**For Purpose: Shaped by Leaders, Beyond Borders and Boundaries**

Abstract

As strategies for organizational purpose continue to gain prominence, the big question for executive leaders has shifted from ‘why invest in purpose as a core strategy?’ to ‘how?’ Our research advances this question and finds that success of the purpose strategy depends more on the influence of committed managers and colleagues than on external factors such as industry, country, or organization size. When leaders and teams act as role models, guides, and cohesive agents, employees are better able to internalize and actively contribute to the purpose. Doing so drives an organizational culture in which employees achieve not only identification with the organization but also adopt behaviors that drive the organization’s development. Framed in Social Learning Theory, and considering data from 13772 employees and 3080 supervisors in 50 different organizations, our research emphasizes the power of the immediate context over the overall context.

Keywords

Strong corporate purpose, Purpose-driven managers, Purpose-driven coworkers, Feeling of belongingness, Extra-role behaviors.

**Introduction**

In today’s world, one of the key elements is the role of business in society (Hamann et al., 2024; Park et al., 2022, 2025). For this reason, the organizational purpose, i.e., a goal beyond profit maximization (Henderson & Van Den Steen, 2015), has shifted from the margins to the mainstream of organizational strategy. Purpose represents a commitment to society and acknowledges the interdependence of business and society—that is, that one cannot flourish without the other (Bapuji et al., 2020; Dupret & Pultz, 2021). As a result, the conversation among executive leaders has evolved: the central question is not only why to invest in purpose, but rather how to implement it effectively. Yet despite growing interest and investment in purpose-led strategies, organizations continue to report mixed results. Why do some companies successfully embed purpose into their culture and operations, while others—often in the same industry or region—struggle to translate purpose into meaningful employee behavior?

This study shows that when corporate purpose is strongly embedded, employees not only feel more connected but also adopt behaviors that contribute meaningfully to the organization’s development and success. More importantly, it identifies what truly determines the successful implementation of corporate purpose. Drawing on Social Learning Theory (Decker, 1986) and a large dataset comprising 13,772 employees and 3,080 supervisors across 50 organizations, we examine how purpose is shaped, transmitted, and activated within organizations.

Using a cluster analysis (with the PAM algorithm), our findings reveal that the strength of an organization’s purpose—how clearly and deeply it is understood, shared, and enacted by employees—depends less on structural factors such as industry, country, or size, and more on the influence of purpose-driven managers and colleagues. When leaders and team members model and reinforce purpose in their daily interactions, employees are more likely to internalize it and engage in purpose-aligned behaviors. These insights have profound implications for how organizations approach purpose activation, suggesting that strategic investments in people and leadership are crucial for enabling employees to understand, embody, and contribute to corporate purpose.

To explore these insights in depth, the article proceeds as follows. We first review the relevant literature on corporate purpose and social learning theory, which provides the theoretical foundation for our hypotheses. We then describe our dataset and analytical approach, followed by a presentation of the cluster analysis and its main results. Finally, we discuss the implications of our findings for theory and practice.

**Background on Corporate Purpose and Purpose Strength**

Corporate purpose has gained attention in management research and practice (Gartenberg & Yiu, 2023). The COVID-19 pandemic highlights the relevance of purpose, showing the necessity of an organizational stakeholder orientation (Cheffins & Cheffins, 2023). Florez-Jimenez et al. (2024) define corporate purpose as a triple-dimensional concept: identity (what the organization is), meaning (what is significant for the organization), and mission (the main contribution to the different stakeholders). Similarly, Blocker et al. (2024) explain purpose orientation as a unified organizational logic (why we exist), identity (who we are), and strategy (what we do) for creating transcendent value for stakeholders. Beyond clarifying the unique contribution an organization’s purpose makes for different stakeholders, we highlight the critical role of purpose activation. To be successful, a corporate purpose must transcend words and take shape within the actions of employees based upon their understanding of the organization’s purpose, their internalization of it, and their feelings of contribution in their daily work (Ferreira. et al., 2024).

Implementing purpose is far more difficult than defining purpose as really ‘living it’ surfaces new and different challenges (Almandoz, 2023). Purpose activation is critical because it enables the organization to tap into the power of shared purpose among all employees (Cardona & Rey, 2022; Gartenberg et al., 2019; Lleo et al., 2021) by ensuring that employees’ minds, hearts, and hands are united in the organization. Doing so is important, since employees are the stakeholders that can make organizational changes possible or undermine them altogether (Khaw et al., 2022; Raymundo, 2014). As Jones-Khosla & Gomes (2023) explain, “as purpose is considered a conscious human attribute, individuals who work with purpose may well be the drivers responsible for developing organizational purpose.”(Jones-Khosla & Gomes, 2023).

Although the emerging theory of Purpose Orientation (TPO) and practitioners recognize the importance of corporate purpose (Blocker et al., 2024), we still lack understanding of key contingencies or contextual factors that facilitate or undermine the effective activation of purpose (Arias et al., 2024), in particular, factors that drive employee belongingness and adaptive behaviors that contribute to the organization’s success.

**Propositions**

In this work, we show that in an organization where corporate purpose is strong, it has a highly direct impact on the employees but also on the organization’s performance. Furthermore, drawing on Social Learning Theory—which posits that social interactions influence behavior and the internalization of organizational norms through observational learning, modeling, reinforcement, and cognitive processes—we propose that the organizational internal context could better influence the implementation of an effective purpose than the external context. In other words, this research helps explain why organizations located in the same geographic region, operating in the same sector, and of similar size may exhibit significantly different levels in the strength of their corporate purpose or mission (or purpose strength). Conversely, organizations that differ in region, sector, and size can display similar levels of purpose strength, suggesting that internal relational factors—particularly purpose-driven managers and co-workers —play a more central role in shaping how purpose is experienced and enacted by employees. Thus, while external factors provide the structural context in which organizations operate, they do not influence individual behaviors with the same immediacy or intensity as interpersonal dynamics within the organization.



**Figure 1. External vs Internal Context. Source: Own elaboration**

**The benefits of a Strong Corporate Purpose**

As Figure 1 shows, when the purpose is effectively implemented in an organization and employees not only understand it but also internalize it and actively contribute to it, positive results are generated on two main levels: employees and organization, creating a virtuous circle between individual and organizational interests.

Employee benefits: regarding the employee’s benefits, by understanding and identifying with the purpose and perceiving they contribute to it, employees, for instance, feel that their work has meaning beyond the day-to-day tasks. This strengthens their emotional connection to the organization, generating a feeling of belonging and, thus, a higher well-being (van Ingen et al., 2021).

Benefits for the organization: regarding the benefits for the organization, when purpose is implemented and their employees, understand and internalize the organization’s purpose but also perceive that they contribute to it, they often go beyond their formal duties, displaying proactive behaviors such as contributing ideas or solutions. These spontaneous actions enrich organizational dynamics and increase collective effectiveness. A purpose-aligned workforce contributes to achieving organizational goals more cohesively, strengthening the organization’s resilience, productivity, and reputation in the marketplace (Peterson, 2004).

**Internal Context over External Context**

Previous literature (Pratt & Hedden, 2023) has raised a debate about the role of culture in the development of corporate purpose. It suggests that the significance of cultural resonance indicates that the effectiveness of a specific purpose may evolve not only over time but also across different contexts, raising the question of which aspects of purpose, if any, could be considered universal. Building on this debate, we propose distinguishing between external and internal contexts for understanding which type of context most effectively influences corporate purpose.

External context: These are structural conditions of the organization that its members cannot easily modify. We considered external context factors such as sector, organization’s size, and location. The sector is the field of economic activity in which the organization operates, such as manufacturing, services, or wholesale. Organization size refers to the number of employees in an organization. Location refers to the geography of the organization.

Internal context: We refer to the immediate context in which an employee is embedded. Here, we consider the influence that managers’ and co-workers’ commitment to the purpose has on an employee.

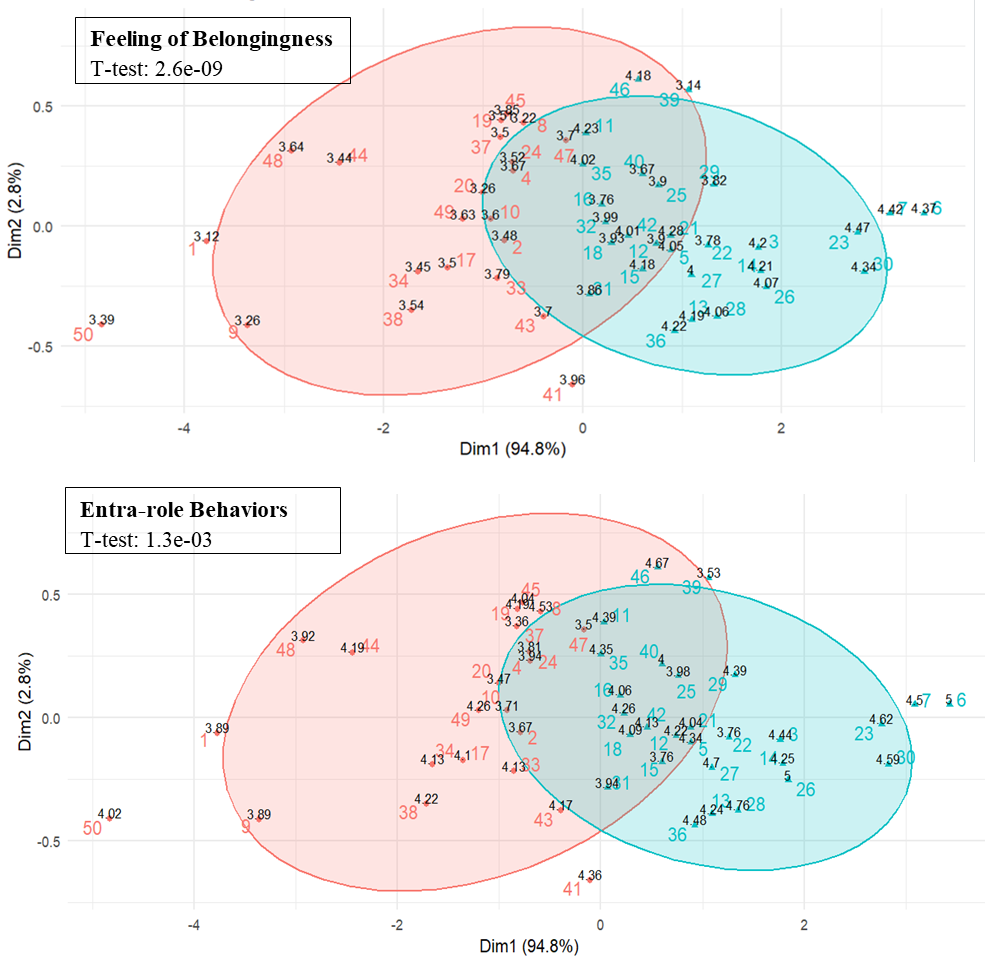
Although each sector has its own dynamics that affect the organization’s strategies and priorities, geographic location influences factors such as legal regulations, cultural norms, economic stability, infrastructure, and access to human or material resources; moreover, organization size can affect the dynamics of the organization; this external context does not have the same influence on purpose implantation that an internal context does. External contexts condition the environment in which the organization operates, while internal contexts determine the dynamics with which the purpose is lived and executed within the organization. We argue that the commitment of managers and colleagues to the purpose influences more than contextual factors such as industry, country, or size of the organization.

Using the Social Learning Theory (SLT, Decker, 1986), we propose that managers and close colleagues act as direct referents that shape employees’ perceptions and behaviors through their example, communication, and reinforcement of norms. This generates a more immediate and tangible impact on knowledge, internalization of purpose, and contribution, as daily interactions with these figures have a cumulative effect on the understanding and adoption of organizational purpose. The engagement of leaders and peers has a multiplier effect, as it not only reinforces the importance of purpose but also motivates employees to actively contribute, regardless of the external context of the organization. Additionally, as the Social Impact Theory (Sedikides & Jackson, 1990) also argues, the magnitude of social impact is based on the strength, immediacy, and number of sources of social influence. Leaders and peers who show a strong commitment to purpose have more credibility and are perceived as important role models within the organization. Their strength of influence is greater because employees perceive them as authentic and aligned with organizational values. Additionally, the psychological and physical proximity of leaders and peers allows for a constant influence on employees’ daily activities. Further, when multiple leaders and peers demonstrate commitment to purpose, their joint influence is amplified, creating a strong group norm. These effects can outweigh any influence from external contextual factors.

**Methodology and Result**

An empirical study was conducted considering data from 13772 employees and 3080 supervisors in 50 different organizations. This data was collected by a Spanish University, which aims to generate evidence-based knowledge about the implementation of corporate purpose and the generation of more human-centered and purpose-driven organizations. To achieve this, it evaluates and diagnoses the level of corporate purpose strength in real companies and related variables. The scale proposed by Lleo et al. (2021) was used to measure the strength of the purpose. We aggregated the responses from the employees in each organization and then, we have conducted a cluster analysis (using the PAM algorithm) with data related to the three dimensions of purpose strength: Purpose Knowledge, Purpose Internalization, and Purpose Contribution. This cluster analysis yielded two main clusters: a cluster of companies with low levels of purpose strength and a cluster of companies with higher levels of purpose strength.

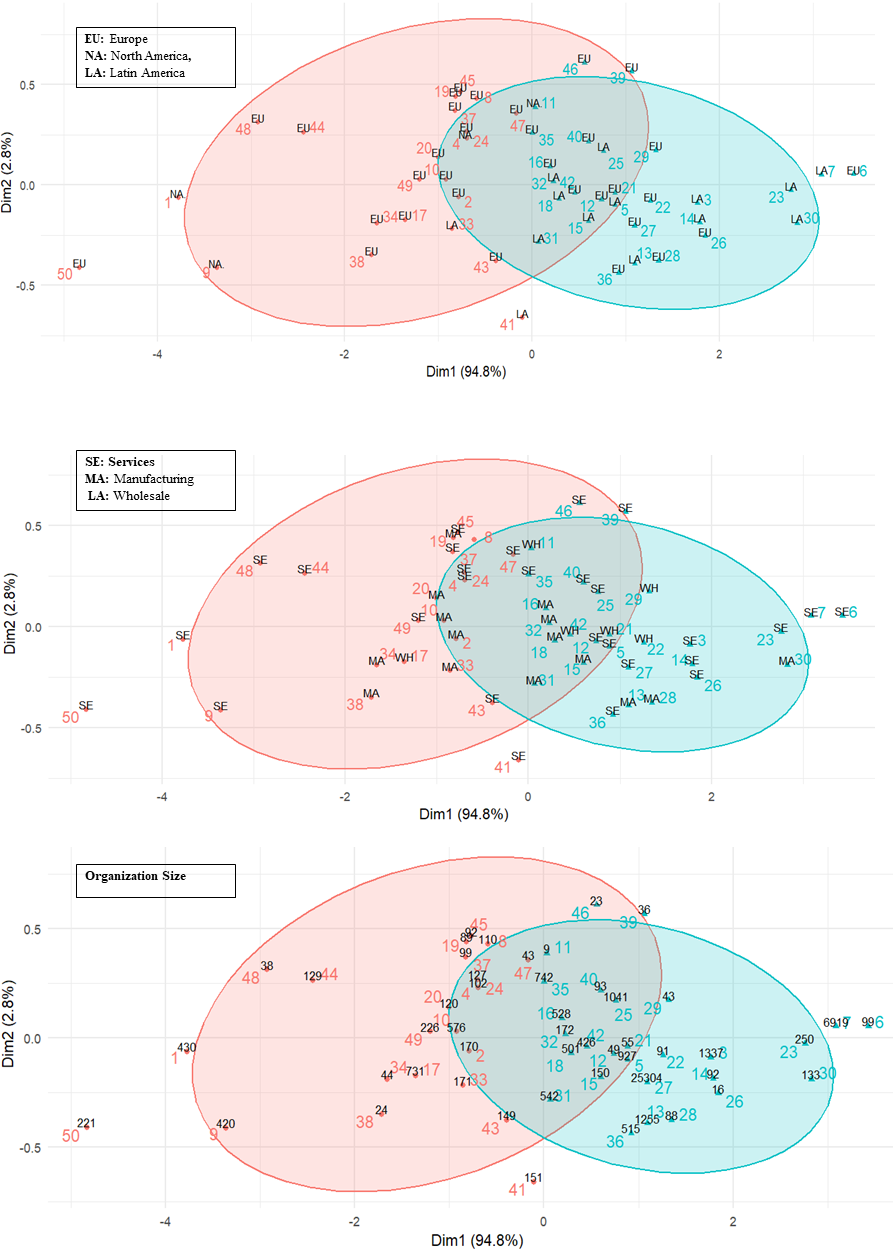
By overlapping these clusters with results of employees’ sense of belonging (evaluated by employees) and employees’ extra-role behavior (evaluated by supervisors), we obtained that clusters with organizations with higher purpose strength are companies with significantly higher levels of employees’ feeling of belongingness and employees’ extra-role behaviors (Figure 2). For the study, an adapted scale from Milliman et al. (2018) was used to measure the feeling of belongingness. Extra-role behavior was measured using a scale adapted from Coleman and Borman (2000).



**Figure 2. Clusters Purpose Strength and outcomes**

Notes: Red cluster: Organizations with lower Purpose strength. Blue Cluster: Organizations with Higher Purpose strength.

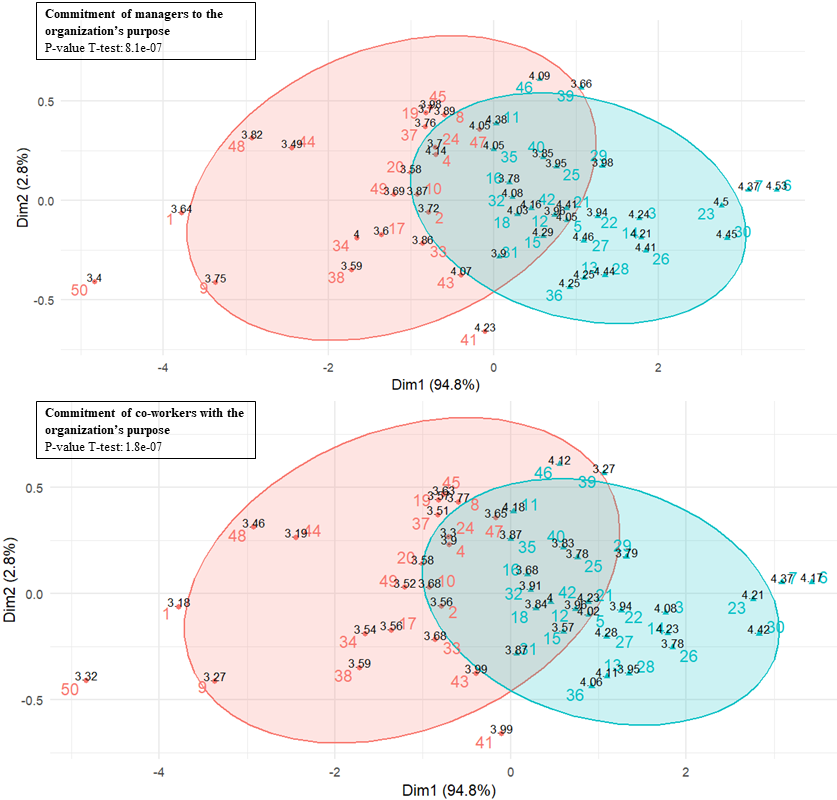
To evaluate the external context, we overlapped objective data such as the organization’s size, sector, and location with the level of purpose strength. For these three factors, it was not possible to see a clear difference between organizations with higher levels of purpose strength and lower levels of purpose strength (See Figure 3 as an example).



**Figure 3. Clusters Purpose strength, Location and Sector**

Notes: Red cluster: Organizations with lower Purpose strength. Blue Cluster: Organizations with Higher Purpose strength.

In the same way, to evaluate the internal context, we overlapped the average value for each organization regarding the perception of the commitment of managers to the organization’s purpose and the perception of the commitment of co-workers to the organization’s purpose. Both variables were measured using the scale proposed by Marimon et al. (2016). In both cases, results were significantly higher in the cluster with stronger purpose strength (Figure 4). Specifically, the T-test for managers’ commitment to purpose yielded a p-value of 8.1e-07, while the T-test for co-workers’ commitment yielded a p-value of 1.8e-07.



**Figure 4. Clusters Purpose strength and Commitment of managers and co-workers with the organization’s purpose**

Notes: Red cluster: Organizations with lower Purpose strength. Blue Cluster: Organizations with Higher Purpose strength

The findings contribute to explaining why organizations that share similar structural characteristics—such as geographic location, industry sector, and organizational size—can nonetheless exhibit significantly different levels of purpose strength. For example, companies 32 and 33, or 19 and 28, face similar external contextual factors but differ in levels of purpose-driven managers and co-workers, which corresponds with marked differences in their reported purpose strength. Organizations 32 and 33 are both located in Latin America and operate in the manufacturing sector. However, their levels of purpose-driven managers and co-workers differ: regarding managers’ commitment to the organization’s purpose, scores are 4.08 and 3.86, respectively; and for co-workers’ commitment to the organization’s purpose, 3.91 and 3.68, respectively. Similarly, organizations 19 and 28, both located in Europe and within the manufacturing sector, also show notable differences in levels of purpose-driven managers and co-workers. Organization 19 reports lower levels of purpose-driven managers (3.70) and co-workers (3.57) compared to organization 28 (4.44 for managers’ commitment and 3.95 for co-workers’ commitment).

In contrast, companies 13 and 36—despite differing significantly in cultural context (Latin America vs. Europe), sector (manufacturing vs. services), and size (1,255 vs. 515 employees, respectively)—display similarly high levels of corporate purpose strength, as they are part of the same cluster. Both also report similar levels of purpose-driven managers and co-workers: 4.25 for managers’ commitment to the organization’s purpose, and 4.11 and 4.06, respectively, for co-workers’ commitment. Another illustrative case is that of companies 17 and 28, which belong to a cluster characterized by low corporate purpose strength. Despite their differences in sector (wholesale vs. manufacturing) and size (731 vs. 24 employees), they show similar levels of managers’ commitment (3.60 and 3.59, respectively) and co-workers’ commitment (3.56 and 3.59, respectively).

This pattern suggests that structural or contextual variables alone do not fully account for variations in corporate purpose strength. A common denominator among organizations with higher purpose strength—regardless of external characteristics—is the presence of purpose-driven managers and co-workers at both the managerial and co-worker levels. This interpretation is further supported by qualitative feedback from employees. For instance, in company 33, when asked how to reinforce purpose within the organization, employees suggested: “Management involvement once a month with all employees to reinforce the company’s purpose,” “Greater outreach and more tangible facts from leadership to explain the purpose,” and “Increase management and employee feedback for the common good.” These comments highlight the critical role of leadership behaviors—such as continuous dialogue, clarity of purpose, and inclusive practices—in embedding and sustaining a strong and shared sense of purpose throughout the organization.

**Discussion**

With this work, we contribute to the emerging theory of purpose orientation by showing that the development of the three processes of purpose strength (knowing the organization’s purpose, internalizing it, and contributing to its purpose) is associated with the development of outcomes such as an employee’s sense of community, and extra-role behaviors in organizations.

Moreover, we propose that there are factors, such as the commitment of managers and peers to organizational purpose, that can have a much more significant impact than aspects such as the size of the organization, the sector, or even the country in which it operates. When leaders show a strong commitment to purpose, communicate it clearly, and integrate it into strategic decisions, an environment is created in which employees not only know the purpose but also internalize it and actively contribute to its achievement. Similarly, an organizational culture that fosters alignment with the purpose, where colleagues support each other in contributing to common goals, further strengthens the implementation of the purpose. This could contribute to the debate raised by Pratt & Hedden (2023), regarding the influence of culture on the development of purpose. Moreover, this study contributes to the emerging theory of purpose orientation (Blocker et al., 2024) by initiating an empirical agenda that examines the relationship between purpose and its associated variables at the organizational level.

Regarding the practical implications, leaders need to recognize that their personal and visible commitment to corporate purpose is a key driver of how employees come to understand, internalize, and contribute to that purpose. This influence often exceeds the impact of structural factors such as industry, organizational size, or national context. Rather than being constrained by external elements, managers can actively shape the internal environment to support purpose implementation. Their strategic position allows them to model purpose-aligned behaviors, set clear expectations, and reinforce norms that make purpose tangible in day-to-day work.

By focusing on internal strategies—such as defending the company’s purpose, emphasizing its importance and relevance to society, and clearly articulating how it is fulfilled through the organization’s products and services—managers help ensure that employees not only understand the company’s purpose but also see its practical impact. When managers genuinely believe in the purpose and consistently demonstrate it through their decisions and behaviors, they foster a culture where purpose is not just communicated but embodied. As employees observe this alignment in both managerial and peer behavior, they are more likely to feel connected to the purpose and take initiative in their roles. In this way, managers become not only implementers of strategy but facilitators of meaning, coherence, and alignment across the organization.

Moreover, managers must recognize that employees are not only influenced by hierarchical leaders but also by their peers. The commitment of coworkers can serve as a powerful source of social proof, reinforcing behaviors that align with the organization’s purpose. Managers can cultivate distributed leadership by acting as role models and empowering others to lead from where they are. This type of leadership encourages employees at all levels to take initiative, embody purpose in their roles, and support one another in meaningful ways.

When employees not only understand the organizational purpose but also internalize it and actively contribute to it, the outcomes extend beyond alignment. This engagement fosters stronger identification with the organization, boosts intrinsic motivation, and encourages extra-role behaviors beyond the formal job description, strengthening the foundation for long-term success.

In sum, leaders and managers should view purpose not as a static statement but as a dynamic, relational construct that requires continuous nurturing through managers’ and co-workers' behaviors. In this way, purpose becomes a source of coherence, energy, and direction that benefits the entire organization.

**Declaration of Conflicting Interests**

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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