, 2010). Organizational constructs do not exist in isolation and usually build upon preexisting constructs. Therefore, a number of authors recommend to conduct an analysis of the logical connection to other related concepts as an essential part to establish construct clarity (Nunnally and Bernstein 1994; Podsakoff et al. 2016; Suddaby, 2010). Corporate purpose as a higher-level organizational construct is related to various concepts that are already established in academic research. However, only a few articles distinguish explicitly their understanding of corporate purpose from related concepts (Brosch 2021; Bruce & Jeromin, 2020; Collins & Porras, 1991; Enacting Purpose Initiative, 2020; Mackey & Sisodia, 2014). In order to further enhance the conceptual clarity of corporate purpose as it is defined in this article, the following section contains a comparative analysis of how purpose compares to seemingly related concepts. The comparative analysis focuses on three concepts frequently mentioned in association with corporate purpose, including (1) mission, (2) vision and (3) CSR & corporate sustainability. In the following sections, each of these concepts will be first defined at a conceptual level and second compared to corporate purpose by outlining common elements and differences between them.

3.4.1 Mission

Definition Over the last three decades, the concept of mission has been taken for granted within strategic management parlance and the formulation of a mission statement has been cited as one of the most frequently used management tools in the world (Bart and Bontis 2003; Grimes et al. 2019; Rigby & Bilodeau Barbara, 2018). However, as with corporate purpose, the concept of mission is still undertheorized and lacks an agreement on a common definition (Grimes et al. 2019; Khalifa 2012). To best understand the concept of mission, revealing insights can be gained by drawing on its original intentions and conceptualization, as set in the 1970 and 1980 s. Above all, Peter Drucker shaped the general thought on the concept of mission by defining it as the answer to the fundamental question of "*What is our business?*" (Drucker 1986, p. 56). From his point of view, the question should always be answered by looking at an organization from a customer-focused perspective and clarify what

value the business provides to its customers (Drucker 1986). More contemporary definitions that distinguish between corporate purpose and mission reflect back on Drucker's initial conceptualizations (Brosch 2021; Enacting Purpose Initiative, 2020; Greiner 2021; Kenny 2014; Kienbaum 2020; Rey & Bastons, 2018). For instance, the Enacting Purpose Initiative (2020, p. 13) defines mission as “*what the organization does*”, Kenny (2014) as “*what business the organization is in*” and Rey and Bastons (2018, p. 582) as a “*formal expression of the scope of a company's activity in terms of the value brought to its customers*”. The common element in these conceptualizations is that a mission describes what an organization does, what its business is and what value it provides for customers.

Common elements between corporate purpose and mission. The concepts of corporate purpose and mission are characterized by a close relation and several common elements. First, both concepts are part of the normative management level – the highest management level within an organization (Collins & Porras, 1991; Rüegg-Stürm & Grand, 2019; Ulrich 2001). They both provide a higher-order reference for subsequent management levels and are widely recognized as the first step in strategic management and a key responsibility of boards of directors (Campbell & Yeung, 1991; Enacting Purpose Initiative, 2020). In order to express an organization's normative orientation, purpose and mission are often both formalized in guiding corporate statements (Brosch 2021; Collins & Porras, 1991; Rüegg-Stürm & Grand, 2019). Second, for organizations, such as social enterprises, non-profits or public organizations, the concepts of purpose and mission can resemble each other. Such organizations are founded to tackle certain social or environmental issues and thus per se pursue a pro-social purpose beyond profit maximization. For example, this could be to provide healthcare, education or social work services. Asking typical questions to define a mission like ‘what an organization does’ or ‘what value it provides for customers’ could already be answered by drawing on the integrated social welfare logic within these organizations (Besley and Ghatak 2017; Stevens et al. 2015). Therefore, a pro-social corporate purpose is often already addressed within the mission of these organizations. Consequently, some researchers – especially before the current debate on the (re)definition of corporate purpose in for-profit firms gained momentum – used the terms mission and purpose synonymously and interchangeably (David and David 2003; Henderson & van den Steen, 2015; Khalifa 2012; Pearce and David 1987).

Differences between corporate purpose and mission. A closer look beneath the surface reveals several differences between the concepts of corporate purpose and mission. First, both concepts are defined by different guiding questions. A mission provides an answer to the question of ‘what an organization does’, but falls short to explain the purpose ‘why an organization does what it does’ or ‘why it exists’ within a higher social context. This conceptual differentiation in considering purpose as an organization's ‘why’ and mission as an organization's ‘what’ is consistent with the current point of view in business practice (BrightHouse 2017; Greiner & Brosch, 2020; Kienbaum 2020). Second, purpose and mission can be distinguished by the addressed key stakeholder. While a mission seeks to communicate the company's value provided to customers, a purpose as defined in this article specifies the value provided to society and planet (Greiner 2021). This distinction is also supported by empirical studies demonstrating that mission statements most frequently focus on

customers and almost least frequently mention society at large (Bart 1997; Bartkus et al. 2006). Third, adding to the previous factor, a corporate purpose is required in the definition put forward in this article to be explicitly pro-social, whereas a mission is not (Meynhardt 2020). Fourth, corporate purpose is considered as an overarching concept that is intended to be enduring and hold for a longer period of time compared to mission. A mission can adapt on a more regular base to reflect changes in an organization's business model. As such, a mission can detail how an organization fulfills its purpose (Enacting Purpose Initiative, 2020; Mackey & Sisodia, 2014). Finally, a mission tends to be characterized as a rather descriptive concept, while corporate purpose has a stronger sense-giving and inspirational character.

Taken together, despite the close relationship between corporate purpose and mission, both concepts are distinct since a mission is customer-oriented, descriptive and focused on what an organization does in its current day-to-day activities.

3.4.2 Vision

Definition The formulation and communication of a vision has long been studied by scholars (Carton & Lucas, 2018; Collins & Porras, 1991; Larwood et al. 1995; Stam et al. 2014; Venus et al. 2019). Like corporate purpose and mission, there is still no commonly agreed definition of the concept of vision, resulting in multiple interpretations in research and practice (Khalifa 2012; Larwood et al. 1995). However, whether labeled as a vision statement, ultimate goal, strategic intent or tangible image, there is a broad consensus about the future orientation as a key characteristic of a vision. In line with previous research, the concept of vision can be defined as a description of a future state that an organization aspires to achieve for itself (Carton et al. 2014; Collins & Porras, 1991; van Balen et al. 2019). In describing this future state, an organization sets a vivid long-term objective for itself, generally reaching three to ten years into the future (Bruce & Jeromin, 2020; Kotter 1990). An effective vision is supposed to be ambitious, challenging and not necessarily fully achievable (Collins & Porras, 1991; Kirkpatrick and Locke 1996; van Balen et al. 2019).

Common elements between corporate purpose and vision. The concepts of corporate purpose and vision share some common elements. First, like mission, both concepts are embedded within the normative level of management (Rüegg-Stürm & Grand, 2019; Ulrich 2001). As such, they are often formalized within an organization's guiding corporate statements. Their formulation and communication are widely recognized by academics and practitioners as a key responsibility of corporate leaders (Carton et al. 2014; Carton & Lucas, 2018; Collins & Porras, 1991; Enacting Purpose Initiative, 2020). Second, as part of the normative management level, both concepts provide a basis for subsequent strategy development and operative implementation (Larwood et al. 1995; Rüegg-Stürm & Grand, 2019). Corporate leaders use both purpose and vision to provide a sense of orientation, influence the behavior and decision-making of employees and thus coordinate organizational activities (Carton et al. 2014; George et al. 2021). Third, both concepts hold the potential to provide a source of meaning and inspiration in the workplace that motivates employees to perform exceptionally well (Bono and Judge 2003; Carton 2017; Henderson 2021; Kirkpatrick & Locke, 1996).

Table 1 Comparison of corporate purpose, mission and vision

	Purpose	Mission	Vision
Management level	Normative management	Normative management	Normative management
Guiding question	'Why' an organization exists?	'What' an organization does?	'Where' an organization is going?
Core definition	Objective beyond profit maximization to create value by contributing to the welfare of society and planet	Description of what an organization does and what value it provides for customers	Future state that an organization aspires to achieve for itself
Addressed key stakeholder	Society and planet related	Customer related	Company related
Pro-social orientation	Required	Not required	Not required
Temporal focus	Enduring focus	Present focus	Future focus

Differences between corporate purpose and vision. Besides the common elements, there are clear distinctions between the concepts of purpose and vision. First, both concepts are intended to answer different guiding questions. While a corporate purpose specifies 'why an organization exists', a vision clarifies 'where an organization is going' (Barby et al. 2021; Greiner & Brosch, 2020; Mackey & Sisodia, 2014). By outlining a future state that an organization aspires to achieve for itself, a vision has a stronger internal focus. Second, both concepts have a different temporal focus. A vision is future-oriented and focused on a long-term objective to be achieved within a specific time in the future. A purpose is typically rooted in the past, present and future of a company and therefore shows an enduring and timeless character (Bart & Baetz, 1998; Carton 2017; Collins & Porras, 1991). Third, grounded in the enduring character of corporate purpose, purpose can be regarded as a higher-order construct. Subsequently, a vision can be viewed as translating purpose into a more concert objective that specifies what an organization wants to achieve within a given period of time (Collins & Porras, 1991; Kirchgeorg et al. 2017; Leaders on Purpose, 2020; Mackey & Sisodia, 2014). Lastly, in contrast to the proposed conceptualization of corporate purpose, a vision does not have to be pro-social. A vision can focus on any kind of objective that draws an organization forward. This typically comprises objectives like achieving a leadership position in the market, conducting an internal transformation, increasing customer satisfaction or beating a competitor (Collins & Porras, 1991; Greiner & Brosch, 2020).

In conclusion, both concepts are part of an organization's normative management. However, while the understanding of purpose put forward in this article specifies the organization's enduring reason for being and its contribution to society, a vision is focused on the organization itself and depicts where it is heading in the future. As summary, Table 1 gives a comparative overview of the three concepts of corporate purpose, mission and vision, which are commonly incorporated in an organization's

guiding corporate statements (Brosch 2021; Collins & Porras, 1991; Enacting Purpose Initiative, 2020).

3.4.3 Corporate social responsibility & corporate sustainability

Definition The idea that businesses bear a broader responsibility to society and planet has been growing in both academic and practitioner communities since the 1950s (Wang et al. 2016). However, to date, there is still a lack of a clear definition and delimitation of the various terminologies used in this context (Aguinis and Glavas 2012; Carroll 1999, 2021; Dahlsrud 2008). Two of the most commonly used terms are CSR and corporate sustainability (Bansal & Song, 2017; Montiel 2008). To best distinguish the two concepts, a brief outline of the historic development provides revealing insights. Research on CSR began in the 1970s and was focused mainly on social issues (Carroll 2021; Montiel 2008). One of the most common definitions of CSR states that *“the social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time”* (Carroll 1979, p. 500, 1991). In contrast to CSR, sustainability originated from research on environmental management (Bansal & Song, 2017). Sustainable development was first defined by the United Nations as development that *“meets the needs of the present without compromising the ability of future generations to meet their own needs”* (World Commission on Environment and Development, 1987, p. 43). Building upon this definition, to date there is a broad consensus in both academic and practitioner communities that corporate sustainability focuses on economic, social and environmental spheres from a triple bottom line perspective (Crilly et al. 2016; Elkington 1998; Montiel 2008). More recent conceptualizations of CSR integrate these three perspectives by moving beyond the historical focus on social issues (Aguinis and Glavas 2019). Evolving from different pasts, the two concepts of CSR and corporate sustainability are increasingly converging and many researchers and practitioners use both terms interchangeably (Bansal & Song, 2017; Baumgartner 2014; Montiel 2008). Following this path, this paper subsequently uses the term CSR synonymously with corporate sustainability. Thereby CSR is frequently related to a bundle of different corporate activities, such as philanthropy, stakeholder relations, volunteering, ethics policy, employee health and safety initiatives, carbon emission abatement programs and so forth. To evaluate and report an organization's collective efforts, environmental, social and governance (ESG) criteria are commonly applied as quantitative indicator (Eccles et al. 2019; Kannenberg and Schreck 2019; Velte and Stawinoga 2017).

Common elements between corporate purpose and CSR/ corporate sustainability. The proposed conceptualization of corporate purpose and the concept CSR demonstrate a close relationship. Both concepts focus on the intersection between business and society and share comparable ultimate ends to improve the wellbeing of society and planet. Organizations are considered to bear a responsibility to society and a wider group of stakeholders beyond their shareholders. This implies an expansion of the remit of traditional for-profit organizations beyond the pure maximization of shareholder value (Carroll 2021; Ebert et al. 2018; Wang et al. 2016). Thereby, both concepts consider the generation of profits as a precondition that has to be fulfilled in

a competitive market environment (Carroll 2016; Freeman & Ginena, 2015). Similar to corporate purpose, emerging contemporary conceptualizations (labeled CSR 2.0, CSR 3.0 or even CSR 4.0) view the position of CSR within an organization as being increasingly integrated into the core business and corporate strategy (Munro 2020; Schneider 2015; Visser 2010). Initial empirical support for the relationship between the two concepts is provided by Gartenberg et al. (2019), who found a weak positive correlation between corporate purpose and CSR in a large-scale study.

Differences between corporate purpose and CSR/ corporate sustainability. Despite the close connection between corporate purpose and CSR, there are a number of characteristics by which the concepts can be distinguished. First, corporate purpose and CSR are predominantly rooted in different management levels within an organization. Corporate purpose is grounded within normative management, determining the ultimate reason why an organization exists (Collins & Porras, 1991; Kirchgeorg et al. 2017). In contrast, the concept of CSR has a more functional focus and is overwhelmingly embedded within the strategic and operative management level (Baumgartner 2014). On a strategic level, typically a sustainability strategy is formulated based on the overarching frameworks outlined by normative management. On the operational level, the sustainability strategy is implemented in different corporate functions, such as production, marketing or human resources (Baumgartner 2014). This often results in a bundle of different and seemingly unrelated CSR activities, like charitable giving, employee training, production waste management or environmental certifications. Taken together, CSR can be regarded as one vehicle for an organization to live its purpose and to endow it with authenticity (Ebert et al. 2018; Gartenberg and Serafeim 2021). As part of normative management, a corporate purpose can function as a sense-making device to align the different CSR activities and connect them to the firm's overarching reason for being (Gartenberg, 2021). Second, despite the formulated claim of modern conceptualizations, CSR is still often considered as an 'add-on' to business as usual and is isolated from an organization's core business activities (Aguinis and Glavas 2013; Freeman 2010; Hengst et al. 2020). This is already grounded in the fact that corporate philanthropy has been and still is one of the most common elements of CSR definitions (Carroll 2016). Philanthropy includes all forms of business giving, such as monetary donations to good causes, volunteerism by employees or community development (Carroll 1991). These activities can undoubtedly make an important contribution to societal wellbeing, but they are not directly tied to an organization's core competencies and core business activities. Even CSR activities that go beyond corporate philanthropy are often decoupled from existing competitive strategies (Grabner & Speckbacher, 2021; Hengst et al. 2020). Thus, CSR remains peripheral, not integrated into a firm's business strategy and operations (Aguinis & Glavas, 2013; Wilson & Post, 2013). In contrast, corporate purpose is by definition positioned at the very core of an organization, since it outlines its overarching reason for being (Bruce & Jeromin, 2020; Hsieh et al. 2018; Malnight et al. 2019). Third, many forms of CSR are associated with a rather defensive approach considering an organization's responsibility in minimizing the negative effects of business on society and environment (Baumgartner 2014; Crilly et al. 2016). This view is already anchored within the definition of sustainability to meet "*the needs of the present without compromising the ability of future generations to*

meet their own needs" (World Commission on Environment and Development, 1987, p. 43). This so-called 'do-no-harm CSR' involves measures of risk management to mitigate negative externalities, such as pollution (Crilly, Ni et al., 2016). In contradiction corporate purpose is more focused on a kind of 'doing-good' CSR. It aims at leveraging an organization's core competencies to create new business opportunities in order to increase positive externalities, such as the spreading of environmentally friendly technologies. Thus, purpose is typically concerned with achieving a brighter future instead of only preventing a darker one – adopting a maximization rather than a minimization point of view (Ebert et al. 2018).

To sum up, the proposed conceptualization corporate purpose and the concept of CSR are directed towards similar ultimate ends, even though they can be distinguished by a number of characteristics. Both concepts are complementary and mutually reinforce each other. In this sense, CSR can be regarded as one vehicle for implementing an organization's corporate purpose.

3.5 Construct coherence of corporate purpose

The final condition for construct clarity requires that the construct, its definition, its core characteristics, its scope conditions and its relationship to other concepts should all demonstrate coherence (Suddaby, 2010). According to Suddaby (2010, p. 351), this implies that they "*must all make sense*" in an intuitive assessment and "*hang together in a logically consistent manner*". Since I have already elaborated in detail within each individual step how the different conditions of construct clarity relate to each other, I subsequently stick to a concise summary of the central logical relations.

The proposed definition defines corporate purpose as an organization's reason for being in terms of an objective beyond profit maximization to create value by contributing to the welfare of society and planet. As such, the scope of the concept is tied to an organizational level and focuses in particular on traditional for-profit organizations. The definition integrates several building blocks that specify the concept of corporate purpose put forward in this article, its core characteristics and its relationships to related concepts in a coherent way. First, the proposed definition outlines corporate purpose as an organization's 'reason for being'. This emphasizes the concept's normative character and positions purpose as an organization's ultimate and enduring end. Corporate purpose represents an overarching higher-order reference for subsequent levels of management and functions as a sense-making device to derive and align related concepts like mission, vision CSR and sustainability. These concepts can represent means to fulfill an overarching purpose. Second, the definition specifies purpose as an 'objective beyond profit maximization. This contemporary understanding represents a reversal from the long-standing shareholder primacy that "*corporations exist principally to serve shareholders*" (Business Roundtable, 2019) and the sole "*social responsibility of business is to increase its profits*" (Friedman 1970, p. 32). Third, the proposed definition explicitly specifies corporate purpose as creating 'value by contributing to the welfare of society and planet'. This pro-social character of purpose is in line not only with the thoughts of Hollensbe et al. (2014), who initiated the call for a (re)discovery of purpose in management research, but also with the majority of definitions offered in recent literature as well

as with the zeitgeist of contemporary business practice (Brosch 2021; Harrison et al. 2019). As a pro-social higher-level reference for action, a corporate purpose opens up broader perspectives and functions as a source of sense-making and inspiration. At the same time, the value-creation focus of the definition implies that a purpose has to be embedded in an organization's core business activities. As such, it is not just a peripheral CSR activity like charitable giving, nor is it a pure mission description of what a business does and what value it provides to customers (Bruce & Jeromin, 2020; Mayer 2021).

Overall, the conceptualization of corporate purpose put forward in this article, its definition, its core characteristics, its scope conditions and its relation to other constructs seem to show a high degree of coherence. They integrate large parts of the contemporary discussion in both academic and practitioner communities in a consistent manner.

4 Conclusion

This paper synthesized prior research and evolved the construct of corporate purpose from a 'tower of babel' phenomenon towards construct clarity. In doing so, it contributes to theory and practice in several ways. First, it provides one of the first – and to the best of my knowledge the most comprehensive – review of literature on corporate purpose. The review reveals that different definition approaches and conceptualizations exist in the field, which gives rise to a 'tower of babel' phenomenon, in which different people have different understandings but talk about the supposedly same topic. Through identifying, categorizing and integrating the different conceptualizations adopted in literature, this paper provides an important foundation to enable comparisons between research as well as cumulative work. Second, the paper is not limited to the review of previous work, but rather synthesizes the literature and proposes a blueprint towards construct clarity of corporate purpose. As such, it addresses all the conditions of construct clarity outlined by Suddaby (2010): it offers a precise but also broad enough definition of corporate purpose that integrates previous definition approaches identified in the literature and is consistent with the zeitgeist in business practice; it underpins the definition by outlining seven core characteristics of corporate purpose; it delimits the scope conditions by tying the construct to an organization level; it describes the relationship of corporate purpose with the seemingly related concepts by comprehensively demonstrating that terms sometimes considered interchangeably to corporate purpose represent rather distinct concepts that relate to each other in reinforcing ways; it displays coherence across the different conditions of construct clarity. Since construct clarity is an essential foundation for relevant and rigorous management research (Podsakoff et al. 2016; Suddaby, 2010), this paper represents an important contribution to further developing the field. In addition, the proposed blueprint can also assist managers in defining and implementing a corporate purpose in their organizations, communicating its conceptual uniqueness in relation to other concepts, and thus increasing the chances of leveraging the benefits commonly associated with pursuing a corporate purpose.

The present study is subject to some limitations, which provide avenues for further research. The first limitation can be seen in the process of literature selection. Despite the two-step procedure designed to include the most important literature on corporate purpose, it might be possible that relevant articles might be missed due to the formulated inclusion and exclusion criteria. A second limitation refers to the analysis and synthesis of the selected literature. Although I followed a systematic approach carried out with utmost diligence to minimize bias and enhance replicability, a certain degree of subjective judgment cannot be eliminated. To control for these limitations, interrater reliability across multiple coders and intrarater reliability over time were taken into account. Nevertheless, other judges might have coded some aspects differently or draw different conclusions. Besides these methodological limitation, further conceptual limitations should be mentioned. Since the scope of the present study was limited to enhancing the construct clarity of corporate purpose in a narrow sense as recommended by previous research (Podsakoff et al. 2016; Suddaby, 2010), several questions remain unanswered that provide avenues for further research. First, construct clarity is not intended to lead to a precise operationalization and measurement (Suddaby, 2010). As such, this paper offers no measure of corporate purpose, but rather provides an important foundation for further research to develop measurement instruments that enable a systematic evaluation of corporate purpose across organizations. While initial attempts have been made in this direction (Gartenberg et al. 2019; Lleo et al. 2021), developing more specific measures to capture the essence of corporate purpose seems to be one of the major avenues to further develop the field. Second, construct clarity is not intended to substitute theory (Suddaby, 2010). As such, this paper offers no theory of purpose, but rather supplies the necessary conditions that allow further research to build theory within a system of constructs. Adding to recent attempts in this direction (George et al. 2021; Henderson 2021), a promising avenue for further research could be to develop more comprehensive theoretical frameworks that are based on a clear construct and integrate different drivers, consequences, internalization factors, boundary conditions and underlying mechanisms of corporate purpose.

In conclusion, this paper proposes a path to evolve the construct of corporate purpose from a 'tower of babel' phenomenon towards construct clarity. As such, it makes an important contribution to communicating more effectively, avoiding proliferation, accumulating knowledge, building theory and, ultimately, further developing the field in both academic research and business practice.

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