

Advancing the Common Good through Purpose-led business: early learning from *A Blueprint for Better Business's* work with some major companies

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Abstract

The Blueprint initiative came from business leaders approaching the Cardinal Archbishop of Westminster. Blueprint's Framework and Principles are substantially derived from CST and virtue ethics. The process of drafting and testing them involved dialogue with other faiths, other disciplines and business leaders. The approach has been "faith-enabled but not faith-led", drawing on a rich understanding of human dignity in a way that people of all faiths and none can support to offer a practical challenge to dominant thinking and practice in business.

Since Blueprint started in 2012 the "purpose agenda" has moved more centre stage, within both business and academic research. Critiques of the Friedman doctrine are multiplying, and societal expectations of business are rising (e.g. the UN SDGs set expectations which only businesses can help deliver) whilst trust remains stubbornly low. Aware that the language of purpose can be "hollowed out", Blueprint's view is that an organisation's real impact is influenced not only by its purpose but as powerfully by whether people are assumed to be purely self – interested. Assumptions about both profit maximization and people's motivation shape decision taking and behavior. How organizations are managed reveal these assumptions in practice, and can either enable or inhibit unlocking of unrealised potential in people. Part of the necessary change is a recovery of the idea that business is a social organization, not just a nexus of contracts. Once seen as a part of society oriented to a wider common good, the quality of human relationships becomes fundamental not instrumental. The power of purpose then is to inspire people to commit to a shared worthwhile endeavor, seeing work as a craft through which people can express and form their character and realise their own potential.

Blueprint has a theory of change that is based on creating the conditions for thoughtful leaders to move to a more human centric view of business. This theory of change envisages changing the dominant narrative within the eco-system surrounding leaders. The dominant discourse should become: profit is not the purpose of a company; profit is one outcome of identifying and pursuing a purpose that benefits society.

In the UK and many other countries, corporate law is permissive of companies becoming purpose-led. But there are limits to relying on law or regulation as main levers of change. And research in behavioural economics shows that focusing on external incentives or constraints (carrots and sticks) tends to crowd out the intrinsic motivation towards achieving what is good. The market never exists in a pure state and its cultural configuration is powerfully influenced by dominant ideas. Major companies and investors have a role in shaping these. Blueprint has early learning about the barriers and opportunities through working both with companies and investors who believe the approach is consistent with higher long term returns, and powerfully restorative of a better relationship between business and society.