



Culture of Purpose — Building  
business confidence; driving growth  
2014 core beliefs & culture survey



## Executive summary

Our research indicates that focusing on *purpose* rather than *profits* builds business confidence and drives investment. This is a critical finding—and underscores the significant impact a “culture of purpose” can play in fostering a thriving business community.

Confidence — it fuels business investments, innovation and long-term growth. However, the current climate of uncertainty has greatly diminished that confidence, slowing economic recovery.

An array of key indicators shows an economy of fits and starts. Everything from hiring to business inventories is up one month and down the next. As a result, many businesses continue to sit on excess capital rather than put it to productive use. But not all businesses. Those committed to creating meaningful impact for all stakeholders (including clients, employees and communities) foster strong cultures of purpose. This sense of purpose inspires confidence among leaders and stakeholders alike — and can lead to competitive advantage in a time of economic volatility.

The 2014 Deloitte Core Beliefs & Culture survey explores the connection between sense of purpose and business confidence. The results show that businesses with a strong sense of purpose are more confident about their growth prospects. These organizations also experience higher levels of confidence among key stakeholders and are investing more in initiatives that lead to long-term growth.

Eighty-two percent of respondents (executives and employees) who work for an organization with a strong sense of purpose say they are confident that their organization will grow this year, compared to 48 percent of those who do not have a strong sense of purpose. In addition, 81 percent of respondents working for organizations with a strong sense of purpose say their stakeholders trust their leadership team; 74 percent say their investors are confident in the company’s growth prospects over the next year.

Looking ahead, respondents who say their organizations have a strong sense of purpose are much more optimistic about their ability to stay ahead of industry disruptions (83 percent vs. 42 percent) and to outperform their competition (79 percent vs. 47 percent).

However, despite the advantages the research links to a strong sense of purpose, 20 percent of all respondents say that leadership fails to set an example for the rest of the organization by truly living the organization’s purpose.

Our survey results highlight the connection between a sense of purpose and the confidence required to sustain a successful business. The findings also reinforce the need for leaders to not only articulate that purpose but to visibly and consistently live by those standards every day.

Punit Renjen  
Chairman of the Board  
Deloitte LLP

# About this survey

The Deloitte Core Beliefs & Culture Survey is designed to explore the concept of workplace culture, defined by a set of timeless core values and beliefs, as a business driver. This year's survey examines whether a strong sense of purpose leads to higher levels of confidence among stakeholders and drives bolder investments in growth-driving initiatives. Punit Renjen, chairman, Deloitte LLP, is the sponsor of this annual survey series.

This report presents the findings of an online study conducted within the United States by ORC International on behalf of Deloitte. The survey methodology included surveying a sample of 1,053 adults (300 executives and 753 employed adults) who are employed full time by an organization with at least 100 employees. The survey was conducted from February 21 through February 28, 2014.

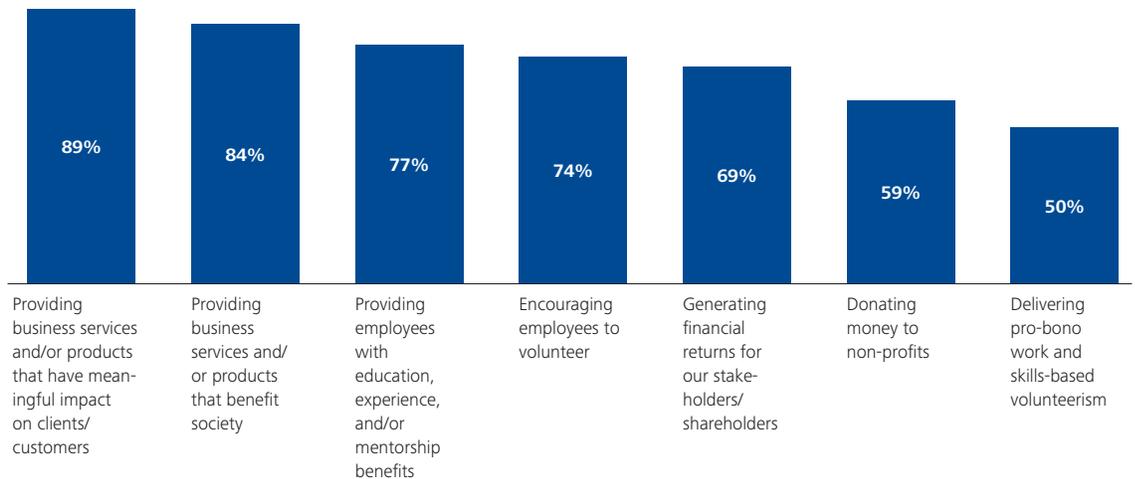
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Evidence is mounting that focusing on *purpose* rather than *profits* is what builds business confidence.

### Organizations can create a sense of purpose by serving all stakeholders

- When asked about activities that are part of the purpose of their organization, respondents most often cite providing business services and products that have a meaningful impact on customers (89%) and on society (84%).
- 77% say the organization’s purpose includes providing employees with education, experience and/or mentorship benefits.
- Acting as a corporate citizen through volunteering and contributions also can factor heavily in creating a sense of purpose.

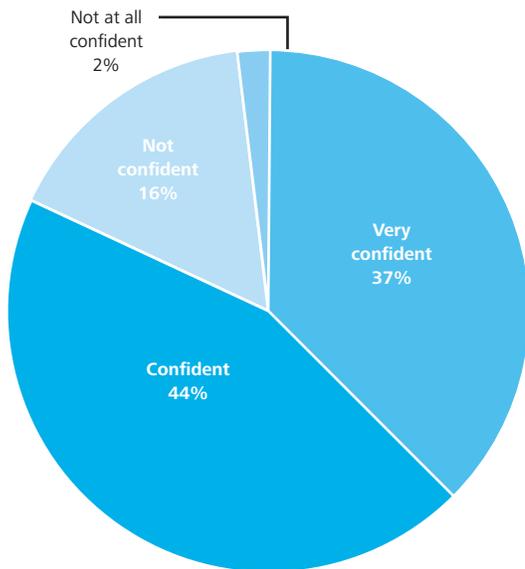
How strongly do you agree that each of the following is part of the purpose of your organization (summary of strongly agree/agree)?



### Purpose builds confidence in near-term growth

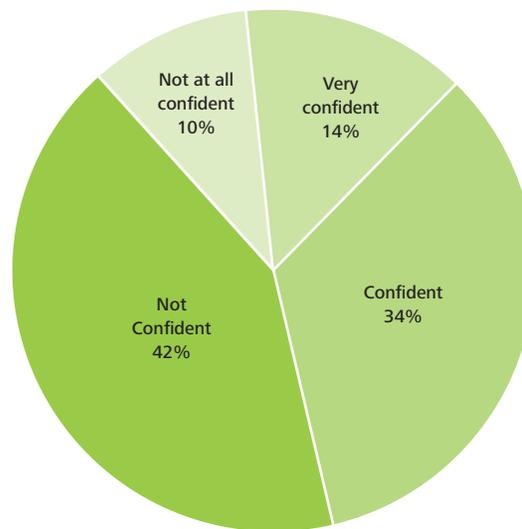
- Respondents who agree they work for an organization with a strong sense of purpose are more likely to say their organization recorded positive growth (81% vs. 67%) and outgrew competitors (64% vs. 44%) last year.
- Not surprisingly given their better past performance, 82% of respondents at organizations with a strong sense of purpose say they are confident their organization will grow this year, compared to only 48% of respondents at organizations without a strong sense of purpose.

#### How confident are you that your organization will grow this year?



With strong sense of purpose

Confident/Very Confident total: **82%**



Without strong sense of purpose

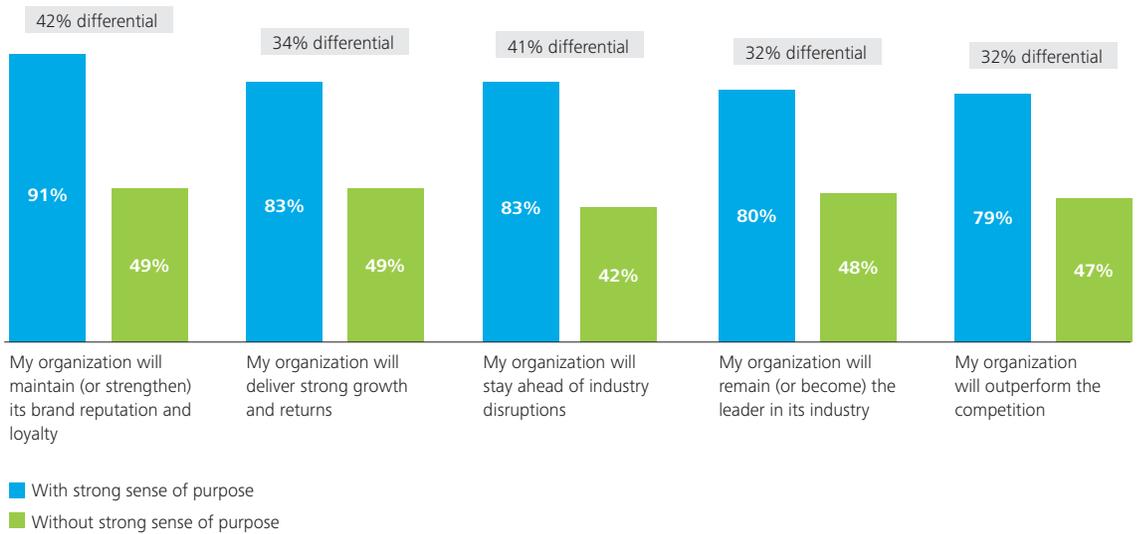
Confident/Very Confident total: **48%**

Note: 82% is percentage rounded from 37.4% very confident and 44.4% confident.

### ...and long-term prospects

- Looking ahead, respondents who say their companies have a strong sense of purpose are much more optimistic about the future prospects of their organizations.
- For example, an overwhelming majority of respondents (91%) whose organizations have a strong sense of purpose believe that their organization will maintain (or strengthen) its brand reputation and loyalty, compared to only half (49%) of those working at organizations without a strong sense of purpose.

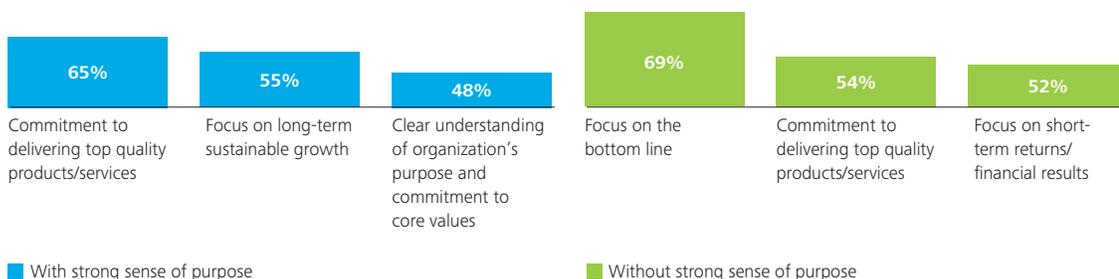
**In terms of your organization's long-term prospects (5-10 years), how much do you agree or disagree with the following statements (summary of strongly agree/agree)?**



### Without purpose, confidence is wedded to financial factors

- Respondents who work for an organization with a strong sense of purpose rank the following most often among the top three reasons for their confidence: commitment to delivering top quality products/services (65%), focus on long-term sustainable growth (55%), and clear understanding of organization’s purpose and commitment to core values (48%).
- In contrast, those who do not agree their organization has a strong sense of purpose most often rank these financial factors among the top three reasons for their confidence: focus on the bottom line (69%) and short-term returns (52%).

**What are the top 3 driving forces fueling your confidence in the growth prospects of your organization (summary of respondents indicating they are very confident/confident in their organization’s growth this year)?**



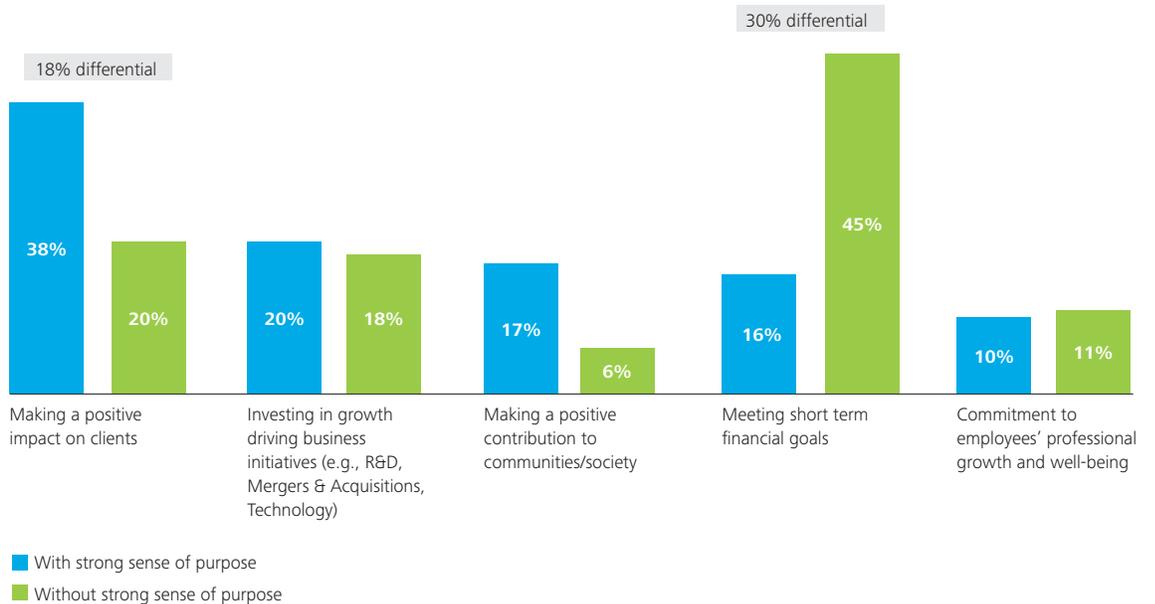
Organizations with a strong sense of purpose are buoyed by factors that are non-financial and more intangible, with a longer horizon for positive returns. Other organizations are often driven by short-term financial gain — which hinders overall confidence.

- Respondents who say they are not confident in their organization’s growth prospects rank the following most often among the top three factors hindering their confidence: a lack of commitment to employee development and retention (57%), short-term focus of leadership that sacrifices long-term growth (56%), and lack of experienced leadership with proven track record (47%).

### ...and leadership priorities reflect short-term focus

- A similar pattern emerges when respondents cite top priorities of their leadership. For example, making a positive impact on clients is ranked most often as the top priority for leadership teams at organizations with a strong sense of purpose.
- In contrast, respondents at organizations without a strong sense of purpose most often rank meeting short-term financial goals as their leadership's #1 priority.
- It is noteworthy that there are no significant differences between executives and employees when ranking leadership priorities.

Rank the items below in terms of its importance to your leadership team (summary of first ranked)

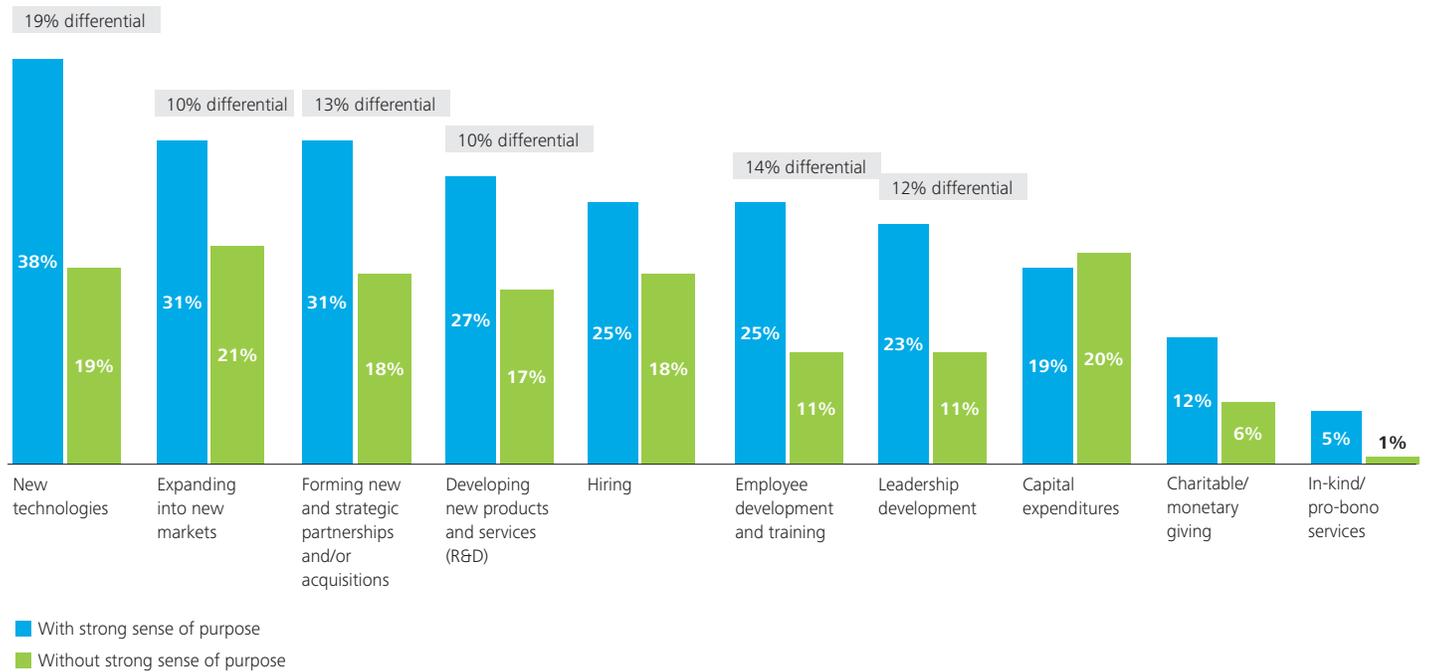


## Purpose drives investment

- Respondents who work for an organization with a strong sense of purpose are consistently more likely to say their organization will increase investments year over year, especially in areas such as:
  - New technologies: 38% vs. 19%
  - Expanding into new markets: 31% vs. 21%
  - Developing new products/services: 27% vs. 17%
  - Employee development and training: 25% vs. 11%

To rebuild and sustain business confidence, organizations that want to be exceptional take the long view and invest for growth.

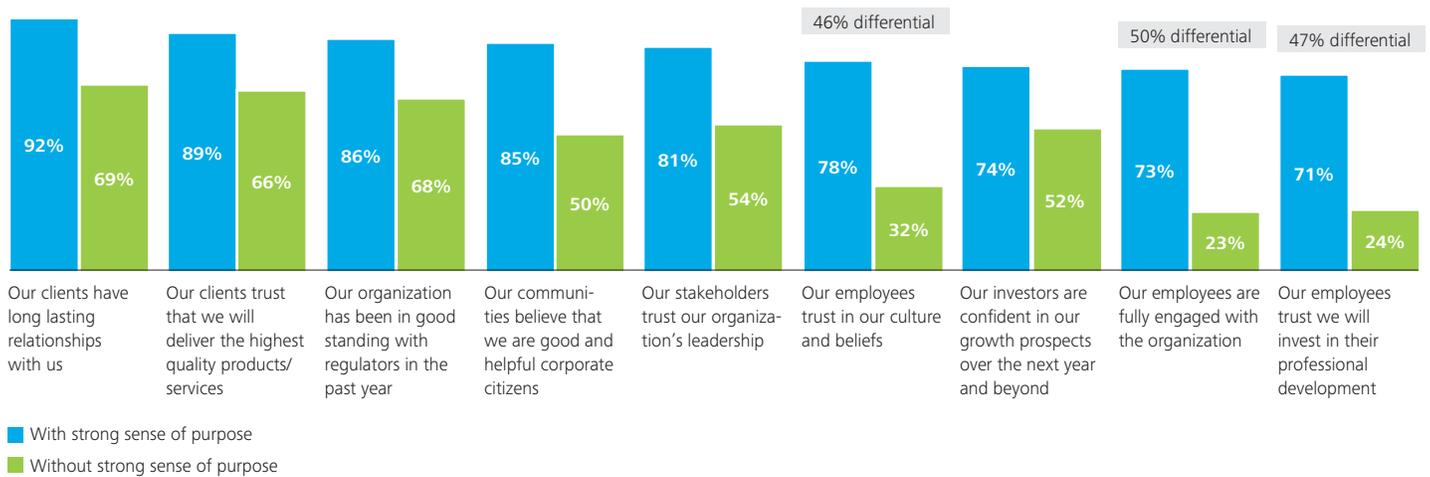
To the best of your knowledge, indicate how much your organization is investing in the following in 2014 (summary of more than last year)



### Purpose instills confidence in stakeholders

- Respondents perceive higher levels of confidence among key stakeholders of organizations with a strong sense of purpose.
- For example, 89% of respondents working for an organization with a strong sense of purpose say their clients trust that they deliver the highest quality products and services vs. 66% of those who do not have a strong sense of purpose.
- The difference is extremely apparent when it comes to employees — with significant differentials on questions such as how fully employees are engaged with the organization (73% vs. 23%) and employee trust in their professional development (71% vs. 24%).

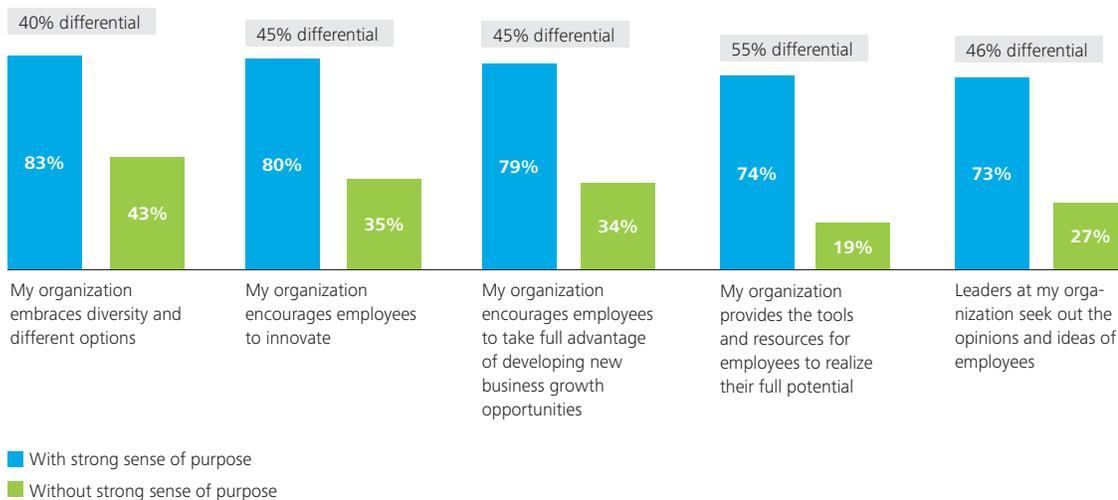
In terms of your organization’s stakeholders (e.g. customers, employees, communities, investors, regulators), please indicate how strongly you agree or disagree with the following statements (summary of strongly agree/agree)



**...and strengthens workplace culture**

- Organizations with a strong sense of purpose are more likely to embrace diversity and different opinions, encourage innovation among employees, and provide the tools and resources for employees to realize their full potential.

**In terms of your organization’s culture, how much do you agree or disagree with the following statements (summary of strongly agree/agree)?**

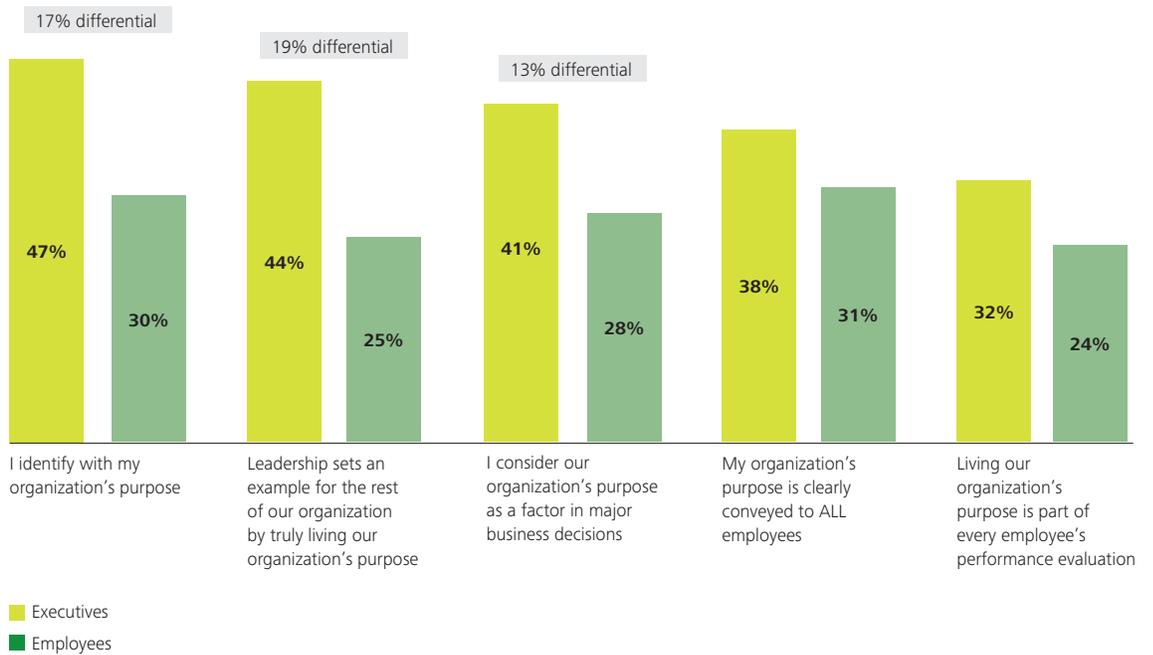


A truly exceptional organization is one where leaders not only articulate a culture of purpose but also visibly and consistently embody those behaviors.

**With so much at stake, leaders can do more**

- Despite the advantages the research links to a strong sense of purpose, 20% of *all respondents* say that leadership fails to set an example for the rest of the organization by truly living the organization’s purpose and 18% say it is not part of performance evaluations.
- In addition, if you drill down further, executives are consistently more likely than employees to strongly agree on the degree to which purpose is embedded across the organization, illustrating ample opportunity to further strengthen a culture of purpose in most organizations.

Indicate how much you agree or disagree with the following statements (summary of strongly agree)



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