

THE 3D INDEX OF PURPOSE

The 3D index of purpose is a new metric every organization should use to assess the degree of corporate purpose fulfilment. It aims to become a key indicator, similar to how metrics like NPS (Net Promoter Score) or global reputation are employed.

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In today's business world, the corporate purpose has become a central driver of organizational culture. It acts as a powerful tool for internal transformation, fostering a unique identity that sets organizations apart in the long run. The purpose is a determining factor for the future success of any organization. It reflects its core reason for being, explaining why it does what it does, shaping strategy, decisions and actions. Purpose itself is intangible and thus measuring it can be challenging. However, doing so is essential to understand its level of impact in terms of internal experience, and track progress and possible setbacks over time.

The experience of purpose reflects how well employees understand, identify with and embody the company's purpose in their daily work.

All organizations, regardless of their sector and size, have a purpose. Defining a company's true purpose requires continuous reflection and open dialogue with all stakeholders.

However, employees hold a special place in this process.¹ They are the ones who translate the company's purpose into action through their daily interactions, decisions, and behaviour.

Only by considering employees throughout purpose definition, actively involving them and providing tools for alignment, can a company leverage its unique strengths and build a cohesive organizational culture. When we talk about purpose, we do not mean that every company needs to change the world. Instead, it is about finding a shared cause that underpins a meaningful contribution to the operating environment.

The true power of purpose lies in its ability to unify employees and drive actions towards a common goal. That is why the focus should lie particularly on actively embodying an organization's purpose. The degree to which organizations translate purpose into everyday actions is what truly sets them apart.

The question remains: How do we measure the internal experience of purpose? This innovative tool is the result of fifteen years of research in purpose measurement driven by the Chair of Mission-Driven Management and Corporate Purpose at UIC Barcelona, the experience in consulting of DPMC, and the collaboration of Corporate Excellence – Centre for Reputation Leadership.

PURPOSE EXPERIENCE

While ESG ratings, ISO certifications, and awards like Great Place to Work or B Corp offer valuable insights into a company's impact, they fall short in capturing the internal experience of purpose.

Therefore, organizations need tools that reflect their true essence, their reason for being, and what they aim to contribute to the world.

Among the different indicators that make up an organization's scorecard, there is one metric that transcends company specifics: the internal experience of purpose. This internal measurement reflects how well employees understand, identify with and embody the company's purpose in their daily work.

THE CORNERSTONES OF PURPOSE

The 3D index of purpose was developed through extensive empirical research, involving a sample of 65 companies and 2.700 managers.² This study identified three critical dimensions that help to understand the construct of purpose: knowledge (head/formal), motivation (heart/driving force) and action (hands/dynamics).



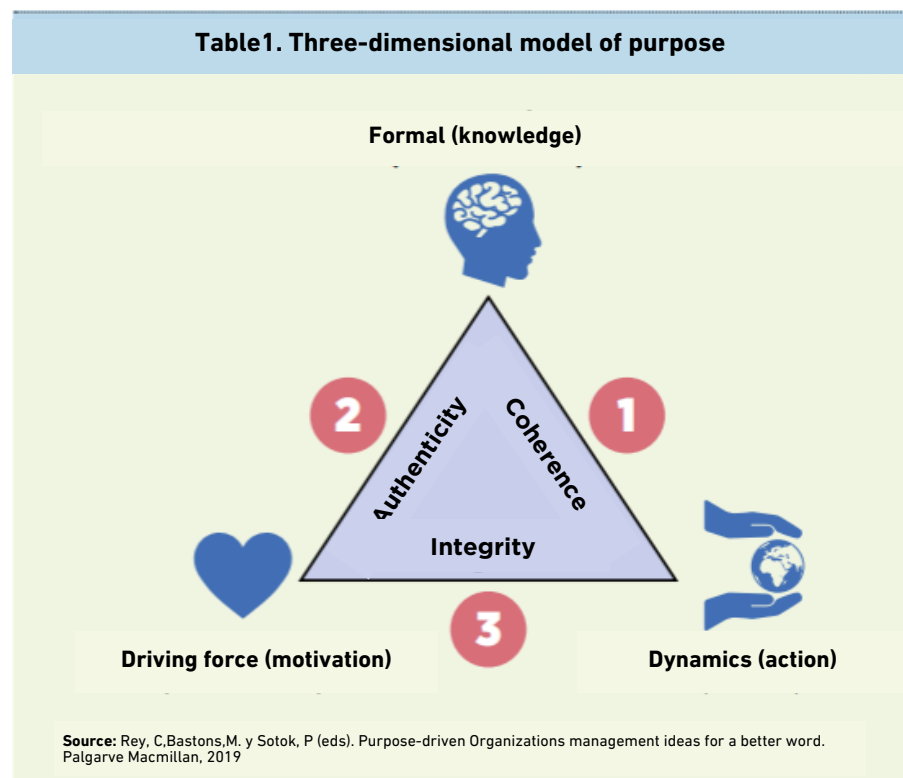
At the intersection of these three dimensions, we can find the levers that drive effective purpose, fostering internal alignment, and a lasting competitive advantage.³ (see table 1).

-Coherence. Walk the talk. This dimension reflects how well a company translates its purpose into action. It examines whether employee behaviours and company decisions consistently align with the stated purpose.

-Authenticity. Saying what you feel and meaning what you say. This dimension focuses on the connection employees feel towards the purpose.

It measures the extent to which employees understand, identify with, and genuinely believe in the purpose, recognizing its importance for both themselves, and society.

-Integrity. Feeling what you do and doing what you feel. This dimension reflects how deeply purpose is embedded within the company culture. It looks for spontaneous behaviours that demonstrate employees naturally embody the purpose in their daily work.



THREE POWERFUL QUESTIONS

Based on these three levers, this new indicator provides a measurable metric of the internal experience of purpose, designed for integration into existing company dashboards. To achieve this, it is built upon three key criteria:

Statistical representativeness. A key aspect of any measurement tool is its statistical representativeness. This refers to how well an indicator reflects the aspect it is meant to measure. The higher the representativeness, the fewer indicators needed.

For instance, the Net Promoter Score (NPS) effectively gauges customer recommendation with a single metric.⁴ The 3D index of purpose achieves high representation through its foundation in empirical research. It has allowed us to carefully select indicators that strongly correlate with the experience of purpose for each dimension.⁵ Thus, “coherence” is measured by “exemplarity of the managers”, “authenticity” is evaluated through “alignment with personal values”, and “integrity is reflected through the “behaviour of colleagues” (see table 2).



Clarity. The clarity of an indicator refers to its ability to be interpreted consistently when used in diverse groups. For the 3D index of purpose to be effective in different levels and areas of a company, it underwent rigorous testing. Focus groups and tests were conducted with directors, managers and

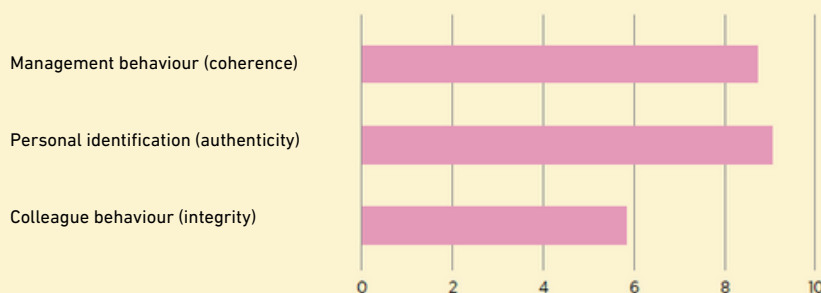
To facilitate the 3D Index of Purpose can be used in different areas and levels of the company, were carried out 'focus groups' and testing with directors, managers and employees from different organizations.

employees from various organizations. Participants evaluated the clarity and comprehension of each item used to assess the three dimensions. Based on the feedback of multiple rounds of testing, the wording of each question was adapted. This included both the literal meaning (denotation) and any emotional associations (connotation). For example, after verifying that including both “purpose” and “mission” improved clarity, all items of the dimensions of purpose were adjusted to incorporate this terminology.

Table 2. Example of the 3D index of Purpose.

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Use of the internal experience of purpose indicator by a tourism company to assess the impact of a purpose activation program among its employees.



As shown in table 3, this resulted in statements like “Management’s behaviour is consistent with the purpose/mission of the company” for coherence, “The purpose-mission of my company is aligned with my personal values” for authenticity, and “My colleagues’ behaviour is consistent with the purpose/mission of the company” for integrity.

The anchoring effect. A potential pitfall in any survey is the anchoring effect. This occurs when the answer to one question influences the answer to the next.⁴ For example, when asking a person “Are you happy?” and then, “Do you party at weekends?”, the first question does not condition the second. But if the questions are asked in reverse order (“Do you party at weekends?” and then “Are you happy”), people who answer “yes” to the first question are more likely to say they are happy.

To avoid this bias in the 3D index of purpose, the questions were ordered strategically. The two behaviour-related questions (“Management’s behaviour is consistent...”, and “My colleagues’ behaviour is consistent...”) were separated by interjecting a question about personal identification (“The purpose-mission of the company is aligned with my personal values”). This minimizes any potential “anchoring effect, ensuring each dimension is assessed independently.

PURPOSE, THE NEW SCORECARD INDICATOR

While implementing the 3D index of purpose may vary across companies, four main and complementary uses can be highlighted:

1 - COMPARISON OF THE THREE DIMENSIONS

Measuring purpose allows companies to diagnose the development stage of the internal experience of purpose for each dimension, enabling comparisons. In the example in table 2, a tourism company used the 3D index of purpose to assess the impact of a purpose activation program among its employees. The results were positive in the dimensions of coherence (management behaviour) and authenticity (personal identification). However, the integrity score (colleague behaviour) was lower, suggesting purpose was not fully embedded in daily interactions.

By measuring before, during and after purpose implementation and activation, companies can gauge the effectiveness of their effort and adjust course in needed.

This valuable insight led the company to launch a “purpose ambassador” program, specifically targeting the integration of purpose into the company culture.

2 - LONGITUDINAL COMPARISONS

The 3D index of purpose is not a one-time snapshot. It allows companies to track the development of the internal experience of purpose over time. By measuring before, during and after purpose implementation and activation, companies can gauge the effectiveness of their efforts and adjust course if needed. This longitudinal view is also valuable for understanding how certain internal or external events may impact the organization. For instance, several companies measured employee purpose experience before, during, and after the COVID-19 crisis. The results revealed that the crisis strengthened purpose experience in some companies, whilst causing a significant decrease in others.

Table 3. Variables of the 3D index of purpose

Indicate your level of agreement with each of the following statements...

1. Management’s behaviour is consistent with the purpose/mission of the company.

2. The purpose/mission of my company is aligned with my personal values.

3. My colleagues’ behaviour is consistent with the purpose/mission of the company.



The true effectiveness of the purpose measurement indicator lies not just in its statistical accuracy, but in the intention behind its use. Thus, before measuring, companies should ask themselves a critical question: Why are we measuring the level of strength or experience of our purpose?

3 - COMPARISONS BETWEEN DIFFERENT UNITS AND HIERARCHICAL LEVELS

Through segmentation by unit or hierarchical level, the internal experience of purpose indicator reveals variations in the way purpose experience develops across an organization.

In this respect, by applying the indicator, a multinational bank was able to identify cultural and geographic differences in purpose implementation, across its international branches. Similarly, an industrial company discovered a significant disconnect between office and factory staff. While office employees felt highly connected to the purpose, factory workers felt disengaged. This data helped them redesign their purpose promotion strategy, with a specific program aimed at bolstering purpose experience in production centres.

4 - COMPARISONS WITH OTHER ORGANIZATIONS

The 3D index of purpose is not just for internal analysis. It allows companies to benchmark themselves against organizations with similar characteristics such as industry, size, location, or a specific practice. This comparative data helps companies identify their relative strengths and weaknesses.

These four applications of the 3D index of purpose complement each other. By combining all four, organizations can leverage measurement to drive improvement. They can cultivate a strong sense of purpose across all three dimensions, ultimately achieving the goal of building a truly authentic, coherent and integrated purpose.

BEYOND MEASUREMENT: THE DRIVE OF COMPANIES WITH A SENSE OF PURPOSE

The true effectiveness of the purpose measurement indicator lies not just in its statistical accuracy, but in the intention behind its use. Thus, before measuring, companies should ask themselves a critical question: Why are we measuring the level of strength or experience of our purpose? Because even the most robust measurement is meaningless without the ability to learn and the human capacity to perceive and sense an organization. When used with a purposeful mindset, the 3D index of purpose fosters positive learning that can transform a company into a driving force for positive societal and environmental impact.

However, if the motivation is mere utility or control over people, the learning will be negative, hindering progress. Therefore, this indicator ultimately aims to go beyond numbers. It seeks to enrich discussions, spark reflection, and ignite the emotions and actions that keep a company's purpose vibrant and alive. Organizations must recognize corporate purpose as the foundation of business strategy. It is the vital link that connects corporate objectives with social, ethical and environmental impact. In essence, purpose acts as a decision-making filter, and a compass guiding positive behaviours, aligned with the organization's strategy and values.⁷ The 3D index of purpose was designed precisely to address this need. It empowers companies to activate and internalize their purpose. By providing insights into employee levels of coherence, authenticity, and integrity, the Index equips companies with the key levers to build a future-proof business model.

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