

Do Really Organizations with a Purpose Statement Have Better Sustainability Results

Ainhoa Garmendia-Oguiaran - Tecnun-School of Engineering. University of Navarra

Fernando Ruiz-Pérez - Tecnun-School of Engineering. University of Navarra

Alvaro Lleo - Tecnun-School of Engineering. University of Navarra

Marta Ormazabal - Tecnun-School of Engineering. University of Navarra

Society today demands that companies be sustainable- and it is this demand that gives companies the legitimacy to continue operating. Organizations, then, look strategically for ways to produce economic profit while generating positive outputs for the environment and social stakeholders. Business research and practice has pointed purpose statements as a key strategic tool. Therefore, this purpose statement (also known as a vision or mission statement) has been studied for more than two decades for its impact on business economic and social outputs (Bartkus & Glassman, 2008; Desmidt et al., 2011). However, it has not been until recently that companies are changing their purpose statements to include all three parts of sustainability (Ahuja et al., 2019). This leads to a lack of studies that relate purpose statements to the three economic, social and environmental sustainability indicators. In this article, we ask: do companies that explicit sustainable topics in their purpose statements have better economic, social and environmental results? We used content analysis to identify seven dimensions in the purpose statements of 60 companies in the industrial sector of the Standard & Poor's 500 index. Regarding sustainability indicators, we collected the information from these companies' public sustainability reports from both 2017 and 2019. Due to the absence of development and comparative studies, we postulate hypotheses between dimensions in the purpose statement and the sustainability results in each year and in the overall change. We tested the hypotheses with the R software. Results indicate that there is no relation at any year between purpose statements and the sustainability indicators except for only one hypothesis in the overall change. Thus, we cannot assure that companies that have a purpose statement have also better results at corporate sustainability. This is probably because of the wide use of purpose statements without a real implementation, as we discuss. It seems that the key in corporate purpose is not only to state it, but to live it within the company. We conclude with theoretical advances, practical implications and future lines of research.