

# What is Business For?

## Reconsidering the Purpose of Business - Part One

*The COVID-19 pandemic is as much an economic crisis as a healthcare crisis. In the previous edition of this journal (20:3), Peter Heslam argued that, in this context, the digital technology sector offers the best prospects for the global economy and the global poor. In a new series of short articles, he considers whether the pandemic also provides an opportunity to reconsider the purpose of business – what is business for? This is his first instalment in that series.*

Ever since I took my first job in business when still a teenager, I have been fascinated by the role of business in society. This helped drive my initial interest in social science and in theology, which eventually developed into a passion for ‘ordinary theology’ – the workings of faith in everyday life. On the global stage, the foremost pioneer, thinker and activist in this field in the modern era is the Dutch theologian, social entrepreneur and statesman Abraham Kuyper, the centenary of whose death falls this year. That is why I made his ideas one of the focal points in my research.

Other foci have included, besides scripture and early church teachings, the Catholic, Anglican and non-conformist traditions, and the words and works of business leaders from the Industrial Revolution to the present day. As rich sources for ordinary theology, they all offer vantage points to consider the purpose, or role, of business in God’s world and will therefore feature in this series. But at the series’ outset it is important to take account of some key findings from business research that help frame a fresh enquiry into the purpose of business. Although there was little research to draw on when I started engaging with this issue some decades ago, this situation has now reversed.

Some of the most impressive and wide-ranging studies have been undertaken under the auspices of the British

Academy. One key finding to emerge from them is that, while many early corporations were founded with a clear sense of public purpose, the tendency over the past half-century has been to regard nothing other than profit as the true purpose of business. This, the reports suggest, has allowed the modern company to wreak havoc on society, the environment, and public trust in business. The reports’ authors argue that state regulation has been ineffective at addressing this, given the sheer pace of globalisation and technological advance<sup>1</sup>.

This apparent constriction of corporate purpose is remarkable, given that a survey of business leaders conducted by PWC (PricewaterhouseCoopers) found that 79 per cent of them regarded purpose as central to business success. The same survey also found, however, that 68 per cent admitted that purpose plays little role in their business’ decision-making processes. Company leaders, the report concluded, hesitate to ‘walk the talk’.<sup>2</sup> Herein lies a warning that the sharp increase in the attention given to corporate purpose amongst business leaders does not necessarily indicate a willingness to do anything about it.

Acting on purpose may be easier for smaller private firms. Although most business research on corporate purpose is focused on large corporations, a survey conducted by ABA Design during

the pandemic focuses on leaders of small- and medium-sized companies (SMEs). It sought to understand whether the crisis means that SMEs are embracing organisational purpose, or deeming it a luxury they cannot afford. It found the former to be the case. Out of the respondents, 77% were willing to refer to their companies as ‘purpose-led’, while two-thirds believed their company’s purpose gives them a competitive advantage. The vast majority of SME leaders who considered their companies not to be purpose-led regarded corporate purpose to be ‘very important’ to their companies’ future. The message, then, from SME leaders seems to be clear: ‘now is not the time to be dialling back on purpose’.<sup>3</sup>

This message appears to resonate with earlier business research amongst consumers and employees. That research revealed that eight in ten consumers consider themselves more loyal to brands that are purpose-driven. Amongst employees, those who feel connected with their company’s purpose show greater loyalty, even when their company is going through difficult times.<sup>4</sup>

One company that looked, for a while, as if it would go through a difficult time as a result of articulating its purpose, is Facebook. When its CEO-founder Mark Zuckerberg announced that ‘the most important thing we at Facebook can do is develop the social infrastructure



**Mark Zuckerberg**  
**Articulating Social Purpose**

Photo: Justin Sullivan—Getty Images News/Thinkstock


to give people the power to build a global community that works for all of us' its share price took a dip.<sup>5</sup> This serves as a warning that purpose is not always (at least in the short term) rewarded with profit.

The evidence business research has produced is overwhelming, however, that the benefits to companies of having a genuine purpose (or purposes) beyond profit far outweigh the costs. The real challenge for companies is how to align their strategy and operations with their purpose. Purpose needs to become the basis for everything they undertake and decide not to undertake. Strategies of recruitment, development, reinforcement and reward will need to be implemented to ensure that its purpose is embodied by all its employees.

However, when taken as a whole, the research suggests that purpose is not a programme or an initiative but a way of doing business. It demands,

moreover, integrity and authenticity if it is to deliver the beneficial outcomes the surveys suggest are possible. The pandemic, like the Brexit negotiations that preceded it, is marked by something that is anathema to most businesses – uncertainty. Yet this can become a conducive context for companies to become more certain about what should be driving them beyond the need for profit.

The next instalment in this series will pay attention to how those drivers are increasingly articulated in terms of 'corporate purpose'. This will involve a review of what exactly is meant by those who use that term. For it is impossible to provide theological engagement with something as yet undefined. But without getting ahead of that engagement, one obvious point springs out from the research outlined above when considering it from a Christian perspective – the importance of actions being consistent with words.

As we have seen, those who subscribe most readily to the importance of purpose do not necessarily put their beliefs into practice. Saying one thing but doing another is what the Bible calls hypocrisy. Whilst this term is generally associated with the teaching of Jesus, the sin it represents recurs throughout scripture. Indeed, Jesus himself appeals to the Old Testament in denouncing it: 'Isaiah prophesied rightly about you hypocrites, as it is written, "This people honours me with their lips, but their hearts are far from me"' (Mark 7.6). As this article has argued, recent business research suggests an urgent need for companies to bring their strategy and operations into alignment with their purpose; to exercise integrity and authenticity; and to find greater certainty about their purpose. As we shall see, once hypocrisy is uprooted, all this becomes possible. 

1. The British Academy's 'The Future of the Corporation' programme.
2. Putting Purpose to Work: A Study of Purpose in the Workplace (PWC, 2016).
3. SMEs and Purpose: Ditching or Doubling Down? (ABA Design, 2020).
4. Sean Czarnecki, 'Eight in 10 Consumers say they're More Loyal to Purpose-Drive Brands', PR Week (30 May, 2018); HBR IdeaCast, 'Turning Purpose into Performance' podcast, Harvard Business Review (24 July, 2018); Jim Clifton, 'How DTE Energy Emerged Stronger After the Recession' (Gallup, December 2017).
5. Mark Zuckerberg, 'Building Global Community' (Facebook, 16 February 2017).



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