A research paper by Quartz Insights and WE

LEADING
WITH
PURPOSE
IN AN AGE
DEFINED
BY IT

May 2019
Quartz Insights and WE embarked on a research study of executive leaders and organization stakeholders to identify and explore key trends in the brand purpose landscape.

The global research included a survey of 254 anonymous management and C-suite leaders across industries and geographies. The majority of respondents say that they are already part of an organization that has a clearly defined purpose that resonates with society, employees, or both. Just under a third reported that their organization is regarded as a model for purpose leadership.

The research also included 15 in-depth interviews with purpose-driven leaders across corporations, nonprofits, and government organizations. These interviews provided qualitative texture to complement the survey research, and called attention to the compelling leaders and leadership movements inspiring society.

The findings unearthed critical insights around the rising economic and social urgency of purpose, and point to actionable steps leaders can adopt to define and sustain a purpose strategy.
## Table of Contents

1. **THERE IS AN UNMATCHED URGENCY AROUND PURPOSE LEADERSHIP**  
   PAGE 4-5

2. **TACKLING THE WORLD’S GREATEST CHALLENGES WITH PURPOSE**  
   PAGE 6-9

3. **THE QUALITIES OF PURPOSE LEADERS**  
   PAGE 10-16

4. **HOW TO BUILD A PURPOSE THAT ENDURES**  
   PAGE 17-20

5. **PURPOSE WILL BE A BRAND’S SURVIVAL TOOL**  
   PAGE 21-22
There is an unmatched urgency around purpose leadership. We’ve reached an inflection point for defining the role of businesses in society. It’s no longer sufficient for brands and corporations to focus on maximizing profit at the expense of social good. The public is increasingly looking to the private sector—brands, companies, and organizations—to respond to issues like inequality, climate change, and immigration reform. These issues are simply too big, and their ramifications too massive, for businesses to dismiss. The idea that companies can and should have a broader social impact is transforming how and by whom society’s greatest issues are addressed.
For starters, nearly three-quarters of survey respondents believe purpose will become more important over the coming year and that business strategy and purpose strategy will be more connected than ever before. What’s more, 63% believe brands currently play a positive role in society and 64% believe brands, rather than governments, are primarily responsible for driving social change. Given the geographic spread of respondents, it is clear that these sentiments extend beyond the US.

64% believe brands, rather than governments, are primarily responsible for driving social change.

Among interviewees there was general agreement on a unified idea of purpose:

**Purpose is the why.**
It is the story, soul, and values at an individual or group’s core. Purpose is why an organization exists, and why it does what it does: its mission, vision, and motivation.

**Purpose is a higher-order goal.**
Purpose is not primarily about profitability. It must go beyond short-term self-interest.

**Purpose affects every aspect of business.**
It impacts an organization’s communication strategy, how it conducts its core business, and how it engages and retains employees.

This is the foundation for thinking about how brands can effect change in light of some of the most pressing issues facing our society.

Elizabeth Ricardo  
Public Relations Lead, Peet’s Coffee

We’re at a tipping point because of the extreme landscape of conversations around social issues. We’re doubling down on what our values are.

There is a powerful economic incentive for brands to adopt a purpose strategy—nearly three-quarters of respondents think purpose leadership will become as important as an organization’s financial performance. It is clear that long-term purpose strategy is essential to business strategy and is considered table stakes in today’s corporate landscape.
Respondents were asked to name the most critical issues purpose leadership should be prepared to address in 2019. Answers were vast and far-reaching: Gender equality, immigration reform, affordable education, and digital privacy were among those that made the list. Three in particular rose to the fore: the environment, equality, and politics.
These three issues are more germane to a brand’s survival than ever before. The proof is in the numbers: the majority of respondents agree that in 2019 organizations will engage with critical issues—they will no longer avoid controversy and remain apolitical. Coupled with this, 65% think current social and political trends are pushing leaders to define their purpose and demanding organizations take a stand.

A growing expectation that brands should reflect the personal values of customers and employees means companies can no longer afford to sit on the fence. Organizations need to step up and be part of a larger, evolving conversation that shapes business from the inside out.

The environment is one such issue that requires immediate attention. The UN warns we have just over a decade to respond to the threats of a changing environment. Companies won’t be able to escape the physical effects of more extreme weather. Society will feel the economic pinch too: In 2018 alone, wildfires, hurricanes, and other natural disasters cost the US economy $160 billion.

The destruction wreaked by such floods and fires have the capacity to devastate a company’s earnings. The technology industry, for example, will need to contend with worsening California fires because of the danger they present to its Silicon Valley headquarters. The 2019 floods in the Midwest had devastating consequences for livestock producers and transporters—some were wiped out entirely. Damaged supply chains from natural disasters have the potential to change how people consume nation-wide, and may even impact the profits of food suppliers and retailers around the world.

84% agree that customers will demand greater transparency.

The research establishes an inextricable link between social issues and business strategy. Companies can no longer operate in a vacuum. As 84% of our respondents say, customers will demand greater transparency and assurance that the brands they support have a positive impact on society.
These imminent dangers create a heightened sense of urgency around the imperative for action. As threats worsen, it will no longer be permissible for brands to sit on the sidelines. Brands can view this necessary action as an opportunity to define and shape a purpose strategy.

Inequality has entered the conversation like never before because its definition has taken on new meaning and resonance. No longer is inequality limited to gender, race, or even identity. Rather, it speaks to a broad sociological phenomenon of have and have not, of powerful and powerless. We are, perhaps, witnessing only the beginning of a major paradigm shift that seeks flatter, more egalitarian structures both inside and outside the workplace. There is a push for the proverbial 1% to spread their capital and resources.

It will therefore no longer be acceptable for brands to ignore widening inequality. Line items like CEO compensation and excessive corporate spending will be subject to criticism from a more discerning public. Brands who appear to be gaining at the expense of society may alienate customers. There is also pressure from employees to act in ways that reflect organizational equality and respect. Companies should pay attention to employees and their needs, or risk attrition.

While there is general agreement among respondents that equality is a core issue, the segment of respondents that care most about this issue are also most likely to agree that purpose might be abandoned in times of economic uncertainty. Matters of inclusivity and diversity may be perceived as so-called “soft” issues—ones that can be neglected when corporate budgets are tight. Yet, a McKinsey study shows that companies in the top quartile for diversity are 35% more likely to have financial returns above their industry median. Equality is good for business, and companies will need to take a proactive stance in adopting more inclusive practices.

Standing up for equality

In 2018, Nike made Colin Kaepernick the face of its new ad campaign with the slogan “Believe in something. Even if it means sacrificing everything.” This reference was to Kaepernick’s kneeling during the US national anthem before games to protest police brutality against black Americans. This slogan applies to Nike too: it sparked brand boycotts.

Despite the backlash, the ad proved a shrewd business move. Younger Americans generally sided with Kaepernick—and nearly two-thirds of Nike’s US customer base are under 35. What’s more, Nike received more than $43 million worth of free advertising.
from taking action on this issue, brands are stepping up to fill the void. Bank of America, for example, has expressed that it will limit the number of clients on its roster that manufacture assault weapons for civilian use. Brands are poised to set new norms where traditional policymakers have failed.

While brands have traditionally been cautious about expressing a political point of view, the tides of social change are shifting more rapidly than traditional legislators are willing or able to respond to. In turn, brands and purpose leaders are seizing upon a growing opportunity to lead the charge for unaddressed issues.

For instance, polling data indicate that 61% of Americans are in favor of stricter gun laws. While politicians have shied away from taking action on this issue, brands are stepping up to fill the void. Bank of America, for example, has expressed that it will limit the number of clients on its roster that manufacture assault weapons for civilian use. Brands are poised to set new norms where traditional policymakers have failed.

In the face of these issues, brands shouldn’t shy away from taking a stance—this is what leading with purpose is all about. Interviewee Gloria Feldt, Co-founder and President of Take The Lead, framed this idea succinctly, “You will lose some people by expressing your point of view. That’s fine. You would have lost them anyway. People follow people who have a point of view.”

Lisa Parada
Director of Brand Strategy, Prudential

I think politically where the country is going will influence purpose leadership. It may inspire additional companies to get involved.

Like society itself, companies can’t outrun extreme weather or a widening income gap. The kind of action needed from companies goes beyond thinking about these issues as business hurdles. Companies will need to take into account humanity’s very own survival, and act in ways that protect both the planet and its people.

Once considered a taboo in the corporate world, politics is now an inescapable part of business conversation, spilling over from the public sector. A number of business leaders we interviewed said changes in the political landscape were motivating brands to act with purpose.
The research sheds light on players in purpose outside of traditional leadership roles. No longer is purpose leadership reserved for a few top leaders alone. Purpose leadership has been democratized. Employees, customers, and local communities—as well as C-suite leaders—all hold the power to shape a brand’s purpose.
The new crop of purpose leaders don’t have some special esoteric quality, and aren’t singularly talented or uniquely endowed to drive impact. Rather, they have learned the practical steps needed to be effective. They also know how to work with others: More than half of the respondents agree that the organizations, CEOs, and movements recognized for their impact in the face of these issues have oriented themselves towards collaborative action.

Respondents selected the top attributes they considered most important when measuring purpose leadership. A few stood out from the rest: empowering others, personal commitment despite adversity, bravery, and active communication all top the list. These traits build upon one another and function symbiotically.

Each single quality is part of impactful purpose leadership. Together they paint a full picture of an ideal purpose leader.
Empowering others is key to effecting purpose: 62% of respondents believe impactful purpose leaders embolden others to drive positive change. Leaders who empower their employees are supportive, not critical. They allow workers to innovate and experiment without fear of failure so people feel good about their work. Business leaders can learn from successful social movements, like MeToo, which have empowered people by giving them a voice.

Interviewees note that having a purpose is itself empowering: working towards a common goal motivates people and helps people feel that they are part of a movement. By empowering others, a purpose is magnified and multiplied beyond a few key leaders. The purpose’s mission expands, moves in multiple directions, and reaches beyond its organizational origins.

Brands that successfully tap into public concerns can foment action. Companies that have purpose baked into their very business mission can even get people to change how they consume. Cause Collection, a women’s clothing company cited by one interviewee, aims to provide fashionable, well-fitting clothing and contributes to humanitarian causes with each purchase. The founder created the company to empower women to incite change through fashion and responsible consuming. The business model of her company is tangible proof that companies can empower action.

One measure of success is how organizations and executives empower their employees—do they go on to be leaders even after they leave the organization?

Jordan Stein
Founder, CityMatters

We are entering a golden age of purpose leadership. As more brave voices speak, the number of organizations, brands, and movements that empower others grows. Greta Thunberg, the Swedish teenage activist who speaks out against climate change, is doing so because she fears what will happen to the environment over the course of her life. Thunberg garnered attention for her singular commitment to this cause when she staged a school strike outside the Swedish parliament building. In doing so, she catalyzed a global movement, and inspired people around the world to stand up for the environment.
Purpose begins with a leader who is personally committed to an organization’s purpose. Nearly half of respondents (46%) prioritize personal commitment and conviction in a leader despite adversity. Strong leaders understand that purpose needs to be part of a company’s DNA, and should be woven into the fabric of a company’s story. Personal conviction also increases the likelihood that a purpose will be successful. If a leader is personally committed, there is less of a chance they will back out or fall short.

The best leaders are adept at expressing their personal commitment authentically. This authenticity empowers others to convene around a purpose. While 37% of all participants value authenticity in purpose leaders, 89% of respondents who report that their organization is a model for purpose leadership agree that authenticity is at the core of purpose leadership. There is also high agreement among respondents who say their organization’s purpose matters to their employees. It signals to employees, customers, and communities that purpose leaders care about an issue. Without authentic personal commitment from a leader, a purpose falls flat.

When authentic conviction is business

Purpose works best when it aligns with a brand’s mission—it shouldn’t feel like a leap. Take Seattle-based Tableau. To combat veteran and chronic homelessness, Tableau used its data to help track indigent populations to alleviate chronic homelessness. This exemplifies a company calling on its original business purpose (data tracking) to solve a social problem. Patagonia, the popular outdoor clothing and gear outlet, endorses political candidates that align with the brand’s values of protecting the environment. Thought, action, and original mission are all authentically connected for this brand.

Elizabeth Ricardo
Public Relations Lead, Peet’s Coffee

I think if you want to have a culture that sees momentum in this day and age, and resonates with the consumers you’re trying to reach, it really comes down to not just authenticity, but approachability, which is I think an offshoot of authenticity. And in order for [your employees] to find meaning in their work, you have to be approachable.
To build credibility, companies should evaluate the needs of their local communities and see where they can be addressing them better. This practice begets true authenticity: a brand cannot be authentic without listening to and understanding the needs of its people.

The idea that effective leadership involves consensus-building between stakeholders—not single-mindedly pursuing one course of action—recurred throughout the interviews. Interviewees highlight the importance of collaborative exchange and listening to others. Organizations and their leaders need to engage with the communities of which they are a part, including their networks of employees, customers, suppliers, stakeholders, and even the neighborhoods where they are located.

This applies as much to for-profit organizations as it does to nonprofits and charities. Steven Althaus, now at Credit Suisse, talks about his time at BMW, when he participated in many conversations between city mayors and many different working groups throughout the company. As key decision makers within the mega trend of “urbanization,” mayors make critical choices about mobility within cities. Their input can help the car industry understand the shared challenges they face from a completely different angle.

Jessica Chen, Senior Director of Public and Professional Programs at the National September 11 Memorial Museum, talks about the importance of empathy in listening, and how this helps a purpose to stick. She says, “Purpose is thinking not just about output, but also about exchange. How do you engage with a community? This kind of leadership is more civic-minded now than it has been in the past.” Her work is directly tied to her community and she sees first-hand how fruitful a dialogue can be. “I think that it’s easy to charge into this climate and have a lot of things to say,” she says. “But I think it takes listening to the conversations that are occurring around us, knowing when to engage, and how to engage in a way that is the most beneficial and impactful for all.”

Active listening can help companies understand where they could better serve potential customers they may have ignored. Microsoft has embarked on a massive campaign to bring broadband internet to those who don’t have it. This is one way it is helping to live its mission to empower others through technology, while also alleviating this part of American inequality that is often overlooked.
Bravery shows commitment to a purpose, even during trying times. The overall respondent pool says that bravery in articulating a purpose is a trait particularly important for corporate leaders. Bravery must go beyond articulation: A purpose needs swift action. Nearly all of the respondents from self-reported model purpose organizations (96%) say that a brave voice’s ability to act at an opportune moment is as important as his or her purpose. Brave action, these respondents tell us, gives a purpose its wings. What’s more, 77% of all respondents agree that brands have a moral obligation to engage with societal issues when it impacts their business. Brave action is a necessary part of how brands live their purpose.

At some moments, public support is what motivates brave action, and having the temperament to take stock of that sentiment and react accordingly is essential. Starbucks, for example, has vowed to stop using plastic straws by 2020 following media coverage depicting immense ocean pollution caused by these disposable accoutrements. Marriott employees receive training to look out for signs of sex trafficking at Marriott hotels. Historically, corporations have feared association with this issue and so have turned a blind eye, but Marriott is stepping up as an advocate for social justice. Issues that have garnered outrage by the public are taken up by brands who want to do good and find favor with the public.

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Bravery starts at home

AirBnB has doubled down on its belief that communities should represent a safe haven to its members at all times. Its disaster and emergency relief stays program allows hosts to offer their homes without charge to people in need as soon as disaster strikes. The company offers 24/7 customer support in disaster areas, and helps hosts prepare for disasters before they strike. AirBnB also has a refugee and asylum seeker host program—it is always prepared for this ongoing crisis.

Gloria Feldt
Co-founder and President, Take The Lead

To me the alignment and the integrity between purpose and values stated, and purpose and values acted on, is probably the main thing. It will always come home to roost if your company is not living those values.
Beyond active listening and community engagement, there is evidence that purpose-driven leadership will come from outside the executive level. Nearly three-quarters of survey respondents believe that, in 2019, purpose leaders will yield power and influence to employees, customers, communities, and societies. Several interviewees believe purpose leadership can come from any level of an organization, something Amanda Steinberg, Global Industry Marketing Leader at EY, called “the democratization of purpose.”

This mindset might mean CEOs and board members should relinquish some control and “empower team members to make decisions,” said CityMatters founder Jordan Stein. This democratic model prevails amongst participants: a slim majority, 54%, agreed purpose leaders are just as likely to be found within the lower ranks of a group as in management positions. This is an indication that there is a rise in employee activism that needs to be addressed and respected. Employees want to be part of the forward momentum of their organization. Moreover, 82% of respondents who report that their organizations are models for purpose leadership say brands have a moral obligation to engage with societal issues when it impacts their employees. This ties directly to the issue of inequality: employees are demanding a greater stake in their employer’s mission. If a company wants to actualize its purpose, it will have to acknowledge its employees’ perspectives.

54%
of respondents agree that purpose can start anywhere; it does not need to trickle down from the top of an organization.
Beyond an examination of what purpose leadership looks like, and who holds the power of purpose, key findings emerged that point to a playbook on how brands can effectively build and execute a purpose strategy. At a high level, purposeful leadership starts with clear conversation, leads to impact that employees see, and evolves into meaningful communications with the wider world.
DEFINE YOUR PURPOSE
Purpose must be rooted in your brand’s original mission in order to be authentic. Bring clarity to your brand’s reason for existence and carry those efforts forward to define your purpose. A good starting point is looking at your brand’s original mission and what it already does well. This presents a strong, authentic foundation from which a purpose can emanate organically.

DIALOGUE WITH YOUR STAKEHOLDERS
Communication starts at home—with your employees, communities, and customers—and expands to everyone from shareholders to advocacy groups. Convey that what you stand for connects to the needs and values of your people.

When it comes to employees, they don’t want to just show up to a job and do their bosses’ bidding—they want to feel part of a movement that is bigger than any one person. That is why employees are best engaged when their company’s purpose is implicit in each and every action. When

These steps can help brands navigate that journey:

1. DEFINE YOUR PURPOSE
   Identify the core strengths of your original business mission.
   Draw a brand purpose from this foundation.

2. DIALOGUE WITH YOUR STAKEHOLDERS
   Convey that what you stand for connects to your customers’ needs and values.
   Build an exchange with local communities, including your employees.

3. ALIGN STORY AND ACTION
   Align communications and action in service of your brand purpose.
   Adapt your communication style to address changing societal issues and needs.

4. ACTIVATE AND BUILD A MOVEMENT
   Deploy your brand purpose at relevant, necessary moments.
   Evaluate purpose strategy at key milestones to ensure it has lasting impact.
Good storytelling has to be authentic. People are really savvy, and there’s a lot of information available to them. You have to have a pretty high level of authenticity when you’re trying to communicate with your constituents about these issues.

Erica Helms
Director of Strategy, Stone Barns Center for Food and Agriculture

It isn’t just what you say and do, but how you say it and do it. The respondents report that simplicity (87%) and authenticity (85%) top the list for meaningful communication, and 81% of respondents agree that a fragmented message is as ineffective as no message at all.

When a brand’s purpose message is focused, repeatable, and sustainable, it makes it memorable and helps to differentiate it amidst the noise of other brand messages. These tenets shape messaging that is genuine and unshakeable at its core, but still malleable to evolve with changing social issues.
ACTIVATE YOUR PURPOSE AND BUILD A MOVEMENT

Activation is about connecting to the outside world: turning thought into meaningful action. If you have defined your purpose, communicated with your audience, and aligned story and action, you will have a purpose that is consistent, ingrained, and reflective of your audience.

From there, a brand can act from a place of purpose when moments of need arise. These opportune moments allow a brand to demonstrate the efficacy of its purpose strategy. After all, purpose doesn’t live in branding or theoretical frameworks, but rather in real, measurable impact that follows intentional preparation.

Defining an organization’s purpose is a long-term process, several executives point out. Long-term change is measured not in quarters or years, but decades. Although naturally there’s no guarantee the next generation will carry on the legacy, a movement or mission that’s enduringly relevant is likely to outlive the current leadership. Leaders need to be humble enough to recognize the limits of their influence. If a leader inspires people with a bright idea or purpose-driven initiative, however, it can outlive both them and the organization. To build towards that legacy, leaders should take stock of their purpose strategy at regular intervals and put their purpose’s legacy above their own.

FACTORS RECOGNIZED AS CREATING A LASTING MOVEMENT

- Clear Vision and Goals: 82%
- Powerful Message: 65%
- Engaging with Communities, Peers, and Employees: 61%
- Having an Inspiring Leader: 60%
- Inspiring a Compelling Call to Action: 60%
- Solving a Critical Social Issue: 53%
- Important to Local Community: 37%
- Creating Dialogue: 37%
- Easily Replicated: 25%
- Grassroots Origins: 19%
Even in the face of economic headwinds, brands will need to continue to take a bold stance in building their purpose program from within. The economy will have the most outsized impact on purpose: 80% of respondents agree that if an economic recession were to hit, there is a risk of abandoning purpose in favor of financial health. It makes sense, then, that as rumors of a recession swirl, the question of how a brand’s purpose fits into its financial strategy is top of mind.
The research speaks clearly: respondents worried about a recession agree that it will be even more critical for brands to step up in this context. Brands must therefore consider their purpose a long-term strategy that can help them weather the peaks and valleys of economic uncertainty. Once considered dispensable during times of economic instability, purpose is now too important a part of brand strategy and longevity to abandon—even during a recession. Part of that rationale comes from how the public asserts its influence on brands—and rewards them with dollars and loyalty.

Unlike set-term politicians, brands must live with their choices for a long time. Purpose can be the fortification for that long haul. A brand’s purpose should accommodate new ideas and evolve with current events while staying true to its original mission. Certain issues, like the environment, may take precedence over all else. “Nothing’s going to exist forever” says Keith Eshelman, Founder of Parks Project. “Create your purpose so that it can accommodate new ideas, and evolve, and change, but also stick true to what you set out to do.”

Additionally, brands and leaders that have not traditionally been pioneers of purpose may be poised to have the greatest impact in the years ahead. One respondent predicts that the finance industry will soon step up in a more holistic way. Another notes that those who have acted poorly in the past may be the most motivated to seek change. Nestle, once castigated for its waste and disposable products, has committed to making all of its packaging recyclable or reusable by 2025. A company with the most to gain may be inspired to take the boldest action to transform its brand narrative.

The research shows that people will form deeper connections to brands, but 74% of respondents say that customers won’t stay with brands that don’t share their values. Future customers will thus be more discerning about brands they choose. If they don’t see themselves in a brand story, or they feel alienated by thoughtless actions, they may walk. This becomes pronounced during a recession, when consumers are even more selective about spending.
Ultimately, purpose is a core value; authenticity is the best compass for retrieving it. The first step in finding a purpose, then, is by examining a company’s original mission. The resources and know-how a brand already possess are good indicators of where positive change may have a wellspring in an organization. Shaping communications to be clear and authentic, engaging with audiences in ways that resonate with and empower them, and acting bravely at key moments are all part of an effective purpose strategy that can lead to long-term change and create a lasting legacy.

Leading with purpose doesn’t happen overnight, but with thoughtful listening, commitment, and bravery, a brand may find its nascent purpose strategy already tucked into a line of business. If the current social and political landscapes tell us anything, it is that the time is ripe to make business strategy a purpose strategy. A company’s survival will depend on it.
WE is a global communications firm that operates at the intersection of people, brands, and technology. WE believes in using communication to move people to positive action in the world.

Learn more about WE’s work.

This research and writing was produced by Quartz Insights for WE, and not by the Quartz Editorial staff.

These data were sourced from a 19 question survey of 254 business and communications leaders administered between January 2019 and March 2019. The respondent pool consisted of business leaders from middle management (41%) and senior management (37%), as well as the C-suite (21%). Industries represented include: Healthcare (21%), Enterprise technology (14%), Consumer technology (6%), Consumer goods (8%), Government or public sector (5%), Finance (4%), Manufacturing (4%), and others. Representation included the for-profit sector (78%), non-profits (13%), and government (9%). The respondent pool was headquartered across a variety of geographic regions including: North America (73%), Asia (11%), Europe (8%), Europe and North America (2%), Asia and Europe (2%), South America (1%), and others (3%).

The full dataset includes the findings presented here and more, segmented by demographics including company headquarter region, job function, and organization size amongst others. Data are self-reported.

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