



# Purpose Beyond the Slogan: Translating Humanistic Values into Organizational Decisions and Everyday Practices

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## ABSTRACT

Purpose has become a prominent feature of corporate language, yet the credibility of purpose depends on whether it changes decisions when trade-offs are real. This conceptual paper examines the gap between declared purpose and enacted purpose and develops a practical framework for translating humanistic values into organizational routines. Drawing on stakeholder theory, organizational culture and humanistic management, the article proposes five tests of enacted purpose: allocation, sacrifice, voice, consistency and repair. A purpose is credible when resources are allocated in its direction, leaders accept meaningful trade-offs, affected stakeholders have voice, practices remain reasonably consistent under pressure and the organization repairs breaches transparently. The framework shifts attention from purpose statements to observable governance. It also discusses the risks of purpose-washing and the role of leaders in converting values into hiring, investment, customer, people and technology decisions. The paper offers a multidisciplinary contribution to management research by treating purpose as a decision architecture rather than a communication asset.

**Keywords:** organizational purpose; humanistic management; values; decision-making; stakeholder governance; organizational culture

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## INTRODUCTION

Purpose is everywhere in contemporary management language. Organizations promise to improve lives, transform communities, protect the planet or create a better future. Such statements can orient action, but they can also become symbolic. Employees and stakeholders learn quickly whether purpose has operational consequences.

The central problem is therefore not how eloquently purpose is written but how it behaves under pressure. What happens when a purpose-consistent decision costs more? What happens when a high-performing executive violates stated values? What happens when technology improves efficiency but creates foreseeable harm? These moments reveal the difference between declared and enacted purpose.

Humanistic management provides a useful foundation because it emphasizes dignity, ethical legitimacy and human flourishing rather than treating people only as instruments of economic output (Pirson, 2017). Stakeholder theory similarly broadens the field of responsibility beyond shareholders alone (Freeman, 1984). This article integrates these perspectives into five tests of enacted purpose.

## METHODOLOGY

The paper uses conceptual synthesis across stakeholder theory, organizational culture, business ethics and humanistic management. The analysis focuses on observable organizational mechanisms rather than rhetorical characteristics of mission statements. Five tests were developed by asking what evidence a skeptical employee or stakeholder could reasonably observe if purpose genuinely influenced governance.



## FIVE TESTS OF ENACTED PURPOSE

**Allocation.** Purpose should influence where money, time and leadership attention go. Budgets are moral documents as well as financial ones because they reveal priorities.

**Sacrifice.** Purpose becomes credible when an organization is willing to accept a meaningful short-term cost or foregone opportunity to protect a stated principle. If purpose operates only when it is free, it is closer to marketing than governance.

**Voice.** Stakeholders affected by decisions should have channels through which concerns can be heard. Voice does not mean that every preference prevails; it means that decision processes recognize affected people as participants rather than objects.

**Consistency.** No organization is perfectly consistent, but repeated exceptions for powerful actors corrode credibility. Hiring, promotion, incentives and supplier choices should broadly align with declared values.

**Repair.** Breaches are inevitable. Purpose is tested by the response: denial and concealment deepen cynicism, whereas acknowledgement, correction and learning can restore legitimacy.

## PURPOSE AS DECISION ARCHITECTURE

The five tests suggest that purpose should be embedded into recurring decisions. Investment committees can include a purpose-impact question. Executive evaluations can include behavioural evidence. Technology procurement can assess effects on dignity, fairness and autonomy. Customer policies can be reviewed for vulnerable-user impacts. Supplier standards can reflect environmental and labour commitments.

This approach moves purpose from inspiration to architecture. Culture is shaped by what leaders repeatedly pay attention to, reward and tolerate. Schein and Schein (2017) emphasize that leadership and culture are deeply intertwined; therefore, purpose cannot survive if leadership systems reward contradictory behaviour.

## THE RISK OF PURPOSE-WASHING

Purpose-washing occurs when the symbolic benefits of purpose exceed the organization's willingness to change behaviour. It creates reputational risk, but the internal cost may be greater. Employees exposed to repeated gaps between language and action can become cynical. Cynicism reduces the motivational power of future values initiatives, even when those initiatives are sincere.

Transparency can reduce this risk. Organizations should communicate not only achievements but tensions and incomplete progress. Credibility often grows when leaders acknowledge a difficult trade-off and explain how it was resolved.

Recent scholarship strengthens the distinction between purpose as rhetoric and purpose as an organizing principle. Research has examined organizations with purpose as a distinctive phenomenon (Hollensbe et al., 2014), while later work has positioned corporate purpose as a substantive management-research domain (George et al., 2023). Mayer (2021) similarly connects corporate purpose to the future of the corporation. Together, these perspectives support evaluating purpose through observable governance choices rather than through communication alone.

## Scholarly Contribution and Testable Propositions

Table 1 summarizes the proposed framework and its principal analytical dimensions.



**Table 1. Analytical framework for enacted organizational purpose**

| Test        | Evidence question                                     | Failure signal                          |
|-------------|-------------------------------------------------------|-----------------------------------------|
| Allocation  | Where did resources move because of purpose?          | Purpose absent from budgets             |
| Sacrifice   | What opportunity was declined to protect a principle? | Values apply only when costless         |
| Voice       | Whose perspective materially influenced a decision?   | Stakeholders are consulted symbolically |
| Consistency | Do incentives and promotions reinforce stated values? | Powerful actors receive exceptions      |
| Repair      | How are breaches acknowledged and corrected?          | Denial, concealment or repetition       |

### Research propositions

- P1. Perceived enacted purpose will predict organizational trust more strongly than exposure to purpose communication alone.
- P2. Purpose credibility will increase when stakeholders observe costly, value-consistent trade-offs.
- P3. Transparent repair after a values breach will mitigate cynicism more effectively than symbolic recommitment without corrective action.

## DISCUSSION

Purpose should not be expected to eliminate conflict. A genuine purpose can make conflict more explicit because stakeholders have competing needs. The value of purpose is that it provides a principled basis for navigating trade-offs.

The framework also clarifies the relationship between purpose and profit. Financial viability is necessary for most organizations, but it does not answer every question about legitimate conduct. A humanistic approach treats economic performance as one condition of sustainability within a wider field of responsibility. This is compatible with stakeholder theory, which views value creation as a relational process among multiple constituencies.

## PRACTICAL APPLICATION

Boards and executive teams can conduct a purpose audit using five questions: Where did we allocate resources because of our purpose? What did we refuse or sacrifice? Whose voice changed a decision? Where did incentives contradict our values? What did we repair after falling short? Answers should be supported by concrete examples rather than slogans.

At team level, leaders can translate purpose into behavioural commitments. A service team may define dignity in how complaints are handled; a technology team may define it through privacy and explainability; a sales team may define it through truthful representation. Purpose becomes powerful when people can recognize it in ordinary decisions.

## LIMITATIONS AND FUTURE RESEARCH

The framework is conceptual and requires empirical testing. Future research could develop an enacted-purpose scale and examine associations with trust, identification, retention and stakeholder legitimacy. Case studies of organizations facing costly purpose-related trade-offs would be particularly valuable. Cross-cultural research should explore whether the five tests vary in salience across institutional environments.



## CONCLUSION

Purpose earns credibility through decisions. Allocation, sacrifice, voice, consistency and repair provide five observable tests for distinguishing an enacted purpose from a decorative statement. Organizations that translate values into governance can make purpose a source of coherence and trust. Those that leave it at the level of communication risk turning an important human aspiration into another slogan.

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**Ethics statement:** This conceptual/review study did not involve human participants, identifiable personal data, or animal subjects.

**Data availability:** No new dataset was generated or analysed for this conceptual study.

**Originality statement:** This manuscript presents an original conceptual synthesis. No fabricated empirical data are reported. All external ideas and sources are attributed in the text and reference list.