

PAS 808:2022

Purpose-driven organizations – Worldviews, principles and behaviours for delivering sustainability – Guide



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Published by BSI Standards Limited 2022

ISBN 978 0 539 17006 1

ICS 03.100.01, 03.100.70 and 13.020.99

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Publication history

First published July 2022

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Foreword

This PAS was sponsored by Anglian Water, The British Standards Institution, HM Government, JLL and KPMG. Its development was facilitated by BSI Standards Limited and it was published under licence from The British Standards Institution. It came into effect on 31 July 2022.

Acknowledgement is given to Dr Victoria Hurth, as the technical author, and the following organizations that were involved in the development of this PAS as members of the steering group:

- Anglian Water
- B Lab UK
- Blueprint for Better Business
- Business in the Community
- Cambridge Institute for Sustainability Leadership
- Chartered Management Institute
- Future-Fit Foundation
- HM Government
- JLL
- John Lewis Partnership
- KPMG
- ReGenerate
- The Wildlife Trusts

Acknowledgement is also given to co-opted members of the steering group, together with the members of a wider review panel who were consulted in the development of this PAS.

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Presentational conventions

The guidance in this PAS is presented in roman (i.e. upright) type. Any recommendations are expressed in sentences in which the principal auxiliary verb is "should".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Where words have alternative spellings, the preferred spelling of the Shorter Oxford English Dictionary is used (e.g. "organization" rather than "organisation").

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0 Introduction

0.1 General

Long-term wellbeing for all people and planet could be the closest we might get to a “meta-purpose” of society as a whole, something the Brundtland report sets out in detail¹⁾. The problems facing this societal meta-purpose are now at a crisis point, with leading scientists and global representatives desperately calling for radical and urgent change to the way we treat nature and people. The near-term threat of catastrophic climate change is just one of many markers of our crisis point.

This PAS outlines how becoming a Purpose-Driven Organization (PDO), will help solve these grand challenges and meet the increasing demands of society.

Organizations are society’s chosen innovation vehicle. They bring people and resources together in an “economy” in order to create something of value to that society. The ultimate value goal of society, and the economy, is the same as the goal of sustainability – to achieve high levels of wellbeing for everyone, in a way that can continue over the long term. In other words, the goals of society, sustainability and the ultimate goals of the economy are aligned. And yet our sustainability crisis reveals that organizations are not optimized for this goal and are often pulling in the opposite direction. Becoming a PDO fully aligns an organization with society and sustainability, and while not easy, helps overcome many of the tensions, challenges and drags on innovation that organizations are currently facing.

0.2 The new demands on organizations

Organizations are judged to be both core to the cause of the sustainability crises and core to the solutions needed. Society is demanding that organizations lead the charge to create profitable solutions to the problems of people and planet and not harm them, or worse, profit from harm. Specifically, society is asking organizations to:

- a) gear their innovation to the solutions to long-term wellbeing for all people and planet;
- b) prove they are not degrading the social and environmental systems that everyone relies on in the process and;
- c) achieve these goals in a method that is wise and ethical, even if that is beyond what the law dictates.

0.3 The challenge for organizations

More and more organizations say they want to be purpose-driven, but it is difficult because it is such a departure from the philosophy that has driven the conventional approach for business since the 1970s. That philosophy says that as long as an organization is operating in their own financial or survival interest, staying within the law and engaging competitively in the market, then market will automatically optimize society’s wellbeing. This self-interest motive leads naturally to a focus on capturing this financial income as quickly as possible. A short-term self-interest approach is most obvious in large public or private businesses, but it is also evident in organizations of all kinds and all sizes, including governments, higher education, non-governmental organizations and small and medium-sized enterprises. To ease stakeholder pressure to address the negative effects of this, many organizations have adopted corporate social responsibility (CSR) programmes. These tend to result in an ad-hoc series of actions which do good, and can be comprehensive and multi-year, but remain peripheral to the operation of the business.

¹⁾ Here we use an operational rewording of the Brundtland report’s definition of sustainability: “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”, with needs being the core way in which wellbeing is achieved. The addition we make here is to include the wellbeing of the “planet” as an end goal which is an umbrella term to encapsulate all potential ethical stances about the intrinsic value of nature including “eco-centricism”, “species-centricism” and “deep ecology”. Ultimately the wellbeing of people and planet is inseparable and so pursuing one fully, helps achieve the other.

More recently some organizations have started to take the science on the degradation of our social and environmental systems and the demands of stakeholders seriously. These organizations realize they need to shift their decision making consciously in their long-term self-interest. As a result, they create a rationale to actively invest in the health of the systems, resources and stakeholders they rely on. This enlightened view is connected to stakeholder capitalism where the perspectives and interests of the full range of different stakeholders in their business are being systematically considered – workers, customers, suppliers and the communities in which they operate. These organizations are also starting to increase their knowledge of how they impact social and environmental systems and set targets in a genuine attempt to reduce their negative impact. But this approach is still limited in its ability to address the profound crises we face, because it does not put a sustainable future at the heart of the value creation ambitions of an organization. To align fully with a sustainable future requires an organization to become a purpose-driven organization.

0.4 Purpose-driven organizations

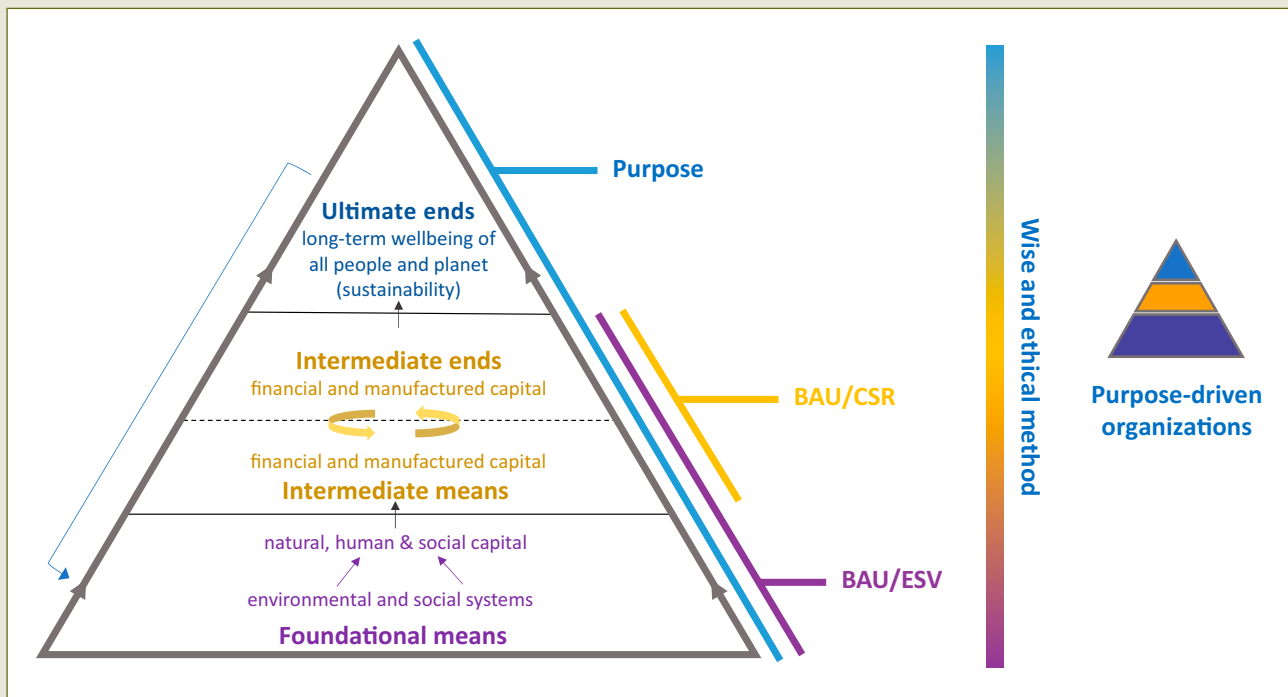
As pressure for deeper root and branch transformation grows, PDOs are responding directly to it. Purpose-driven organizations have made a break with conventional thinking and are built (or being re-built) to meet society's new demands and work for sustainability by design. PDOs:

- a) exist for a meaningful end – to achieve an optimal strategic contribution to the long-term wellbeing of all people and planet (sustainability), and therefore are innovatively aligned with a sustainable future and society's best interest (see 7.1, Wellbeing ends);
- b) make sure that, at a minimum, and regardless of its purpose, they make a fair and adequate contribution to ensuring that the systems, capitals and stakeholders they rely on are healthy – hence not overexploited and regenerated where needed. Failing in this would risk long-term wellbeing of all people and planet; the basis of a PDO's reason to exist (see 7.2, Healthy means); and

- c) approach these two tasks with decision-making that is both wise (thoughtfully based on the best available evidence about the system as a whole in the long-term) and ethical (based on strong values that are in line with the moral landscape about how people ought to be treated), weeding out unethical and imprudent decision-making based on ill-considered information or decision-making which does not support the wellbeing of those it interacts with and influences (see 7.3, Wise and ethical methods).

Transitioning to being PDO is challenging because it changes core assumptions about the role and remit of organizations – but by doing so, it also unleashes organizations to fully meet the real and urgent challenges we face. Figure 1 outlines how the conventional short-term self-interest approach is focused narrowly on producing intermediate ends, via intermediate means; how a long-term self-interest approach extends the legitimate concern of organizations to investing in the health of the foundational means (and associated ultimate capitals); and how PDOs are focused on the ultimate ends, foundational means and wise and ethical method.

Figure 1 – The ends, means and method of purpose-driven organizations²⁾



NOTE See Annex A for answers to frequently asked questions about purpose-driven organizations.

0.5 The aims of this PAS

This PAS sets out what it means to be a PDO in practice by outlining key worldviews, values, principles, behaviours and defining key terms. It aims to give confidence to those who are genuinely seeking to become purpose-driven or who already are purpose-driven, to shout more clearly and consistently about their struggle and their success, and help others see what is possible. PAS 808 provides a way for an organization on a purpose-driven journey to understand both where it is going and how far away from that it might be, although it does not describe how to take the journey. This PAS can form the basis of accountability for an organization and help demonstrate their level of maturity in becoming purpose-driven to its stakeholders. It is not a certification standard however, and therefore the provisions are written as guidance and good practice. It is hoped that this PAS will therefore also reduce the number of organizations making false claims about purpose and in doing so diluting its incredible potency and potential to systemically address issues of our unsustainable global economy. It is also an aim of this PAS that policy makers, regulators and all other stakeholders be able to diagnose how far they are supporting or hindering these types of truly valuable organizations to become successful PDOs.

0.6 How to use this PAS

This PAS is based around the behaviours of a PDO, the principles that guide these and the worldviews that underpin them. The principles and behaviours are organized in relation to the core objectives of a PDO: achieving wellbeing ends, assuring healthy means and employing a wise and ethical method. Figure 2 sets out the framework for this PAS and the way that the PAS is organized.

This PAS starts by exposing PDO worldviews. These are the base assumptions that unite and characterize PDOs. These are assumptions about what is valuable and how the world works. As such they underpin the principles PDOs use to make decisions and, in turn, these principles motivate the patterns of behaviour PDOs tend to demonstrate. The more of these behaviours an organization demonstrates, and the more frequently an organization demonstrates them, the more likely, and robustly, it is to be a PDO. This PAS does not include an exhaustive list of all the principles and behaviours that PDOs might demonstrate but focuses on those that set them apart from non-PDOs.

²⁾ Adapted from Donella Meadow’s adaptation of Herman Daly’s triangle of a sustainable economy.

0.7 Where to start?

All worldviews, principles and behaviours listed in this PAS are included because they are deemed important markers of a PDO, even though others might exist. They are not prioritized and do not represent a journey that starts at Principle 1 and ends at Principle 7. However, for organizations seeking to start, or further, their journey to being purpose-driven, understanding personal and organizational worldviews and examining how aligned they are to a PDO (see Table 2) is important as worldviews form the basis of purpose and values. If these are misaligned with a PDO, then behaving in line with the principles and behaviours set out in this PAS will be unnecessarily hard. This could lead to damaging behaviours, such as purpose-washing (where an organization overstates or misstates their purpose-driven motives) and purpose-hushing (where genuine action is hidden and progress slowed).

Some organizations, after considering their worldviews, might identify themselves as being driven by long-term self-interest. Here, long-term financial income or survival is what primarily guides decision-making. For those organizations, this PAS can still be of use, prior to moving towards being fully purpose-driven. In order to contribute to the health of the social and environmental systems that underpin organizational success, the two MEANS principles (Principle 3 and Principle 4) will be a useful place to focus on, in conjunction with the METHODS Principles 5, 6 and 7. After progressing against these principles, it is likely that looking again at worldviews might result in the level of ambition needed to move towards becoming a PDO.

0.8 Who is this PAS for?

This PAS provides guidance for organizations and their stakeholders. Although everyone in a PDO has an important role to play in bringing about the desired behaviours, the behaviours in this PAS are directed at governing bodies and executive managers because of their accountability, and power, to shape action across the organization. The table in Annex B sets out the areas of an organization where the behavioural categories detailed in this PAS are most likely to be driven by and demonstrated, although this will vary by organization and small organizations are unlikely to have these distinguishable areas. This PAS is also useful for anyone who works for an organization that wants to initiate and support change towards becoming a PDO, e.g., legislators who do not want to hinder these kinds of truly valuable organizations, and instead clear the way for them, and ideally incentivize them. The guidance in this PAS simultaneously serves as a tool for external stakeholders to hold an organization to account for any purpose-driven claims. If an organization is not demonstrating a high occurrence and frequency of the behaviours outlined in this PAS it has little basis upon which to claim that it is purpose-driven. If an organizational purpose cannot be justified as an optimal strategic contribution to long-term wellbeing for all people and planet, which guides all decision-making in the organization, it is something other than a purpose, such as a brand promise, positioning statement, strategy or financial goal.

1 Scope

This PAS gives guidance to governing bodies and executive managers on what a purpose is, how a purpose-driven organization (PDO) approaches decisions, and how it acts.

It outlines the worldviews, principles and the associated behaviours and activities of a PDO. It establishes common terms and definitions related to purpose.

This PAS gives guidance to governing bodies and executive managers of organizations on how to:

- a) develop their understanding of purpose and determine the relevancy and level of challenge of their individual organization in becoming a PDO;
- b) understand the worldviews, principles and behaviours of a successful PDO and determine what their organization might need to do to be aligned with these;
- c) provide the basis for an organization to develop their own strategies and approaches to enacting and embedding purpose in their policies, processes, practices, products, services and value networks; and
- d) provide the basis for aligning the purpose with decision making across the organization.

This PAS is primarily intended to be used by governing bodies and executive managers in organizations of any size and type in their understanding and implementation of a purpose. It is applicable to all organizations, including:

- 1) private and public sector organizations;
- 2) regulators;
- 3) central and local government; and
- 4) professional bodies.

It is also intended to be relevant to others who provide services and support to organizations and for a wider set of stakeholders who might benefit from understanding purpose and who might invest in, support and help hold organizations to account for their commitments to purpose.

This PAS does not include specific guidance on how an organization can transform into becoming a PDO.