The Practical Case Studies of Purpose-driven Management: Wisdom and Insights from Japan

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The Practical Case Studies of Purpose-driven Management: Wisdom and Insights from Japan

日本におけるパーパス経営の実践事例：知恵と考察

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Content

Acknowledge

The moment I finished writing my dissertation, countless memories from my doctoral journey suddenly flashed before my eyes. These past few years have been incredibly eventful. Disasters, ragedies, the loss of loved ones, and friends facing severe illnesses have all marked this period. Despite understanding that misfortune is often the precursor to fortune, there were many nights when I was on the verge of giving up.

I am profoundly grateful to Professor Kokubu for giving me the opportunity to pursue my doctorate at Kobe University. This allowed me to shelter from many storms outside the campus and provided me with the chance to ponder on Mount Rokko the profound questions that have troubled me for decades: the meaning of life and the ultimate purpose of our existence. I also extend my gratitude to the many professors at Kobe University who have supported me, the young scholars, research partners, and friends who joined me in conducting interviews.

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I would like to thank my family for supporting me despite my many whimsical decisions to evade familial responsibilities. The knowledge and experiences gained during my doctoral studies will guide me as I strive to preserve and advance the wisdom of the past, aiming for lasting peace and prosperity for future generations, as my purpose.

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Chapter 1 Introduction

In 2019, the Business Roundtable, a group comprising CEOs of major US corporations, made a significant shift in defining the purpose of a corporation (Business Roundtable, 2019, p.1). Traditionally, the primary purpose of a corporation was seen as maximizing shareholder value. However, the 2019 statement from the Business Roundtable expanded this view to include a broader range of stakeholders. One hundred and eighty-one CEOs committed to lead their companies for “the benefit of all stakeholders: customers, employees, suppliers, communities, and shareholders” (Business Roundtable, 2019, p.1). Typically, Larry Fink, the CEO of BlackRock, the world’s largest financial asset manager, sent a letter to the CEOs of all the firms in his portfolio that said the following: “Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society (Fink, 2019, p.1).

The World Economic Forum's also stance on corporate purpose, as well, proposed a shift towards stakeholder capitalism. This approach, detailed in their 2020 Davos Manifesto, suggested that a company's purpose extends beyond profit-making to include engaging all stakeholders-shareholders and society at large-in shared and sustained value creation (Schwab, 2019, p.5).

Rebecca Henderson (2020) promotes a purpose-driven corporation as one that reimagines its core mission to focus on creating shared value for all stakeholders, not just maximizing profits. Henderson points out that the essential of corporate purpose is that individuals within organizations should find alignment between their personal purposes and their work, which helps drive greater motivation and engagement, contributing to the overall purpose-driven strategy of the organization if well shared and acknowledged (Henderson, 2020, p.74).

This new perspective emphasizes that companies should not only serve their shareholders but also deliver value to customers, invest in employees, deal fairly with suppliers, support the communities in which they operate and fight for the issues our world is facing. This purpose-driven proposal reflects a move towards purpose-driven management, where corporations are seen as having responsibilities beyond just generating profits for shareholders. The statement was timely, especially considering the recent worldwide challenges, including the pandemic, the heightened awareness of racial injustices and continuous worsening fatal conflicts.

Chair members of Business Roundtable (2019), together with Henderson (2020) underscores the importance of visionary leadership in driving this transformation as well. Henderson advocates that business leaders need to embrace a much broader responsibility, guiding their companies towards practices that benefit both the economy and society at large (2020, p.102). Many CEOs reflected on this new commitment (Business Roundtable, 2019), noting that their companies had taken various actions in response to these crises, which were aligned with the broader view of corporate purpose. However, this shift has also raised questions about the implications for corporate governance and fiduciary duties (Harrison, 2020, p.59). Not all CEOs are in agreement with the Business Roundtable's 2019 Statement on the Purpose of a Corporation, which endorses a stakeholder-centric approach to corporate governance. The reasons for not signing vary, including concerns about the practical implications of balancing stakeholder interests, legal considerations, or a belief in the traditional shareholder primacy model (Bainbridge, 2020, p.33). This skepticism might be shared by some CEOs who question the tangible impact of such a statement on actual corporate practices (Harrison, 2020, p.60).

As beneficiaries of modern capitalism and holders of vast resources, it is more critical than ever that businesses in the 21st century are focused on generating long-term value for all stakeholders and addressing the challenges we face, which will result in shared prosperity and sustainability for both business and society (Henderson, 2020, p.102). The real battle our globalized world is facing is not between liberalism and protectionism, or between globalization and nationalism, but rather between a sense of purpose and no purpose—between fulfilment and no fulfilment (Mayer, 2021, p.44).

In terms of dealing with social issues, there have been many proposals for business reform in the history of management research. Typically, the corporate social responsibility (CSR) concept since Howard Bowen (1959), Archie Carroll's CSR pyramid (1991) and Michael Porter's corporate social value (2006). However, as argued by Mayer (2022, p.89): the recent world issues cannot be addressed on the margin through conventional programmers of charity or corporate social responsibility (CSR) initiatives that incorporate philanthropy as a supplement to business. Instead, he demanded a profound transformation of the very purpose of the firm, the extension of its effective boundaries beyond its legal ones, the redefinition of procedures for value creation beyond just the creation of financial capital for shareholders, and finally, the modes of profit construction (Mayer, 2022, p.89).

Whether it's the statement of the Business Round Table (2019), or the research represented by scholars (Henderson, 2020; Mayer, 2021) the fundamental question is: what are the essentials that differentiate Corporate Purpose from Corporate Social Responsibility? Corporate Social Responsibility (CSR), as an academic field that has been in existence for over six decades, boasts an extremely rich content. Contrastingly, Corporate Purpose, a relatively nascent concept, despite being widely advocated by numerous multinational corporations in the Western business sphere, lacks comprehensive normative. Therefore, *this paper firstly aims to answer the question and dig out the essence of the rising concept of Corporate Purpose.*

Assuming that conceptually normative question can be adequately tackled, the subsequent critical one then arises: How does purpose driven management lead to action? Firms are moving beyond defining narratives to putting purpose-driven management concretely into organizational routines, behaviors, and practices. An inability to act purpose-driven management in this way is potentially very dangerous, because it can open firms up to accusations of deception and hypocrisy. Indeed, the fear of being labelled as hypocritical and inauthentic—as social washers or green washers—has been shown to significantly temper the claims of purpose-driven firms, (Carlos and Lewis, 2018, p.123). Thus, *this paper secondly delves into the practical implementation of purpose-driven management through some case studies in order to examine the practical actions of how to develop and embed a sense of shared purpose, how individuals are motivated and aligned with corporate purpose, and finally discuss the mechanism behind it.*

The wave of "Purpose" has recently crossed oceans to reach Japan, sparking research and discussion. It's understandable why the new trend initiates great interests in Japan, as the country has faced long economic stagnations and complicated social issues but long cherished by its oriental management wisdoms, such as the "三方良し" (good for three parties) philosophy of the Omi merchants. Japanese corporations have been embracing social corporate philosophies historically and conducting their business activities based on purpose-driven principles. It is important to have a sufficient idea of what the company exists for and for what purpose the company is managed in Japan (Yamaguchi, 2018, p.63).

This research aims to essentially conceptualize the Corporate Purpose, delve into the practical implementation of purpose-driven management and offer insights from Japanese corporations. Utilizing participant observation-based case study method, the study offers a qualitative analysis of companies that are recognized for their commitment and effectiveness to purpose-driven practices.

The research will involve immersive observations, project participation and interviews within these organizations, enabling a comprehensive understanding of how purpose is driven, defined, acted and fruited. It is my hope that this research will lead to a greater understanding of how to motivate not only business leaders but also each individual to put purpose into practice effectively and make impact towards our beloved surroundings, community, society and the world.

Chapter 2 From Corporate Social Responsibility to Redefining Corporate Purpose

2.1 The origin of the concept

The origin and development of the concept of "Corporate Purpose" in academic discourse involves a sophisticated debate on how modern businesses integrate societal and ethical objectives into their operational ethos. The paradigm shift extends beyond traditional profit-oriented strategies, encompassing a holistic approach that values stakeholder engagement, social responsibility, and sustainable practices, that can be at least traced back to the concept of the Corporate Social Responsibility in his book The Social Responsibilities of the Businessman (Bowen, 1953, p.6). The debate about adequately defining the concept has led a plethora of definitions to emerge over time, and the discourse within the CSR domain about the conceptual interpretation of the term remains vivid. Since the discussion about the concept of corporate purpose also involves social concerns, it is useful for us to firstly review how the concept of CSR is developed and how it has evolved.

2.2 The history of CSR practice

The evolution of Corporate Social Responsibility (CSR) is traced through various historical phases, reflecting shifts in societal expectations and business practices. Initially, CSR practices were informal and driven by individual philanthropic efforts in the 19th and early 20th centuries. For example, Andrew Carnegie, who is best known for funding the establishment of over 2,500 public libraries across the English-speaking world, believed that access to knowledge was the key to personal and social progress (Carnegie, 1920, p.347); John D. Rockefeller with his Rockefeller Foundation has funded numerous initiatives in public health, medical training, and the arts, including the establishment and expansion of the University of Chicago (Chernow, 1998, pp.540-542).

The formalization of CSR began in the mid-20th century, as businesses increasingly recognized their broader responsibilities to stakeholders beyond shareholders. The 1950s and 1960s saw the emergence of the concept of CSR, with scholars like Howard R. Bowen defining the social responsibilities of businesses, which marked the beginning of integrating social concerns into business operations and the establishment of CSR as a field of academic inquiry (Carroll, 2008, pp. 22-25).

In the 1970s and 1980s, CSR practices expanded, driven by increased public awareness and activism around social and environmental issues. Companies began adopting more structured CSR policies, focusing on areas such as environmental sustainability, employee welfare, and community engagement (Carroll, 2008, p. 27).

The late 20th and early 21st centuries have been characterized by the globalization of CSR practices. Multinational corporations have adopted global CSR strategies, influenced by international norms and stakeholder expectations (Idowu et al., 2009, pp.1-7). The integration of CSR into core business strategies has become more pronounced, with an emphasis on sustainable development, ethical supply chains, and transparent reporting (Carroll, 2008, p. 33). Throughout its history, CSR has evolved from voluntary philanthropic activities to a strategic and integrated approach to business management. This evolution reflects a growing recognition of the interdependence between business and society, highlighting the role of corporations in contributing to broader societal goals (Carroll, 2008, p. 35).

The establishment of CSR practices reached a significant milestone with the introduction of ISO 26000, a standard that delineates both a narrow and an extended definition of corporate social responsibility. The narrow definition of CSR in ISO

26000 is articulated through four stipulations: organizations are responsible for the societal and environmental impacts of their decisions and activities, they must act transparently and ethically to contribute to sustainable development, they should consider stakeholders' expectations, comply with applicable laws, adhere to international norms, and integrate these practices throughout the organization and its relationships (ISO, 2010, p. 10). Additionally, the standard encourages firms to develop their own interpretations of CSR within these outlined boundaries, thereby enabling a broad application across various organizational types (Moratis, 2014, p. 82). Furthermore, ISO 26000's extended definition encompasses the core definition plus seven CSR principles and seven core subjects, which are further divided into 36 specific CSR issues. These issues outline practices that firms can adopt, reflecting a modern perspective on effective CSR implementation (Moratis, 2016, p. 31). The comprehensive approach of ISO 26000 underscores a contemporary understanding of what constitutes exemplary CSR practices, promoting both theoretical and practical applications across diverse organizational contexts.

Several global corporations have implemented ISO 26000, integrating CSR practices into their business operations that illustrate how ISO 26000 provides a comprehensive framework for businesses to address social responsibility issues, align with stakeholder expectations, and contribute to sustainable development. For example, Toyota has adopted ISO 26000 guidelines to enhance its CSR strategies, particularly in India. The company focuses on various initiatives, including environmental sustainability, ethical business practices, and community engagement. One notable project is their extensive afforestation activities, which aim to balance their carbon footprint and promote biodiversity (Isaksson and Mitra, 2016, pp.1-12).

Recent trends concerning climate change and ESG (Environmental, Social, and Governance) have shown significant developments in terms of modern CSR, particularly driven by the European Union (EU) and the United Nations (UN). The EU has introduced regulations such as the Non-Financial Reporting Directive, which mandates large companies to disclose information on their environmental and social impacts (European Parliament, 2014, p. 2). Another milestone is European Green Deal, which aims to make Europe the first climate-neutral continent by 2050 (European Commission, 2019, p. 4).

Simultaneously, the UN has advanced its efforts through the Paris Agreement, aiming to limit global warming to well below 2 degrees Celsius, with efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels (UNFCCC, 2015, p. 22). The UN's Sustainable Development Goals (SDGs) also highlight the importance of addressing climate change and promoting sustainable practices (UN, 2015, p. 13). Furthermore, the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board, has provided recommendations for companies to disclose climate-related risks and opportunities, enhancing transparency and accountability in ESG practices (TCFD, 2017, p. 16).

These initiatives are part of a broader trend towards greater corporate responsibility and sustainable business practices, reflecting the increasing importance of broader considerations in investment decisions and regulatory frameworks.

2.3 The development of CSR literature

The initial definition of the Corporate Social Responsibility concept can be at least traced back to the book, “The Social Responsibilities of the Businessman”, wrote by Bowen (1953). In this book, Bowen defined CSR as the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen, 1953, pp.1-6). Meanwhile, Morrell Heald, in his book Social Responsibilities of Business: Company and Community, provided the similar definition of CSR as a recognition by a company's management of an obligation to the society it serves, not only for maximizing economic performance, but also for humane and constructive social policies (Heald, 1957, pp.270-291).

If there was limited evidence of CSR thought in the 1950s and before, the decade of the 1960s marked a momentous growth in attempts to formalize or more precisely state what CSR meant (Carroll, 2008, p.27). Keith Davis, built on Heald's interpretation and consequently described CSR as those decisions and actions by businessmen that are taken for reasons that are partially beyond the firms direct economic or technical interests (Davis, 1960, p.70).

Clarence Walton, another important thinker on business and society, in a book entitled Corporate Social Responsibilities, defined CSR as follows: In short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals (Walton, 1967, p.18).

In the 1970s, George Steiner was a significant writer on corporate social responsibility with his book, Business and Society. Steiner deferred to Davis's definitions of CSR (Davis, 1960, p.70) but he did state his opinion on the subject as follows: Business is and must remain fundamentally an economic institution, but it does have responsibilities to help society achieve its basic goals and does, therefore, have social responsibilities (Steiner, 1971, p.13). The larger a company becomes, the greater are these responsibilities, but all companies can assume some share of them at no cost and often at a short-run as well as a long-run profit (Steiner, 1971, p.205). In the mid-1970s, Sethi (1975, p.60) discussed several dimensions of Corporate Social Performance (CSP), distinguishing between corporate behavior that might either be called social obligation, social responsibility or social responsiveness.

In 1979, Archie Carroll proposed a four-part definition of corporate social responsibility (CSR), which was embedded in a conceptual model of corporate social performance (CSP). His definition of CSR was originally stated as follows: “Corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations that society has of organizations at a given point in time” (Carroll, 1979, p. 497).

Carroll argued that businesses have an economic responsibility to the society that permitted them to be created and sustained. In its origins, society views business organizations as institutions that will produce and sell the goods and services it needs and desires. As an inducement, society allows businesses to take profits. Businesses create profits when they add value, and in doing this they benefit all the stakeholders of the business. Profits are necessary both to reward investor/owners and also for business growth when profits are reinvested back into the business. Therefore, the economic responsibility is a baseline requirement that must be met in a competitive business world (Carroll, 1979, p. 500).

Carroll also claimed that society has not only sanctioned businesses as economic entities but it has also established the minimal ground rules under which businesses are expected to operate and function. These ground rules include laws and regulations and, in effect, reflect society’s view of “codified ethics” in that they articulate fundamental notions of fair business practices as established by lawmakers at federal, state, and local levels. Businesses are expected and required to comply with these laws and regulations as a condition of operating (Carroll, 1979, p. 502).

However, the normative expectations of most societies hold that laws are essential but not sufficient. In addition to what is required by laws and regulations, society expects businesses to operate and conduct their affairs in an ethical fashion. Carroll believed that taking on ethical responsibilities implies that organizations will embrace those activities, norms, standards, and practices that, even though they are not codified into law, are expected nonetheless (Carroll, 1979, p. 503).

The last part of Carroll's four-part model is philanthropic responsibility. Carroll argued that philanthropy or business giving may not be a responsibility in a literal sense, but it is normally expected by businesses today and is a part of the everyday expectations of the public. In summary, the four-part CSR definition forms a conceptual framework that includes the economic, legal, ethical, and philanthropic or discretionary expectations that society places on businesses at a given point in time. And, in terms of understanding each type of responsibility, it could be said that the economic responsibility is "required" of business by society; the legal responsibility also is "required" of business by society; the ethical responsibility is "expected" of business by society; and the philanthropic responsibility is "expected and desired" of business by society (Carroll, 1979, p. 504)

In 1980, Thomas Jones entered the CSR discussion by emphasizing the importance of stakeholder thinking and the voluntary nature of CSR. He defined CSR as: the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract (Jones, 1980, p.60). The stakeholder thinking mentioned by Jones was further popularized from a strategic management perspective, prominently influencing scholarly thinking on CSR (Jones, 1980, p.67). After examining the "good society" that capitalism has created, together with the damage to the environment, the hunger and homelessness that exist even in wealthy areas of the world, Freeman argues that the pursuit of self-interest has culminated in the common good is an old idea (Freeman, 2010, p. 41). Freeman's work emphasizes that while capitalism has generated significant economic growth and prosperity, it has also led to substantial social and environmental challenges. He explores these contradictions in depth, questioning the balance between economic success and societal well-being (Freeman, 1991, p. 92).

In 1991, Archie Carroll extracted his four-part definition of corporate social responsibility (CSR) and recast it in the form of a CSR pyramid. The purpose of the pyramid was to single out the definitional aspect of CSR and illustrate the building block nature of the four-part framework. The pyramid was selected as a geometric design because it is simple, intuitive, and built to withstand the test of time. Consequently, the economic responsibility was placed at the base of the pyramid because it is a foundational requirement in business. Carroll argues that, just as the footings of a building must be strong to support the entire edifice, sustained profitability must be strong to support society’s other expectations of enterprises (Carroll, 1991, p. 42). Carroll insists that business has the expectation and obligation to do what is right, just, and fair and to avoid or minimize harm to all the stakeholders with whom it interacts (Carroll, 1991, p. 43)

Around halfway through the nineties, John Elkington (1994) coined the idea of the triple bottom line, capturing the essence of many earlier definitions of CSR and setting the stage for future conceptions of CSR. He described the corporate social, environmental and financial bottom lines of companies as “People, Planet, Profit”, arguing that instead of focusing solely on their balance sheets and profit and loss accounts, firms should simultaneously pay attention to their social, environmental and economic impact and the interrelations between them (Elkington, 1994, p.2). Later, the emphasis on theoretical contributions to the concept and meaning of CSR had given way to empirical research on the topic and a splintering of interests away from CSR and into related topics such as CSP, stakeholder theory, business ethics, sustainability, and corporate citizenship (Carroll, 2009, p.89). Typically, in terms of corporate citizenship, Marsden (2000) argues that this conception of the roles and responsibilities of business in society goes beyond the CSR concept. He defined corporate citizenship as a company’s management of its influence on and relationships with the rest of society (Marsden, 2000, p.10). This perspective emphasizes the broader societal responsibilities businesses must uphold, reflecting a more integrated approach to their social impact.

Entering the 2000s, the strategic view of CSR has notably come to dominate the CSR domain. This perspective goes beyond the traditional strategic management view propagated by instrumental stakeholder theory, emphasizing the alignment of CSR with core business strategies to create shared value and competitive advantage, that has been well-documented in academic literature, highlighting the evolution of CSR from a peripheral concern to a central component of business strategy (Lee, 2008, p. 58).

The main contributor, perhaps one of the most famous nam in the past decade has been iconic competitive strategy scholar Michael E. Porter, together with his colleague Mark Kramer (Porter and Kramer, 2006, 2011). Although, in 2003, Michael Porter labeled CSR as "a religion with too many priests," indicating his skepticism towards the fragmented and dogmatic approach to CSR prevalent at the time. However, Porter has since become a leading figure in the contemporary understanding of CSR and the relationship between business and society. His views have significantly shaped modern CSR practices, emphasizing the strategic integration of CSR into core business strategies to create shared value and competitive advantage (Morsing, 2003, p. 72).

In 2006, Porter and Kramer distinguished between discretionary CSR and strategic CSR, arguing the case for the latter as this modality benefited companies by linking societal contributions to their core competencies, products, and markets, resulting in a virtuous spiral of value creation. Porter and Kramer state that heightened corporate attention to CSR has not been entirely voluntary. Many companies awoke to it only after being surprised by public responses to issues they had not previously thought were part of their business responsibilities (Porter and Kramer, 2006, p. 83). The pressures from government regulation clearly demonstrate the extent to which external stakeholders are seeking to hold companies accountable for social issues and highlight the potentially large financial risks for any firm whose conduct is deemed unacceptable (Porter and Kramer, 2006, p. 85).

Porter and Kramer summarize that there are four prevailing justifications for CSR: moral obligation, sustainability, license to operate, and reputation. Moral obligation means that companies have a duty to be good citizens and to do the right thing. Sustainability emphasizes environmental and community stewardship. License to operate derives from the fact that every company needs tacit or explicit permission from governments, communities, and numerous other stakeholders to do business. Reputation is used by many companies to justify CSR initiatives on the grounds that they will improve a company's image, strengthen its brand, enliven morale, and even raise the value of its stock. These justifications have advanced thinking in the field, but none offers sufficient guidance for the difficult choices corporate leaders must make (Porter and Kramer, 2006, p. 87).

Porter and Kramer point out that all four schools of thought focus on the tension between business and society rather than on their interdependence. Consequently, none of them is sufficient to help a company identify, prioritize, and address the social issues that matter most or the ones on which it can make the biggest impact (Porter and Kramer, 2006, p. 89). Thus, to advance CSR, Porter and Kramer strongly argue that it is vitally important to understand the interrelationship between a corporation and society while at the same time anchoring it in the strategies and activities of specific companies (Porter and Kramer, 2011, p. 70). Leaders in both business and society have focused too much on the friction between them and not enough on the points of intersection. The mutual dependence of corporations and society implies that both business decisions and social policies must follow the principle of shared value (Porter and Kramer, 2006, p. 91).

Michael Porter and Mark Kramer (2006) propose a new way to look at corporate social responsibility (CSR) in the language of strategy. When viewed strategically, CSR can become a source of tremendous social progress, as businesses apply their considerable resources, expertise, and insights to activities that benefit society (Porter and Kramer, 2006, p. 83). Porter and Kramer argue that for companies, strategy is about choosing a unique position different from competitors in a way that acquires competitive advantage (2006). When combining strategy and CSR, it means moving beyond good corporate citizenship and mitigating harmful value chain impacts to mount a small number of initiatives whose social and business benefits are large and distinctive (Porter and Kramer, 2006, p. 84).

Porter and Kramer also believe that the most strategic CSR occurs when a company adds a social dimension to its value proposition, making social impact integral to the overall strategy (Porter and Kramer, 2011, p. 65). However, few companies have engaged operating management in processes that identify and prioritize social issues based on their salience to business operations and their importance to the company's competitive context (Porter and Kramer, 2006, p. 86). Even fewer have unified their philanthropy with the management of their CSR efforts, much less sought to embed a social dimension into their core value proposition.

Meanwhile, strategy is always about making choices. Success in CSR is about choosing which social issues to focus on (Porter and Kramer, 2006, p. 88). The short-term performance pressures companies face rule out indiscriminate investments in social value creation. Porter and Kramer suggest, instead, that creating shared value should be viewed like research and development, as a long-term investment in a company's future competitiveness (2006, p. 89). The billions of dollars already being spent on CSR and corporate philanthropy would generate far more benefit to both business and society if consistently invested using the principles outlined by Porter and Kramer.

Porter and Kramer also discuss the moral purpose of business. The most important thing a corporation can do for society, and for any community, is contribute to a prosperous economy (Porter and Kramer, 2006, p. 90). By providing jobs, investing capital, purchasing goods, and doing business every day, corporations have a profound and positive influence on society. However, this cannot excuse businesses that seek short-term profits deceptively or shirk the social and environmental consequences of their actions. More importantly, efforts to find shared value in operating practices and in the social dimensions of competitive context have the potential not only to foster economic and social development but to change the way companies and society think about each other (Porter and Kramer, 2011, p. 72).

Thus, Porter and Kramer advocate that companies, governments, and other organizations must stop thinking in terms of “corporate social responsibility” and start thinking in terms of “corporate social integration” (Porter and Kramer, 2011, p. 75). Porter and Kramer believe that corporations are not responsible for all the world’s problems, nor do they have the resources to solve them all (2006, p. 92). However, each company can identify the particular set of societal problems that it is best equipped to help resolve and from which it can gain the greatest competitive benefit (Porter and Kramer, 2011, p. 78).

Porter and Kramer advocate that addressing social issues by creating shared value will lead to self-sustaining solutions that do not depend on private or government subsidies (2006, 2011). Shared value is defined as: policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the community in which it operates (Porter and Kramer, 2011, p. 66). Since its introduction, the shared value concept has rooted quickly and firmly in business and management language. Several well-known globally operating multinational enterprises have adopted shared value strategies, and the term has been included in the European Commission’s revised official definition of CSR (European Commission, 2011).

2.4 Evolve from CSR to “Purpose”

As we trace the evolution of CSR from both practical and theoretical perspectives, we may now safely draw the conclusions about how CSR has developed. Based on the literature CSR’s roots extend back to the philanthropic efforts of industrialists like Andrew Carnegie and John D. Rockefeller, who were notable for their efforts to improve societal welfare through extensive charity (Carroll, 2008; Heald, 1970), which highlighted a paternalistic approach to employee welfare and community support. CSR, as a formal concept, emerged in the mid-20th century. Howard Bowen's boo, Social Responsibilities of the Businessman (1953), is pivotal, positing that businesses have duties to pursue policies aligning with societal values and contributing to the public good (Bowen, 1953, p. 6). Later, the 1970s and 1980s saw the expansion of CSR into more explicit responsibilities. At this time, Archie Carroll started to build on this with his multi-layered concept of CSR, adding ethical and discretionary layers to the existing economic and legal responsibilities (Carroll, 1979). Another milestone is when Edward Freeman's stakeholder theory was introduced in the 1980s, that emphasized considering all stakeholders' interests in business decisions, a significant shift towards inclusive CSR (Freeman, 1984). The 1990s marked the institutionalization of CSR, highlighted by global frameworks such as the Rio Declaration and the Kyoto Protocol, urging businesses to consider their environmental and social impacts. This era also saw CSR increasingly integrated with corporate strategy, as evidenced by the work of Porter and Kramer, who argued that societal problems could offer paths to economic value creation (Porter and Kramer, 2006). In the 2000s, strategic CSR became prevalent with frameworks like ISO 26000 providing guidelines for ethical conduct in business (ISO, 2010, p. 10). Scholars like Carroll and Wood elaborated on CSR's ethical, legal, and economic aspects, forming comprehensive frameworks that firms increasingly adopt (Carroll, 1979; Wood, 1991).

Recently, alternative conceptions of CSR have emerged, typically the view on CSR developed by Visser (2011). Visser's interpretation of CSR arises from dissatisfaction with existing definitions and implementations, which seem to have led to greater societal acceptance of insufficiently sustainable firm behavior rather than substantial contributions to global betterment. Visser developed the concept of CSR 2.0, which includes the principles of creativity, scalability, responsiveness, glocality, and circularity (Visser, 2011, p. 2). The evolution from CSR 1.0 to CSR 2.0 involves several “meta-ontological shifts,” including a change from risk-based to rewards-based, from image-driven to performance-driven, from marginal to scalable, and from Western to global. While CSR 1.0 focuses on incremental changes within companies, CSR 2.0 adopts a holistic approach, emphasizing the systemic symbiosis of business and society. Visser argues that CSR 2.0 ultimately clarifies and reorients the purpose of business, asserting that the purpose of business is not merely to be profitable or serve shareholders (Visser, 2011, p. 8). In the ensuing years, an increasing number of business practitioners and scholars have begun to engage in discussions on the fundamental question regarding the purpose of business, typically the Business Roundtable (2019).

2.5 what is the “Purpose”?

Oxford Dictionary defines purpose as the reason for which something is done or created or for which something exists. Merriam-webster dictionary defines purpose as something set up as an object or end to be attained. From a philosophical standpoint, the concept of purpose is generally defined as the reason for which something is done or created or for which something exists (Zu, 2019, p. 45). Aristotle (1995), the ancient Greek father of Western philosophy, called that purpose telos. Telos can mean “purpose,” “intent,” “end,” or “goal.” The root of telos is wholeness or completion (Aristotle, 1995, p. 50).

It is the root of the term “teleology,” roughly the study of purposiveness, or the study of objects with a view to their aims, purposes, or intentions. In human beings, the achievement of this wholeness of life requires choices carried out in action. Aristotle observed that every person is drawn by a telos or purpose in their lives. He argues that living happily requires living a life of virtue. Someone who is not living a life that is virtuous, or morally good, is also not living a happy life, no matter what they might think (Aristotle, 1995, p. 53).

In the wisdom of Heraclitus, another Greek philosopher of the late sixth century BC and one of the great philosophers before Socrates and Plato, purpose is interpreted as the word “logos,” standing for “the reason why,” the purpose behind what happens, the force that shapes their lives (Zu, 2019, p. 48).

Purpose has been defined and discussed in almost all eras and cultures, including Western, Taoist, Confucian, and Buddhist cultures, although the concept of purpose may differ to a greater or lesser extent in each cultural context. Christianity, for example, considers the purpose of life in relation to God's call to be one of the most essential elements of a meaningful and worthwhile life (Warren, 2002, p. 22). In Eastern cultures, the realization of the ultimate purpose of life, such as true enlightenment and nirvana in Buddhism (Rahula, 1974, p. 89), or the completion of self-cultivation in Taoism and Confucianism (Ho, 1995, p. 73), is morally revered.

In Henderson’s study of some business leaders (2020), she found that a clear purpose for people is deeply rooted in faith traditions or spiritual practices, and each person's life experiences are the source of discovering their purpose in life. For human beings, our purpose is the reflection on the ways in which the problems of our current age have echoed through our own life. Some people have lost the homeland they love due to natural disasters; some people’s lives have been taken by disease; some people have suffered bullying and injustice due to their faith and race. Many of us are broken, and in the profound brokenness of the world, we see echoes of our own hurt and loss. Therefore, we try to predict earthquakes and prevent natural disasters. We become doctors, nurses, and pharmacists to find cures for fatal diseases and fight against pandemics. We go out into the streets to fight against injustice and inequity. Some people's purpose in life is to support their offspring. Some people's purpose is to pursue justice and find truth. There are also those who spend their lives searching for purpose (Henderson, 2020, p. 32).

2.6 what is corporate purpose?

So, what is the purpose of the corporation? Corporate purpose has its origins in binding legal constraints on the scope of corporate operations (Fisch and Solomon, 2021, p. 59). The business corporation got its real start in the 16th and 17th centuries and came fully into its own in the nineteenth century. It was the offspring of collaboration between government and a growing class of enterprising individuals (Ciepley, 2020, p. 45). In 16th century England, corporations were required to specify their purpose in their charters to obtain Parliamentary sanction to operate in the corporate form. Notably, the earliest corporate charters were not utilized for for-profit businesses but for churches, municipalities, and universities. Meanwhile, most early U.S. corporate charters were issued for public purposes, including religious organizations, cemeteries, and charities (Fisch and Solomon, 2021, p. 60). The industrial revolution eroded the operation of charter purpose provisions as legal constraints on corporate behavior. This led states to shift from special charters to general charters that allowed corporations to define their purpose as engaging in any lawful purpose or business activity.

Practitioners, including CEOs, consultants, and the press, have long articulated purpose within their organizations. Dennis Bakke, the CEO of AES, a global electric utility, alludes to the purpose of AES as “meeting the world’s need for safe, clean, reliable and economically priced electricity” (Bakke, 2010, p. 37). Richard Branson, CEO of Virgin Group has said, “It’s always been my objective to create businesses with a defined Purpose beyond just making money” (Branson, 2010, p. 28). Similarly, Paul Polman, CEO of Unilever, has long supported the importance of purpose in business: “We have committed to help provide good hygiene, safe drinking water and better sanitation for the millions of people around the world” (Polman, 2014, p. 49).

In academic literature, various definitions of purpose have been offered over time. Bartlett and Ghoshal (1994, p. 88) define purpose as “the statement of a company’s moral response to its broadly defined responsibilities, not an amoral plan for exploiting commercial opportunity.” Thakor and Quinn (2013, p. 2) similarly define it as “something that is perceived as producing a social benefit over and above the tangible pecuniary payoff that is shared by the principal and the agent.”

Gartenberg and Serafeim (2019) define corporate purpose broadly as “a concrete goal or objective for the firm that reaches beyond profit maximization,” building on the definition proposed by Henderson and Van den Steen (2015). This definition is not explicitly pro-social, although corporate purpose often is. Instead, it focuses on the broader contribution of the organization’s work beyond what is captured in profit measures alone and is consistent with other common definitions of purpose (Chapman et al., 2017, p. 36). However, the fundamental question, relating to the underlying culture and assumptions of business that define what the essential purpose of the corporation is, has a long history and has been extensively debated.

Relevant literature includes discussions and debates around two opposite views: The "Friedman doctrine" considers one and just one social purpose of corporations: value maximization for shareholders (Friedman, 2007, p. 133). Shareholder primacy caught on like wildfire among academics and managers, fueled in part by what became known as agency theory—built on the idea that managers serve as agents for the shareholders, who are the principals of the corporation (Jensen and Meckling, 1976, p. 305). Scholars in finance, strategic management, and other business disciplines began to adopt these methods in their own body of research (Harrison, Phillips, and Freeman, 2019, p. 112). The shareholder primacy doctrine also crept into the business classroom. Darrell West (2011), a senior fellow at the Brookings Institution, examined business and law school curricula and found that in classes that dealt with the topic, the purpose of the corporation was most often defined as maximizing shareholder value. He found that new graduates also held this perception. Regardless, shareholder primacy became dogmatically institutionalized as a norm among business academics and managers (Harrison, Phillips, and Freeman, 2019, p. 114).

Counter to the shareholder point, the development of the stakeholder theory suggests that the purpose of a corporation is value creation for stakeholders, directly related to the responsibilities a corporation has to all stakeholders (Freeman, 1984, p. 25). The business ethics and business and society fields embraced the theory, with business ethics focusing largely on normative issues and business and society using the theory to explain corporate social responsibility and its influence on corporate performance (Harrison, Phillips, and Freeman, 2019, p. 112). Although influential voices have stood up from both sides, the "Friedman doctrine" is the prevailing paradigm that continues to shape business practices, business policy, and business education today (Henderson, 2020, p. 52). This prevailing paradigm has supported business practices that foster growing inequality, environmental degradation, and public mistrust though.

Stakeholder theory fosters a "new set of assumptions about how value is created," where a corporation should also be responsible for creating value for non-shareholders including customers, employees, suppliers, communities, and others. Historically, shareholder view and stakeholder theory discussions provided a comprehensive framework for understanding the basis of Corporate Purpose. Therefore, the Corporate Purpose notion, which shares similar values with stakeholder theory, is generally defined as the meaning and contribution of a firm beyond its financial strategy and performance. It should involve all stakeholders and put people first (Freeman et al., 2020, p. 37), aim to benefit customers (Clack, 2020, p. 22), integrate the needs of society, foster employee well-being and engagement (Tylor, 2019, p. 45), and include and embrace ethics (Freeman, 1994, p. 17).

The debate has continued for a long time without a clear answer partly because corporate law is often silent or ambiguous on the purpose of the corporation. The debate is largely academic and has limited dialogues with corporations that manage business in the real world. If corporations themselves articulate the purpose in their constitutive documents, it might be helpful to resolve the corporate purpose controversy.

The Business Roundtable's purpose statement discussion marks a significant starting point in the debate over corporate purpose among business practitioners. In 1981, adopting an expansive view of corporate purpose, the Business Roundtable stated: "Corporations have a responsibility, first of all, to make available to the public quality goods and services at fair prices, thereby earning a profit that attracts investment to continue and enhance the enterprise, provide jobs, and build the economy. And economic responsibility is by no means incompatible with other corporate responsibilities in society" (Business Roundtable, 1981, p. 4). However, by 1997, the Business Roundtable had shifted to the Friedman shareholder primacy view, stating that "The principal objective of a business enterprise is to generate economic returns to its owners. If the CEO and the directors are not focused on shareholder value, it may be less likely the corporation will realize that value" (Business Roundtable, 1997, p. 2). In 2019, another dramatic statement occurred, as BlackRock CEO Larry Fink's 2019 Letter to CEOs of the thousands of companies around the world in which BlackRock is a lead investor, Fink emphasized the principles of corporate purpose: "Every company needs a framework to navigate this difficult landscape, and it must begin with a clear embodiment of your company's purpose in your business model and corporate strategy" (Fink, 2019, p. 3).

Larry Fink doesn't walk into this road alone. Rebecca Henderson supports the broader definition of corporate purpose proposed by the Business Roundtable. In her book, she writes, "Corporate purpose is a company's fundamental reason for being that goes beyond profits. It describes why a company exists and the impact it wants to make. Corporate purpose conciliates profit with the needs of the planet and people, allowing businesses to be the most powerful vehicle to create social change. It defines why a company exists and the impact it can make" (Henderson, 2020, p. 45). Similarly, Clark (2020) states that maintaining the social license to operate should be embedded in corporate purpose, as it is coming to be recognized as a strategic risk in which corporate legitimacy, credibility, and trust are in the balance (Clark, 2020, p. 30). The social license to operate, or simply social license, refers to the ongoing acceptance of a company or industry's standard business practices and operating procedures by its employees, stakeholders, and the general public

(Kenton, 2019, p. 22). Sjåfjell and Taylor (2019) expanded on this idea, proposing a reform that redefines corporate purpose to create sustainable value within planetary boundaries while respecting the interests of investors and other stakeholders. This includes redefining the board's responsibilities to promote sustainable value and integrating sustainability assessments and verified key performance indicators into business practices (Sjåfjell and Taylor, 2019, p. 78).

Overall, there is a growing consensus that corporate purpose should extend beyond profit maximization to include broader societal and environmental responsibilities. This shift is reflected in various reform proposals and academic discussions, aiming to integrate sustainability and stakeholder interests into the core business strategies. In the following chapters, I will primarily focus on Business Roundtable (BRT) to elaborate on the discussions and perspectives of business leaders and practitioners on this topic.

2.7 Business Roundtable’s statements for purpose-driven management

The Business Roundtable, a notable association comprising chief executive officers (CEOs) of leading U.S. companies, was established in 1972 and has since become an influential entity in shaping public policy, particularly in matters affecting the business landscape and economic growth in the United States (Business Roundtable, 2019). Its membership includes CEOs from America's top companies, which represent a significant fraction of the U.S. stock market's total value and a considerable portion of the nation's economic output. Collectively employing millions, these companies grant the Business Roundtable substantial clout in policy dialogues.

A distinguishing feature of the Business Roundtable is its periodic issuance of statements and principles that reflect contemporary corporate leadership trends. These encompass corporate governance, corporate responsibility, and economic policy. Notably, the 2019 Statement on the Purpose of a Corporation marked a paradigm shift from an exclusive focus on shareholders to a broader commitment encompassing all stakeholders, such as employees, customers, and communities.

The Business Roundtable's influence extends globally, impacting international policies and practices due to the worldwide reach of its member companies. Historically, since 1978, the Business Roundtable has issued Principles of Corporate Governance. In the 1980s, their Statement of Purpose underscored the need to invest in workers and communities. However, by 1997, responding to the pressures from corporate raiders, the focus shifted to affirm shareholder primacy, emphasizing that the main objective of a business enterprise is to generate economic returns for its owners. The 2019 statement signified a return to a broader view, emphasizing the significance of all stakeholders (Business Roundtable, 2019).

The 2019 Statement articulated that Americans deserve an economy that allows each person to succeed through hard work and creativity, suggesting that businesses should foster innovation, create jobs, and provide essential goods and services, thereby contributing to economic growth and societal well-being (Business Roundtable, 2019). Prominent industry leaders endorsed this updated statement, noting its positive implications for long-term value creation. Jamie Dimon, Chairman and CEO of JPMorgan Chase and Co. and Chairman of the Business Roundtable, emphasized the importance of investing in workers and communities for enduring success. Similarly, Bill McNabb, former CEO of Vanguard, endorsed the statement, stressing that a broader perspective on corporate purpose aids boards in focusing on creating long-term value for all stakeholders (Harrison et al., 2020; Business Roundtable, 2019).

In summary, the Business Roundtable's 2019 statement marked a significant evolution in corporate philosophy, expanding the understanding and practice of corporate purpose to include a broader array of stakeholders beyond just shareholders. This shift reflects a growing acknowledgment of societal and environmental concerns but also introduces new complexities and potential legal challenges in corporate governance.

2.8 Henderson ‘s idea of “Purpose-driven Management”

Rebecca Henderson is one of 25 University Professors at Harvard, a research fellow at the National Bureau of Economic Research and a fellow of both the British Academy and of the American Academy of Arts and Sciences. Her research explores the degree to which the private sector can play a major role in building a more sustainable economy. Henderson studies the innovation in the 21st century which tackles the issues and challenges of our time from the perspectives of architectural change and purpose (2020). Her other works include “tacking climate change requires organizational purpose” (2020), “sustainable business strategy” (2017), “the business case for saving democracy” (2020) and so on. Her most recent publication is “Reimagining Capitalism in a World on fire” in 2020, which gets to the heart of what’s wrong with modern capitalism and lays out a pragmatic roadmap for how business can help to catalyze the systemic change we need to build a capitalism that works for everyone with the help of “Purpose-driven Management”.

In the beginning of Henderson’ book, she acknowledges that capitalism is one of the great inventions of the human race, but at the moment it is not working for the vast majority of the world’s population (Henderson, 2020, p.13). Solving the great problems that grow significantly, including massive environmental degradation, economic inequality and institutional collapse of our time will require reimagining capitalism by balancing the power of the free market with capable, democratically accountable government and strong civil society (Henderson, 2020, p.14). By speaking reimaging capitalism, Henderson (2020, p.18) urges that the purpose of the firm should be away from maximizing shareholder value, which is an old economics idea often described as Friedman doctrine. Across much of the world, business leaders have long believed that the purpose of the firm is to maximize shareholder value, or, in the words of Milton Friedman (1970), the responsibility of managers is to conduct the business in accordance with the desires of the firm's owners which generally will be to make as much money as possible. Profit maximization only increases prosperity and freedom when capital markets are genuinely free and fair, but the current markets have been facing challenges and failures including improperly priced externalities, lack of access to opportunity and monopolized economic and political power held by extractive elites and cronies (Henderson, 2020, p.30). Thus, Henderson (2020, pp. 18-33) promotes that a pro-social purpose of corporate should go beyond profits maximization and taking responsibility for the health of the natural and social systems on which we all rely not only makes good business sense but is also morally required by the same commitments to freedom and prosperity that drove our original embrace of shareholder value.

Henderson's book also introduces the Business Roundtable's purpose statement as a famous example for the debate and paradigm shift (2020). After emphasizing the importance of changing the purpose of doing business to solve the current problems capitalism has brought to us, the question is what a purpose-driven organization may look like? Through 20 years research of practical business cases, Henderson (2020, p.87) concludes that effective purpose-driven corporations share two elements: a clear sense of their mission in the world and the commitment to building an organization in which every employee is treated with dignity and respect and viewed as a whole human being whose autonomy and worth is to be honored. If purpose-driven corporates are so effective, how can it be done? Although Henderson offers suggestions like learning to love the long term from financial perspective (Henderson, 2020, p.109), changes to accounting standards, corporate law, governance method and normative and cultural framework within which business operates (Henderson, 2020, p.177),

Perhaps the greatest highlight of her book lies here in the individual-centric methodology she proposes. In another word, finding your own path towards changing the world is the essential part of the changing purpose (Henderson, 2020, p.219).

Henderson (2020, p. 221) argues that everyone shares a common understanding of the need to balance short-term returns with the public good and the long-term potential of the business. When asked "what can I do" to change the purpose of the company or to change the world, it's easy to fall into the trap of thinking that only heroes or heroines can make the change (Henderson, 2020, p.223). However, this focus reflects the structure of our minds and the nature of modern communication, not the way in which change actually happens. Henderson argues that we human use stories to make sense of the noisy, messy, complicated reality of the world, and stories need central characters, which are single individuals and human ourselves, but the real world doesn't actually work that way (Henderson, 2020, p.224).

Before making an organizational change of corporate purpose, Henderson (2020, p.225) advocates that individual should discover our own purpose first. The discovery process can start with questions like: What is it you hold dear? What are you willing to fight for? What do you value above everything else? Whatever you choose to do, make sure that it aligns with the deepest part of who you are (Henderson, 2020, p.225). She also mentions that she's surprised by how often the purpose-driven leaders she meets are deeply rooted in a faith tradition or in a spiritual practice and herself is a believer of Buddhism (Henderson, 2020, p.225). Another route to purpose is to reflect on the ways in which the problems of our current age have echoed through life, for instance, the death of loved ones, poverty at a young age and the influence they received from social movements (Henderson, 2020, p.225). Since humans are social animals, our actions will help persuade others to change their own behavior, even a small sacrifice will help persuade that we can make some difference and that our voice counts (Henderson, 2020, p.226). Meanwhile, we all need allies who share our goals and hang out with them because there is strength in numbers and there is no better antidote to despair than working together with others to drive change. Every major political and social movement has been fueled by people who were willing to do the hard work of coming together to support each other in demanding change (Henderson, 2020, p.226).

Furthermore, Henderson (2020, p.226) suggests to start a new company with a different vision and bring your personal values to work. If you work at a large organization, you can be a values-driven intrapreneur who sees the opportunity for change and builds a team around it. It's nearly always the people on the ground who know what can be done, not the people in the corner office (Henderson, 2020, p.227). She also encourages more young talents and financial experts to work for an impact investor or a family office or a venture capitalist or a private equity firm that understands that there's lots of money to be made in saving the world, which might help rewire the twisted return-oriented capital markets (Henderson, 2020, p.227). Furthermore, since we won't get far without rebuilding trust in government at every level, working in government and getting more smart and capable people involved in politics can help make regulations to properly price the externalities and balance the power of business groups by the power of the democracy (Henderson, 2020, p.228).

Last but not the least, Henderson reminds that we should take care of ourselves and remember to find joy (Henderson, 2020, p.229). Individuals don't need to transform the structure of the modern corporation single-handedly to make a difference. Henderson believes that if people can make even a small part of a single firm a better place to work, it will make a change. She also introduces the concept from Buddhism ideas that, for Buddhists, they are not going to die because they don't even exist. The purpose of Buddhism is that life is like a journey and the purpose the journey is not to find the end but to enjoy the wonderful companions.

In conclusion, Henderson's book has a positive view of purpose-driven companies that have the potential to solve the current problematic capitalist world. Henderson argues for a reimagined capitalism that integrates social and environmental responsibility into its core, aligning with a broader set of human values beyond mere profit. She posits that successful, purpose-driven companies share a common mission and respect for individual dignity. Henderson suggests that individual actions and purpose discovery are foundational for systemic change. She underscores the importance of aligning personal values with professional endeavors, whether by starting a new venture, driving change within existing structures, or influencing policy. She also stresses the power of collective action and the need for engagement in democratic processes to rebalance power dynamics. Additionally, Henderson touches on the spiritual and personal aspects of purpose, encouraging self-reflection and the pursuit of joy and well-being as part of the journey towards societal transformation. Her perspective is that small, consistent actions by individuals can lead to meaningful change, resonating with the idea that the journey itself is as important as the destination. Henderson's vision for a reimagined capitalism is one where every person can make a difference, and where companies contribute positively to society and the environment.

2.9. Mayer ‘s idea of “Purpose-driven Management”

Colin Mayer is the Peter Moores Professor of Management Studies at the Saïd Business School at the University of Oxford. He is a Professorial Fellow of Wadham College, Oxford and an Honorary Fellow of Oriel College and St Anne's College, Oxford. Colin Mayer researches in the fields of corporate finance, governance, regulation, taxation and the role of the corporation in contemporary society. He works on the nature of the corporation, the regulation of financial markets and institutions, and their effects on the financing and control of corporations. The common theme of his research is the international comparative nature of corporate finance and corporate governance and the relation of these to financial markets.

According to Colin Mayer capitalism is increasingly recognized as a source of rising levels of inequality, environmental degradation, social exclusion, political divisiveness, and mistrust while he believes that corporations still hold the power to reshape capitalism by rethinking the purpose of business (Mayer, 2020, p. 150).

Mayer argues that the purpose of the business is to produce profitable solutions to the problems of people and planet, not profiting from producing problems (2022, p.160). Similar like Rebecca Henderson, Mayer also incorporated his research into the book “*Prosperity*” (2019), promoting the redefinition of the corporations.

Colin Mayer’s book *Prosperity* starts with the title that “Better Business Makes the Greater Good” (Mayer, 2019). “Purpose” is a generic concept that does a lot of work in his book. In the first chapter, Mayer sets out the case for reinventing the corporation. This centers round a reconsideration of the values and purpose of the corporation and the ownership and governance that are required to achieve them (Mayer, 2019, p.26). There is also a strong statement against the traditional economics theory, the shareholder primacy and Friedman doctrine, the intellectual foundation of which is defined by Mayer (2019, p.31) as fundamentally wrong. Mayer (2019, p.42) argues that it is wrong to protect shareholders by emphasizing their rights and powers, and viewing the corporation as their instrument. However, he also thinks that it would be wrong to transfer control of the corporation to stakeholders such as creditors, customers or employees, for this would make it difficult to raise capital. Mayer rather suggests enhancing separation of management control from ownership of the firm and focusing on the fiduciary responsibility of directors to the members of the corporation. In his proposed better corporation model, directors balance the interests of shareholders with those of creditors, employees, customers, and communities, in pursuit of the long-term prosperity of the corporation. He believes, an excessive focus either on shareholder returns or on stakeholder interests would jeopardize the delicate balance between present members and future generations.

Mayer (2019, p.54) redefines the corporation as a "nexus of relations" and specifies that these relations are based on trust, which depends on commitment. The corporation itself is an instrument of commitment, which must be understood as commitment to corporate purpose (Mayer, 2019, p.54). In other words, the corporation assures commitment, which generates trust and facilitates the relations with the different parties involved, in adherence to corporate purpose. In the author's conception, contracts are replaced by relations. Mayer (2019, p.55) thinks of the corporation as an institution: "the law recognizes that the corporation is a legal personality distinct from its shareholders". Mayer (2019, p.55) also argues that the trusted firm's key determinants are purpose, ownership and governance but corporate purpose is not simply to make profits, which are rather its product. Successful corporations have a clearly defined purpose, stable and supportive ownership, and accountability of boards and directors, which is defined by Mayer (2019, p. 55) as "enlightened corporations". In his opinion, company law should be reformulated to require corporations to articulate their purposes, along the model of the benefit corporation under US corporate law (Mayer, 2019, p.58). The benefit corporation has a stated public purpose alongside its commercial objectives, which are enshrined in its charter. And directors have a fiduciary duty to uphold those public purposes and "if they fail to do so then shareholders can seek injunctive relief to prevent them abusing the corporation's purposes" (Mayer, 2019, p.58).

Mayer (2019, p.63) deals with values by starting from the analogy between biology and economics, and emphasizing the perennial tension between competition and cooperation. Mayer (2019, p.69) argues that the corporation has greater power to achieve values than individuals while corporations are potential enablers or extinguishers of integrity that individually we are incapable of establishing. Next, Mayer (2019, p.109) describes corporate governance as "governance of purpose", while defining corporate purpose as "the reason for a company's existence". He also added that companies exist to do things, not simply to make profits: "In exact contradiction to the Friedman doctrine, the purpose of companies is to produce solutions to problems of people and planet and in the process to produce profits, but profits are not per se the purpose of companies" (Mayer, 2019, p.126). Mayer (2019, p.130) here argues that "purpose is primary and shareholder value derivative". This last statement reflects his criticism of the shareholder value philosophy. Furthermore, Mayer focuses on performance measurement. He starts from highlighting a mistake that we make in recording activities and transactions without taking proper account of their effect on our environment and natural capital (Mayer, 2019, p.147). Fair profits can be used to establish whether companies are fulfilling their purposes by making the benchmark for fair profits not just capital maintenance but also the realization of corporate purposes (Mayer, 2019, p.33). So if, for example, the purpose is to enhance the well-being of customers in relation to their health or leisure then a company will be reporting fake profits if it fails to deliver on its promises, and if the true profits are actually losses then they are cheating their customers to a point that they cannot fulfil their promises profitably. Fixing financial reporting of profits to be fair rather than fake therefore promotes purpose from being a persuasive principle to a powerful practice. Mayer (2019, p.165) also argues that corporate law should be not simply be considered as a set of rules that define rights and responsibilities and what firms can and should do, but as a way of allowing different parties to commit to the common purposes that the corporation promotes. Mayer's favors of family ownership (2019, p.89) and family governance in Japan (2019, p.110), industrial trusts in Germany and Denmark (2019, p.176) implies that Mayer prefers modes of investment and governance that utilize interpersonal norms and organizational commitments and disfavors anonymous, short-term market relations. The concern in agency theory is that principals with diminished control rights will be unable to organize in order to protect their interests with respect to the shares that they hold. While Mayer has little to say about property-based accounts of owners' rights, he makes some provocative claims about owners' responsibilities: "ownership involves committing to, not controlling, entrepreneurship and innovation" (Mayer, 2019, p.145). On this account, the moral status of an owner is partially determined by that owner's commitment to a firm's purpose. Owners who are committed to firms that are, in turn, committed to meaningful pursuits have a special moral status. They secure a moral claim to their just deserts by having earned them, by having helped to accomplish something that they did on purpose without depleting resources in the process. Being purposeful invites innovation through specialization in capital provision, management, and business strategy. In contrast, firms without a specific sense of purpose are less capable of accomplishing anything because they do not know what they are trying to do: “Vacuous statements of values create a vacuum in social contracts that companies cannot credibly fill” (Mayer, 2019, p.199). We can clearly feel Mayer’s family-centric tendencies. Mayer (2019, p.61) argues that corporations are inhumane because we have taken humans and humanity out and replaced them with anonymous markets and shareholders over whom we have no control. Mayer worries that we have systematically eradicated the humanities from the study of economics and business. Therefore, restoring trust in corporations via people is urgent because without it our economic systems will continue to collapse, our financial systems to fail, and our environment to degrade (Mayer, 2019, p.61). Mayer’ book ends with a call to business owners for distinguish just, righteous, virtuous, or good corporate purposes from those that are not. In conclusion, Mayer connects the company's purpose with individual moral sentiments or ethics, although not from the employees, but from the of owners.

In conclusion, Colin Mayer advocates for redefining the corporation's role in society, emphasizing trust, purpose, and commitment over mere profit-making. He critiques the traditional shareholder primacy model, proposing a balanced approach where corporations serve broader societal goals while maintaining economic viability. Mayer's vision includes reforming company law to articulate corporate purposes, aligning financial reporting with genuine value creation, and fostering ownership models that prioritize long-term commitments over short-term gains. He underscores the importance of humanizing corporations and aligning corporate activities with ethical and sustainable practices.

2.10 "Purpose-driven Management" practice

"Putting Purpose Into Practice: The Economics of Mutuality," edited by Colin Mayer and Bruno Roche (2021), is a comprehensive guide on how businesses can integrate a broader, purpose-driven approach into their operations. The book is based on extensive research conducted by the Saïd Business School and it delves into the concept of the Economics of Mutuality, which advocates for businesses to move beyond traditional profit maximization to focus on creating value for all stakeholders (Mayer and Roche, 2021, pp. 1-3). The book provides practical frameworks for businesses put purpose into practice and discusses how businesses can redefine their ecosystems, measure performance beyond financial metrics, and adopt practices that are beneficial for all stakeholders involved (Mayer and Roche, 2021, pp. 6-8).The practical perspectives of this approach involve the motivation of developing purpose-driven management and the process of integrating purpose into every facet of a business's operations (Mayer and Roche, 2021, p. 102).

The motivation, or driving forces, for creating purpose includes both internal and external drivers. Internal drivers are deeply rooted in the visionary zeal and commitments of organizational leaders, particularly a company's founders. Founders' beliefs, values, and principles indelibly stamp the corporation's ethos, enduring well beyond their direct stewardship. Founders perpetuate their influence through systems designed to embed their convictions. Akroyd and Kober (2020) report that founders who drive strong employee attachment to a firm and spur passionate alignment with its vision are more likely to design and use management control systems that foster a family-like commitment to the firm, while reducing the likelihood of bureaucratic structures that could damage firm culture (Akroyd and Kober, 2020, p. 67).

Furthermore, vigorous employee engagement stands as an additional intrinsic catalyst of corporate purpose. It is documented that employees participate in corporate societal engagements, even in entities where remuneration is subpar compared to competitor firms, in anticipation of personal gains such as acquiring novel competencies or enhanced vocational trajectories (Bode and Singh, 2018, p. 24). Engagement in such societal endeavors also amplifies motivation and dedication. Broadly speaking, enterprises permitting personnel to partake in or spearhead societal projects can augment employee identification (Glavas and Godwin, 2013, p. 16), attract talent (Bode, Singh, and Rogan, 2015, p. 40), and bolster staff retention (Jones, Willness, and Madey, 2014, p. 55).

External driving factors of corporate purpose can be discerned within a myriad of "theories of external influence," such as responsiveness to ecological exigencies, stakeholder theory, and market-oriented scrutiny (Schillebeeckx, Kautonen, and Hakala, 2021, p. 58). These frameworks posit that corporate entities should engage in anticipatory reactions to external forces to safeguard and augment their capability for value generation and capture. Ecological responsiveness suggests that firms, motivated not solely by operational efficiency and intrinsic impetuses, ought to address environmental pressures to attain legitimacy (Bansal and Roth, 2000, p. 717), which in turn endows them with a societal operational warrant (Mele and Armengou, 2016, p. 8). Market-oriented inquiry posits that corporations must cater to the requisites of diverse consumer cohorts, thereby aligning their internal mechanisms and assets with consumer-driven demands (Priem, Wenzel, and Koch, 2018, p. 480). Stakeholder theory, in its nascent formulation, contends that corporations bear accountability for the guardianship of marginalized and impacted communities within their sphere of influence (Freeman, 1984, p. 25). Subsequent scholarship has suggested a more utilitarian standpoint, advising that firms should stratify stakeholders based on their authority, legitimacy, and utility (Mitchell, Agle, and Wood, 1997, p. 865).

Through social movements, stakeholders articulate their concerns in diverse manners that may prompt firms to reassess or reaffirm their corporate purpose. Enduring environmental reliance can instill distinct ethos within a firm while unforeseen environmental jolts such as pandemics can challenge firms' purposes, prompting them to explore, reevaluate, or reconstruct it (Valentine, 2020, p. 32). Progressive environmental shifts may also propel firms to reconsider their reason for existence. In the U.S., systemic shifts such as the waning involvement of the government, curtailment of federal outlay on communal services, diminished backing for non-governmental organizations, and the escalating expenditures of socio-environmental initiatives have catalyzed the advent of social ventures and purpose-oriented enterprises to bridge these voids (Zahra et al., 2009, p. 519).

Succeeding in fulfilling corporate purpose requires more than the internal influence of founders and employees and the external influence of various stakeholders. While these drivers can trigger its emergence, corporate purpose must be implemented at all levels of the organization to become fulfilled. The first thing we need to consider during practice is how to define it (Mayer and Roche, 2021, p. 75).

In articulating a potent and actionable corporate purpose, it is essential to rally the collective insights of the organization's constituents to forge a distinctive, implementable concept of its purpose. Foundational to this endeavor for most enterprises with a purpose-driven management orientation is the establishment of a suite of values, which commonly stem from the organization's founders (Horwath and Drucker, 2005, p. 45). The nature of these values, whether pleasure-seeking as posited by Stengel (2011) or rooted in duty as Hollensbe et al. (2014) have suggested, is subordinate to the organization's proactive efforts to articulate and disseminate them as integral components of a cohesive organizational identity (Aust, 2004, p. 122). While founders and sometimes other pivotal leaders or events may impress values upon the organization (Marquis and Tilcsik, 2013, p. 78), it is imperative to recognize that these values are merely the constituents of corporate purpose, not the epitome of it. Purpose materializes when organizations assimilate their values into a lucid mission statement reflecting their immediate objectives, as well as into an expansive vision delineating long-range aspirations and serving as a beacon for strategic choices. For these values, along with the mission and vision, to effectively steer organizational conduct, they must amalgamate into cohesive narratives that delineate the organization's saga. Narrative constructs, ranging from full-fledged stories to story snippets, empower organizational members and stakeholders to interpret their milieu and can channel their actions (Shapiro, 2016, p. 52). It is crucial for these narratives to maintain authenticity in external communication.

Once an organization has defined its purpose, acting on it becomes the next critical challenge. Because purpose in its current understanding goes beyond profit maximization, purpose-driven corporations must design their core activities, structures, and processes with their own hybrid nature in mind (Henderson, 2019; Mayer, 2020). This necessitates configuring the business model, partnerships, organizational structure, and legal framework to be congruent with the firm's purpose, integrating purpose into organizational routines and practices, and establishing governance protocols that embed purpose within the firm's management control systems and decision-making processes. In terms of structuring, the objective is to guarantee that corporate purpose realization is a collective endeavor across the firm rather than relegated to isolated departments. Studies indicate a rise in innovative organizational designs and hybrid structures that navigate the complexities of infusing purpose into the organizational framework. Such entities embed purpose within their business models, partnerships, structural makeup, and legal identity. Despite their potential efficiency and ability to mitigate transaction costs, such emerging organizational forms may initially face legitimacy challenges until they achieve institutionalization (Luo and Kaul, 2019, p. 112). The intricacies involved in managing a Benefit Corporation or B Corp exemplify this, with their broader fiduciary duties and heightened transparency and accountability standards (Montgomery, 2014, p. 89). Embedding purpose within a company's day-to-day routines and recruitment practices reduces uncertainty in employee conduct. This has bearing on reward systems and necessitates the establishment of diversity objectives that resonate with and exemplify the firm's purpose (Roberson, Buonocore, and Yearwood, 2017, p. 68). When such objectives are implemented from the upper echelons, they can engender positive downstream impacts (Gould, Kulik, and Sardeshmukh, 2018, p. 37). Finally, purpose-driven management's influence extends to corporate governance. Diversity within governing bodies, including independent and female directorship, has been linked to enhanced firm value (Fernández-Gago, Cabeza-García, and Nieto, 2016, p. 210). Nonetheless, it remains infrequent for CEOs to weigh the cultural congruence between their company's purpose and that of potential M&A or JV partners as a significant criterion in their decision-making (PWC, 2016, p. 93). The prevalent rate of M&A disappointments underscores the significance—and potential costs—of neglecting these more nuanced considerations (Kumar and Sharma, 2019, p. 56).

The culmination of integrating purpose-driven management within an organization is the actualization of normative purpose. This concept, as acknowledged in scholarly discussions on inclusive growth and social entrepreneurship, extends even to contemporary interpretations of utilitarian theory (George, 2012, p. 55). Some scholars propose a shift toward "ecological-centrism," positing that the natural environment is fundamental to society and the economy (Mayer, 2021, p. 102). Embracing this concept, it is argued that realizing purpose necessitates generating both private and public value. Occasionally, this might involve forgoing immediate value capture from activities incongruent with the firm's established purpose. Purpose-driven entities aim to fulfill a spectrum of objectives, adjusting their priorities contextually. Central to this is the generation of value through excellence in fulfilling the firm’s declared aims. Investments in environmental, social, and governance (ESG) considerations can, for instance, decrease capital costs (Gast et al., 2020, p. 36). Crucially, such firms appraise their impact on a broad array of stakeholders. An increasing number of corporations are assimilating ESG criteria into their operational strategies and striving to enhance their roles as corporate citizens. For example, the banking giant SMBC is innovating multi-stakeholder assessment instruments to assist clients in evaluating climate risks and to refine risk management within its lending activities (SMBC Group, 2023, p. 21). By incorporating considerations of environmental impact and diverse regional unemployment rates, the bank is crafting a lending strategy predicated on a more expansive set of criteria than mere debt repayment potential, thus advancing resource allocation towards broader value creation and multi-stakeholder influence.

2.11 the Essence of “Purpose-driven Management”

By reviewing the development of the of CSR, it is clear that the main focus of CSR is on how the relationship between corporates and society. Starting from Bowen (1953), obligations of business to our society; Morrell Heald (1957), company's obligation to the society it serves; Frederick (1960), company's public posture toward social ends; Walton (1967), the relationships between the corporation and society; Carroll (1979), expectations that society has of organizations; Jones (1980), corporations have an obligation to constituent groups in society; Porter and Kramer (2006), linking societal contribution to company's competencies. We can consider that the main object of CSR research is still the corporation itself. Meanwhile, in terms of "Purpose-driven Management", Henderson (2020) advocates that finding your own path towards changing the world is the essential part of the purpose management. Henderson (2020) argues that personal, individual freedom is the primary goal of society and that an individual's ability to make decisions about the disposition of her resources and time should be one of society's highest goals, which is from individual-centric perspective. Her views in the book all reveal a strong humanistic sentiment including story-telling and individual discovery (2020). Similarly, we can find in Mayer' book (2019) as owners' governance via purpose, commitment to a firm's purpose, anti-inhuman activities and trust issues via people (2019). In Colin Mayer's book *Prosperity* (2019), he also made an analogy between biology and economics, and emphasizing the perennial tension between competition and cooperation in both ecosystem and business system. The survival of the fittest, as one of the most basic biological Darwinist conclusions, plays a role in Friedman's theory of capitalism, in which the mechanism of market can select the most efficient firms through competition (Mayer, 2019). Similarly, based on the history of the development of CSR we reviewed in the previous chapters, we observe the same pattern of environmental adaption in CSR. In another word, the corporations are required to go for CSR activities passively. ISO 26000 CSR management standard requires that responsibility of an organization for the impacts of its decisions and activities on society and environment should be taken into account of the expectations of stakeholders (ISO, 2010). One may argue that philanthropic CSR from Carroll (1979) is active behaviour. However, those behaviours are expected or required to comply with laws and regulations as a condition of operating or as an ethical fashion. Porter and Kramer (2006) confirm the passiveness in their study that "many companies awoke to it only after being surprised by public responses to issues they had not previously thought". Although the concept of CSV (Porter and Kramer 2006) mentions about social integration, which shows some sort of activeness, more passive examples are particularly common in companies from late-developing countries who want to catch up with the CSR trend in America and EU nations. Horiguchi (2020), in his study of business ethics in Japan, argues that Japanese companies have adopted CSR policies mainly due to regulations even though they have been sceptical about the effectiveness of such CSR policies. This passive pattern of CSR has been detected in other markets, including Alicia Hennig's study of business ethics in China (2020). However, both Mayer (2019) and Henderson (2020) promote that we need to actively take action and make a change to the integrated capital system.

Thus, based on previous literature review and discussion, we can safely answer the research question one "*what is the essence of the rising concept of Corporate Purpose?"*: the essence of "Purpose-driven Management" naturally connects with individual purpose and active engagement. Since the effectiveness of "Purpose-driven Management" lies on individualism that means employees shall develop shared purpose from the alignment of their individual purposes. When individuals pursue their own purpose within a shared purpose under corporation, it can lead to more active engagement beneficial collective outcomes, that finally leading to individual fulfillment, the advancement of the company's growth and social impacts.

Chapter 3 Research Design

Previous literature discussions have introduced the historical development from Corporate Social Responsibility to Corporate Purpose and evaluated the practical process of Purpose-driven Management, which helps us understand the essence of Purpose-driven Management (Kumar and Sharma, 2019, p. 45; Henderson, 2020, p. 67; Mayer and Roche, 2021, p. 89). In order to answer the second research question, we need to elucidate how companies implement purpose-driven management practically. To further elucidate the motivations and management activities of specific companies that are actively practicing purpose-driven management, a qualitative study using participant observation is suggested (Jessica Claudia Iacono, Brown, and Holtham, 2009, p. 62).

This study will focus on two Japanese companies and conduct a case study by conducting participant observation and semi-structured interviews, as well as analyzing the content of the companies' public documents and lectures, in order to identify the companies' purpose-driven management process and overall mechanisms.

3.1 Analytical framework

The Purpose-driven Management, as a new approach of managing corporate purpose, has the potential to solve the current problems including massive environmental degradation, economic inequality, and institutional collapse (Henderson, 2020). It is not just about adopting a purpose statement but also about embedding this purpose into the core strategy and culture of an organization. However, even in the Business Roundtable there are CEOs who are skeptical about it, and some even think it's just another form of managerialism. Therefore, the process, typically the realizations of actual purpose are crucial to achieving the goals of solving the social and environmental issue. The practical perspectives of previous study of purpose-driven management involve the motivation of developing purpose driven management and the process of integrating purpose into every facet of a business's operations (Mayer and Roche, 2021, pp.1-5)

Speaking of Henderson's purpose principles (2020), as mentioned in section 2.8, it highlights an individual-centric methodology for achieving purpose-driven change, emphasizing the need for individuals to find their own driving forces towards changing the world (Henderson, 2020, p. 219). Before making organizational changes, Henderson advocates for individuals to first discover their own purpose by reflecting on what they hold dear and what they are willing to fight for, ensuring alignment with their deepest values (Henderson, 2020, p. 225), which is the process of defining the purpose. She also posits that humans use stories with central characters to make sense of the world, but real change is a collective effort by taking action. (Henderson, 2020, p. 224). Henderson also emphasizes that small individual actions can persuade others and contribute to broader change, highlighting the importance of finding allies and working collectively (Henderson, 2020, p. 226). Nevertheless, Henderson reminds readers to take care of themselves and find joy in their journey, enjoying the fruitful outcome from fulfilling purpose (Henderson, 2020, p. 229).

Regarding Mayer and Roche's practice framework (2021), concluded from several case studies that illustrate how companies have effectively applied these principles, Mayer and Roche propose that articulate a clear purpose that reflects their commitment to social and environmental well-being, embedding this purpose into their mission statements, strategies, and daily operations (2021, p. 32), identify and engage with all relevant stakeholders via creating and nurturing relationships based on trust and mutual benefit (2021, p. 45), develop practices and policies that enhance non-financial capitals, such as employee development programs, community engagement initiatives, and sustainable resource management strategies (2021, p. 73), create programs and initiatives that encourage self-reflection and align personal and organizational goals to enhance engagement and motivation (2021, p. 134).

In this study, in order to answer the second research question and better understand the practice of purpose-driven management, we combine Henderson's purpose principles (2020) with Mayer and Roche's practice framework (2021) to form an analytical framework consists of four core elements: 1. Driving factors, in another word, motivation; 2. Defining the purpose; 3. Acting the Purpose-driven Management; 4. Fruiting the purpose.

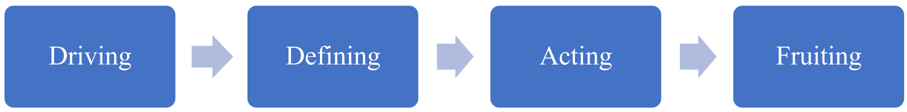

Figure 3.1 purpose practice framework

We start with the ***driving*** forces of having purpose, including both internal and external drivers. Then, ***defining***, entails the definition of the firm's mission statement and vision, the articulation of a clear set of values, and the expression of corporate narratives that connect values, mission, and vision. Next, we dissect the ***acting*** by examining three constituent parts: structuring, embedding and governing. Finally, we look at the ***fruiting*** via multistakeholder impact and value creation. Here's an expanded explanation of each element:

The ***driving*** forces for creating a purpose-driven organization stem from both internal and external drivers. The beliefs, values, and principles of a company's members play a crucial role in shaping its ethos. For example, founders often embed their convictions into the organization through designed systems, ensuring their influence persists beyond their direct involvement. Akroyd and Kober (2020) found that founders who foster strong employee attachment and alignment with the company's vision are likely to implement management control systems that promote a family-like commitment, avoiding bureaucratic structures that could harm the firm's culture (p. 67). High levels of employee engagement act as an intrinsic catalyst for corporate purpose. Employees often participate in corporate societal engagements for personal growth, such as acquiring new skills or improving their career prospects (Bode and Singh, 2018, p. 24). Meanwhile, firms respond to external pressures to safeguard and enhance their value generation capabilities. For instance, ecological responsiveness suggests firms address environmental pressures to gain legitimacy (Bansal and Roth, 2000, p. 717), while stakeholder theory asserts that companies should protect and consider the interests of marginalized communities within their influence (Freeman, 1984, p. 25; Mitchell, Agle, and Wood, 1997, p. 865). Market-oriented scrutiny emphasizes aligning internal mechanisms with consumer demands (Priem, Wenzel, and Koch, 2018, p. 480).

Defining corporate purpose often requires collective insights from organizational members to develop a distinctive, actionable concept. Top managers often set the foundational values, whether pleasure-seeking or duty-bound (Horwath and Drucker, 2005, p. 45; Stengel, 2011; Hollensbe et al., 2014). These values must be articulated and disseminated as integral to the organization's identity (Aust, 2004, p. 122). Purpose materializes when values are integrated into a mission statement reflecting immediate objectives and a vision outlining long-term aspirations. These must be conveyed through authentic narratives that guide organizational behavior (Shapiro, 2016, p. 52).

Acting purpose requires integrating it into all organizational levels and designing core activities, structures, and processes accordingly. Purpose-driven organizations must align their business models, partnerships, structures, and legal frameworks with their purpose. This involves embedding purpose into routines, practices, and governance protocols. Innovative organizational designs and hybrid structures can help navigate complexities but may face legitimacy challenges initially (Luo and Kaul, 2019, p. 112).

Fruiting means realizing purpose, which involves generating both private and public value, aligning with broader societal and environmental goals. Purpose-driven corporations aim to fulfill a range of objectives, sometimes sacrificing immediate value capture for long-term purpose alignment. Investments in environmental, social, and governance factors can reduce capital costs and enhance corporate citizenship (Gast et al., 2020, p. 36).

3.2 Research Construct and Reasoning

In order to examine the practical actions of how to develop and embed a sense of shared purpose, how individuals are motivated and aligned with corporate purpose, and understand the mechanism behind it, it is important to select cases that meet the criteria as the corporation with broader purpose. Meanwhile the selected case should effectively practice purpose-driven management, which could provide insights and wisdoms into the process being investigated (Yin, 2009, p. 29). Although as argued by Stake (1995, p.4), the case should either be unique or typical, considered that the access to key informants, documents, and other sources of evidence (Yin, 2009, p. 102) and the feasibility, including the logistical aspects such as time, cost, and access to the location or subjects of the case study (Yin, 2009, p.

30), Chitose Construction Corporation and Will Real Property Corporation were selected for this study out of other corporations.

The selection of these two cases is based on several criteria. Firstly, both companies are proactively addressing social issues while pursuing corporate profitability, actively creating social value beyond financial gain. Secondly, their proximity allows for multiple visits and communications over a period of time, facilitating thorough investigation. Additionally, the practices of these companies are widely discussed and reported both internally and externally, providing a wealth of data for collection. Most importantly, individual employees from these companies are willing to participate in private, candid interviews, which significantly enhances my ability to observe and understand their operations in terms of process.

Ethical approval from relevant boards and informed consent from participants are crucial. The researcher had taken ethical issues into considerations related to participant observation and interviews, and got full permission that the information covered in the study could be cited ad published.

Name	**Method**	**Target**	**Case study length**
Will Real Property	Participant Observation and Interview	Founder, CEO, CSR manager, HR manager, Strategy manager, New employees	December 2022 – March 2024; Interviewed at 2rd March 2023; 14 April 2023
Chitose Construction	Participant Observation and Interview	CEO, Project manager, Initiative Ambassador, Interns, Strategy partners	August 2023 – February 2024; Interviewed at 12 August 2023

Table 3.2 Case description

Chitose Construction Corporation was established in 1983 and initially focused on building maintenance for the Nagoya Manufacturing Plant, mainly under the support of UACJ Corporation (formerly Sumitomo Light Metal Industries, Ltd.). The company has built a strong relationship of trust with its clients and has expanded its services to include a wide range of industries, offering construction work for new buildings and aluminum structures in addition to maintenance. The founder, Kazuhiko Okamoto, operated the business with the philosophy that the construction industry should contribute to local communities and the environment and foster human relationships, not just build buildings. The company has a capital of 30,000,000 yen and is involved in various business activities such as the design and construction of new factories and production facilities, maintenance and repair of factories and equipment, and construction of aluminum structures.

The participant observation of Chitose Construction Corporation was conducted from August 2023 to March 2024, where the process of developing and promoting the purpose-driven management was investigated once a week. During this period, I also participated in a research project on affordable housing overseas, with the main goal of finding samples that could serve as a model for Japan. I was able to observe the objectives, interview some key players (including CEO and top managers), check the documents, communicate with other related stakeholders.

Will Real Property Corporation specializes in real estate sales, renovations, home loans, and insurance, offering a one-stop solution for these services. The company is listed on the Tokyo Stock Exchange Standard Market with the security code 3241. It is recognized for its appropriate handling of personal information by the Japan Information Economy Society Promotion Association. Will Real Property Corporation has a history of evolving its business focus over time. Originally established with a different business model, the company gradually shifted towards real estate, incorporating services related to property sales, renovations, home loans, and insurance. Recently they have initiated human recourse related business.

The participant observation of Will Real Property Corporation was conducted from December 2022 to February 2024, where the process of developing and promoting the purpose-driven management was investigated also once a week. During this period, I had the privilege of participating in many events organized by the company, including the new employee’s induction ceremony, guide dog assistance ceremony, employee self-enlightenment program, joint activities with university students, and community members' seminars, etc. I was able to observe the objectives, interview some key players (including founder, CEO, top managers and new employees), check the documents, communicate with other related stakeholders.

Chapter 4. Chitose Construction Corporation Case

4.1 Company profile and introduction:

Since its inception in 1983, Chitose Construction Corporation has been meeting a diverse range of demands in design and construction as a comprehensive construction company. Centered around clients in manufacturing and production sectors, the company has extensive experience in facility maintenance and the construction of new facilities and warehouses. With the headquarter located in Nagoya, additional bases in Tokyo and Fukui Prefecture, Chitose Construction Corporation prioritize open dialogue with clients to deliver their services.

If one were to peruse the homepage of this company, a rapid assessment might yield the impression that it is a conventional, local small to medium-sized enterprise without particularly outstanding features. However, the crux of this case study lies in a subtle detail on the homepage: the company's social initiative “LivEQuality”, which includes a wholly-owned non-profit organization “LivEQuality Hub” and a social impact capital platform “LiveQuality Oyasan”. This social initiative, powered by Chitose Construction Corporation, supports the creation of living spaces and bases that embody a synergy of life style, quality and equality, all from a “social” perspective. Within this initiative, particular attention has been given to a residential support program targeted at individuals facing hardships, such as single parents and those with economic challenges.

Prior to elaborating on the intricate particulars of the initiative, it would be prudent to first familiarize ourselves with the individual who was instrumental in its inception. The mastermind, Takuya Okamoto is not only the original architect of the initiative but also presently holds position of Chief Executive Officer (CEO) of the Chitose Construction Corporation. An understanding of his biography, professional experience, career history vision and individual purposed for the company will provide invaluable context as we proceed to dissect the finer nuances of the endeavors to practise purpose driven management.

Applying the driving-defining-acting-fruiting framework to Chitose Construction Corporation, led by CEO Takuya Okamoto, we can analyze the company's purpose-driven management motivation and process. Chitose Construction Corporation, originally a construction firm, evolved under Okamoto's leadership, inspired by his experiences with microfinance and social empowerment, supported and operated by Jin and AoKi, as the funding team. The company's social initiative, LivEQuality, focuses on supporting single mothers and those facing economic challenges, reflecting the whole funding teams' purpose . This initiative showcases the driving force (individual's background and values), defining (LivEQuality's mission and values), acting (incorporating social goals into business operations), and fruiting (creating societal value through housing support and community building, societal value and impact).

4.2 Driving

The story of CEO Mr. Okamoto starts from his university life, during which Okamoto embarked on a journey of global exploration. He chanced upon the Grameen Bank in Bangladesh. His encounter with the bank's unconventional approach to banking, especially its focus on unsecured loans to impoverished women, was a revelation that challenged the conventional banking norms. He was particularly struck by the high repayment rates achieved by these loans, which stood in stark contrast to traditional banking expectations. One case that left a lasting impression on him was that of a woman who borrowed $30 from the Grameen Bank. She invested the sum in purchasing chickens and sold their eggs. By repaying 60 cents each week, she was able to fully settle her loan within a year. Emboldened by her initial success, she then borrowed $100 to buy a cow and sold its milk, gradually lifting herself out of poverty. This story epitomizes the transformative power of microfinance in altering the lives of individuals living in poverty. The effectiveness and impact of the Grameen Bank's initiatives were globally acknowledged when its founder, Muhammad Yunus, was awarded the Nobel Peace Prize in 2006. This recognition served not only as a validation of the bank's innovative approach to poverty alleviation but also as an inspiration to many, including Mr. Okamoto. Upon graduating from university, CEO Okamoto embarked on a career in the consulting industry, primarily focusing on corporate restructuring tasks.

In the immediate aftermath of a devastating earthquake (Pacific coast of Tohoku Earthquak) in 2011, he took the entrepreneurial leap in the wake of this experience and driven by a desire to engage more deeply with the social involvement and contribution. After that, he assumed the role of Executive Director and Secretary-General at the Certified NPO Katariba (NPO 法人ソーシャルベンチャー・パートナーズ), propelling the organization through a pivotal second founding phase. This professional's trajectory did not stop there; he went on to serve as the Representative Director of Social Venture Partners Tokyo (ソーシャルベンチャー・パートナーズ東京), where he further honed his social connection skills. His expertise was also recognized in governmental circles, leading to appointments as a committee member in deliberative bodies within the Cabinet Office and the Ministry of Economy, Trade, and Industry.

The year 2018 marked a turning point when Okamoto stepped up to continue the family legacy in the construction business following his father's sudden passing. In 2020, amidst the COVID-19 pandemic, he identified a pressing need from Jin, one of the funding team, and responded by creating the social initiative “LivEQuality”, aimed at providing housing and community to struggling single mothers who suffered from domestic violence.

Jin’s story is one of resilience, strength, and an unwavering commitment to helping others. As a single mother of two daughters, Jin knows firsthand the struggles that come with raising a family alone. Her journey has been fraught with challenges, but it has also been marked by incredible perseverance and a deep sense of empathy. Jin’ life took a significant turn when she went through a difficult divorce. Suddenly, she faced the terrifying prospect of losing her home. The uncertainty of her living situation was a harrowing experience that left her feeling vulnerable and alone. But challenges did not end there. Financial hardship soon followed, and she found herself struggling to make ends meet.

Driven by a strong sense of responsibility, Jin felt that she had to handle everything independently. She believed that as a single mother, it was her duty to be strong and self-reliant, without leaning on anyone else for support. This mindset, however, came at a cost. The immense pressure and responsibility began to take their toll, pushing her to the brink of her limits. It was through these experiences that Jin realized the importance of support and community. She understood the profound impact that empathy and assistance could have on those facing similar struggles. With this newfound perspective, she decided to dedicate her life to helping other single mothers who were going through what she had endured.

In the LivEQuality HUB, Jin is a Housing Support Coordinator, passionately working to ensure that no single mother feels like she has to face her challenges alone. She extends a heartfelt message to all the mothers out there, "You don't have to do it all by yourself." Her work is a testament to her belief in the power of community and the importance of offering a helping hand. Jin’s journey from struggling single mother to dedicated support coordinator is a story of hope and inspiration. Her experiences have shaped her into a compassionate advocate for those in need, and her message resonates deeply with many. Through her tireless efforts, she continues to support and uplift single mothers, reminding them that they are not alone and that together, they can overcome any obstacle.

Another indispensable and integral member of this team is Aoki. Aoki stands as a beacon of dedication and innovation in the realm of social entrepreneurship and community support. As the Executive Director of the LivEQuality HUB, Aoki’s journey is a testament to his unwavering commitment to societal betterment.

A graduate of Keio University, one of Japan's most prestigious institutions, Aoki's academic journey was marked by a fervent engagement with social entrepreneurship. During his time at university, he interned with ETIC., an NPO dedicated to supporting social entrepreneurs. It was here that Aoki cut his teeth on the intricacies of launching new ventures and providing hands-on support to social entrepreneurs, honing skills that would prove invaluable in his future endeavors.

Upon graduation, Aoki’s professional journey began at NEC, a leading Japanese multinational IT and electronics company. Here, he worked in system sales for major retail businesses, gaining critical insights into the corporate world and the technological advancements driving it. However, Aoki’s passion for societal impact led him to pivot to a more socially driven role. He joined an AI startup in the caregiving sector, where he was involved in business planning and strategy, leveraging cutting-edge technology to address pressing issues in eldercare.

In November 2020, Aoki’s path led him to Chitose Construction Corporation and NPO LivEQuality HUB. At LivEQuality HUB, Aoki took on the role of Executive Director, where he now spearheads team management and business planning. His leadership is characterized by a deep sense of purpose and responsibility, particularly towards supporting single-parent families—a cause close to his heart as a father.

Aoki's commitment to this cause is further exemplified by his significant career sacrifices. Despite working in fields initially unrelated to his major and early career experiences, and accepting a notably reduced salary, Aoki remains steadfast in his role. His drive is fueled by a profound sense of duty and personal motivation to aid single-parent families, leveraging his professional skills to create meaningful impact.

Aoki’s story is a powerful reminder of the importance of aligning personal purpose with professional endeavors. In conclusion, Yuma Aoki embodies the spirit of social entrepreneurship, illustrating how individual purpose can be harmoniously integrated with professional life to drive societal change. His work at LivEQuality HUB continues to inspire and support those in need, making a lasting difference in the community.

All of those journeies from personal inspiration to corporate transformation reflect the essence of purpose-driven management in this case. Under CEO Takuya Okamoto, Chitose Construction Corporation has evolved from a traditional construction company to one that integrates social initiatives into its core business model, exemplifying purpose-driven management. Under Housing Support Coordinator Jin and Executive Director Aoki, LivEQuality Hub becomes a bay for those who want to avoid violence and difficulties.

4.3 Defining

Throughout the entirety of the research period and across multiple interviews conducted with CEO Okamoto, what resonated most profoundly and was reiterated frequently was a statement that encapsulates his life's pursuit: "人生は冒険、ずっ

と挑戦していたい" (Life is an adventure; I always want to be challenging myself) and “誰もが可能性を信じられる世界を目指す" (Aiming for a world where everyone can believe in their possibilities). This mantra not only reflects his personal ethos but also serves as a guiding principle in his professional endeavors. His belief in life as a continuous adventure and his unwavering commitment to embracing challenges speaks volumes about his approach to both personal and professional growth. It is this mindset that has propelled him to explore new horizons, undertake risks, and consistently push the boundaries of what is achievable. Moreover, his aspiration to create a world where everyone is empowered to believe in their potential underscores a deep-rooted commitment to societal betterment. This vision transcends the mere pursuit of personal success, indicating a profound dedication to fostering an environment of empowerment and possibility. It speaks to a leadership style that is not only aspirational but also deeply humanitarian, one that seeks to uplift and inspire others to reach their fullest potential. This philosophy is not just a theoretical construct but is vividly reflected in his actions and decisions. Whether through his entrepreneurial ventures, social initiatives, or his approach to tackling complex challenges, these statements serve as a compass, guiding his decisions and actions. They embody a philosophy that life's journey is not just about achieving personal milestones but also about contributing to a broader narrative of hope, possibility, and continuous evolution.

The devastating earthquake (Pacific coast of Tohoku Earthquak) in 2011, the Covid-19 Pandemic, together with the economic climate, characterized by falling national bond interest rates and a weakening yen, has catalyzed an external surge that drives him purse his purpose. Concurrently, the supply of public housing, traditionally a safety net for housing, is declining due to fiscal consolidation, and deterioration of existing units is advancing. Such a housing market significantly impedes the economic independence of single mother households, which globally bear a disproportionately high relative poverty rate. In reality, the competition for public housing designated for mother-child households is fierce, and the high rents in the private market often force them into properties with poor access or advanced deterioration—circumstances that deprive them of employment opportunities and hinder their children's development

Okamoto’s aspiration, “create a world where everyone is empowered to believe in their potential underscores a deep-rooted commitment to society”, undoubtedly influences the corporation’s purpose as well. As a real estate and construction firm, the best approach is to leverage their core business strengths to achieve their goals, which is exactly what they have done. By providing affordable accommodation and social assistance to single-parent families, particularly mothers and their children, they have found a way to fulfill their purpose. However, because it's something the CEO wants to do, the implementation of the purpose-driven management model is completely top-down. Although the CEO's own purpose had people coming to join the company, the biggest problem was how to convince the rest of the company's employees. As the CEO himself said, initially the employees and some of the company's associates were not very receptive to his purpose, especially as a newly appointed CEO with absolutely no architectural background. What made the employees end up supporting the CEO? This brings us to the CEO he spends a lot of time on communication with his employees. It is obvious that he is the only one with years of eexperience in social business industry, the rest of the company's veteran employees are completely in the traditional work environment and managerialism. But the CEO has one thing in common: his father, the founder of the company, started the company with a very humane management style, and the

CEO takes the lead in remembering the entrepreneurial journey of his predecessors, and in the middle of it all, finding the fundamental philosophy of the company. Through many dialogues and communications, especially the company's employees on various occasions can see their CEO spared no effort to find ways to solve the local single mother's accommodation problems, and ultimately not only veteran employees, even the company's customers, the company's trading bank support the company's initiative.

Jin's journey as a single mother and housing support coordinator is marked by her personal commitment to supporting other single mothers. Her own struggles have imbued her with a deep understanding of the challenges faced by single-parent families, driving her to extend a message of solidarity: "You don't have to do it all by yourself." This personal passion is a cornerstone in developing a shared purpose within a team. When team members are driven by personal experiences and intrinsic motivations, they bring a level of dedication and authenticity that can galvanize the entire group.

Similarly, Aoki's career decisions reflect his commitment to social entrepreneurship and community support. His transition from NEC to an AI startup, and eventually to LivEQuality HUB, underscores his dedication to leveraging his skills for societal benefit. Aoki's personal motivation to help single-parent families, influenced by his own experiences as a father, exemplifies how individual purpose can align with and enhance organizational goals.

Both Jin and Aoki serve as role models within their respective positions, demonstrating the behaviors and attitudes that underpin a shared purpose. Jin's emphathy in supporting single mothers and Aoki's professional skills at

LivEQuality HUB illustrate how to inspire and guide towards a shared purpose. Effective leaders articulate a clear vision, embody the organization's values, and engage team members in meaningful ways. In Aoki's case, by aligning his professional path with his personal values, Aoki sets an example for others to follow, fostering a culture of purpose and commitment within the team.

In teams, regular dialogue about individual and collective goals helps to align personal purposes with the organization's mission. This process involves discussing the broader impact of the team's work, sharing success stories, and continuously reinforcing the shared vision. Jin's work in housing support and Aoki's initiatives at LivEQuality HUB are not solo endeavors but collaborative efforts that involve multiple stakeholders. Building a shared purpose requires fostering a sense of community and mutual support within the team. A critical aspect of developing a shared purpose is ensuring that personal and organizational goals are aligned. Both Jin and Aoki's stories highlight how their personal motivations seamlessly integrate with their professional roles. This alignment creates a cohesive and motivated team that works towards common objectives.

4.4 Acting

In the year 2020, amidst the tumultuous backdrop of the COVID-19 pandemic, a critical issue emerged in Japan: single mothers, already grappling with societal challenges, were losing their homes at an alarming rate. Envision yourself as Mr. Okamoto, with this crucial issue placed squarely before you. Given the rich tapestry of your life experiences and the purpose that he holds, it is almost certain that you would feel a compelling urge to devise a solution to this problem. Therefore, the initiative was conceptualized with the aim of addressing this grave issue. The purpose was to support women in dire straits, offering a compassionate hand to those in vulnerability, reflecting the societal ethos of extending support to the disadvantaged. In the heart of Nagoya, a city pulsating with life and challenge and famous for its heroic stories, Okamoto's purpose teetered on the edge of impossibility. His vision: to launch a support project for the underprivileged, a noble yet daunting task in a city where even the air seemed steeped in expensive aspirations. The foremost hurdle was glaringly obvious – a scarcity of professionals equipped to steer such a monumental venture. In addition, the staggering rental costs for the needy in Nagoya loomed like an insurmountable mountain. But fate had a twist in store. In an almost serendipitous turn, Okamoto's past experiences weaved into his present. His previous work, a mosaic of lessons and connections, paved the way for an extraordinary encounter. Among the bustling crowds of Nagoya, he crossed paths with a single mother, a beacon of strength and resilience. She was not just any individual, but the very embodiment of professional support Okamoto desperately sought. This fortunate meeting was only the beginning. Okamoto, with a charisma that could ignite hope in the most jaded hearts, began to draw in a cadre of exceptional talents. Seasoned veterans from giant corporations and dynamic minds from burgeoning startups found themselves inexplicably drawn to his cause. They brought with them not just their expertise but a shared passion to make a difference.

As if guided by an unseen hand, the project began to shimmer with the sheen of potential. Impact investors, intrigued by the fervor and dedication of Okamoto's team, began to take notice. Local financial institutions, often seen as behemoths of self-interest, surprisingly stepped forward, expressing a willingness to engage in long-term capital cooperation.In the whirlwind of challenges and uncertainties, a tapestry of luck, determination, and human spirit began to weave together. Okamoto's purpose, once a fragile seedling, was now blooming into a beacon of hope in Nagoya, promising support and a brighter future for those who had long been overshadowed.

LivEQuality HUB, as an NPO, operates the initiative LivEQuality. It primarily focuses on assisting women, especially single mothers, who face challenges in securing housing due to various circumstances. By supplying housing and facilitating tenancy, LivEQuality HUB acts as a pivotal community hub in the region, providing opportunities for these women to connect with supportive networks and peers, thereby fostering an environment conducive to new beginnings and the pit of future challenges. One illustrative case from the HUB's operations concerns a 38-year-old woman residing in Aichi Prefecture. Living with her husband and three children, she discovered in February of this year that her eldest son, aged three, was being abused by her husband. Despite being pregnant with her second child, she made the brave decision to separate and subsequently divorce. In her time of need, she turned to LivEQuality HUB for support. Concurrently progressing with her divorce proceedings, she moved into an apartment managed by Mr. Okamoto in Nagoya city in March. The rent for the 3LDK apartment was about half the market rate, at around 40,000 yen. The HUB staff also assisted her with various administrative tasks, including applications for child allowances, updating her driver’s license, and changing the name on her bank passbook. The woman expressed how she painfully realized that administrative processes are primarily application-based and that without proactive engagement from the individual, little progress is made. She was initially unaware of where or how to receive the necessary support. To date, LivEQuality HUB has provided housing to 38 mother-child families and continues to deliver food and daily necessities funded by donations from citizens. The HUB receives numerous inquiries daily from across the country, reflecting a significant demand for such support. Mr. Okamoto emphasizes the ongoing need to expand the scope of assistance provided by the hub.

The left firm, LiveQuality Oyasan plays as an social impact capital platform which financially supports the LiveQuality Initiative. In response to the escalating real estate prices and the dwindling supply of public housing, LivEQuality Oyasan presents a novel solution for single mother households who find themselves unable to secure comfortable living spaces. This platform offers properties with a certain standard of quality, located in accessible areas with abundant employment opportunities, at prices significantly below the market average. By doing so, LivEQuality Oyasan not only counters the prejudices and stigmas associated with housing for low-income earners but also ensures profitability.

Furthermore, in collaboration with impact investors, who seek both a positive social impact and financial returns, there is a concerted effort to scale this model nationwide. The current economic climate, characterized by falling national bond interest rates and a weakening yen, has catalyzed a surge in investment capital, leading to a continuous rise in real estate values. Concurrently, the supply of public housing, traditionally a safety net for housing, is declining due to fiscal consolidation, and deterioration of existing units is advancing. Such a housing market significantly impedes the economic independence of single mother households, which globally bear a disproportionately high relative poverty rate. In reality, the competition for public housing designated for mother-child households is fierce, and the high rents in the private market often force them into properties with poor access or advanced deterioration—circumstances that deprive them of employment opportunities and hinder their children's development. To address this housing poverty among single mothers, LivEQuality Oyasan commits to providing secure and affordable housing (hereinafter referred to as the Social Landlord Business). This endeavor procures properties that are not only accessible and of a certain quality but also provides them to single mother households at rents below market rates. By maintaining a balance between residents paying market-level rents and those paying below market-level rents,

LivEQuality's initiative to convene some Symposiums aimed at cultivating next-generation leaders who proactively engage in resolving local challenges through collaboration with various sectors—including government bodies, corporations, educational institutions, and residents—represents a paradigm of community-driven problem-solving and platform creation for cooperative endeavors. One case of the symposium, a sequel to the "Welfare × Industry for Well-being Community Development Symposium" held in 2022, will be reconvened in the Tokyo Tama area for the fiscal year 2023 as an industry-academia-government collaboration project. Speaking to government collaboration, Chitose Construction Corporation host two officials from the Nagoya City for on-site training. In Nagoya City, it is not customary for civil servants to receive training in private enterprises. However, Chitose Construction Corporation's unique model is worth learning from, necessitating collaboration with the government in its business operations. This collaboration allows Chitose Construction Corporation to elevate the dissemination of its company's purpose and philosophy.

Additionally, Chitose Construction Corporation partners with university scholars to provide materials for academic research and to conduct experiments related to academic findings. Associate Professor Lisa Kasai from the Department of Regional Creation at Otemon Gakuin University, in the housing issues of single-parent households and victims of domestic violence. In August of 2022, the " Single Mother Shared Housing as Space for Inclusion, City, Public Value, and Capitalism New Urban Vision and Public Strategies" was published by Northwestern University Libraries, aimed at assisting mothers grappling with marital difficulties and contemplating divorce, known as "pre-single mothers," to transition into a new phase of life. This publication, which provides insights into specific problems unique to mothers with children and offers solutions for the period before and after divorce, is the result of a collaborative project between some NPOs including LivEQuality Hub.

The initiative started with a crowdfunding campaign titled "Accompaniment-based Residential Support: Providing Housing and Connection for Women and Mothers in Need." It was a testament to the collective spirit of empathy and action, where 842 individuals rallied in support of our nascent organization. Their backing was not just a mere contribution of funds, but a symbol of shared purpose. This initiative represented more than just financial assistance; It underscored a collective acknowledgment of the hardships faced by these women and the crucial need for societal intervention. Mr. Okamoto endeavor began as a challenge - a challenge to make a tangible difference in the lives of those on the margins of society. At this moment, the main purpose of Chitose Construction Corporation started to shift from its construction business to encompasses a long-term commitment to address social issues, empowering women, and fostering a community where every individual, regardless of their circumstances, can find a place to call home and a community to belong to. It is the essence of Purpose-driven management exactly discussed in the literature part.

In the phase of structure, the company has taken the unusual step of splitting the operation. The first is the parent company, which is mainly responsible for repairing and remodeling the house, and the second is the NPO corporation, which is mainly responsible for providing support and assistance, especially with the addition of professionals, the NPO corporation has taken on more and more responsibility for operations. Lastly, LiveQuality Oyasan serves as a financing platform that is more receptive to capital acquisition methods such as impact bonds and SDGs loans from banks. These three separate organizations work in perfect synergy, taking into account the original business of the company, while allowing the NPO to assume responsibility for the realization of the main operation of the purpose, and the separate existence of the financing platform also segregates the risk in financial and legal terms. By doing so, Chitose Construction Corporation not only counters the prejudices and stigmas associated with housing for low-income earners but also ensures profitability. LivEQuality's collaboration with external shareholders is a testament to the power of synergistic partnerships in enacting meaningful change and advocating for a more inclusive society.

In terms of embedding and governance, there are no special considerations at the nodes of my investigation. As said by Okamoto, the current size did not require much consideration of corporate governance. Secondly, the CEO feels that the current stage of development is more focused on milestones rather than more attention to the governance and KPIs. However, as the business grows, the CEO is preparing for a higher degree of management.

4.5 Fruiting

The narrative of LivEQuality HUB is not just about providing immediate housing solutions; it's about creating a sustainable support system that empowers women to regain control of their lives and pave the way for a brighter future. It illustrates the importance of community involvement and the impact of collective action in addressing social challenges. LivEQuality Oyasan not only ensures profitability but also prevents the emergence of biases and stigmas typically directed towards "low-income housing" within communities. Meantime, LivEQuality Oyasan, together with impact investors—those dedicated to generating a positive social impact alongside financial returns—aims to propagate this business model throughout the nation. This initiative seeks to transcend traditional investment paradigms by pioneering a model that harmoniously blends financial viability with profound social change, thereby contributing to a more equitable and just society where single mothers can live with dignity and have access to the opportunities they need to thrive.

LivEQuality's foray into impact investing has culminated in a significant fundraising achievement totaling 320 million yen, delineated as follows: the issuance of impact bonds accounted for 60 million yen, bank loans constituted 190 million yen, and the release of equity amounted to 70 million yen. The corporation LivEQuality Oyasan, has completed this fundraising by issuing private placement bonds—impact bonds—underwritten by multiple impact investors. This financial maneuver, combined with bank loans and the issuance of common stock, enables the acquisition of housing properties designated for affordable living. These dwellings, once occupied by single mothers and similar households, will benefit from economic support in the form of rent reductions during their period of financial rebuilding, alongside comprehensive accompaniment-type support provided by collaborating NPOs and other organizations.

Notably, LivEQuality Hub has been selected as one of the four entities for the "Outcome Fund for IMM." It's remarkable that, with virtually no direct involvement and through the dedicated efforts of Aoki, LivEQuality Hub found itself chosen, a fact that came as an astonishing surprise. Of the four organizations selected, LivEQuality Hub stant out as the youngest, having been established for only 1 year and 9 months. As they transition from the 0 to 1 phase and shift towards the 1 to 10 phase, Chitose Construction Corporation considers impact measurement and management (IMM) to be crucial to their growth. Okamoto said that they would continue to strive for greater impact creation, with the support of the Japan Fundraising Association and the Center for Social value Enhancement Studies (CSES).

4.6 Summary

The journey of LivEQuality HUB encapsulates a paradigm shift in value creation and societal impact, particularly in addressing the challenges faced by single mothers. This initiative transcends the conventional scope of housing solutions by fostering a sustainable support system that empowers women to reclaim autonomy in their lives and lays the groundwork for a more prosperous future. It underscores the significance of community engagement and collective hjaction in tackling social issues, illustrating that societal challenges require collaborative, multifaceted responses. LivEQuality Oyasan, in partnership with impact investors, embodies a business model that is not only profitable but also actively counters the biases and stigmas commonly associated with low-income housing. This approach redefines the traditional investment framework, aiming to disseminate this model nationwide. It presents a pioneering example of how financial viability can be seamlessly integrated with meaningful social change, contributing to a more equitable society where single mothers can live with dignity and access necessary opportunities for growth. The issuance of private placement bonds, supported by multiple impact investors, alongside traditional financing methods, has enabled the acquisition of affordable housing properties. These homes provide not just shelter but also a foundation for economic empowerment, with rent reductions and support services offered by NPOs and other entities during the tenants' financial recovery phase.

In conclusion, LivEQuality's approach represents a significant advancement in the realm of purpose-driven management, typically with the combination of social entrepreneurship. By blending strategic financial planning with a deep commitment to societal betterment, it sets a new standard for how businesses can create tangible, positive impacts in their communities. CEO Okamoto's commitment to continuous challenges and societal betterment has shaped his leadership approach and corporate vision. Jin and Aoki exemplify how personal commitment to social causes can inspire a shared purpose within a team. The success of LivEQuality demonstrates the immense potential of purpose-driven enterprises to effect real change, offering a replicable model for others to follow in the quest for a more just and equitable society.

Chapter 5 Will Real Property Corporation Case

5.1 Company profile and introduction:

In 2023, Will Real Property Corporation celebrates its 30th anniversary. Since its founding in 1993, Will Real Property Corporation has developed business with the intention to change the image of the real estate industry, to do work that touches people's hearts, and to create a company that can truly be proud of its achievements. Will Real Property Corporation is now with a capital of 297,490,850 yen, the company stands today under the proficient leadership of President and CEO Katsuyuki Sakane. As of June 30, 2023, the firm boasts a dedicated workforce of 301 employees across its group entities. The company's diverse business portfolio spans across several sectors, including distribution, remodeling, renovation, furniture, development and sale of properties, rental services, real estate transaction derivatives, and other ancillary businesses. With a strategic presence comprising 20 stores, the company maintains a strong regional footprint with 11 outlets in the Kansai area, 6 in the Chubu region, and 3 stores in the Tokyo area, demonstrating a robust commitment to delivering a wide range of services in key urban centers. The headquarter of Will is in Takaratsuka, Hyogo. It started with businesses related to "housing," such as real estate brokerage and new housing development projects. Now, it has expanded business sector into HRM and university clubs domestically. Similar to the previous case, this company was not chosen for its primary business sector. It was chosen because of its special initiative in recruiting, human resource management and its special employee-first philosophy.

Applying the driving-defining-acting-fruiting framework to Will Real Property Corporation, led by its Founder and CEO, we can analyze the company's purpose-driven management motivation and process. Will Real Property Corporation, originally a real property sales firm, evolved under founder's entrepreneurship, inspired by his negative experiences with previous job and the eager of making change. The company's social initiative, “Bukatsu’s mikata”, focuses on supporting university club students in terms of their career.

5.2 Driving

The founder of Will Real Property Corporation, Okamoto, was working for a medium-sized real estate company at the time, selling properties in inventory after the bubble burst. He had to force his valued associates to quit due to restructuring. He had to sell things he did not want to sell. During my interview with him, he said that hew was exhausted by such a situation and had no pride in his work or in himself. Then, he submitted his resignation to his employer at the same time he sold off the properties in his inventory list. After that, several of his section members and junior staff left the company together, saying, "If Okamoto-san quits, I'll quit too.” They decided to start their own company. In terms of my question: “What was the reason for founding the company?” Okamoto said that he was eager to change the image of the real estate industry (extremely negative during the bubble burst) and wanted to create a company where working touches people's hearts. Finally, he urged that he wanted to create a company that all employees could take true pride in. In order not to forget this founding thought (Will), Okamoto and his found members chose the company name "Will Real Estate ". In reality, however, they did not have the savings to start a company, nor did they have an office. So, instead of selling underperforming properties of a real estate company he knew, Okamoto was allowed to rent the second floor of a building owned by the president of one company free of charge, that’s where his journey begun.

The legacy of Okamoto's vision and values is now upheld by Sakane, the first employee to be recruited by Okamoto. Since ascending to the CEO role in 2014, Sakane has diligently preserved and propagated the founder's original ethos, ensuring that the company's trajectory remains true to its initial purpose and spirit. Under his stewardship, Will Real Property Corporation not only continue to navigate the commercial landscape but also embodies the founder's enduring will, a testament to the transformative power of purpose-driven leadership and the resilience of a shared vision. At the same time, it's this culture and philosophy that the company's founders, the company's current CEO, and the company as a whole value in their employees that makes employees take it upon themselves to figure out how to make the company better.

5.3 Defining

Will Real Property Corporation’s definition of the purpose of the firm, as reflected in various documents and statements, is deeply entrenched in a philosophy that harmonizes ancient Japanese values with modern business acumen. This unique synthesis is evident in the company’s operational ethos and its narrative, which has been carefully crafted to resonate with stakeholders and anchor the firm's ongoing and future activities. At the core of the company’s purpose is the concept of "情けの心" (nasake no kokoro), which signifies a deep emotional connection and a sense of heart in business practices. This philosophy is not merely a guiding principle but is actively lived and experienced within the company. It signifies that the firm views its employees not just as workers but as integral members of a community, whose well-being and fulfillment are as important as their professional output. The presence of the original founding team, who continue to share stories and experiences with new employees, establishes a sense of continuity and tradition. This narrative bridges the company's past with its present and future, creating a tapestry of shared history that all employees are a part of. This aspect of storytelling and shared history is a powerful tool in defining the company’s purpose and creating a narrative that stakeholders can relate to and follow.

The company’s approach to management, which integrates principles of Japanese philosophy, transforms the workplace into a community, or a family. This perspective is evident in how the company communicates its purpose in various documents and statements. The emphasis is on creating a space where employees can grow, share, and contribute to a collective vision, thus fostering a sense of belonging and pride in their work.

The spirit of "情けの心" is not relegated to the background as a mere philosophical concept; it is a palpable part of the company's culture. This living philosophy is reflected in how the company communicates its values to stakeholders, ensuring that the narrative is not just aspirational but also a reflection of the company's day-to-day reality. The company's unique blend of traditional philosophy and modern management practices is a key element of its narrative. It appeals to stakeholders who value both the wisdom of traditional cultures and the efficiencies of modern business practices. This blend is a crucial part of the company’s narrative, demonstrating a commitment to preserving cultural values while innovating and adapting to contemporary business environments.

The interviews of three young employees test how aligning personal and organizational goals develop a shared purpose within a company. One of them, who is originally from Kagawa Prefecture, was drawn to the company because of the supportive, team-oriented culture. The emphasis on teamwork and community support at Will Real Property, especially through initiatives like support for guide dogs and local community involvement, aligns with her personal purpose of building a prosper and dynamic community and desire to contribute positively to society. This alignment helps her find personal satisfaction in their work while advancing corporate goals.

The HR manager Miyazaki said that strategies were important for Connecting Individual and Corporate Purposes. She gave the examples including regularly discussion in terms of personal and organizational goals and prepared events periodically for employees to express their aspirations and dreams in front of the whole company. The CSR manager Okada added that there were some corporate social responsibility initiatives that resonate with employees’ personal purpose

Connecting individual purpose with corporate purpose requires a deep understanding of employees' motivations and aspirations. By fostering an environment of open communication, support, and alignment of purpose, Will creates a cohesive and motivated team. Will Real Property Corporation's definition of its purpose and the narrative it presents to stakeholders is a sophisticated blend of cultural values, employee-first philosophy, and modern business practices. This narrative is not just a marketing tool but a genuine reflection of the company's operational ethos, making it an attractive and compelling story for stakeholders to follow and be a part of. The company successfully anchors its activities within this narrative, ensuring that its actions are consistent with its professed values and purpose.

5.4 Acting

The Bukatsu's Mikata, motivated by its corporate purpose, that initiated in Human Resources department signifies a structural realignment across the company. Bukatsu's Mikata, translated as "Best Friends of University Clubs"—emerged as a response to the high employee turnover rates and the dissatisfaction of new graduates with the lack of community and engagement in the corporate environment, a stark contrast to their university experience. In a strategic pivot from conventional recruitment methods, the company shifted its focus from relying on recruitment agencies to directly engaging with university clubs and departments. This approach not only reallocated resources previously spent on external agencies but also sought to enrich the university experience of students while offering career guidance, thereby fostering a deeper connection with potential future employees. Bukatsu's Mikata has since gained significant traction across mainstream educational institutions in Japan, evolving into a full-fledged business line that aligns with the founder's original vision and ethos. The initiative primarily targets students and graduate students engaged in university clubs, offering a spectrum of services from industry research meetings and roundtable discussions to comprehensive consultation on recruitment strategies. These services are informed by direct student feedback, ensuring relevance and effectiveness.

The journey of implementing an innovative human resource management strategy and diverging operational approaches, which deviate substantially from the company’s foundational business pursuits, has not been devoid of challenges. This innovative trajectory, while offering a fresh perspective on business operations, has been met with skepticism and apprehension, not only from employees but also from managerial echelons. Concerns have been raised about the substantial allocation of resources and manpower to ventures seemingly peripheral to the company's primary business focus.

Despite these hurdles, steadfast support from the company's founder, CEO, and the collective commitment of the corporate team has been instrumental in the success of this initiative. The results of this unorthodox approach have been nothing short of remarkable. A tangible testament to its efficacy is the dramatic reduction in the employee turnover rate, which now stands at an impressive figure of less than 10 percent over a three-year period. This stark improvement is indicative of the initiative's positive impact on employee satisfaction and retention. Moreover, the initiative has been a magnet for exceptional talent, attracting a substantial number of graduates from Japan's most prestigious universities. These highly skilled individuals have not only brought a wealth of knowledge and fresh ideas but have also been pivotal in the company's expansion endeavors. Under their influence, the company's reach has extended beyond the confines of the Kansai region, permeating throughout Japan. This talented cohort has been instrumental in steering the company towards new horizons, facilitating a transition from a singular focus on real estate development to a more diversified approach that encompasses human resource management.

To enhance long-term talent retention, Bukatsu's Mikata organizes career events, alumni exchanges, and other initiatives that facilitate continuous professional development and community building among new graduates. Additionally, the program supports public university club students through workshops, event planning, and sponsorship connections, bridging the gap between students in need of support and companies eager to engage with emerging talent.

A recent highlight of Bukatsu's Mikata's impact was the support provided to Rika Tabata, a 22-year-old student, who, with the backing of this initiative and assistance from Will Real Property Corporation, competed in the All Japan Karate-do Championships. This instance exemplifies the initiative's broader commitment to nurturing and supporting the aspirations of young talents, extending beyond conventional recruitment and into the realm of personal and professional development. Bukatsu's Mikata represents a paradigm shift in talent acquisition and management, showcasing the potential of innovative HR strategies in fostering a more engaged, satisfied, and committed workforce.

This initiative represents a shift from traditional recruitment practices to a more direct, engagement-oriented approach. By focusing on university clubs and departments, the company has effectively integrated a new talent acquisition strategy into its structural framework. This alignment with educational institutions across Japan indicates a significant expansion and adaptation of the company's operational structure, moving from reliance on external recruitment agencies to building internal capabilities for direct engagement and talent nurturing. Bukatsu's Mikata is deeply embedded in the company's operations, reflecting its commitment to addressing employee dissatisfaction and high turnover rates. The program's design, which offers career guidance and fosters a sense of community, directly tackles the issue of new graduates feeling disconnected in the corporate environment as well. This embedding is evident in the range of services provided, including industry research meetings, roundtable discussions, and comprehensive recruitment consultations. These services are tailored based on direct feedback from students, ensuring that the initiative remains relevant and effective in meeting the needs of both the company and potential employees.

The governance is characterized by a commitment to continuous professional development and community building among new graduates. The organization of career events, alumni exchanges, and other initiatives underlines a governance structure that values long-term talent retention and professional growth. This is further evidenced by the support provided to Rika Tabata, demonstrating the initiative's broader scope of nurturing young talent beyond traditional recruitment, encompassing personal and professional development.

Will Real Property Corporation exemplifies how a company can act on its purpose through thoughtful structural changes, embedding innovative practices into its operations, and adopting a governance approach that prioritizes long-term talent development and retention. The initiative reflects a strategic alignment with the company's core values and mission, showcasing the potential of purpose driven management in driving human resource success and employee fulfillment.

5.5 Fruiting

Will Real Property Corporation has not only evolved Bukatsu's Mikata into a full-fledged business line but also represents a paradigm shift in talent acquisition and management. Its impact extends beyond the conventional boundaries of HR, underscoring the initiative's role in shaping a more engaged, satisfied, and committed workforce. The shift from a transactional recruitment approach to a more holistic, engagement-focused strategy highlights a governance model that prioritizes long-term relationship building and talent nurturing. However, the question that arises here is that it is clear that this practice by Will Real Property Corporation is beyond the traditional Japanese human resources and employment. Its existence has created a backlog in the market for recruitment agencies and some universities career centers. Such an innovation does not only bring social value, but also competition. This point about bringing in competition has not appeared in the previous literature. This one is a good one to think about and continue researching.

5.6 Summary

Analyzing Will Real Property Corporation through the driving-defining-acting-fruiting framework reveals a nuanced understanding of purpose-driven management. This approach, particularly evident in their innovative human resources initiative, Bukatsu's Mikata, demonstrates a clear alignment of corporate purpose with strategic action and societal impact. The foundation of Will Real Property Corporation is deeply intertwined with the personal convictions of its founder, Okamoto. His experiences, marked by ethical dilemmas and a desire for meaningful change in the real estate industry, catalyzed the formation of the company. This driving force is rooted in a profound dissatisfaction with traditional business practices and a commitment to creating a workplace that resonates with empathy and pride. This ethos, which emphasizes employee welfare and a sense of community, underpins the company's purpose and guides its strategic direction.

The company defines its purpose through a blend of traditional Japanese values and modern business practices, encapsulated in the philosophy of compassionate and sympathetic heart . This philosophy, signifying a deep emotional connection in business, is not just a guiding principle but a lived experience within the company. It articulates a vision where employees are viewed as integral community members, shaping the company's narrative and fostering a culture where every individual feels valued and connected. The implementation of Bukatsu's Mikata has resulted in a paradigm shift in talent acquisition and management, extending beyond traditional HR boundaries. This initiative has evolved into a significant business line, showcasing the potential of innovative HR strategies in fostering an engaged and committed workforce. However, this innovation has introduced competition in the market, impacting traditional recruitment agencies and university career centers, raising considerations about the broader implications of such disruptive strategies in the industry.

Will Real Property Corporation's journey from its inception to its current state exemplifies purpose-driven management. This approach is manifested in the alignment of the company's operations with its foundational values and the implementation of innovative strategies that resonate with societal needs. While the company has successfully integrated these values into its business model, creating social value and transforming its approach to talent acquisition, it also highlights the competitive challenges introduced by such innovations. This case presents an insightful perspective on the complexities and implications of purpose-driven management in the modern corporate landscape.

Chapter 6 Discussion and Conclusion

In this section, we will attempt to address the second research question "*how to develop and embed a sense of shared purpose, how individuals are motivated and aligned with corporate purpose*" based on the content and analytical models of the two cases presented and finally discuss the mechanism behind it.

As mentioned in the previous chapter, both corporations delineate their purpose through a confluence of their leaders' personal aspirations and the companies' intrinsic values. Chitose Construction Corporation's purpose is epitomized by CEO Okamoto's vision of fostering a world where individuals are empowered to realize their potential. This vision is operationalized through the company's mission to provide affordable housing and social support to single-parent families, particularly single mothers. The company's purpose is seamlessly woven into its strategic fabric, crafting a narrative that resonates with stakeholders and aligns the company's values, mission, and vision. Similarly, Will Real Property Corporation articulates its purpose through the philosophy of "情けの心", denoting a profound emotional connection and a sense of pride in business practices. This philosophy transcends mere guiding principles, manifesting as a lived experience within the company. It signifies a commitment to viewing employees as integral members of a community, thereby fostering a culture of belonging and pride. The company's narrative interlaces its historical legacy with its present and future, creating a continuum of shared history and cultural values that inform its operational and strategic endeavors.

In terms of the individual motivation, behind the purpose-driven management at Chitose Construction Corporation and Will Real Property Corporation is intrinsically linked to the profound personal convictions and experiences of their respective leaders. At Chitose Construction Corporation, CEO Takuya Okamoto's exposure to microfinance and social empowerment, notably through his interaction with the Grameen Bank, was transformative. This experience crystallized his belief in the capacity of purpose-driven management to address critical societal issues, such as providing housing for single mothers, thereby catalyzing the metamorphosis from a conventional construction firm to a socially-conscious enterprise. Conversely, Will Real Property Corporation's genesis is attributed to the ethical dilemmas and professional disillusionment faced by its founder in his former employment. His aspiration to restore the integrity of the real estate sector and establish a company where employees could derive genuine pride from their work was the catalyst for the founding of Will Real Property. At this stage, a salient characteristic is that the life experiences and personal values of both company leaders significantly influence and propel their respective companies' construction of shared purpose.Two cases show that strong leadership is crucial in embedding a shared purpose. Leaders not only articulate a shared purpose but also take actions by doings, deeply involving themselves in both corporate and social activities. Their personal stories and convictions are integral to their leadership, making the corporate purpose resonate on a personal level with employees and stakeholders.

Notably, both CEOs emphasized the quality and frequency of sharing their purpose and make others reimagine their individual purpose via Continuous Communication. Okamoto, the first case, not only shares his story in company meetings but also across various media platforms. He tirelessly recounts his experiences and guides participants to share their own life journeys. This is not merely a one-sided lecture but a spiritual exchange. In this study, I had the privilege of attending his sharing sessions three times. Despite sharing similar stories each time, the participants brought diverse perspectives, life experiences, and personal purposes. These inspirational discussions foster a closer integration of the company's team’s personal purpose under the established shared purpose.

Participants ranged from directors of fund companies, bank managers, to local school principals. They too became imbued with the company's shared purpose. Some were willing to financially support the initiative, while teachers brought more students to the Hub’s activities, integrating the social issue into classroom discussions to inspire more young people to engage in social causes. Similarly, Okamoto, the second case, engages in comparable activities as well. Although he no longer manages the company's operations, he remains committed to hosting various events both within and outside the company, where he shares his life experiences, personal purpose, and the company's purpose. He allows new employees to determine what they want to pursue, as long as it contributes to making people's lives better and enhances the pride of the company’s employees. To support this, the company has established a fund to encourage new employees to explore their interests. Unlike corporate venture capital, this interest-driven fund does not seek to incubate new businesses but purely encourages exploration. Similar to HR's exploration, this process continually ignites employees' passion for discovering their life's purpose and the value of their work under the guidance of a shared purpose. From the employees' perspective, many at both companies may not have initially had a strong interest in the construction or real estate sectors. However, their reason for joining and continuing to grow within the company is the alignment they feel between their personal purpose and the company's overarching shared purpose. A notable example is Aoki at CHITOSE CONSTRUCTION CORPORATION , an IT engineer and graduate from a prestigious university, who, despite working in a field unrelated to his major and early career, and earning a significantly reduced salary, stays with the company out of a profound sense of responsibility to help single-parent families, motivated by his own experience as a father.In quick conclusion, regular and effective communication is key to keeping the purpose alive within the organization. Both corporations foster environments where employees are encouraged to pursue projects that align with their personal purpose and the company's purpose.

The implementation of Purpose-driven Management at both firms shows the evidence of strategic structural changes and innovative practices. Chitose Construction Corporation's transformation was spearheaded by the LivEQuality initiative, which integrates social imperatives into the core business model. This involved the bifurcation of operations into three distinct entities: the parent company focused on construction, an NPO dedicated to providing social support, and LiveQuality Oyasan, a financing platform. This strategic realignment enabled Chitose Construction Corporation to address social issues effectively while maintaining financial sustainability. Will Real Property Corporation’s Bukatsu’s Mikata initiative signifies a paradigm shift in its structural framework, transitioning from traditional recruitment methods to a direct, engagement-oriented strategy. By targeting university clubs and departments, the company has embedded a novel talent acquisition approach that aligns with its purpose of fostering a communal environment where employees feel valued and connected. Meanwhile, the most striking aspect is the employees' demonstrated initiative and the company's active encouragement. During numerous sharing sessions, employees of these two companies exhibited remarkable autonomy, particularly when sharing their unique life experiences. After conducting extensive interviews with employees, their profiles transcend cold, impersonal records, emerging as vivid, soulful beings. These individuals do not merely fulfill their corporate duties; they proactively convey the company's purpose to the outside world and utilize their initiative to genuinely assist the company. For instance, at first case, employees' friends voluntarily participate in the company's philanthropic activities, and former supervisors contribute financial support to help the hub find more housing and provide additional living assistance. Numerous such examples abound. Innovative initiatives also take root and flourishes through the serendipities brought about by this individual initiative. Those initiatives extend beyond the confines of corporate responsibilities, as employees actively propagate the company's purpose externally and leverage their initiative to support the company meaningfully which back the statement from Porter (2016) and Mayer (2021) in terms of the limitation of CSR. This individual initiative fosters an environment where innovation can thrive, driven by the unique contributions of each employee.

Through interpersonal networks as a bond, both companies profoundly impact their respective regions. A high school in Nagoya hopes that Chitose Construction Corporation will collaborate with their students in joint lectures. The local government in the Chubu region has invited Chitose Construction Corporation employees to the city hall to share their experiences and actively promote new models of cooperation between governmental bodies and private organizations like Chitose Construction Corporation to address social issues.

As Will's business gradually expands across Japan and even internationally, Will's employees tirelessly visit numerous universities throughout Japan, providing various forms of financial support to campus activity groups and sports clubs. This helps graduating students experience a unique employment culture. Based on the previous discussion, we can answer the research question "*how to develop and embed a sense of shared purpose, how individuals are motivated and aligned with corporate purpose*" : leaders within companies distill and reflect upon their life experiences to form a personal purpose. This purpose is then disseminated both internally and externally through continuous communication via social networking. This dissemination offers heuristic guidance that resonates with both internal individuals and external individuals, cultivating a shared purpose. Guided by this shared purpose, structural change and innovations are undertaken, leveraging the company's original strengths and individuals' resources. Ultimately, these changes and innovations culminate in new business models that address societal issues, thereby generating significant impact.

In Chitose Construction Corporation' case, it integrates its corporate purpose shared by employees of helping single mothers into its core business strategy. This includes implementing single mother friendly room reform and investing in vacant buildings. By focusing on addressing social issues, the company enhances its profitability and strengthens stakeholder trust, which becomes another supporting case for Mayer and Roche's practical framework (2021, p. 102). Businesses that proactively engage with their stakeholders and incorporate their interests in decision-making processes are more likely to maintain their social license to operate. This approach builds trust and fosters robust, enduring relationships with customers, employees, suppliers, and communities.

The alignment of employee personal purposes from the Will Real Property case drives greater employee motivation and engagement, as seen in their innovative employee purpose fulfillment program. This program encourages employees to identify their personal purpose and find ways to integrate them into their work roles, that meets the Henderson principles (Henderson, 2020, p. 74). Employees at Will Real Property Corporation are highly engaged in community projects and volunteer activities, which boosts their morale and loyalty to the company in favor of Bode and Singh's argument in terms of human resource management (2018, p. 24). Meanwhile, Will Real Property Corporation has also reformed its governance structures to support its purpose-driven management without any direct loss, which strengthens the proposal that corporate structure shall remain flexible in order to purse broader purpose (Mayer, 2019, p. 58). In Japan, traditional philosophies such as "三方良し" (good for three parties) have long underscored the importance of considering the welfare of all stakeholders. Corporations may leverage these cultural insights to fortify their purpose-driven strategies and practices.

The study primarily focuses on case studies from Japanese corporations while these case studies provide valuable insights into the practical implementation of purpose-driven management, they may not be representatives as general practices. The unique cultural and social environment in Japan may influence the applicability of the findings to corporations in other regions with different contextual factors.

Although the case study emphasizes the alignment of individual employee purposes as a driver of motivation and engagement. However, measuring this alignment is inherently subjective and varies significantly across individuals. The qualitative nature of this aspect limits the ability to generalize findings across different organizational contexts and demographics. Moreover, the case studies rely heavily on self-reported data from the companies and their employees, which may be subject to bias. Participants might overstate positive outcomes or underreport challenges due to social desirability bias or organizational pressure. A small number of employees have expressed complaints about not understanding the need to devote extra effort and time to social issues. While the case studies offer a snapshot of current practices and their immediate outcomes, they do not account for potential long-term challenges or shifts in corporate strategies that may arise over time. Although the study acknowledges external driving factors such as ecological responsiveness and stakeholder theory, it does not extensively explore the influence of macroeconomic conditions, technological advancements, and geopolitical factors on the implementation of purpose-driven management. These external variables can significantly impact the feasibility and effectiveness of integrating corporate purpose into business strategies.

The study predominantly examines two middle-sized corporations, which may have more resources and capabilities to implement purpose-driven management compared to small-sized enterprises and fewer challenges compared to big corporations. The findings are not fully capturing the variation of corporation size.

In conclusion, while this study provides two interesting cases that offer valuable insights into the practical and theoretical implications of purpose-driven management, its limitations highlight the need for further research across diverse contexts, including different cultural settings, organizational sizes, and external environments. Future studies should aim to incorporate longitudinal data, mitigate subjectivity, and explore the broader impact of external influences to enhance the generalizability and robustness of the findings.

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