



The Purpose Ecosystem and Earth System Governance

Summary of Findings

Associate Professor Wendy Stubbs, Monash University, Australia

Associate Professor Fred Dahmann, Warwick Business School, U.K.

06 December 2019

About the authors

Wendy Stubbs

Wendy Stubbs is an Associate Professor in the School of Social Sciences (SoSS) at Monash University, Melbourne, Australia. Her research seeks to understand how business can more holistically address its environmental, social and economic responsibilities. Her PhD (2006) in corporate sustainability developed a 'sustainability business model' that integrates sustainability into the core business model. This research is recognised as pioneering in the field of business models for sustainability, and her research continues to explore business models that are grounded in the principles of sustainability. Current research projects are investigating the emergence of new business models for sustainability, such as B Corps – whose purpose-driven business model 'uses the power of business to solve social and environmental problems' – and 'purpose ecosystem' that supports the emergence of purpose-driven businesses. In addition, Wendy's research explores sustainability reporting and integrated reporting (IR), which promises to streamline reporting to enhance accountability and stewardship to improve management of environmental, social, human and financial capital. Prior to her academic career, Wendy was a senior executive in the telecommunications and IT industries.

wendy.stubbs@monash.edu

www.linkedin.com/in/wendy-stubbs-25039a4

<https://research.monash.edu/en/persons/wendy-stubbs>

Frederik Dahlmann

Fred Dahlmann is Associate Professor of Strategy and Sustainability at Warwick Business School. His research interests are driven by a focus on understanding how companies respond to and integrate global sustainability challenges into their business strategies, management practices and corporate governance systems. Specifically, he studies how companies address climate change and reduce corporate carbon emissions through targets and incentives, their engagement with multiple sustainability challenges such as the energy-food-water nexus, and the role of sustainable business models in driving industry transformation. Further, he seeks to understand the role of business in the Anthropocene, such as their efforts to contribute to effective Earth Systems Governance and integrating the UN Sustainable Development Goals in their business strategies.

Frederik.Dahlmann@wbs.ac.uk

www.linkedin.com/in/frederikdahlmann

Research Team

Monash University

- Associate Professor Wendy Stubbs, School of Social Sciences
- Associate Professor Megan Farrelly, School of Social Sciences
- Professor Rob Raven, Deputy Director – Research, Monash Sustainable Development Institute

University of Warwick

- Associate Professor Frederik Dahmann, Warwick Business School
- Professor Dave Griggs, Institute of Global Sustainable Development
- Professor João Porto De Albuquerque, Director of the Institute of Global Sustainable Development
- Dr Keith Hyams, Social Sciences (Politics and International Development)

University of Technology, Sydney

- Dr Melissa Edwards, UTS Business School; Research Director Centre Business and Social Innovation

Acknowledgements

We sincerely thank all the organisations and individuals who agreed to be interviewed for this research and the organisations that contributed to our workshops in Melbourne and London.

We gratefully acknowledge the funding from the Monash Warwick Alliance Research Catalyst Fund which made this research possible.

Report citation

Please cite this report as:

Stubbs, Wendy & Dahmann, Frederik (2019). *The Purpose Ecosystem and Earth System Governance - Summary of Findings*. Melbourne Australia, Coventry UK: Monash Warwick Alliance.

Table of Contents

| | |
|---|----|
| About the authors..... | 2 |
| Research Team..... | 3 |
| Acknowledgements..... | 3 |
| Report citation..... | 3 |
| Executive summary..... | 5 |
| 1. Introduction..... | 7 |
| 1.1 Purpose ecosystem and Earth System Governance | 7 |
| 1.2 Aim of research..... | 8 |
| 2. Research Findings..... | 9 |
| 2.1 Meaning of Purpose | 9 |
| 2.2 Role in purpose ecosystem..... | 11 |
| 2.3 Theory of change | 12 |
| 2.4 Interactions with others..... | 15 |
| 2.5 Barriers to progress | 18 |
| 2.6 Achieving the SDGs | 21 |
| 3. Conclusion | 22 |
| 4. References..... | 24 |

Executive summary

The aim of this research project was to explore the role and agency of the ‘purpose ecosystem’ in contributing to Earth System Governance.

Specifically, we examined if, and how, this emerging purpose ecosystem could represent an innovative form of private governance to help achieve the UN Sustainable Development Goals (SDGs).

Based on in-depth interviews with 12 Australian organisations and 6 based in the UK we explored open-ended questions on: the definition of purpose; organisations’ respective theory of change; interactions among the purpose ecosystem intermediaries; barriers and challenges towards achieving progress; and, how the organisations address or contribute to the UN SDGs.

Key findings from both the Australian and the UK organisations include:

- Organisations employ a variety of definitions for purpose which all relate to supporting the achievement of business outcomes beyond profit.
- Organisations also use a variety of different engagement methods that often target key decision makers through theories of change based on awareness raising, education and individual support as well as new financial and organisational tools.
- Interactions among actors in the purpose ecosystem are characterised by mutual respect and recognition, but also a growing realisation that there is a significant degree of inefficiency and a need for some form of consolidation.
- Lack of funding and other resources are key barriers towards achieving greater progress and impact. Other challenges include persistent norms and habits among businesses as well as a need for greater coordination among the organisations in the purpose ecosystem.
- All organisations share an explicit awareness of the UN SDGs as a clear, comprehensive and useful framework within which to locate their efforts. While actors pursue different strategies and theories of change, their work directly supports the achievement of the UN SDGs through partnership with business.

Based on our preliminary research insights we provide some recommendations:

1. More rigorous mapping of members in this purpose ecosystem to establish a better understanding of the different actors and their respective efforts;

2. Creation of a community of practice or some other neutral forum where approaches and ideas can be discussed and coordinated;
3. Research to identify and evaluate the different theories of change implemented to strengthen the evidence base for impact; and,
4. Development of a platform that bundles and advertises different funding sources and opportunities for actors within this purpose ecosystem.

In conclusion, we believe this emerging purpose ecosystem could play a vital role in helping address sustainability challenges and support the achievement of the UN SDGs. To reach its full potential, however, a number of barriers and challenges need to be addressed through critical evaluation, greater collaboration and information sharing.

We invite practitioners and academics to provide us with feedback on these findings and join us in better understanding and supporting the evolution of the purpose ecosystem.

1. Introduction

Beyond the changing role and responsibilities of individual businesses, we are witnessing the emergence of a range of private-actor networks and initiatives (Albareda and Waddock, 2018) designed to transform companies' underlying business models or practices. Many are part of an emerging industry of sustainability enablers or facilitators that help businesses to adopt sustainable business models or embed sustainability in their business strategies and practices, encouraging and accelerating behavioural changes among companies, investors, governments and individuals. Many of these private actor networks are founded on key philosophies, codes and principles, and offer concrete action frameworks, business templates and other practical guidance such as audit and certification for increased legitimacy and signaling (Stubbs, 2017). Collectively, we refer to these networks and actors as a 'purpose ecosystem', which shares a focus on achieving a broader 'purpose' as a key characteristic (Dahlmann et al., 2019). While none of the actors explicitly refer to the academic concept of Earth System Governance (ESG) as part of their purpose or mission, many directly address the UN Sustainable Development Goals (SDG) and all seek to tackle wider social and/or environmental issues and concerns through the capacity of business.

1.1 Purpose ecosystem and Earth System Governance

In this research, we define 'purpose-driven businesses' as those that are integrating social and environmental objectives into organisational purpose, rather than a singular focus on financial objectives (such as maximising profits and/or shareholder value). They serve some form of purpose beyond their own self-interest and that of private wealth maximisation (characterised by exclusivity and rivalry), to societal wealth creation (characterised by non-exclusivity and non-rivalry) (Enderle, 2018).

Further, we define 'purpose ecosystem' as an intermediary form of private governance. Drawing on Hervieux & Voltan's (2016) work, we use 'ecosystem' to describe how intermediaries create favourable systems to support the development of purpose-driven businesses. Key features include: a social/environmental entrepreneurial approach; support networks and infrastructure to enable social, environmental and economic change through an ecosystem that is connecting and bringing together actors from multiple areas; and, educating new and potential businesses to be social and environmental innovators or 'change-makers' (Hervieux & Voltan, 2016).

Earth System Governance refers to *“the interrelated and increasingly integrated system of formal and informal rules, rulemaking systems, and actor-networks at all levels of human society (from local to global) that are set up to steer societies toward preventing, mitigating, and adapting to global and local environmental change and, in particular, earth system transformation, within the normative context of sustainable development”* (Biermann et al. 2009, p.4).

In this context, the agreement of the Agenda 2030 and associated United Nations Sustainable Development Goals hold significant potential towards shaping Earth System Governance (Kanie and Biermann, 2017) in a way that recognizes the complex interdependencies between environmental, social and governance concerns (Nilsson et al., 2016). In this research study, we loosely equate Earth System Governance with the UN SDGs.

1.2 Aim of research

The aim of this research project was to explore the role and agency of the purpose ecosystem in contributing to the Sustainable Development Goals and Earth System Governance.

Specifically, we were interested to examine if, and how, this emerging purpose ecosystem could represent an innovative form of private governance to help achieve the SDGs. Our research study therefore targeted organisations – such as social movements, NFPs, NGOs, peak bodies, global communities and consultancies – that promote, and/or as intermediaries work with, purpose-driven businesses and which enable collaboration and partnerships between businesses, and other actors, to drive systemic change. We invited 41 organisations to participate in our study, but only 18 were available for an interview: 12 organisations in Australia and 6 in the UK. The resulting sample is by no means representative but affords a small window into this emerging purpose ecosystem. The Australian sample in particular has a strong representation from the finance sector (e.g., social financing, impact investing) and represents one-third of the research participants (see Figure 1 in section 2.4).

To explore our research topic we included open-ended questions around key research themes: we asked participants about their understanding of ‘purpose’; their individual and organisational roles in supporting purpose-driven business and the purpose ecosystem; their underlying theory of change; who and how they interact with others in the purpose ecosystem; the perceived tensions, barriers and challenges for purpose-driven business; and the potential for the purpose ecosystem to help achieve the SDGs.

2. Research Findings

This section provides a snapshot of the findings from the pilot research study. We summarise key themes that arose from the analysis of the interviews and sample quotes from participants, allowing participants to speak for themselves rather than the researchers paraphrasing/interpreting participants' perspectives.

To maintain anonymity of research participants, we use codes to identify participants (see Table 1). The participants were classified into: BUS=purpose-driven business; CONS=consulting organisations; FIN=finance or investment-related organisation; ED=education organisations; PB=peak bodies; and, SM=social movements.

Table 1: Summary of participants

| Australia | UK |
|------------------|-----------|
| BUS1 | ED1 |
| CONS1 | CONS1 |
| CONS2 | SM1 |
| ED1 | SM2 |
| FIN1 | SM3 |
| FIN2 | SM4 |
| FIN3 | |
| FIN4 | |
| PB1 | |
| PB2 | |
| SM1 | |
| SM2 | |

The following sections summarise how participants made sense of the concept of purposeful business, or purpose-driven business (s2.1); their role in the purpose ecosystem (s2.2); participants' theory of change (s2.3); how participants interact with others in the purpose ecosystem (s2.4); and, the perceived barriers for purposeful business and the purpose ecosystem (s2.5). Finally, we discuss how participants are interacting with the SDGs (s2.6).

2.1 Meaning of Purpose

AUSTRALIA

The four main themes for the meaning of purpose were:

- to solve social and/or environmental issues;

a business is setting out to address a social or environmental challenge. So, you referred to the SDGs before, I would say that it's looking at the SDGs and, generally, having a business model that is helping to contribute to those goals. [SM2]

- empathy and connectedness;

the reason that we exist is not to exist into perpetuity and make lots of money, but our purpose – our reason for being - is about supporting a transformational change where empathy is a core component of everything that we do and the way in which we operate. [FIN4]

- go beyond financials; and,

so a business with a purpose that's beyond itself, meaning beyond its own shareholders... exists to create that impact beyond profits. [FIN3]

- to have a positive impact.

when we say purpose we actually use it in a specific context - positive impact. [SM1]

UK

In the UK, respondents referred to purpose through three key themes:

- Distinguishing between the purpose of and in business;;

I broadly mean when I say a purpose-driven company, I mean, one who wants to enrich the world beyond just making a profit and they have strategic clarity over what they want to do. [SM4]

- Referring to an ancient classics definition of humanistic, people-centric purpose that links abstract societal and individual values with purpose in business; and,

Purpose is the glue that gets those people behind the business. [SM3]

- Or deriving purpose from scientific and systems-level insights into how business should operate.

At its highest level, the purpose of our economy is very much baked into that because the economy should deliver an environmentally restorative, socially just, and economically inclusive future. [SM1]

At the same time there were repeated concerns about “purpose-washing” due to the increasingly widespread and ambiguous use of the term

2.2 Role in purpose ecosystem

AUSTRALIA & UK

The key roles of the participants in the purpose ecosystem were to:

- Assist others to be purpose-driven or impactful;
what [ORGANISATION] is aiming to do, is to work with large businesses to get them to shift their thinking and their business strategy from just looking at return to shareholders, to actually looking at how they can address the social issues that impact their business [PB2]
- Capacity building;
It is a building capacity through shared community of practice [PB1]
capacity building support to people who are looking to launch ideas for social change [FIN3]
- Be a connector;
we want to inspire, enable and connect all businesses ... Connect people to implementers or facilitators or consultants who are doing work that help put tenets into practice [SM1]
- Influence policy-makers;
policy and advocacy strategy to support meaningful climate action [SM2]
- Be an enabler;
the practical role is one of amplification and enabling... which can then influence businesses to require them to think about their business through this purpose lens [FIN4]
- Education and awareness building; and,
it's really about awareness and motivation ... to get them in a mindset of thinking about a different way of doing business [SM2]
- Be a change maker.

our purpose is to catalyse quality social change [ED1]

The major activities that the organisations engage in to achieve their purpose are summarised in Table 2, along with the organisations’ constituencies (who they represent).

Table 2: Types of activities participants engage in and their constituencies

| Activities | Who they represent |
|--|---------------------------|
| Advocacy | Education institutions |
| Benchmarking | B Corps |
| Certification | Foundations & trusts |
| Conferences, seminars | Government |
| Education & awareness building | Investors |
| Consulting | Mainstream business |
| Financing: investment, funding, moving capital | NFPs |
| Research | NGOs |
| | Start-ups |

2.3 Theory of change

AUSTRALIA

There was no consistent theory of change amongst the participants but most talked about trying to change businesses’ and individual’s perspectives and approaches. Many referred to change as being on a journey. We have provided some quotes in Table 3 to illustrate the variety of views.

Table 3: Theory of change sample quotes

| | |
|---|---|
| <i>I don’t think we have done a formal theory of change ... so the vision is for every business to be a conscious leader - moving them along the conscious business journey [SM1]</i> | <i>change the way that people see the world ...happier and healthier, more engaged and compassionate [BUS1]</i> |
| <i>So we’ve talked about our theory of change consists of building on this idea of evolutionary clusters... the famous Margaret Mead quote, “Don’t underestimate the power of a small</i> | <i>we’re starting to see a lot more science around the theory of change, i.e., on the left hand side, here’s my purpose, here’s my strategy versus on the other</i> |

| | |
|--|--|
| <i>group of people to change the world, in fact it's the only thing that ever has." It's a deep and a focused theory of change; it's not trying to get to the mass market. It goes back to the small but potent group of people. [FIN2]</i> | <i>side a very scientific outcomes measurement approach ... I'm starting to see some really interesting work around the converge of those two ... you actually need both [CONS1]</i> |
| <i>Well, I think it has been around having the right champions within our network who have really come on the journey and helped drive the change... In any ecosystem there's going to be lots of players, but it's important for society that we're able to talk to what we do really well, that we're able to actually work together and support each other. If you put aside all the ego, essentially, we're all trying to change society and make it better. [PB2]</i> | <i>bringing people along a journey, and so we've had to really meet people where they are, deliver win-win outcomes, find the levers to deliver deeper social impact [FIN4]</i> |

Not trying to change

We also asked participants what they were *not* trying change. Those that responded referred to:

- ...whole fundamental mechanism of business – don't reinvent the wheel [SM1];
- Not trying to change everything – stay focused [FIN4];
- We want to work with government to bring about change, but we're not aiming at all to change government [CONS2]; and,
- We're not aiming at changing universities [CONS2].

Table 4 summarises how the participants are influencing change and who/what they are trying to change.

Table 4: How participants are influencing change

| How influencing change | Who/what they are changing |
|-------------------------------|-----------------------------------|
| transforming human experience | the system |
| use of tools | people, society |
| outcomes measurement | mindset |

| | |
|---|---------------------|
| investing for positive impact | forging connections |
| engaging stakeholders in change | awareness |
| educating business leaders & future leaders | |
| certifying businesses | |

UK

In the UK respondents described a variety of approaches with which they were seeking to create change in business. While the respective theories of changes appeared unique to each individual organisation, there were common themes with regard to the approaches taken to influence business leaders and companies:

- Working with individuals in business as coaches, mentors and sounding boards

I think that what we try to do is, we try to give senior executives the courage to go on the journey. [SM2];

- Thinking about business as a system in need for change as part of a wider sustainability transition;

We stand for changing the narrative of business. We want business to be a force for good in the world and we want to elevate humanity. Make business a force for good in the world and elevate humanity through capitalism. [SM2]

One of the tools that we found very helpful there is the multi-level perspective... And so the idea was primarily it was the landscape intervention but through shaping practitioners and as I mentioned, so both, there would be hopefully direct impact on the regime potentially, or an indirect one actually, by influencing influencers who would then carry it through in their work with their regime clients, as well as influencing their thought leadership. [ED1]

- The SDGs were specifically referred to as an important tangible framework for achieving purpose;

So we reference [the SDGs] as a really powerful way of saying, look, it's a good summary of the global challenges we face and, secondly, as a framework think about the purpose. [SM1]; and,

- At the same time, respondents were clear that they were not trying to change the broader underlying economic system but rather focus on flaws in its implementation.

So we're trying to create that narrative, and per se, not addressing the question of capitalism as a bigger system because we think that that's a different topic, and whether you're in favour of social capitalism or Chinese capitalism, or Scandinavian capitalism or American capitalism, or crony capitalism... We don't want to be in that debate, necessarily. [SM2]

2.4 Interactions with others

AUSTRALIA

Figures 1 and 2 summarise who the participants interact with. It is quite clear that there is a significant amount of interaction between the participants and with other stakeholder groups, notably, government bodies, foundations, peak bodies, NGOs, NFPs, universities, other purpose-driven organisations, investment stakeholders and consulting firms.

Two participants referred to a 'movement of movements', an initiative led by the B Team¹ and B Lab². The initiative talks about accelerating existing efforts and building a movement of movements, with 'consumers pushing and business leaders accepting'. A movement of movements is an influencing force of eminent leaders, combined with the exemplary leadership, innovation and energy of thousands of B Corps, joining calls to action, influencing the attitudes, beliefs and behaviour of consumers. (Source:

<http://www.bteam.org/announcements/building-a-movement-of-movements/>)

¹ B Team's vision of the future is where business is a force for good and leaders are willing and able to transform their own practices by embracing purpose-driven and holistic leadership, with humanity at the heart, aligned with the principles of sustainability, equality and accountability. (<https://bteam.org/>)

² B Lab is a non-profit that serves a global movement of people using business as a force for good. B Lab's initiatives include B Corp Certification, administration of the B Impact Management programs and software, and advocacy for governance structures. (<https://bcorporation.net/about-b-lab>)

Figure 1: Interactions between participants and others (Australia)
 (BUS=purpose-driven business; CONS=consultant; FIN=finance-related actor;
 ED=education; PB=peak body; SM=social movement)

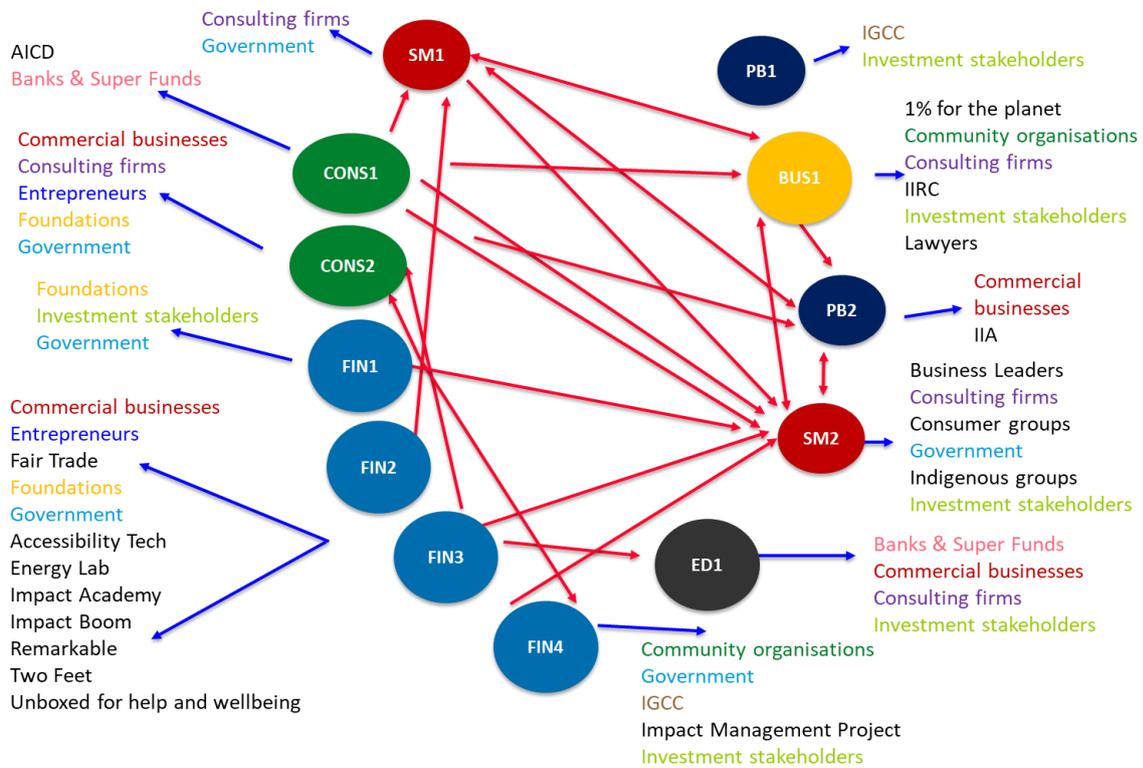
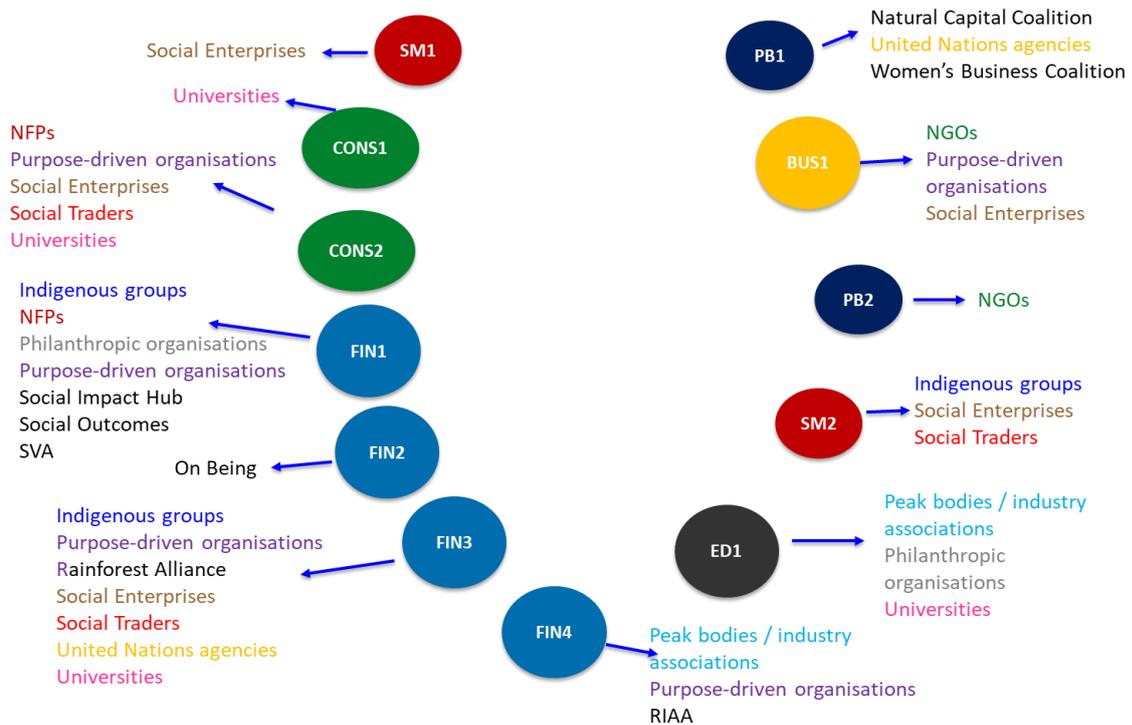


Figure 2: Interactions with others continued (Australia)



UK

In terms of the interactions between members of the purpose ecosystem, there was widespread recognition that all of them were pursuing similar, like-minded and generally complementary aims. Respondents were all able to name other organisations and initiatives they had worked with before, however, this had largely occurred in the form of specific, well-defined projects, or through ad hoc, personal collaboration. At the same time, there were concerns about the overall effectiveness in light of scientific assessments about the level of progress achieved:

- Interactions primarily at individual levels, rather than between different organisations and firms;

So I think there's lots of collaboration in terms of time spent by individuals talking and working together, but probably not that strategic. [SM4]

- Interactions characterised by a recognition of diversity of approaches and goals but also limits to funding and a certain degree of uneasiness about the multitude of actors and initiatives emerging; and,

We're all fellow travellers. [SM2]

But we try not to overlap, that's the main thing, because we're all very strapped for resources, and it will be a shame if we overlapped. So far we don't think we overlap but, where we think we do, we'll try and work together. [SM3]

I think there's always – one of the conflicts is around funding. So people are always happy to collaborate where it doesn't require sharing funding. [SM1]

There is a lot of positioning and jostling and there is a lot of ego. [CONS1]

- Respondents cited repeated efforts to improve coordination and impact but also indicated being fearful of losing uniqueness.

But you could do all of these things, and no behaviour change, whereas for us the behaviour change is the key. It's less about what you're ticking off, and how you think about making the decisions. [CONS1]

2.5 Barriers to progress

AUSTRALIA

Participants identified many barriers and challenges for purpose-driven businesses. These included:

- Competition amongst actors;
- Conflict with commercial objectives;

I see lots of tensions in the purpose space, because it is a very tense discussion...

There's still a lot of suspended belief around if I really do this, will I get better profits because I have happier people and happier customers? But I think that tension is good in that it's forcing the market to put more and more proof alongside a long held belief that purpose-led companies are better for everyone [CONS1]

- Moderating expectations of actors within the purpose ecosystem – it requires different approaches;
- Embedding purpose is difficult – can lead to purpose-washing;

I think there's a yawning gap though, between the rhetoric and people actually living that purpose, and I think that's where we've got issues [EDI]

- It's hard;

Everything I've ever done is fuelled by my intense unrealistic-ness about what it will take and how long it will take, and what will be involved and the personal sacrifice along the way. And I think that's just often how it is. But that also means delivering services to those people is really hard [CONS3]

- Lack of money, funding, investment, resources;

I think, most of the time it's basically lack of resources. [INV1]

- Lack of government support;

Government keeps giving more money to companies that don't have purpose and that are causing damage, I think government could be a massive enabler. There are a number of different government levers that could be pulled to help purpose driven companies to have a more positive impact. [BUS1]

- Governance issues;

our governance and how we operate, it's challenging when you're trying to move towards aspirations that we have of changing the economy. [SM1]

- Lack of legal structures that support purpose-driven business; and,
- Mindset.

The number one challenge is mindset, that you can do good and you can make money and that you're giving up a narrative that to do good you have to be nice and you can never break even on that financially. [CONS2]

However, one participant suggested there was little tension within the purpose ecosystem:

I think there's probably some tension but not much around what we're all aiming at ... if you're doing something to help save the planet, well, you're a friend of mine [CONS2]

We then asked participants what they thought needed to change to support purpose-driven business and the purpose ecosystem. These include:

- Become standard practice – the new business-as-usual;

We need to get to the point where this is just standard practice way of doing business... it's going to be a combination of disincentives and incentives, penalties around businesses that aren't operating in this way. Incentives through preferential purchasing investment ... And then leadership [SM2]

- Need a bigger risk appetite;
- Need a change in hearts and minds;
- Need effective leadership (business and government);
- Need effective measurement systems;
- Need more funding sources;
- Merging of big actors;

I would like to see a merge of some of the big players, so we're all talking to the same; we're all working together. And then somehow, that needs to be really well funded and then we need government to come to the table and talk. Whether that means that there's legislative changes, whether it's just actually connecting with the private sector and others to deliver social impact and outcomes, but how we can all work together. We need a great measurement tool [PB2]

- Redefinition of value; and,
- Regulatory change.

a big one is the whole legislation –not holding a director accountable to just pure shareholder returns would be very helpful, especially for large organisations, because there’s a legal liability there. So legal structure support would be great [CC]

UK

Regarding barriers to progress and wider implementation of purpose-driven business, respondents shared views on:

- General lack of resources in terms of funding and staffing, although sometimes being a non-profit was also seen as an advantage as it provided a sense of independence and objectivity in their engagements with business that was not necessarily afforded to for-profit consultancies;
- Others were worried about increasing implicit competition and a proliferation of unproven theories of change;

I think there is a real problem with proprietary language and proprietary theories of change. [SM4]

But do I think it all adds up? I think it’s incredibly inefficient. I think the whole sector is quite inefficient. [SM1]

- There were also plenty of concerns about how many established businesses react to the shifting demands from society regarding purpose. Respondents were cynical about or bemoaned a lack of integrated company engagement with questions around purpose, and managers’ desire for quick-fix solutions;

It’s not the organisation that’s engaging. It’s an individual, really. [SM3]

- Respondents cited a multitude of systemic barriers at all levels which reinforced existing habits and mindsets;

You’re basically fighting against a lot of entrenched norms. [ED1]

- Others highlighted the need for more industry or demand-level (e.g., mobility, housing, food, etc.) blueprints that would recognise the inherent differences between industries but which would also encourage greater cross-sector collaboration; and,

- Finally, some began to actively question whether and how purpose-driven business could become mainstream within a profit-driven system of capitalism.

But I think there's a long way to go until we don't rely on profit generation and extraction to fund our lifestyles and everything. [SM4]

2.6 Achieving the SDGs

AUSTRALIA & UK

All participants felt that the purpose ecosystem could help to achieve the SDGs. Participants saw the SDGs as a guiding framework, a shared language and/or a measurement/impact mapping tool. Specific initiatives that participants were adopting or involved in were Doughnut Economics (see <https://www.kateraworth.com/doughnut/>), the integration of the B Impact assessment and the SDGs (see <https://bthechange.com/faq-how-the-b-impact-assessment-and-sdg-action-manager-can-help-businesses-plan-and-measure-5aad2d1e0b96>), and the Embankment Project for Inclusive Capitalism (EPIC, see <https://www.epic-value.com/>).

Others had directly integrated the UN SDGs into their tools and models as key reference points and targets to be achieved. Many had anticipated the launch of the UN SDGs in 2015 and were therefore prepared to help with their implementation in business. While there were some differences in terms of the specific integration, common to all respondents was an active commitment to link their organisation's efforts to the achievement of these global goals, either directly or indirectly. Members of the purpose ecosystem highlighted the relative degree of clarity of the Agenda 2030 compared to the continuing political uncertainty in both Australia and the UK. While respondents were looking for greater endorsement, policy direction and support from governments, they believed the UN SDGs clearly offered a useful framework that was internationally recognised by business and policy-makers and which reduced some of the ambiguity that previously surrounded notions of sustainability and sustainable development. Respondents agreed that businesses could and should play a key role in this Agenda, and therefore stressed the importance of linking purpose in business to implementing the UN SDGs. While there were different views on how best to achieve this, how their organisations would approach the challenge of engaging with business, and what role purpose should play in organisations more generally, there was unanimity in the belief that companies had to think beyond profit as the established view of conducting business in the 21st century.

3. Conclusion

This exploratory pilot research has provided first evidence of an emerging purpose ecosystem, characterised by a multitude of diverse private sector actors with different backgrounds, theories of change and philosophies. They are united, however, in a shared belief in helping to establish purpose-driven businesses whereby purpose – while variously defined – reflects a consideration of factors beyond profit. In common are also the alignment with helping to achieve the UN Sustainable Development Goals as one overarching framework of purpose, and changing the way in which businesses operate in a market-based economy more generally.

The research has indicated that individuals and organisations themselves are only beginning to realise and acknowledge their existence as part of a wider purpose ecosystem – a process which could fundamentally help actors with seeking greater collaboration and alignment of efforts. We see this as an interesting phenomenon within the wider framework of Earth System Governance and its questions on whether and how the private sector can provide new and alternative forms of self-governance to help “*steer societies toward preventing, mitigating, and adapting to global and local environmental [and social] changes*” (Biermann et al. 2009, p.4). The purpose ecosystem therefore also potentially plays an important role as an intermediary involved in achieving SDG 17 (Partnerships for Goals) more specifically.

At present, however, this purpose ecosystem is still in its infancy and in a stage of divergence where numerous ideas and approaches “compete” in the market space of ideas without coordination. Respondents highlighted a variety of challenges and barriers that need to be addressed in order for this network of actors and initiatives to reach its full potential.

Specifically, based on our preliminary research insights we recommend:

1. **More rigorous mapping of members in this purpose ecosystem to establish a better overview of the different actors and their respective efforts.** Understanding who the different organisations, initiatives and networks are is key to gaining a more comprehensive overview of all the different actors. This is useful to both the organisations involved in order to provide clearer referral to the most suitable partner, and for businesses looking for advice and guidance. Such a map could be open-sourced to enable organisations to provide their details but needs to be carefully hosted and managed to ensure genuine purpose ecosystem actors to be listed.

2. **Creation of a community of practice or some other neutral forum where approaches and ideas can be discussed and coordinated.** Once such a map has been established, this could then serve as a starting point for greater knowledge sharing and collaboration. Facilitated workshops and conferences under the banner of the ‘purpose ecosystem’ could attract actors from different perspectives to help shape a more coherent and streamlined approach towards engagement with business.
3. **Research to identify and evaluate the different theories of change implemented to strengthen the evidence base for impact.** A key concern among existing organisations is the lack of impact measurement and uncertainty around the efficacy of their engagements. Collaborative research with independent and/or academic input should seek to identify a sample of representative engagement projects, develop appropriate impact measurement metrics and then compare these against the anticated theories of change. In combination with 1) this could be charted within a broader theory of change or transitions framework on purpose in business and achieving the UN SDGs.
4. **Development of a platform that bundles and advertises different funding sources and opportunities for actors within this purpose ecosystem.** To overcome competition, overlapping engagements and resource limitations, increased coordination of funding is essential for the purpose ecosystem to achieve its full potential. Beyond potential efficiency gains and more leveraged funding (for example, from business), this may also lead to increased transparency of the actors and their engagement partners involved and avoidance of duplicate efforts.

In conclusion, we believe this emerging purpose ecosystem could play a vital role in helping address sustainability challenges and support the achievement of the UN SDGs. To reach its full potential, however, a number of barriers and challenges need to be addressed through critical evaluation, greater collaboration and information sharing. We hope our research informs and inspires transdisciplinary research and interaction on this important emerging form of private sector governance for purpose-driven businesses and we invite practitioners and academics to join us in understanding and supporting the evolution of the purpose ecosystem.

4. References

- Albareda L and Waddock S. 2018. Networked CSR governance: A whole network approach to meta-governance. *Business & Society* 57(4): 636-675. <https://doi-org.ezproxy.lib.monash.edu.au/10.1177/0007650315624205>.
- Biermann, F., Betsill, M., Gupta, J., Kani, N., Lebel, L., Liverman, D., Schroeder, H. and Siebenhüner, B., 2009. Earth System Governance: People, Places and the Planet. *Science and Implementation Plan of the Earth System Governance Project*. IHDP Report.
- Dahmann, F., Stubbs, W., Griggs, D. and Morrell, K., 2019. Corporate actors, the UN Sustainable Development Goals and Earth System Governance: A research agenda. *The Anthropocene Review*, <https://doi.org/10.1177/2053019619848217>.
- Enderle, G. 2018. How Can Business Ethics Strengthen the Social Cohesion of a Society? *Journal of Business Ethics*, 150(3): 619-629. doi:10.1007/s10551-016-3196-5
- Hervieux, C., & Voltan, A. 2018. Framing Social Problems in Social Entrepreneurship. *Journal of Business Ethics*, 151(2): 279-293. doi:10.1007/s10551-016-3252-1
- Kanie, N. and Biermann, F. eds., 2017. *Governing through goals: Sustainable development goals as governance innovation*. MIT Press.
- Nilsson, M., Griggs, D. and Visbeck, M., 2016. Policy: map the interactions between Sustainable Development Goals. *Nature News*, 534(7607), p.320.
- Rockström J, Steffen WL, Noone K, Persson Å, Chapin III FS, Lambin E, Lenton TM, Scheffer M, Folke C and Schellnhuber HJ. 2009. Planetary boundaries: exploring the safe operating space for humanity. *Ecology and Society* 14(2): 1-34. <https://www.jstor.org/stable/26268316>.
- Stubbs W. 2017. Sustainable entrepreneurship and B Corps. *Business Strategy and the Environment* 26(3): 331–344. 10.1002/bse.19.