

Practice the Purpose Preach: Experimental Evidence on the Effect of Corporate Purpose on Workers' Willingness to Go the Extra Mile

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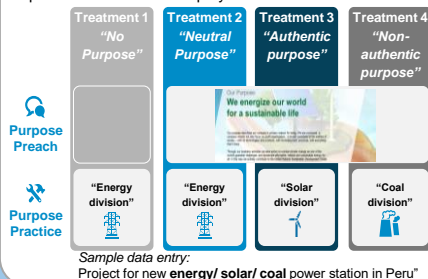
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Motivation

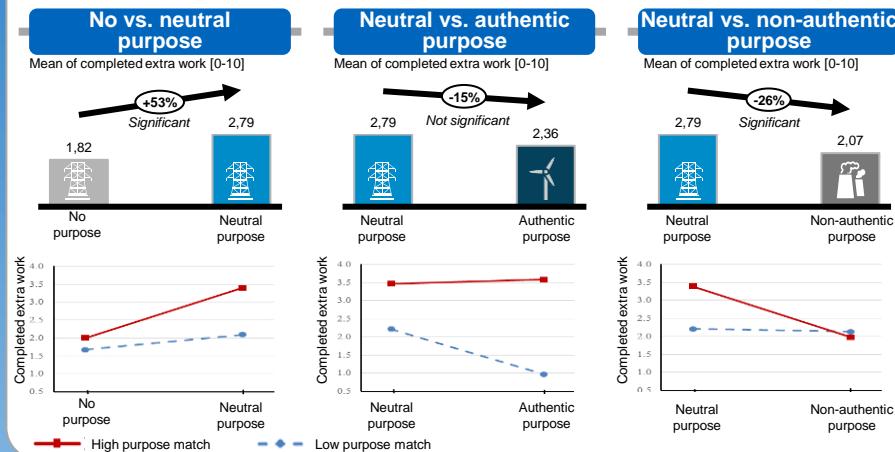
- In the last years, academics, business leaders, employees, investors, among others, increasingly call for a **(re)definition of corporate purpose**.
- Corporate purpose describes an organization's **reason for being** in terms of an **objective beyond profit maximization** to create value by **contributing to the welfare of society and planet**.
- It embraces a higher narrative of how an **organization's core business activities** contribute to the world's grand challenges in a profitable way. Thus, it is **not just a peripheral CSR activity** like charitable giving, **nor is it a pure mission** description of what a business does and what value it provides to customers.
- Despite the increasing conversation about corporate purpose in business practice and several **calls for more academic research** on the subject (Gartenberg, 2021; George et al., 2021; Henderson, 2021; Hollensbe et al., 2014), there is still **little research (especially empirical or even causal research)** on the implications of embracing a pro-social corporate purpose in commercial organizations.

Method

- Two-phase natural field experiment** run on an online labor marketplace (MTurk)
- Phase 1:** Collecting personal attitudes towards purpose from 1576 workers
- Phase 2:** Completion of a real effort data entry task (incl. option for unrequired extra work) from 620 workers
- 4 treatments** manipulating purpose preach and purpose practice of a fictitious employer



Results



Research Questions

- What?** effect has the communication of a corporate purpose on workers' provision of extra work effort?
H1: Extra work effort (+)
- When?** does the effect occur?
H2a: Authentic purpose practice (+); H2b: Non-authentic purpose practice (-);
H2c: Purpose-match (+)
- How?** does the effect occur?
H3a: Organizational pride (+); H3b: Meaning of work (+); H3c: Expected treatment (+)

Key Findings

- What?**
Corporate purpose causes workers to provide **more extra work effort!**
- When?**
If an organization **practices the purpose preach!**
If a **purpose match** between worker and organization exists!
- How?**
Through an increase in **meaning of work!**