

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

How does HR perceive the impact of purpose in motivation?

MARIA MADALENA HOMEM DE
BARROS MARQUES DE ABREU

Work project carried out under the supervision of:

Milton de Sousa

10/12/2021

Abstract

As exploratory research aiming to bridge theory and reality, this thesis seeks to understand Human Resources Managers' real perception of purpose. Furthermore, it delves into how the concept affects their work and employee's motivation. For this Objective 10 Human Resources Managers were interviewed from different industries. From the semi-structured interviews, the qualitative data was coded and structured into the Grounded Theory. This to conclude that Human Resources Managers do not see a clear connection between the purpose of a company and the motivation of the employees.

Keywords: Organizational Purpose, Human Resources, Employee's Motivation

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

Introduction

“Good employees have a choice, and over time will migrate to firms that offer them not only fairness, but more importantly the opportunity to find meaning and purpose in their work.”

(Sisodia 2011)

This statement clearly demonstrates the importance of purpose to companies and specifically to their Human Resources Managers. Literature paints the concept of organizational purpose as a solution for the future, suitable both for businesses and people: “Your purpose is what makes you durably relevant to the world” (Chevreux, Lopez, and Mesnard 2017). Existing literature also manifests the positive impact of pursuing purpose, one study claiming that “companies that adhere to these principles outperformed the market by a 9-to-1 ratio over a ten-year period. [...] Beyond financial wealth, these companies also create many other kinds of societal wealth: far more engaged and fulfilled employees, loyal and trusting customers, innovative and profitable suppliers, thriving and environmentally healthy communities, and more.” (Sisodia 2011). This small sample of literature alone implies a growing number of companies would adhere to the concept of purpose, and this is in fact what has been happening in recent years.

Nonetheless, large discrepancies between reality and theory remain. Fascinated by the results, companies develop a purpose statement, but most of them are unable to attain significant outcomes (Chevreux, Lopez, and Mesnard 2017). This problem arises because there seems to be no clarity on how to apply purpose and what it directly implies. Going beyond the concept’s many existing definitions, this study aims to evaluate the practical perceptions and effects in companies. Particularly, we will analyze whether there is a direct connection between purpose and one of its most prominent theoretical effects: employee motivation. This connection will also be evaluated through the input of Human Resources Managers from different companies. Additionally, we will also discuss whether the impact on motivation must be exclusively attained through the existence of purpose, or whether other tools are able to yield the same results.

The question this thesis we will focus on answering is the following: *How do HR managers perceive the impact of organizational purpose on motivation?* To do so, I will start by introducing the concept as presented in Literature. Then, I will explain the methodology used for the analysis and subsequently present the relevant information withdrawn from the interviews structured as Grounded Theory. Afterwards, through a discussion, I will merge the

results of the interviews with the theory, as well as provide suggestions to future research. Lastly, I will conclude with the practical application and consequences of this study.

Literature Review

Although there is a considerable amount of literature on the topic of purpose, there does not seem to be a consensus among academics regarding its definition. “But what is it that actually makes a business purposeful? This is not an easy question to answer, given how many ways there are to interpret the word purpose in the business realm,” (Almandoz, Lee, and Ribera 2018). Nonetheless, one seemingly recurring factor is that it is beneficial for a company. Indeed, “focusing on purpose reflects the best of what a business can be” (Hollensbe et al. 2014). It impacts the companies financially, “through the provision of stewardship of resources, which reduces the inefficiency and cost of repairing, restoring or paying for resources unnecessarily consumed in the production of goods and services”; it impacts the environment lived in the company by “showing authentic respect for the whole person in creating a committed workforce”; it impacts the communities “to create new goods and services that society wants; demonstrating empathy toward communities”; and speaks to new generations “to attract the best talent and grow new markets; building long-term relationships that foster loyalty and trust” (Hollensbe et al. 2014). The focus of this thesis, which revolves around the impact of purpose on employee motivation, is also occasionally mentioned in literature: “It is about creating more motivated, committed, engaged and fulfilled workers – and that ultimately depends on having a higher purpose for your business.”(Almandoz, Lee, and Ribera 2018)

Even though the objective of this study isn't to discuss the various meanings of the concept of purpose, it is important to clearly define it. Purpose, based on the article *From Purpose to Impact* by N. Craig and S. Snook, is defined as “your brand, what you're driven to achieve, the magic that makes you tick. It's not what you do, it's how you do your job and why” (Craig and Snook 2014). It is the identity and response to the last “why” of your existence. Also, it can be experienced in different dimensions: there is individual purpose, team purpose and finally organizational purpose. In this project we will focus on Organizational purpose, which is “the statement of a company's moral response to its broadly defined responsibilities.” (A. and Ghoshal 1994). In the context of a company, it answers questions such as: Why do you do what you do? How did it start? In the beginning, what did the founders want to achieve? What is the impact the company wants to have in society? (Hollensbe et al. 2014). The concept is also commonly confused with the statements of mission, vision and values of the company, the core difference being that purpose is the basis to all those concepts. In other words, “purpose can be considered as the foundation of the mission” (Rey, Bastons, and Sotok 2019).

For a company to be considered purpose driven it needs to apply and live this statement. There are many systems of organizational purpose. Most of these mechanisms are linear and say that purpose is lived through knowledge and action. However later studies point out that these systems are missing a step: “This and many other experiences show that it is necessary to place an intermediate element between knowledge and practice: purpose must be loved and internalized by organizational members.”(Rey, Bastons, and Sotok 2019). Previously, companies did not acknowledge the values of individuals. They simply considered employees would automatically absorb the company’s purpose statement and apply it. They also expected that it would “not only guide but inspire the behaviors and motivations of company actors toward some end that is primarily concerned with the organization’s beneficiaries, including customers and society at large. When that purpose is achieved, monetary benefits can be its natural outcome.” (Almandoz, Lee, and Ribera 2018). The method proposed by John Almandoz is composed of five steps: set clear mission and measure it; foster a consistent culture through people management; focus on making daily work meaningful; and pay attention to peripheries and cultivate better management(Almandoz, Lee, and Ribera 2018). And even though this system showed positive results - “53 percent of the executives who identified their companies as purpose-driven noted that their organization was “successful with innovation and transformation efforts” - (Keller 2015), a lot of potential was still being wasted.

In 2019, a new system was developed by Carlos Rey and his colleagues, on the grounds that “frameworks based on linear logic alone do not lead to effective implementation of purpose, because the nature of purpose is not linear. The nature of purpose is formed by three unique yet interrelated components: knowledge, action, and motivation.” (Rey, Bastons, and Sotok 2019). This theory inferred an oblique relationship between three processes that connect three dimensions (Appendix 1). Such processes were internalization, implementation, and integration. Integration is the connection between motivation and action. Implementation is the connection between knowledge and action (the base of other theories). And internalization is the connection between motivation and knowledge. This perspective is remarkably interesting because it does not see motivation as purpose-driven but rather as a necessary factor for a company itself to be considered purpose-driven. I will proceed to further explain the two processes that imply motivation.

Internalization is the process through which employees gain personal appropriation of the purpose. It is the moment where individual and company values merge. This way a company

starts seeing each employee as a person with values while the employee feels mentally fulfilled to practice their values within the company: “to understand the “why” of an organization, we must consider the “why” of each member within the organization, as well as their underlying motivations.” (Rey, Bastons, and Sotok 2019). It is also through this process that companies make room for meaning in work. Meaningful work is only possible if it is aligned with the individual’s beliefs, and ultimately making it the purpose of their life (Steger 2016). If appropriation of a company’s purpose is well done, and therefore personal purpose is aligned with company’s, working for the company would become meaningful. However, there can be no meaning without action. Purpose integration is the process through which the motivation is put to action: “Integration is the quality of placing purpose in everything we do, both in the most significant and in the most commonplace. “These two processes together with implementation create a virtuous cycle for both the company and the individual.

At the same time, motivation is not just needed to sustain purpose as it also derives from it. As we have seen above, purpose has the potential to generate meaningful work, and many authors explain that motivation itself derives from the latter: “Task significance contributes to work motivation by enabling employees to experience their work as meaningful” (Grant, n.d. referencing Fried & Ferris, 1987; Hackman & Oldham, 1976; Katz, 1978).

We can conclude that Literature creates a clear connection between purpose and motivation. This connection is not just linear but cyclical, forming virtuous cycles. Even though this conclusion leads us to believe that purpose is in fact an advantage it does not imply it is necessary.

We are now going to assess separately meaningful work and motivation to understand whether a theoretical codependence exists. Motivation is “a set of psychological processes that directs, energizes, and sustains action” (Weiner et al. 2003) and can take multiple forms. One distinction between different types of motivation is the concept of “controlled motivation” versus “self-concordance motivation” (Bono and Judge 1995). Controlled motivation “represents goals adopted in response to environmental contingencies, such as financial rewards, or those resulting from internal processes, such as guilt or shame.”(Bono and Judge 1995) A disadvantage of this type of motivation is that once the employee has completed the required tasks or reached the agreed-upon goal, the previously found motivation is gone. This form of motivation is mentioned by Rajendra Sisodia as ““carrot and stick” incentives” (Sisodia 2011).

Conversely, self-concordance motivation is when “activities such as job-related tasks or goals express individuals’ authentic interests and values” (Bono and Judge 1995). This last concept implies an alignment of the individual’s values with the action it is doing. This alignment implies that work is meaningful for this individual. Given this, what makes work meaningful? Meaningful work is driven by the following factors: “honest appraisal of one’s strengths and weaknesses, a desire to make a positive impact on others and on the greater good, authenticity, taking responsibility for and adopting an ownership mentality toward one’s organization, knowledge of organizational policies and operations, a complete grasp of one’s scope of work and responsibilities, and sufficient knowledge of the values and mission of an organization that one can ascertain fit with one’s own purpose.” (Steger 2016) .

We can therefore conclude that regarding a company’s environment, there are many factors which may motivate employees. Those take the form of financial incentives or growth opportunities that generate controlled motivation. And then there are motivators that directly derive from the interest and values of the worker, which are obtained when work is meaningful. Work can be meaningful in many ways depending on the company and the individual. However, that said, one way to facilitate this connection between employee and company would be by valuing each other's purpose. “Employees should continually seek what is, or what could inspire them at work, embracing a deeper understanding—that the purpose of their work is much more than earning a salary or having good working conditions. Companies, on the other side, should see their employees not just as human capital or means of return, but as individuals with invaluable potential with different ideas and personalities that provide an inexhaustible source of creativity.”(Rey, Bastons, and Sotok 2019)

Methodology

Although purpose relates to various effects and can affect all stakeholders, this project is an exploratory case study focused on its impact on employee motivation, which has not yet had clear outcomes in existing literature (Baxter and Jack 2008). For that objective, the most reliable approach was to interview Human Resources Managers, as they are responsible of monitoring employee well-being in the company. Also, to be able to get revelatory information and eventually develop new concepts, this thesis is constructed as inductive research (Gioia, Corley, and Hamilton 2013). Finally, and to ensure rigor in this research, the Ground Theory method was used with the aim of exploring the perception of purpose.

For this method I must assume that the interviewees were “knowledgeable agents”, meaning they were familiar with the topics, that they would report their knowledge and communicate truthfully the company’s situation (Gioia, Corley, and Hamilton 2013). Furthermore, during contact with the agents, I did not impose any personal knowledge on the subject as to not influence the results of the interviews.

Finding relevant existing literature, identifying its gaps, and particularly understanding the general perception of the concept of purpose, constituted the basis for the development of the interview script.

As mentioned by Dennis A. Gioia, “our approach depends on a well-specified, if rather general, research question” (Gioia, Corley, and Hamilton 2013). In past research studies, the concept of purpose seemed idealized. With this in mind, one script, aimed at conducting semi-structured interviews, was put together by focusing on the impact of purpose on employees (see Appendix 4 and 5). Furthermore, another one was created for interviews with companies that did not have purpose. The scripts focused on how companies created motivation, engagement, and alignment. Then, for companies that did have purpose, I analyzed how this influenced Human resources work, and if there was a connection between purpose and motivation. Finally, for companies without purpose, I attempted to understand their perception of the concept. If they did not know what it was, I would give them a very generalized definition and ask their opinion on whether the concept would be helpful for the company.

Ten companies were selected for the interviews. Out of those, five had organizational purpose and five did not. I purposefully chose to not interview companies that were known as purpose-driven (eg. Tesla, Unilever, Nasa etc.) because those are the cases literature focuses on. To be

certain that the interviewees would respond freely to the questions asked I promised anonymity. Therefore, the names of the companies will not be disclosed. However, to demonstrate that the data is significant and to ensure a detailed analysis, the following table describes the size and the main work-area of the companies:

Multinational automotive company with 50.000 employees and 8.6 billion euros revenue worldwide.
Global contact center company with +160.000 employees worldwide. With an expected revenue of 4.3 billion dollars in 2021.
Multinational family-owned work recruitment agency company. Present in two continents with an annual revenue of 2 billion euros.
Multinational paper and forest company. Company with 1.6 billion euros revenue worldwide with 3.000 employees.
Portuguese worldwide operator of jet lease wide-body aircraft founded in 2005. Company with 800 employees.
Digital services company founded in 2000. Present in +50 countries with a global network of 90.000 persons designing, delivering, and optimizing human experiences for today's digital world.
Multinational pharmaceutical company founded in 1954. With 22.500 employees and 4.7 billion euros revenue worldwide.
Business and Economics university school. With 160 teachers from 20 different countries and 19.000 alumni working in 65 countries worldwide.
Global consulting firm founded in 1963 present in +50 countries with 22.000 employees and 8.6 billion dollars annual revenue.
Local fast-food chain founded in 2020 with 5 restaurants.

Table 1. Characterization of the companies interviewed

As illustrated in Table 1, the companies have different sizes (small, medium, and large companies) and are all from different industries, including products and services. Another important factor was that the sample was selected without previous knowledge on whether the companies had purpose or not. This allowed to understand their first reaction to the topic of purpose. Also, this gave us a glance at the market: the companies that had developed a purpose statement and the ones that did not.

The interviews were transcribed and later inserted into the NVIVO Software to be further analyzed. In this software I was able to recognize the 1st order concepts. This first analysis was made by reading one interview at a time and coding all topics that seemed relevant. Then, through mind mapping these concepts (Appendix 2), I was able to establish connections and create 2nd order themes. Finally, it was possible to create aggregate dimensions (Gioia, Corley, and Hamilton 2013).

After organizing the codes into 1st and 2nd order and aggregate dimensions I created a data structure that illustrates how the data raw material can lead to conclusions. In this project it was necessary to create two of this tables: one for the companies with no purpose statement and another for the companies with a purpose statement. In addition I created one last table that compared and connected both results.

Only after creating the data structure, I looked deeper into literature and tried to find connections. It is at this stage that we start creating a Grounded Theory, merging theory and previous studies with the findings of the interviews. To illustrate this next step of the study I created a graph that demonstrates the fluidity of the concepts and through “boxes and arrows” connect theory and reality.

The trustworthiness of this project depends on five factors: credibility, transferability, dependability, and confirmability (Baxter and Jack 2008). To guarantee these results were valuable I departed from a very specific question: How do HR managers perceive the impact of organizational purpose on motivation? Then I followed a reliable structured, Grounded theory, that allowed me to create rigorous qualitative research. In terms of the sample, it was of 10 Human resources managers, so the same position in different companies. This sample is relevant because Human Resources Managers are the ones responsible for employee’s well-being and therefore the most appropriate to respond about their motivation. Also, if the company has developed any strategy to motivate, engage and align these informants will be a part of the scheme. In terms of data management, it was all inserted and managed in NVIVO which allows to circle back forward with the codes, that consents the research to keep true to the findings (interviews). Finally, the data was analyzed and developed through the data structure of the Grounded Theory allowing rigor in the research (Gioia, Corley, and Hamilton 2013).

Findings

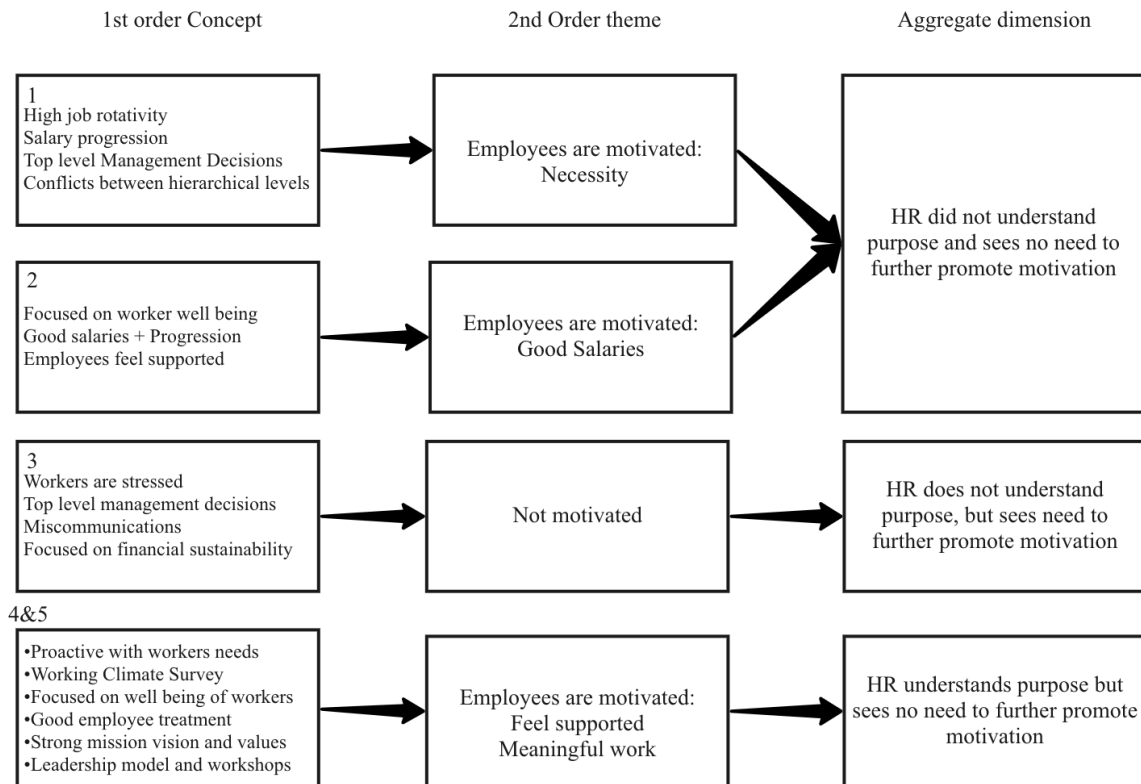


Figure 1. Data Structure for companies without purpose

The objective of the interviews was to find out how having a purpose statement or not influences HR perception of employee's motivation.

On Figure 1 there is the Data structure for companies that did not have a purpose statement. In the following paragraphs you will see how the analysis was made for each ramification.

Starting the analysis of results, we will focus in the first ramification that corresponds to a company that does not have purpose, did not know what it is, and, after explaining, did not find it necessary for employees' motivation. They explain by saying that the company has a very simple structure that is working so "there is no need to go beyond the corporate objectives". The company qualified the work as temporary and with high rotativity. As such, decision-making power is completely focused on the high management levels. Even though there have been some conflicts between high management levels and the lower levels the company does not feel the need to change the structure. The interviewee considered that the motivation of employees came from necessity "we have a lot of foreigners that work mainly for necessity". For these employees if the company gave them an opportunity to work, complied with the

contract and provided salary growth, they would be motivated. The interviewee added that “when someone applies for a new job, they do not really know what the job is, but it is usually due to good references from people that are already working with us” this proves that employees are satisfied with the company.

The other company that did not know what purpose was but also stated that it was not necessary to motivate employees seemed more advanced in terms of strategies to motivate the workers. They explained that they did not need purpose because, as in the above example, their current system was working. Their mentality was enough to unite them and maintain a positive environment “we can captivate a lot of people by having many activities. We always keep this mentality that, before anything else, we consider the humane part”. This company it was very focused on the employees’ well-being which meant constant communication with the workers, different activities and above all the “mentality of looking for the most humane part”. In terms of activities, they had Christmas and Carnival parties. Even though it was not possible to give everyone the day off the ones that had to work felt a familiar environment at the company. Also, they usually did team building activities and offered vacations as prizes.

On the third company the situation was different. Even though they did not know what purpose they were found it very useful to face the current struggles they were having: “I think it will be very positive. I mean even writing it down. I think it's something we can propose. (...) You reach to a certain level where you must start communicating internally, and for some people this will sound like advertising or something like that, but it is not. It is because you do need to know what the purpose is and, in some way, it will start involving people.”. This company had no strategy to motivate employees and it was recognized as a weak spot. In fact, the interviewee was facing many issues in terms of the company’s working climate. They admitted that there were a lot of last-minute changes, high levels of stress for employees and miscommunications between hierarchical levels. The source of all these issues is that even being a medium size company most decisions are made by top level management. Also, the focus of all decisions is financial sustainability, so the board decides based on the direct benefits of the proposition. They knew that this topic had to be addressed. At the time of the interview, they were drafting proposal to present to the board. The issue was that the company was lacking orientation and communication, which isolated most employees “We acknowledge as Human Resources that there is a lot to be done. To the company, to the employees and involvement. There needs to be a clear objective of where the company is going.”. This proposal consisted in allowing more

communication and involving people. They were planning on reinforcing a feedback system where leaders would listen to what their teams had to say and respond. Also give focus to new employees and make punctual meeting to understand how they are. A last change was to try to understand why people were leaving the company. All these strategies were never implemented because there were not enough employees in the department to enforce it. Even in the human resources department it seemed that everything was behind schedule because of the constant changes made by the board.

The last two companies, even though they are inserted in very different sectors (education and automobile) had very similar systems for human resources. They both mentioned that they already have a strong mission vision and values which gave orientation to the employees “We have the classic mission vision and values which has the organic capacity to involve everyone. The difference is that when you are part of a company you feel it is like a ship”. They were also very interested in employee’s well-being and their approach to this topic is data driven. The companies established a working climate survey and acted based on the results obtained (reactive). This reaction could be workshops and changes in the Leadership model, or simple factors such as snacks and activities. The workshops and other activities were a tool used to facilitate inter-department communication “we are trying to do several initiatives like concerts with staff members, workshops training as well. We bet more in those kinds of initiatives and activities for the different teams to connect”. The Leadership Models created a structure that thought leaders to receive and give feedback, and to manage and listen to different ideas. The survey and the strategy designed based on it created employee satisfaction because they were heard. The companies revealed a strong identity (through mission, vision, and values), and a powerful structure to listen to employees. Employees feel motivated because they do meaningful work, and they feel supported by the company. The concept of meaningful work is quantified from 1 to 10 rating the truthfulness of this statements: “Work that I do is meaningful. I know how my work impacts [company]’s performance. I have authority to decide how my work should be done. I am recognized for the work that I do”. The overall response is that, on average between the two company, 80% of the employees consider their work meaningful. Along the years this survey also allowed to know the employees better which meant that by knowing their reactions the company could work proactively to support them. One of the companies mentioned that this tool was very useful for their approach to COVID. Because they knew the employees, they were able to support them and be present in important moments when

everyone was isolated. The survey results show that the levels of engagement with the company maintained during these tough times “it didn’t demonstrate any variation. The people were still engaged and focused on the factory’s business plan”. These two companies knew the concept of purpose and had studied it. However, it did not seem necessary for their company “I think it's not a priority topic for now. Because as I said, I think we all leave the same values, the same mission, the same “purpose” at the end” and for the other company “We do not think that right now purpose would be a differentiator. Between having a sentence in an Internet page and no one lives by it; or having a well-defined mission vision and values we think we are stronger like this [strong mission, vision and values]”. However, they do not exclude the fact that one day, if the companies’ adherence to the topic is massive, it might be necessary to have a purpose. They also recognize that it can bring advantages to the company if they truly live by this statement “It has a positive effect because it is proved that companies, by having this connection with a defined end, can attract better talent from this new generation and have better results”.

Overall, these observations demonstrate that the approach of motivation differs a lot from company to company (Figure 1). We can observe that on some cases motivation comes from the employee itself. They define the goals that they need to accomplish and work for it (company 1). The only thing the company must do is to treat them fairly (company 1) and provide good conditions (company 2). A completely different approach that shows positive results is to create motivation by asking the employees what creates motivation (company 4&5). Through surveys as spoken above employees have a way to express themselves and the company finds a way to promote their motivation and well-being. From these five interviews only one thought that the company was missing a purpose statement (Company 3). This same company was suffering of lack of orientation and involvement and found purpose could be the solution.

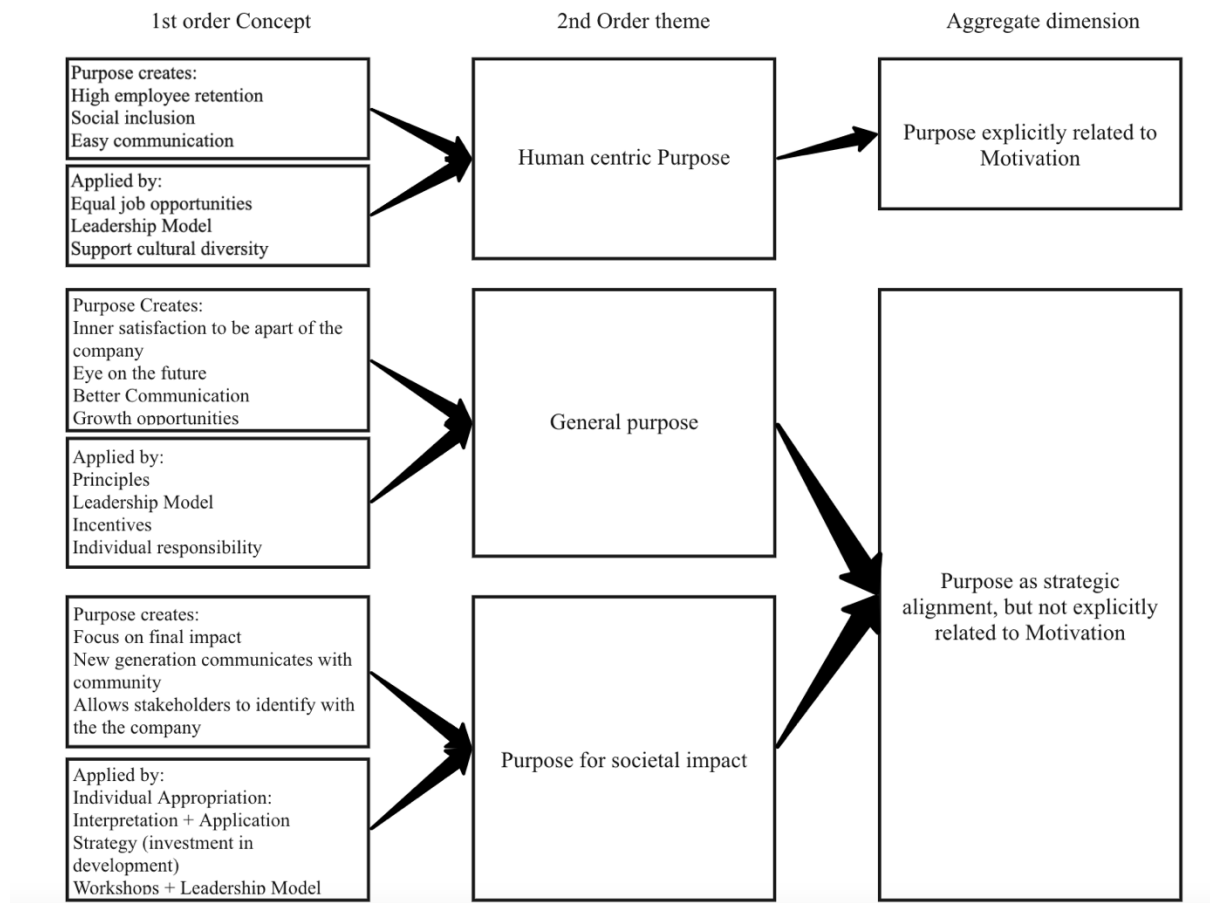


Figure 2. Data Structure for companies with purpose

On the other hand, I have interviewed five companies with purpose statements. Out of this five we could clearly create three different groups that had very similar applications of the concept and, furthermore, consequences (Figure 2).

The first type revealed a high employee retention, social and cultural inclusion, and easy communication between workers. These results are reached because the company is focused on employees' well-being. This in practice means that there are growth opportunities within the company, for example "A new vacancy instead of getting people from outside, they would prioritize by opening the vacancy for everyone to who's currently working for them". Good contract condition "all factors are important we try to provide clients with the best profile fit, but we also demand good conditions for our employee". They also mention transparency, with clients, and with employees which creates trust and facilitates communication. Lastly, they mention values and humanity because they can drive cultural acceptance and create respect between people. Both the interviewees stated that having this purpose had a clear impact on their jobs, and even shaped the way they did certain tasks "Having to interview people mostly

every day. It's important to have people who are willing to grow within so they're willing to stay to start from the bottom and believing in the process that it that when there's an opportunity is open.”. Another factor is that this purpose makes human resources job easier because all the employees were interested in each other’s well-being. In this case the fact that the purpose is very present allows employees to be motivated because they feel respected and can grow within the company. This first type of purpose will be called human centered an example could be “thinking human”, although this statement is applied to every department and communicated to the customer, it has an obvious implication on the employees and is very present on the Human resources everyday job. In these cases, we could also observe that the impact of purpose corresponds to the factors that motivate the workers: growth opportunities, social inclusion, and good communication. The interviewees established a relation between the motivation of the workers and the purpose statement.

The third company had a very different application of purpose. It was lived individually as a guiding light through principles. They have defined incentives to align employees to these principles “We have awards based on these principles.”, and when there is a growth opportunity they are also considered “it is one of the criteria for progressing in the company is how do you relate to these principles”. There is also a leadership model to guarantee a certain climate within the working teams. This purpose statement allows workers inner satisfaction to work in a company with such purpose “It sets a standard for the company”, it demonstrates the futuristic view of the company, and it improves communication because everyone follows the same principles that serve as a base for everything else. This type of purpose is generic because it has no clear target “Unlocking the potential of those who advanced the world.”. It was established 10 years ago and has not been reinforced. Although it is inserted in the culture of the company it does not have an immediate effect or an action plan. As such the motivation in this company is not explicitly related to the purpose statement and is all job specific “do you think that employees are more motivated because of the purpose? “I wouldn't say more motivated.””. Rather motivation comes from the job itself and employees can see a clear impact: “The most common motivation? The will to do things right to make a difference. To help our clients really improve their business, to have an impact on our economy. To have a positive impact on the people we work with and truly help.”

This last type of purpose had a very structured action plan in both companies. The process starts by an appropriation of the purpose “the employees are invited to contribute with new ideas that

we can add and make this purpose alive". Each employee had to think and interpret how they would apply the statement in their job. Secondly there was a definition of a strategy with the different departments that led to investment in development "That purpose, as a company, of course, It's to be a scientific company in the terms of quality, so there was a huge investment in the procedures and the manufacturing of drugs.". This factor is defining, the purpose statement becomes concrete and practical "walk the talk", instead of an empty statement. To make sure that everyone understands and knows how to work through a common path there were also multiple workshops. Lastly to prepare leader for the future there was a new Leadership Model, that stimulates communication between and within hierarchical levels. This purpose allows stakeholders to identify with the company "it is almost like our DNA", responds to new generation's need to be in contact with the community "and we know that the youngest generation is putting a lot of importance in what we do and how we are involved with the community", and gives to the employees a sight to the final impact of their work through the company "they have to feel, spontaneously, in everything they do, that we are working to improve everyone's life quality" . This type of purpose will be qualified as purpose for societal impact. Even though the companies are in very different areas they have a clear vision of how they can create an impact on society, as an illustration this is the purpose statement of one of them "Quality in medicines accessible for all people and for the next generation". Similarly, to what happened in the company with a general-purpose statement the interviewees were not able to establish a clear connection between motivation and purpose. Motivation comes rather from the environment in the company "So that's point, we do add impact to the society. But our view of it is still limited because people are much more oriented within the company. Like: we are well seen by doctors, or we are a family. we focus on each other, and less about the outside."

Overall, we can see that for human centered purpose the motivation of the employees came from the purpose itself because the company works for everyone's benefit and growth "when the assessment centers open for the new positions 100%, everyone would like things to end to join. It motivates to know that you can grow where you are". However, for the other three interviews there were many factors that created motivation, some specific to the job, and some created by the environment in the company

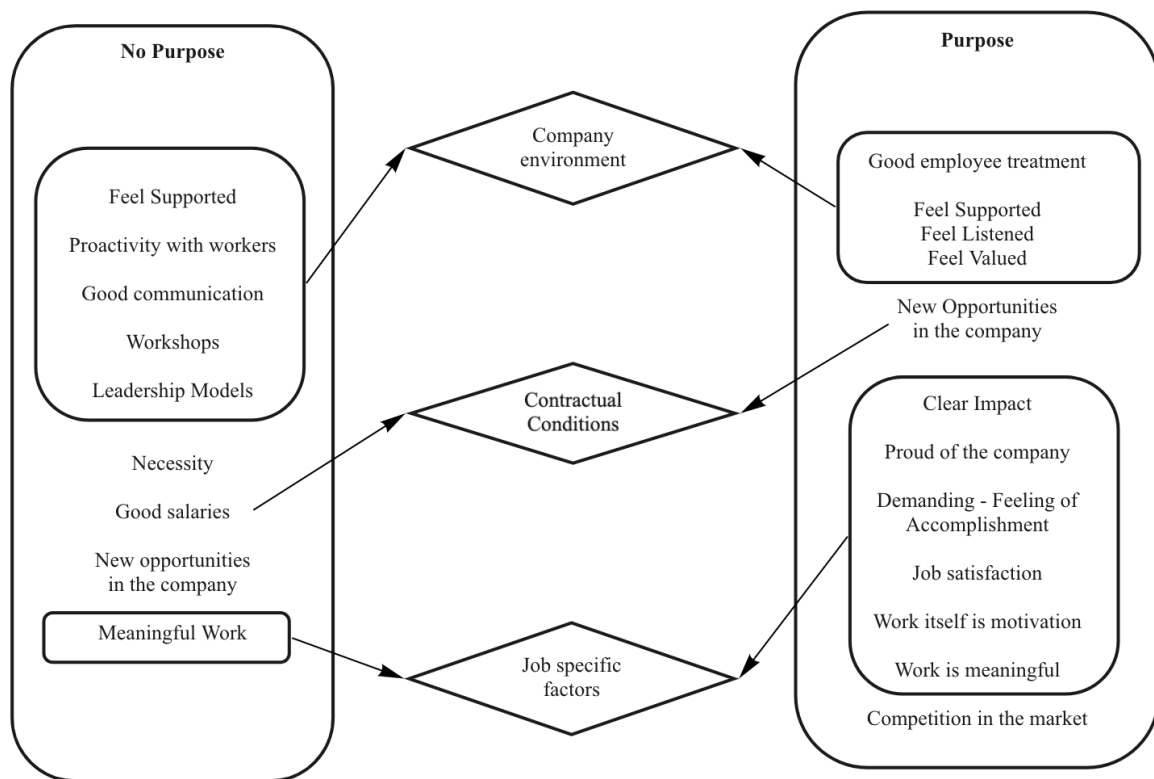


Figure 3. Motivation factors identified by interviewees

Looking at the bigger picture, you can see, in Figure 3, the drivers of motivation mentioned by the interviewees. On the left we can observe the factors mentioned on the interviews with the companies that had no purpose. And on the right, we can observe the drivers mentioned by the companies with purpose. Almost all of them can be placed in one of three categories. The first one being company environment, it considers communication, hierarchical distance, involvement etc. The second is contractual conditions which are salaries, bonuses, work-life balance. And the last is job specific factors which is the fulfillment the job gives to the employee. Some factors worth mentioning are, work itself is motivating, the fact that the company offers new opportunities, the job has a clear impact (direct contact with impact), pride to be part of the company, the work is demanding so the feeling of accomplishment can motivate, competition, meaningful work, and job satisfaction (feel listened, valued, and supported). Overall, we can observe that on both sides the drivers of motivation do not differ from a company with purpose and a company without purpose, always developing around the company environment, contract conditions and job specific factors. What does change is how the companies create this motivation

In this last three cases it seemed that none of the motivation was due to the purpose statement it was all due to practical daily factors. In this sample we could observe that purpose is not explicitly connected motivation. The only exception are the companies with a human centric purpose that clearly state the effects of purpose as the motivation drivers.

Another fact is that the three motivation factors described by the human centric company are: high employee retention, social inclusion, and easy communication. Two of these factors are also mentioned as drivers for a company without purpose as “growth opportunities” and “better communication”, excluding the possibility that these drivers are exclusive from the use of purpose.

However, in the last interview the interviewee said something very interesting:

“Normally its usual to have people believe that salespeople are the ones that are driving the company and the rest is just taking care of the daily stuff. That we are not so important for the business and that's the wrong idea. So, I normally do a lot of work with them with the why, the 5 Why's. (...) So, you know you need to go at the end when you do your payroll right? You are improving the health of people and you know your purpose.”

Some of the factors that motivate employees were “clear impact”, “meaningful work” but as said above these factors are mostly felt by the workers on the field that have contact with the final beneficiaries. However, there are many other workers that allow for these encounters, that prepare the products, rethink the approach, design strategies but do not see the “clear impact”. The purpose statement, if well-constructed, responds to the last why, which is the reason why the company exists. An employee as part of the company through a purpose statement could clearly see the impact it has by being part of the company and cooperating to make the encounter as meaningful as possible.

Discussion

The aim of this thesis was never to check whether the theme of organizational purpose is well applied. The objective was to observe the perception of human resources Managers of the impact of purpose in employees' motivation and whether they perceived it as a necessary factor for employees' motivation. As the objective of this thesis was to understand their point of view, I assumed that everything they were saying was correct (Gioia, Corley, and Hamilton 2013). We can therefore conclude that, based on this sample and the informants' inputs, the majority do not see a clear connection between purpose and motivation. However, in this sample there were many different applications of purpose. Naturally, there is the possibility that some were well applied, and some were not well applied. This might also influence the trustworthiness of the results. In this following statement you can see that the author establishes a clear connection between Purpose and motivation, however it makes the assumption that the application of purpose follows certain guidelines "When a company does embrace a higher purpose and puts it into practice by following the guidelines set out in this article, it will find it has a lot more motivated, committed, engaged and fulfilled employees" (Almandoz, Lee, and Ribera 2018). Therefore, the variability of outcomes and the connection of purpose to motivation might depend on whether the concept is well applied or not. For that purpose, I would advise future research to choose a sample of companies that are known for being purpose driven. However, this project focuses on the reality of companies, and that reality corresponds to a confusion on the topic. As such it is important to learn from what this companies are doing.

Starting from a horizontal analysis of the last graph we can observe that from the three types of motivation drivers a company without purpose has more contractual motivators, as a purposeful company has more job specific motivators. As illustrated in the Literature review there are two different types of motivation. Looking at the last graph we can clearly see both this factors on side with purpose and without purpose. The concept of controlled motivation overlaps with contractual conditions such as good salaries, new opportunities, and necessity (fear to get fired). We can observe a stronger presence of the controlled motivation factors on the companies without purpose. One could argue that the lack of purpose does not allow the identification of values. The companies feel the need to maintain motivation and therefore use these artificial tools to create controlled motivation. To add to this argument, we can observe in the side of purpose-driven organization a bigger fraction of job specific motivators. Employees feel motivated by the work itself; they see their impact and feel accomplished. This happens because

there is an identification of values between the employee and the work it is doing. Therefore, this job specific motivators overlap with self-concordance motivators. From this reasoning and evidence, we could conclude that purpose allowed to create more motivation through self-concordance. On the other hand, companies that do not have purpose tend to use more artificial motivators and create controlled motivation.

Overall, the fact is that there is motivation, and some factors could be indirectly related to whether a company does have a purpose or not. However, from the interviewees point of view motivation is not coming from it. In fact this results has already been demonstrated in an article from 2015 called *The Case Study of Purpose*, “The global survey of 474 executives found that although there is near-unanimity in the business community about the value of purpose in driving performance, less than half of the executives surveyed said their company had actually articulated a strong sense of purpose and used it as a way to make decisions and strengthen motivation.”(Keller 2015). What was observed in the interviews is that motivation comes from their work being meaningful “meaningful work helps produce high intrinsic work motivation, high job satisfaction, high-quality performance, and low levels of absenteeism and turnover”. Factors like impact, job satisfaction, pride in the company implies an identification of the individual with the work. Once again this could be due to a company’s purpose, but it also might not be. Take the example of a doctor, he saves lives every day and he is motivated by working because he can see the impact, the more he works the more lives he saves and therefore that job is meaningful for him. If the hospital he works on developed a purpose statement related to saving lives it will not make him more motivated to work because he can already see that he is saving lives. However, picture a cleaning lady of a hospital, she does not save lives, she could easily consider her job as unimportant and be demotivated. If the hospital developed a purpose statement related to saving lives and worked to evolve every worker in the company, she could see how important she was to the greater good. She would be more motivated because due to purpose she would be involved in creating impact. A clear example of this is a Janitor from NASA that stated that his job was not mopping floors, he was helping to put a man on the moon (Rey, Bastons, and Sotok 2019). In these examples we can clearly see the importance that purpose can have in motivating the bottom line of the company. You can also see that for that Human Resources managers need to look beyond the main protagonist and work to evolve in purpose mainly the less recognized. Going back to the definition of purpose by Carlos Rey and colleagues in the book *Purpose driven organization* it is possible that purpose and motivation are not clearly related because there is no internalization of the topic. Companies are using the

linear approach from Knowledge to action, instead of the oblique approach of knowledge, motivation action (Appendix 1). This implies that purpose is not adopted by individuals, as explained in the following statement: “Purpose internalization is what turns purpose—such as “promote well-being in society”—from an abstraction into something truly sought after by its members. Without this, we could say that purpose does not exist”

Lastly there is a very noticeable motivator in both the purposeful companies and the companies without purpose it is the company’s environment. This is a factor that any company can have once it starts focusing on the well-being of the workers. It comes from facilitating communication, valuing the work done, give autonomy, give support. For this factor many interviewees used a working climate survey that is a very powerful tool to synthesize feedback from every worker. The most important feature of this process is the response companies give to the results and how, over the years, they change towards employee’s needs.

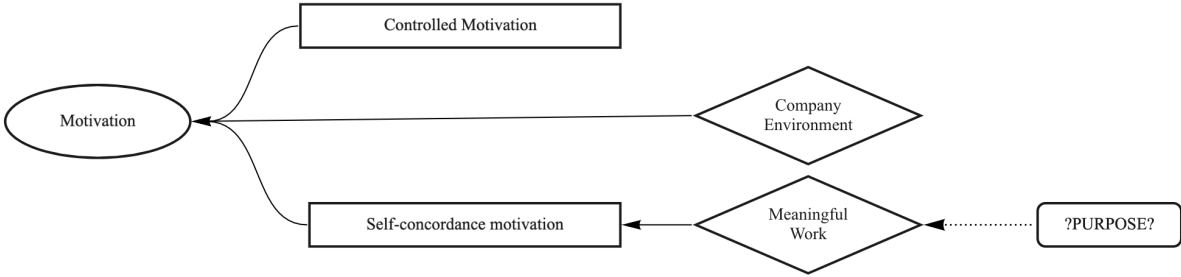


Figure 4. Indirect connection between purpose and motivation

On figure 4 you can observe the main connections and conclusions that were drawn from the interviews and literature analysis. Summarizing, for most companies’ motivation is an important factor for HR Managers. As such they take into consideration the factors that motivate the employees. The motivation factors can be divided in three groups: contractual benefits which correspond to controlled motivation, environment in the company that is monitored by a working climate and job specific motivation that corresponds to self-concordance. This last factor is born from meaningful work and may or may not be indirectly related to the concept of organizational purpose.

Conclusion

The aim of the project was to evaluate how HR managers perceive the impact of organizational purpose on motivation. For this objective I developed an exploratory research based on the opinion of “knowledgeable agents” – The HR Managers.

After a thorough analysis of 10 interviews with managers we can conclude that in their perception there is no direct relation. The exception to this rule is companies that have human centric purpose statements. As such their purpose is to create a prosperous environment for employees, which directly influences motivation.

However even if there is no direct connection there might be an indirect connection. Self-concordance motivation is created meaningful work. Furthermore, one of the many factors that makes work meaningful is purpose. As purpose is meant to be the base of everything in the company it might impact all the other factors that make work meaningful.

To be as pragmatic as possible this study was very focused on one factor – Motivation. Therefore, its application is limited. It would be interesting for future studies, to focus on other factors such as the impact of purpose on recruitment, or reputation. Or even the necessity of individual purpose or leadership purpose in practical terms. Above all it is necessary to develop purpose in a pragmatic and practical way “if you do this you can expect that”. It is also important to specify to what type of companies it would be useful, and in the company what players can feed on it.

References

- A., Christopher, and Sumantra Ghoshal. 1994. "Beyond Strategy to Purpose." *Harvard Business Review*. 1994. <https://hbr.org/1994/11/beyond-strategy-to-purpose>.
- Almandoz, John, Yih-Teen Lee, and Alberto Ribera. 2018. "Unleashing the Power of Purpose: 5 Steps to Transform Your Business." *IESE Insight*, no. 37 (June): 44–51. <https://doi.org/10.15581/002.art-3171>.
- Baxter, Pamela, and Susan Jack. 2008. "Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers." *The Qualitative Report*. Vol. 13. <http://www.nova.edu/ssss/QR/QR13-4/baxter.pdf>.
- Birkinshaw, Julian, Siegwart Lindenberg, and Nicolai J. Foss. 2014. "Combining Purpose With Profits." *MIT Sloan Management Review* 55 (London Strategy Review Papers View project Organizational Practices and Innovation View project): 49–56. <https://www.researchgate.net/publication/279324286>.
- Bono, Joyce E, and Timothy A Judge. 1995. "SELF-CONCORDANCE AT WORK: TOWARD UNDERSTANDING THE MOTIVATIONAL EFFECTS OF TRANSFORMATIONAL LEADERS."
- Chevreux, Laurent, Jose Lopez, and Xavier Mesnard. 2017. "The Best Companies Know How to Balance Strategy and Purpose." *Harvard Business Review*, November.
- Craig, N., and S. Snook. 2014. "From Purpose To Impact." *Harvard Business Review* 92(A) (May): 104–11.
- Dhanesh, Ganga S. 2020. "Who Cares about Organizational Purpose and Corporate Social Responsibility, and How Can Organizations Adapt? A Hypermodern Perspective." *Business Horizons* 63 (4). <https://doi.org/10.1016/j.bushor.2020.03.011>.
- Eva, Nathan, Mulyadi Robin, Sen Sendjaya, Dirk van Dierendonck, and Robert C. Liden. 2019. "Servant Leadership: A Systematic Review and Call for Future Research." *Leadership Quarterly* 30 (1): 111–32. <https://doi.org/10.1016/j.leaqua.2018.07.004>.
- Gioia, Dennis A., Kevin G. Corley, and Aimee L. Hamilton. 2013. "Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology." *Organizational Research Methods* 16 (1): 15–31. <https://doi.org/10.1177/1094428112452151>.
- Grant, Adam M. 2007. "RELATIONAL JOB DESIGN AND THE MOTIVATION TO MAKE A PROSOCIAL DIFFERENCE." In *Academy of Management Review*, 2nd ed., 32:393–417.
- Grant, Adam M. 2012. "Leading with Meaning: Beneficiary Contact, Prosocial Impact, and

- the Performance Effects of Transformational Leadership.” *Academy of Management Journal* 55 (2): 458–76. <https://doi.org/10.5465/amj.2010.0588>.
- Grant, Gabriel B. 2017. “Exploring the Possibility of Peak Individualism, Humanity’s Existential Crisis, and an Emerging Age of Purpose.” *Frontiers in Psychology* 8 (SEP). <https://doi.org/10.3389/fpsyg.2017.01478>.
- Hollensbe, Elaine, Charles Wookey, Loughlin Hickey, and Gerard George. 2014. “Organizations with Purpose.” *Academy of Management Journal*. Academy of Management. <https://doi.org/10.5465/amj.2014.4005>.
- Hong, Paul C., Joseph Chacko Chennattuserry, Xiyue Deng, and Margaret M. Hopkins. 2021. “Purpose-Driven Leadership and Organizational Success: A Case of Higher Educational Institutions.” *Leadership and Organization Development Journal* 42 (7): 1004–17. <https://doi.org/10.1108/LODJ-02-2021-0054>.
- Ingen, Ramon van, Melanie de Ruiter, Pascale Peters, Bas Kodden, and Henry Robben. n.d. “Engaging Through Purpose: The Mediating Role of Person-Organizational Purpose Fit in the Relationship Between Perceived Organizational Purpose and Work Engagement **.” Accessed October 24, 2021. <https://doi.org/10.5771/0935-9915-2021-2-85>.
- Keller, Valerie. 2015. “THE BUSINESS CASE FOR PURPOSE.”
- Nawrin, Rubaba. 2014. “EMPLOYEE ENGAGEMENT AND MEANINGFUL WORK IN ASIAN CONTEXT: A CULTURAL PERSPECTIVE Employee Engagement & Meaningful Work in Asian Context: A Cultural Perspective.”
- Quinn, Robert E., and Anjan v. Thakor. 2018. “How to Help Your Team Find Their Higher Purpose.” *Harvard Business Review*, July 2018.
- Reisen, Mirjam van. 2016. “Maslow’s Theory of Human Motivation and Its Deep Roots in Individualism: Interrogating Maslow’s Applicability in Africa Gertjan van Stam.” <https://www.researchgate.net/publication/302516151>.
- Rey, Carlos, Miquel Bastons, and Phil Sotok. 2019. “Purpose-Driven Organizations Management Ideas for a Better World.”
- Saunders, Mark, and Paul Tosey. 2012. “The Layers of Research Design - Research Onion Saunders and Tosey.”
- Sisodia, Rajendra S. 2011. “Conscious Capitalism: A BETTER WAY TO WIN.” *CALIFORNIA MANAGEMENT REVIEW*. Vol. 53.
- Steger, Michael F. 2016. “Creating Meaning and Purpose at Work.” In *The Wiley Blackwell Handbook of the Psychology of Positivity and Strengths-Based Approaches at Work*, 60–81. Wiley. <https://doi.org/10.1002/9781118977620.ch5>.
- T. Armstrong, Barbara. 2012. “The Power of Purpose and Values: Leadership Lessons From

the Great Place to Work Conference.” 2012.

<https://www.forbes.com/sites/barbaraarmstrong/2012/04/26/the-power-of-purpose-and-values-leadership-lessons-from-the-great-place-to-work-conference/?sh=14d6439e2dca>.

Weiner, Irving B., Donald K. Freedheim, John A. Schinka, and Wayne F. Velicer. 2003. *Handbook of Psychology*. Wiley.

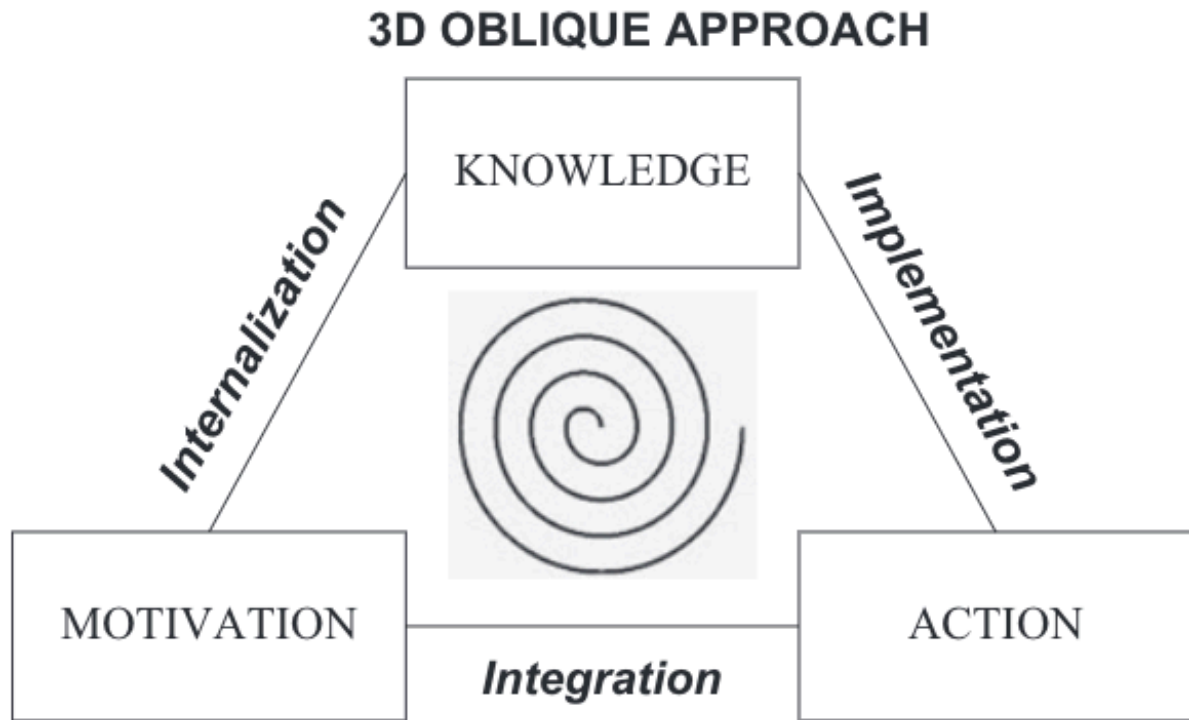
Winfrey, Graham. 2021a. “Purpose Power Summit 2021 Background & Method.” *INC*.

———. 2021b. “SpaceX, Seventh Generation, and Toms Among Most Purposeful Brands, According to New Study.” *INC*. June 2021. <https://www.inc.com/graham-winfrey/purpose-power-index-tesla-spacex-seventh-generation-toms-purpose-power-summit-2021.html>.

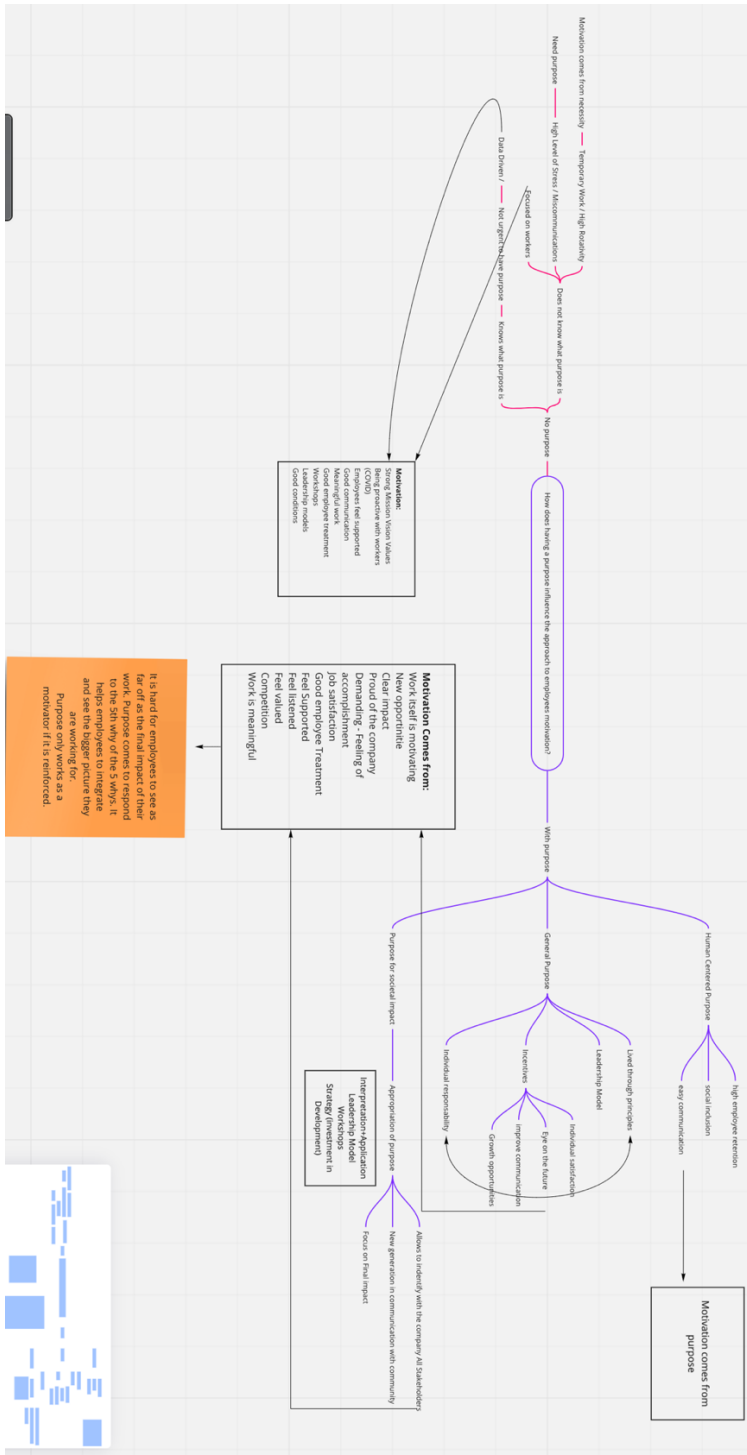
Table of Contents

Abstract..... 2
Introduction 3
Methodology 9
Findings..... 12
Discussion..... 21
Conclusion 24
References..... 25
APPENDIX..... 29

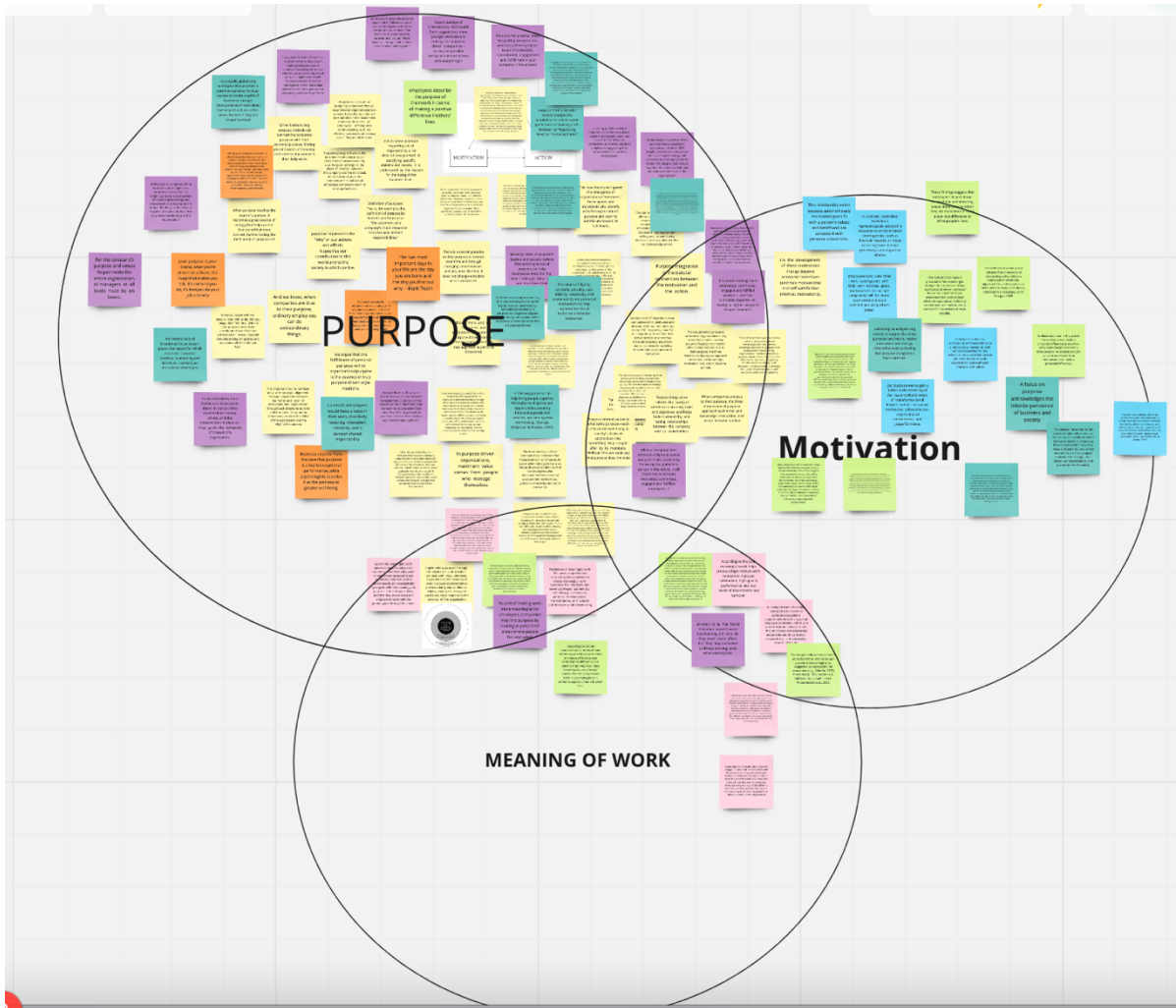
APPENDIX



Appendix 1. 3D Oblique Approach to Purpose by Carlos Rey and Colleagues (Rey, Bastons, and Sotok 2019)



Appendix 2. Mind map from interviews



Appendix 3 Literature connection between Purpose, Meaningful Work and Motivation

Appendix 4. Interview script companies with purpose

1st part about the company:

- What is the company's purpose?
- What is its working spectrum? In what departments is it used? How does it influence the decision-making process?
- Is there any monetary incentive to drive employees to align with the purpose of the company?

2nd part about the organizational purpose:

- How did it start?
- Did it ever change?

3rd part observations as HR Director:

- As HR Director how do you think it influences your job
- From 1 to 10 how much would you say the purpose of the company is present in your everyday work?
- Recruitment: is it influenced by the purpose of the company?
- Have you ever received applications based on the purpose of the company?
- Do you think employees are more motivated because of the company's purpose? Why do you think that is?

4th part opinion

- Is there any conflict between the company's purpose and personal objectives, in your case or any case you know of?
- If this was not your company's purpose, would you do anything different?
- In your opinion what would be an advantage and a disadvantage of organizational purpose?
- Do you have a personal purpose? Can you share it?
- Did the organizational purpose at any point affect your personal purpose? (Did you become more aware of a certain topic and decided to invest on it during your free time)

Appendix 5. Interview script for companies without purpose

- How many workers are in the company?
- From 1 to 10 how would you qualify employee's motivation?
- Where does motivation come from
- Why do employees apply to work on your company?
- When you are developing a new product, who makes the decisions?
- Has there ever been a conflict between upper management and the rest of the employees?
- Even without a purpose statement do you think that there is any factor that unites the employees?
- Considering that purpose is the reason why a company exist and what makes it unique, do you think that this concept would be useful for your company