

## PURPOSE DRIVES PERFORMANCE

### >> Purpose drives financial performance (growth, profits, share price)

- Companies that lead with purpose are 202% more likely to be profitable (Source: Keller, v. (2015). The Business Case for Purpose. Harvard Business Review)
- 85% of purpose-led companies showed a positive top-line growth compared to only 58% of non purpose-led companies, over 3 years 2012-2014 (Source: Keller, v. (2015). The Business Case for Purpose. Harvard Business Review)
- 'Meaningful brands' connected to human wellbeing outperformed the stock market by 120% in 2013 (Source: Havas Meaningful Brands Index, 2013)
- Purpose-driven organisations in the consumer sector achieved four times the annual growth rate of their peers (10% vs. 2.5%) in the S&P 500 Consumer Sector from 2011 to 2015 (Source: Korn Ferry International)
- 90% of executives say a commitment to purpose-driven leadership produces long-term financial benefits (Source: "Where There's Purpose, There's Profit." Korn Ferry & Hay Group, Executive survey 2016)
- Purpose-driven companies with humanistic values outperformed the S&P 500 by 14 times over 15 years (Source: Sisodia, R., Jag Sheth, and David B. Wolfe, 2007. Firms of Endearment. Wharton School Publishing: Philadelphia.)
- A "strong, well-communicated purpose" can contribute up to a 17% improvement in financial performance (Source: Burson-Marsteller and IMD Business School 2015).
- Companies that display a dedication to sustainability increased profits by an average of 4 percent from 2014 to 2015, whereas companies practicing business as usual grew an average of just 1 percent during that same period (Source: [2015 Nielsen Global Sustainability Report](#))
- 87% of business leaders believe that companies perform best over time if their purpose goes beyond profit (Source: EY, 2016)
- 97% of companies that deeply integrate a broader sense of purpose into their operations report a good or great deal of incremental value from doing so (Source: EY, How can purpose reveal a path through uncertainty, 2017)
- Unilever now has 18 sustainable living brands including Dove, Lipton, and Hellman's, which all have a clear purpose relating to a social or environmental concern. In 2016, these brands delivered 60% of Unilever's growth, and they're growing over 50% faster than the rest of the business (Source: Unilever)
- The World's Most Ethical Companies (list) outperformed the U.S. Large Cap Index over five years by 10.72 percent and over three years by 4.88 percent. (Source: World's Most Ethical Companies, 2018 [www.ethisphere.com](http://www.ethisphere.com))
- 75% of business leaders say 'capital P purpose' creates value in the short term and the long term. How does it create value? At the top of the list is building greater customer loyalty (52%), followed by preserving brand value and reputation (51%), attracting and retaining top talent (42%) and developing innovative new products and services (40%) (Source: EY, 2017)

## >> Companies are changing; investors are changing

- Assets in US funds that aim to produce social or environmental benefits alongside financial returns grew fourfold to \$12tn over the past decade, driven in part by millennials who, surveys show, are twice as likely as older generations to want their pensions to be invested responsibly. (Source: FT)
- US investors seeking ESG data more than quadrupled in H1 2017 (Source: Morningstar)

## EMPLOYEES

### >> Employee engagement is a major problem for companies

- 87% of employees worldwide are not engaged at work (Source: Gallup Worldwide). Gallup describes this as 'a stunning amount of wasted potential', given business units in the top quartile of Gallup's global employee engagement database are 17% more productive and 21% more profitable than those in the bottom quartile.
- Disengagement costs U.S. companies approximately \$450 billion to \$550 billion annually
- Lack of employee engagement is the top issue facing a whopping 87 percent of HR and business leaders, and that's up from 79 percent in 2014. In addition, the number of HR and business leaders who cited engagement as being "very important" doubled from 26% last year to 50% this year (Source: Deloitte - [Global Human Capital Trends 2015: Leading in the New World of Work](#))

### >> Purpose attracts the best employees / millennial employees

- According to 79 percent of millennials [consider a company's social and environmental commitments](#) when deciding where to work. Another 75 percent of millennials say they [would take a pay cut](#) to work for a company with a strong commitment to the Earth. (Source: Cone Communications, 2016)
- Purpose-driven companies have 3.5x more followers per employee on Linked In (Source: Imperative/Linked In, 2016)

### >> Employees at purpose-driven companies are more likely to stay

- Millennials are 5 times more likely to stay with employers when they feel a strong connection with their employer's purpose (Source: PWC 2016)
- Employees at purpose-driven companies are 3x more likely to stay (Source: The Energy Project, What is your Quality of Life at Work, 2013)
- 72% said they'd be more likely to stay at their company if they were more emotionally connected to their work (Source: Kin&Co research by Populus 2018)

### >> Employees at purpose-driven companies are more engaged and satisfied

- More than 1 in 4 British managers would take a pay cut for a purpose-led job, a third would leave their job if the company's overall purpose was unclear, and more than half would leave if their company's values and purpose did not align with their own. (Source: [The Courage of their Convictions, YouGov 2018](#))
- 89% of executives surveyed said a strong sense of collective purpose drives employee satisfaction (Source: EY, 2016)
- Employees at purpose-driven companies are 1.4x more engaged and 1.7x more satisfied (Source: The Energy Project, What is your Quality of Life at Work, 2013)
- 80% of employees have a positive work experience when their work is aligned with their organisation's core values (Source: IBM / Globoforce)

## >> Purpose-driven employees perform better

- Workers with a “purpose orientation” report greater job fulfillment, “do significantly better” in their performance evaluations, and are much more likely to promote their employers to others (Source: Imperative and New York University 2015).
- Purpose-driven employees tap into what Korn Ferry Hay Group describes as “discretionary energy.” Their purpose, combined with other key aspects in optimal working conditions, encourages them to go above what’s expected and accomplish more (Source: Lewis and Hezlett 2016)
- 93% of survey respondents agreed that “embracing the mission/purpose of your organization increases employee productivity.” (Source: Korn Ferry, 2016)
- Over two-thirds (65%) of workers said having a purpose that was properly embedded into their culture would have a positive impact on their work; including being more productive, more efficient and more likely to contribute to the company culture. (Source: Kin & Co research by Populus 2018)

## >> Employee engagement drives customer satisfaction

- Greater level of proven causation than Viagra / sexual function (Source: Journal of Organisational and Occupational Psychology)

## >> Best workplaces / best companies to work for have better performance

- The 100 Best Companies to Work For in America delivered stock returns that beat their peers by two to three percent per year over a 26-year period - causation not correlation (Source: Alex Edmans of London Business School. <https://www.youtube.com/watch?v=Z5KZhm19E00>)
- In 2014 and 2015, Interaction Associates conducted a study that found that High Performing Revenue Organizations (HPROs) enjoy high levels of trust with their employees. In fact, companies defined as “Trust Leaders” are 2 1/2 times more likely to be HPROs than those that are not. (Source: Atkins, A. “Building workplace trust: Trends and high performance.” Interaction Associates Inc. 2014)
- In a study of 88 companies in the consulting and professional services arena, the 20 Best Workplaces in the field—those with the highest levels of trust, pride and camaraderie—enjoyed higher levels of cooperation, loyalty and employee willingness to go the extra mile. These top twenty companies were also growing at a faster clip than their peers. (Source: Fraenheim, E. and Peters, K. “Here are 20 companies with great workplace culture.” Fortune. 17 May 2016)
- Business units in the top quartile of Gallup’s global employee engagement database are 17% more productive and 21% more profitable than those in the bottom quartile. (Source: Gallup State of the Global Workplace Report 2017)
- Happiness leads to a 12 percent increase in productivity (Source: ‘Happiness and Productivity’ by A J Oswald, E Proto and D Sgroi, University of Warwick)
- On average, the 100 Best Companies to Work For see half the voluntary turnover of their industry peers (Source: Great Place to Work Institute, 2016). Research estimates that the total average cost of turnover is 90% - 200% of the exiting employee’s base salary, and more than 12% of pre-tax income for the average company (Source: Allen, D. G. “Retaining talent: A guide to analyzing and managing employee turnover.” Society for Human Resource Management 21 June 2016)

## >> Participative work environments are happier and more effective

- People perform better in a participative environment (Sources: Field and House 1990; Lam, Chen and Schaubroeck 2002).
- Groups and teams led by empowering leaders perform better (Sources: Stewart 2006; Wagner 1994).
- A participative leadership style improves the innovative behavior of employees (Sources: Manz, Bastien, Hostager and Shapiro 1989; Oldham and Cummings 1996; Tierney, Farmer and Graen 1999), (Gilson and Shalley 2004; Shipton et al. 2006; West and Anderson 1996).
- Group decisions lead to better quality decisions, which are also executed faster (Sources: Dionne and Dionne 2008; Hill 1982; Katzenbach and Smith 2000; Scully, Kirkpatrick and Locke 1995; Nutt 2002; Williams and Sternberg 1988).
- Participation is one of the levers that creates higher employee satisfaction (Sources: Brief and Weiss 2002; Grawitch, Block and Ratner 2005; Harter, Schmidt and Hayes 2002; Pritchard et al. 2008).
- Participation leads to a higher intrinsic motivation (Sources: Ryan and Deci 2000; Van Den Broeck et al. 2008).
- Participation leads to a increased feeling of justice and fairness (Source: Fetchenbauer and Jacobs 2004).
- In 2012, IBM conducted a study of over 1,700 CEOs from 64 countries and 18 industries (Sources: "IBM 2012 Global CEO Study." IBM Corporation, 2012). One of the major findings of this study is that companies that outperform their peers are 30 percent more likely to identify openness as a key influence on their organization

## CUSTOMERS

### >> Customers want to buy ethically / in line with values

- Sustainable business models could open economic opportunities worth up to US\$12 trillion and increase employment by up to 380 million jobs by 2030 (Source: Business and Sustainable Development Commission, 2016)
- There's an £817bn market opportunity for brands that promote sustainability credentials of their products (Source: Unilever, 2017)
- Consumers reward values-aligned brands. 87% of consumers stated they would purchase a product based on values – because the company advocated for an issue they cared about – and 76% would boycott a brand if it supported an issue contrary to their beliefs (Source: Cone Communications CSR Study, 2017)
- When millennials trust a company's social and environmental practices, 90% say they'll buy from that brand, and 95% say they'll recommend the products to their friends and family (largely via social media) (Source: [Millennial Pulse](#) report, Shelton Research 2017)
- 73 percent would pay more for sustainable offerings and nearly two thirds of consumers say sustainability efforts increase their trust in a brand (Source: [2015 Nielsen Global Sustainability Report](#))
- 63% of consumers wouldn't buy from a company that didn't treat its employees well (Source: Kin&Co Research by Populus, 2018)
- 64% of consumers cited having shared values as being their primary reason for feeling they have a relationship with a brand ([study](#))
- 'Brand trust' is the top purchase influencer for more than half (62%) of 30,000 survey respondents across 60 countries. (Source: Nielsen, Sustainable Selections: How socially responsible companies are turning a profit, 2015)

- Consumers are becoming increasingly likely to switch to brands that are associated with a good cause - rising from 66% in 1993 to 89% in 2013 (Source: 2013 Cone Communications Social Impact Study)

### >> **Millennials and Gen Z want/expect more from businesses**

- 76% of millennials now regard business as a force for positive social change (Source: Deloitte's 2017 Millennial Survey)
- 79% of generation Z said they would engage with a brand that could help them make a difference ([study](#)).

### >> **Purpose-driven companies have stronger customer perception**

- 89% of clients/customers believe a purpose-driven company will deliver the highest quality products/services (Source: Edelman, The GoodPurpose Study, 2013)
- 72% of global consumers would recommend a company with purpose, a 39% increase from 2008 (Source: Edelman, The GoodPurpose Study, 2013)
- B-Corps have greater brand strength than their peers. The average brand rank (a strong predictor of revenue growth) across all consumer companies is 5, 93 percent of B Corps companies we analyzed scored above that average; 75 percent of B Corps scored a 9 or 10. (Source: Circle Up, 2018)

### >> **Purpose increases customer loyalty**

- 80% of executives surveyed said it helps increase customer loyalty (Source: EY, The Business Case for Purpose)