The micro-foundations of corporate purpose: Performance management in dynamic environments

Cristiano Busco a,*, Elena Giovannoni b, Angelo Riccaboni c, Mark L. Frigo d

a University College London, UK, and Luiss Business School, Italy
b Birmingham Business School, UK, and University of Siena, Italy
c University of Siena, Italy
d DePaul University, USA

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A B S T R A C T

This paper examines the micro-foundations of ‘corporate purpose’, that is the enduring reason for being of a corporation in relation to society. While the relevance of corporate purpose has been widely recognized, its practical enactment by managers at the operating level remains problematic, particularly in dynamic environments. By relying upon the field study of a leading Italian group in the food industry, and the literature on the micro-foundations of institutions, we explore the role of a performance management system (PMS) in mobilizing corporate purpose in specific practical situations at the management level, while the organization faces the demands coming from the external environment. We show that the PMS can be drawn upon by managers as a set of tools and practices through which purpose is situated at the micro-level into actions, decisions, and material artefacts that come together in a ‘social situation’. Here, the PMS enables managers to recognize a ‘situation’ for enacting different aspects of purpose through interactions, filling it with evolving meanings, while sustaining its connections with global development needs.

1. Introduction

Over the past ten years growing global challenges and urgent sustainable development needs have placed the societal role of businesses and organizations under scrutiny. Corporations, as well as public and non-profit organizations, are increasingly required to clarify and disclose the environmental and societal implications of their operations, as well as their contribution to global development goals (Arlajies and Bansal, 2018; Bebington and Unerman, 2018; Bromley and Powell, 2012; Adams and Larrinaga-Gonzalez, 2007; Gray and Bebington, 2000), and the ‘common good’ (Quattrone, 2022a; Hollensbe et al., 2014; Killian and O’Regan, 2020). Recent global challenges and emergencies have clearly brought to light the need for organizations to provide an active contribution to compelling issues such as climate change (Ferraro et al., 2015; Slawinski and Bansal, 2012), social development (Creed et al., 2022), emergency management and recovery (Kornberger et al., 2019), making societal solutions an integral part of organizational strategies, while driving economic performance (Mayer, 2021). On the one hand companies are required to provide for, and disclose, their contribution to societal challenges (Bebbington and Unerman, 2020), but on the other hand such challenges threaten the survival and resilience of the organizations themselves (see Nyberg and Wright, 2016). These pressures have led many organizations to profoundly reflect on, and reconsider, their ‘enduring reason for being’, that is their ‘purpose’.

Back in 1994, purpose was defined by Bartlett and Ghoshal as “the embodiment of an organization’s recognition that its relationships with its diverse stakeholders are interdependent” (1994, p. 88), and more recently as “a concrete goal or objective for the firm that reaches beyond profit maximization” (Henderson and Van den Steen, 2015, p. 327). Purpose explains what and why organizations are in relation to society. This concept points to the organization’s reason for existence in a way “that aligns with long-term financial performance, provides a clear context for daily decision making and unifies and motivates relevant stakeholders” (Ebert et al., 2018, p. 4; see also The Purposeful Company Interim Report, May 2016). Therefore, the focus of purpose spans much beyond economic value creation (Karns, 2011): “It reflects something more aspirational. It explains how the people involved with an organization are making a difference, gives them a sense of meaning, and draws their support” (Quinn and Thakor, 2018, p. 79 – emphasis added).

It follows that corporate purpose should connect the societal aims of...
an organization to the aspirations, experience, and meanings that individuals (i.e. ‘the people involved within an organization’) attach to these aims, triggering practical responses and actions. This becomes particularly relevant within contemporary dynamic environments in which global development needs and emergencies call for urgent action, questioning established institutional orders (Kornberger et al., 2019), rediscovering ‘the social in the individual’ (Hwang and Höllerer, 2020, p. 298), and suggesting the need to find purpose in ‘corporate life and work’ (Quattrone, 2022b), as a ‘value-based aspiration guiding strategic decision making and practices’ (Ocasio et al., 2023, p. 123). However, how this can happen in practice, and particularly how corporate purpose can actually mobilize the ‘people involved within an organization’, connecting their experience and practical work to societal needs, requires further understanding.

Indeed, although the benefits of corporate purpose on both organizational performance and social wealth are broadly recognized by practitioners and academics (Davis, 2021; Mayer, 2021; Hollensbe et al., 2014; Ebert et al., 2018; Gartenberg et al., 2019; Gartenberg, 2023), there is scant evidence about how corporate purpose acquires meaning in practice (see, George et al., 2023), and inspires management action in specific situations, especially when facing the compelling external demands for societal development. On the one hand, corporate purpose needs to ensure an enduring relation between the organization’s ends and broad societal phenomena and pressures, to sustain the organization’s role in society. On the other hand, purpose also needs to inhabit managerial practices, artefacts, and understandings, shaping materials, actions, and interactions on the ground at certain points in time, during specific situations of enactment within an organization. Researching how these two aspects happen and connect in practice is relevant to explore the benefit of purpose in sustaining how an organization responds to societal needs and takes on its role in society, while relating to managers’ experience and understandings to inspire action.

Here, given the role of performance management practices in enabling actions and interactions (Wouters and Wilderom, 2008), and in connecting an organization’s means with its ends (Broadent and Laughlin, 2009), we posit that the performance management system (PMS) of an organization is likely to play a key role in enacting purpose, sustaining its connection with broad societal needs while its features are mobilized in specific situations by managers. We explore this argument by drawing upon the literature on the micro-foundations of institutions (Friedland and Alford, 1991; Thornton et al., 2012), pointing to the local instantiations of shared assumptions and beliefs within an organization (Powell and Rerup, 2017; Orlikowski and Scott, 2008). These instantiations take place at the micro-level, e.g., through tools, actions and decisions during specific time-space situations of social interaction (Furnari, 2020). Here, social situations are relevant to understand how institutional logics are given meaning and mobilized as they are practically enacted in day-to-day operations.

The aim of this paper is to investigate how the PMS of an organization can be drawn upon by managers in mobilizing, and eventually giving meaning to, specific aspects of corporate purpose during practical situations for its enactment at the operating level, particularly while the organization faces the pressing demands for sustainable development coming from the external environment.

We explore this in the context of a leading Italian group operating in the pasta and food industry. The group has defined, and committed to, its corporate purpose for more than nine years, embedding corporate purpose statements and labels in internal and external communication, as well as the PMS. Corporate purpose is very often referred to in day-to-day language of managers, as well as in the corporate communication to stakeholders. Here, we investigate how managers’ use of the PMS enables corporate purpose to be mobilized at the operating level during specific situations of enactment.

We provide a twofold contribution. Firstly, we add to the extant debate on PMSs and corporate purpose (Streethof et al., 2019; Gartenberg et al., 2019). We show that the PMS helps senior managers to recognize practical situations for enacting specific aspects of corporate purpose, giving evolving meanings to these aspects through interaction and thereby ensuring its connection with external pressures for sustainable development. While the PMS helps the organization in shaping particular aspects of its corporate purpose to respond to global concerns for societal development, these aspects are instantiated into actions, decisions and material artefacts during specific practical situations of enactment, feeding back into the understanding of these particular aspects of corporate purpose. Secondly, we contribute to the organization and accounting literature on the micro-foundations of institutions (Bogt and Scapens, 2019; Harmon et al., 2019; Furnari, 2020), by showing how the logics underpinning purpose, also connected to societal pressures for global development, are perceived, recognized and enacted at the management level through the social situations, and micro-instantiations, triggered by the PMS.

The paper is structured as follows. In Section 2, we review the extant debate on corporate purpose which has emphasised the need for organizations to define mechanisms for sustaining purpose in practice and has recognized the potential of PMSs within these mechanisms. Then, in Section 3 we introduce our conceptual approach which draws on the literature on the micro-foundations of institutions as a lens for exploring how assumptions and beliefs about corporate purpose connect to managerial practices, actions and decisions through social situations. Here we argue that this perspective can illuminate the role of the PMS in relation to social situations for enacting purpose at the operating level while connecting it to global development forces. In Section 4, we present our research methods which draw on a qualitative field study. In Section 5 we analyse accounting and PMS practices related to corporate purpose in the case company. In Section 6 we discuss our case findings in light of the literature and conceptual lens presented in Sections 2 and 3. Section 7 summarises the key contributions and outlines opportunities for further research.

2. Global development, corporate purpose, and PMS

2.1. Corporate purpose in dynamic contexts: global emergencies and sustainable development

The concept of purpose is certainly not new in management and organization literature. In 1994, Bartlett and Ghoshal called for a major shift in the role of top management within corporations, “from setting strategy to defining purpose” (1994, p. 80 – emphasis added). They claimed that, with the increasing complexity of global corporations, the traditional strategies-structures-systems paradigm which had predominantly informed organization design and the ‘old doctrine of strategy’ needed to be replaced by a different approach, focussed on people, processes and purpose. They argued that whereas top managers need to control strategy in response to growing environmental dynamism, increasing formalization undermines frontline managers affinity to it, losing commitment to what and why organizations are, that is organizational purpose.

More recently, emerging global societal and environmental challenges have further emphasised the need for all components of society to disclose their societal role and contribution to global development as their ‘reason for being’. The Sustainable development agenda of the United Nations has clearly pointed towards the urgency for all kind of organizations to play their part in the common efforts towards development. This debate has compelled many organizations to profoundly re-think and reflect on their purpose, in terms of their specific contribution to global development (Hollensbe et al., 2014). The need for this reflection has been also reiterated in the World Economic Forum Annual Meeting, in January 2020.1

Furthermore, the social challenges and worldwide health emergency brought by the global pandemic have strongly compelled organizations and individuals to offer a concrete contribution to urgent social demands arising rapidly from unprecedented phenomena. While challenging established institutional orders (Kornberger et al., 2019), the global pandemic has also emphasised need for collective actions grounded on the contributions of individuals, alongside organizations and institutions (Huang and Höllerer, 2020). Individual actions have been revealed to be, alongside global action, an essential means for responding rapidly and concretely to dynamic societal challenges. This aspect makes corporate purpose particularly powerful as organizations strive to work towards addressing global needs.

Indeed, while being connected with the global agenda for sustainable development (see Busco et al., 2018a; see also the report of the British Academy, 2019), corporate purpose also needs to compel people’s commitment to it. The ‘sense of purpose’ requires shared meanings within the organization (Carton et al., 2014), with individuals projecting their aspirations and intent into it, while conceiving the business as the carrier of their shared intent in society (see Henderson and Van den Steen, 2015). Therefore, the purpose of the organization cannot simply be fixed and captured in corporate statements (Gartenberg et al., 2019), but it needs to be instantiated in practices, actions and decisions, ‘finding purpose in corporate life and work’ (Quattrone, 2022b). As emphasised by the EY Beacon Institute, organizational purpose is an ‘aspirational reason for being that is grounded in humanity and inspires a call to action’ (EY Beacon Institute, 2016, p. 10 – emphasis added). As effectively argued by Laughlin Hickey, former head of tax, KPMG, ‘the purpose of purpose is actually to animate humans to do something’. Therefore, it must actually connect into their aspiration to be the best they can be.\(^2\): This means that, while corporate purpose needs to connect the organization to broad societal needs, it also entails a micro dimension as it connects to ‘the people involved within an organization’, and needs to take form, and be instantiated, into material artefacts, actions and decisions, at the operating level and within specific practical situations of enactment.

### 2.2. Enacting purpose in practice: the role of PMS

Following Bartlett and Ghoshal’s seminal work, there have been a number of calls for organizations to rely on purpose (Hollensbe et al., 2014). In 2015 research conducted by EY Beacon Institute and Oxford University Said Business School found that between 1994 and 2015 public conversation about purpose had increased fivefold (EY Beacon Institute, 2016, p. 13; see, also, White et al., 2017). In spite of the growing relevance of this debate, there is still very scant evidence of how corporate purpose can be sustained in practice, and stimulate actual commitment of organisational members towards corporate aspirations related to global development:

> “Once a purpose is agreed, it must go beyond a formal announcement and be embedded throughout the organisation, to ensure that all stakeholders believe in and act to promote that purpose. Purpose has to flow throughout the company. The board and leadership team need to consciously own the purpose, create the mind-set, spill it into decision making, and reinvent the operating model of the company where necessary” (The Purposeful Company Policy Report, February 2017, p. 10).

As part of the efforts for finding ways for sustaining organizational purpose, the extant debate on the topic has recognized that a key role can be played by PMS (see, e.g., Deloitte report, 2017). For example, EY Beacon Institute (2016) emphasises the need for integrating purpose into such aspects as strategy development, leadership training and education, performance metrics and rewards.

In their 2019 Report on “The Principles for purposeful business”, the program of the British Academy on the Future of the Corporation has emphasised measurement and performance as two key principles for purposeful organizations: measurement should take into account “impacts and investment by companies in their workers, societies and natural assets both within and outside the firm” (p. 8), whereas performance “should be measured against fulfilment of corporate purposes” (p.8). These aspects have been further explored by Stroehle et al. (2019) in a working paper of the British Academy, within which they advocate for a greater integration between financial and non-financial measures to achieve transformational change towards a purposeful company. Despite these calls for organizations to re-visit their current performance measurement and reporting systems, there is still scant evidence about how this is happening or can happen in practice. As noted by Quattrone (2022b), ‘measurement is a means to explore purpose, not the other way around’. Here, more research is needed to understand the actual mechanisms that can help corporations to rely upon purpose in practice while the organization is required to address societal challenges, as well as the role of PMS within this process.

On this regard, the accounting literature widely recognizes the importance of PMS for enacting organizational strategies and achieving organizational performance, as well as for managerial alignment to these strategies (Ferreira and Otley, 2009; Adler, 2011; Broadbent and Laughlin, 2009). The literature on sustainability has also emphasised the importance of accounting practices for translating sustainability demands within organizations, by incorporating them into strategic plans and objectives (Gond et al., 2012; Arjalies and Mundy, 2013; Beusch et al., 2022), also linking them to managers’ aspirations (Busco et al., 2018b). Whereas more instrumental, goal-oriented approaches have strongly informed traditional modes for PMS design (Bourne et al., 2003; Neely et al., 1995), these modes have been criticised for constraining rather than enabling action (Wouters and Wilderom, 2008; Ahrens and Chapman, 2004; Malina and Selto, 2001; Wouters, 2009; Melnyk et al., 2014), with the risk that PMSs lack fit with the logics underpinning sustainable development (Wijen et al., 2021).

This is particularly problematic in dynamic and challenging environments in which established managerial practices need to be adapted or innovated by the people involved within an organization, to respond to evolving societal needs (Contrafatto and Burns, 2013; Ligonie, 2021, p. 2). Here, several accounting studies have drawn upon an institutional logics’ perspective to explore the complexity underpinning sustainable development (see Contrafatto et al., 2019; Busco et al., 2017), while delving into how accounting practices connect individuals to societal needs (see, e.g., Quattrone, 2015; O’Dwyer, 2021), and give meaning to activities in connection with their role in society (Contrafatto, 2022). Indeed, the institutional logics’ perspective was developed “to locate human behaviour in societal context by highlighting its mutually constitutive relationship with institutions and their underlying logics”, and therefore “with an explicit micro-foundational agenda” (Furnari, 2020, p. 194).

This “micro-foundational” agenda is also useful to understand how different aspects of corporate purpose are enacted in practice by managers within an organization, while remaining connected to societal pressures and requirements. This involves exploring the ‘social in the individual’ (Huang and Höllerer, 2020, p. 298), by looking into the micro-instantiations of institutional logics, as we further discuss next.

### 3. Researching the micro-foundations of corporate purpose

The institutional literature broadly acknowledges the importance of institutional logics defined as sets “of material practices and symbolic constructions” (Friedland & Alford, 1991, p. 248), available to individuals and to organizations to motivate actions (Thornton and Ocasio, 1999), and make sense of phenomena (Laursbury, 2002). These logics explain the institutional complexity faced by an organization

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(Greenwood et al., 2011), as well as its connections with dynamic environments (Lounsbury, 2008), grand challenges and shifting global situations (Gümüsyalı et al., 2020). While connecting the organization to societal dynamism, institutional logics come to inhabit organizational artefacts, practices, and ensembles of individuals within an organization (Powell and Rerup, 2017; Thornton et al., 2012; Powell and Colyvas, 2008).

Indeed, institutional logics are not ‘free floating’ templates out there, detached from day-to-day practice (Furnari, 2020, p. 194). Rather, micro-institutional practices and materials provide for local instantiations of institutional forces that come to be sustained or challenged at the micro-level (Dacin, Manir, and Tracey, 2010; Zilber, 2009). From this point of view, “micro-level explanations provide depth and texture to accounts of macro-level events and relationships” (Powell and Rerup, 2017, p. 312; see also Powell and Colyvas, 2008; Zilber, 2020; Furnari, 2014), thereby also explaining the simultaneous dynamism and persistence of institutions (Quatrone, 2015; Gümüsyalı et al., 2020).

In researching the micro-foundations of institutional logics, prior studies have adopted different levels of granularity by concentrating on different ‘micro’ phenomena and resources (see Haack et al., 2020), such as daily routines, rituals, practices and structures (Friedland and Alford, 1991; Thornton et al., 2012; Dacin et al., 2010; Quatrone, 2015); cognitive structures, morality and emotions (Lok et al., 2017; Friedland, 2018; Demers and Gond, 2020); communicative means like language and speech (Harmon et al., 2019). A number of studies have also explicitly acknowledged the importance of material artefacts, including technologies and material objects (Czarniawska, 2008; Jones et al., 2012), in providing for “physical and tangible instantiations of logics” (Cloutier and Langley, 2013, p. 360). Yet, these resources alone do not explain the multiple and evolving ways in which the people involved within an organization connect to institutional logics, “sometimes conjuring the image of ‘free floating’ cultural templates that are disembodied and disconnected from people’s everyday life” (Furnari, 2020, p. 194). This literature has emphasized the need for more micro-oriented approaches, that could also explain how micro-instantiations of institutional logics link back to society (Meyer et al., 2021; Alvehus and Hallonsten, 2022).

In addressing this point, drawing on the study of Thornton et al. (2012), Furnari (2020) has highlighted the need for exploring the micro-foundations of institutions through the lens of ‘social situations’. A social situation is “the bounded social entity most immediate to the individual’s experience, within which his/her mundane affairs with others occur” (Genos, 1977, p. 854, quoted in Furnari, 2020, p. 194). Within a social situation, individuals activate specific aspects of institutional logics (i.e., they concretely mobilize these aspects in action), depending on the type of situation. From this point of view, social situations are crucial to understand how the people involved within an organization relate to institutional logics, and mobilize certain aspects of these logics, at certain points in time, through social interaction.

Along these lines, as highlighted by Furnari (2020), social situations are characterized by two components: situational experience and situated interactions. Situational experience depends on ‘situational frames’, i.e. shared schemes that help a group of individuals recognize the situational character of a shared ‘episode of social interaction’, locating others in the same type of situation and, thereby, enabling social interaction to unfold. Here, “situational frames do not univocally determine the interpretations of, and reactions to, a given action. But they delimit the space of possibilities for interpreting and responding to that action” (Furnari, 2020, p. 203). It follows that social situations are not one-off events: various episodes of social interactions may be recognized in connection with the same type of situation, and can be distinguished from other types. Once the situational character of a specific episode is recognized, individuals mobilize certain aspects of institutional logics through ‘situated interaction’, which is not constrained by the situated frames and can potentially lead to unfolding meanings associated with these logics (Furnari, 2020). Such ‘temporally and physically bounded’ transformation and interaction are necessary for organizations to connect to institutional logics, while filling them with unfolding meanings. Indeed, these logics are “not only a complex, uncertain, multifaceted and changing phenomenon, but also an evolving construct” themselves (Gümüsyalı et al., 2020, p. 12). From this point of view, situated interaction and situational frames are not mere mirrors or mere activators of logics, but can also lead to evolving meanings and assumptions.

Social situations have been explored also in relation to the functionality of accounting practices (see, e.g., Athrens and Chapman, 2007). Scholars have recognized the ability of accounting to provide for a micro-production of macro-orders (Ezzamel et al., 2012; Covaleski et al., 2013; Wiesel and Modell, 2014), while being profoundly implicated in the way in which institutional logics and rationalities unfold (Quatrone, 2015; see also Pentland, 1993) and are challenged (Contrafatto and Burns, 2013). Prior studies acknowledge the role of institutional logics in explaining accounting practice variation (Lounsbury, 2008) and management accounting change (Bogt and Scapens, 2019, extending Burns and Scapens, 2000), as individuals rely upon institutional logics differently across different situations.

Overall, this perspective suggests looking at how accounting practices relate to institutional logics through local instantiations, as well as how these instantiations help managers make sense of these logics, ultimately filling them with unfolding meanings. Here, we argue that (1) accounting practices can provide situated frames that help people recognize specific situations of enactment of different aspects of institutional logics (“people encountering the situation recognize, largely unconsciously and implicitly, the type of situation that they are encountering, and such recognition induces a shared orientation among them” – Furnari, 2020, p. 199), and (2) trigger a social interaction within those situations that may, “more or less faithfully”, replicate “pre-situational understanding” or deviate from it leading to a “re-negotiation” of the meanings associated with those situation (Furnari, 2020, p. 199).

We argue that these insights are helpful to illuminate how the PMS can be drawn upon by managers to mobilize corporate purpose at the operating level within an organization, by exploring specific situations of enactment in which specific features of purpose take form and are instantiated in material artefacts, actions, decisions and interactions, ultimately filling purpose with meaning through such instantiation. Exploring how this happens and eventually affects purpose’s connections with external societal needs is relevant to understand how corporate purpose relates to the people involved within an organization and to societal needs in dynamic environments. Therefore, we posit the following questions: what is the role of an organization’s PMS in helping managers to recognize situations for enacting specific aspects of corporate purpose at the operating level, and in shaping interaction within such situations? How does this affect the meanings assigned to corporate purpose within dynamic environments? Next, we discuss these questions by drawing on a qualitative field study.

4. Research methods

4.1. Case background

Barilla is a global Italian family-owned food company established in 1877. With over 8700 employees, the Barilla group operates in more than 100 countries, with 21 brands, 29 production districts, with production of over 2100,000 tonnes of products sold every year, and an annual turnover of over 4000 million euros. Barilla’s core products include pasta, ready-to-use sauces, bakery products, and crispbread. “Basically, we are pasta makers and bakers; this is the line of work our

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family has pursued over the last four generations, with the help of outstanding coworkers” - Guido Barilla, founder of Barilla company.4

Between 2013 and 2022, the corporate purpose of Barilla has been explicitly formulated in the statement: “Good for You, Good for the Planet” (also referred to within internal and external communication as the ‘GYGP purpose’). It entails two main components: (1) ‘Good for you’ means providing “good, safe, quality and nutritional balanced products” by “continuously improving the nutritional profile of existing products and launching new products that are tasty, safe and contribute to a balanced diet. Promoting healthy lifestyles and a sustainable diet, inspired by the Italian way of life and the Mediterranean Diet”5; (2) ‘Good for the Planet’ means ensuring a sustainable supply chain “from field to fork” by “improving the efficiency of the production processes in order to reduce greenhouse gas emissions and water consumption. Promoting more sustainable agricultural and farming practices for all of the Group’s strategic supply chains”6.

The ‘GYGP purpose’ is an expression commonly used in Barilla, and is explicitly referred to by Barilla’s managers as the ‘corporate purpose’ within internal communication related to the PMS, as well as within corporate communication to stakeholders. For example, Barilla’s sustainability reports in 2020 and 2021 have been explicitly labelled as the ‘GYGP report’ after Barilla’s GYGP purpose. This report explicitly relates the two areas of the GYGP purpose to both the results achieved by the company and the global challenges for sustainable development.

For example, in 2019, Barilla identified 16 aspects that were deemed relevant for the GYGP purpose. These were organized into 7 areas (with their goals and targets) explicitly linked to the two components of the GYGP purpose (see Barilla GYGP Sustainability Report 2020, pp. 48–49): high-quality raw materials, safe products, improved nutritional profiles (related to the ‘Good for you’ component of corporate purpose); sustainable agriculture, sustainable production, recyclability and waste, animal and social welfare (related to the ‘Good for the planet’ component of corporate purpose). The main achievements in relation to the key areas were then related to a specific Sustainable Development Goal of the 2030 Agenda of the United Nations (see Barilla GYGP Sustainability Report 2020, pp. 26–27).

Within Barilla, the language of corporate purpose also permeates the labels of the management committees. The GYGP purpose in Barilla is overseen by a specific board, labelled ‘GYGP Board’. The GYGP board is led by the Chief Marketing Officer, and comprises the Chief Research, Development and Quality Officer; Chief Supply Chain Officer and Chief Communication and External Relations Officer. The GYGP board is assisted by a ‘GYGP Task Force’, in charge of monitoring GYGP-related initiatives within Barilla. The Task Force includes experts from Communication and External Relations; Marketing; Supply Chain; Research, Development and Quality; and Legal. The task force is also aided by the Sustainability Unit of Barilla.

Within Barilla, the GYGP report is the official tool for communicating the core aspects associated with corporate purpose. Furthermore, it is the official tool used by the GYGP board and GYGP task force to monitor the enactment of purpose. However, purpose-led initiatives do not follow a centrally-driven, goal-oriented approach, top-down given from the board. Rather, these initiatives are decided and carried out locally and then incorporated into the GYGP report.

Most of these initiatives come from the brand managers in the local markets, following their feelings of the markets. We [Finance] help them taking these initiatives at the corporate level, alongside the GYGP team, as we meet and talk – Finance manager.

Each region/market managers propose purpose-inspired initiatives that are then discussed by the GYGP board. Here, Barilla faces two key
demands: ensuring that local divisions decide and carry out initiatives that are relevant to the GYGP purpose, on the one hand; ensuring that these initiatives, and related best practices, are understood “under the corporate purpose hat” (Finance manager), on the other hand:

The by brand approach to corporate purpose does not, and should, not challenge the holistic and integrated vision that nourishes corporate purpose [...]. For us it is crucial to endorse an holistic system that sustains purpose, guiding the definition of corporate objectives and how to achieve them— Finance manager.

Overall, given the explicit use of corporate purpose labels and statements within internal and external patterns of communication and practices at the corporate and local management levels, Barilla provides a useful case for the aims of this study as it facilitates the identification of situations in which aspects of corporate purpose are explicitly referred to by managers in connection with external pressures for sustainable development.

Furthermore, the agri-food sector where Barilla operates provides a significant context for exploring the role of PMS in sustaining corporate purpose, given the growing demands this sector is exposed to. The UN Food system summit held in September 2021 has encouraged companies operating in this sector to provide an active contribution towards such goals as ‘no poverty’, ‘zero hunger’, ‘good health and well-being’.7 Also, while questioning the prevailing institutional orders in all parts of the globe, the spread of the global pandemic has further emphasised the importance of ensuring resilience in this sector, as well as an ongoing commitment to, and consistency with, global development goals (Sachs et al., 2021), particularly in the light of unprecedented emergencies. The existence of an established corporate purpose in Barilla has been deemed crucial to sustain the organization’s responses to the global crisis through continuity and ‘normality’ in the face of a highly uncertain environment:

“The agri-food sector plays an even more crucial role at such a difficult time: thanks to the incredible commitment of our People, Barilla products continued to offer an island of normality to millions of consumers around the world.” (Guido Barilla, Chairman, Barilla Sustainability Report, 2021, p. 206 – emphasis added).

In the face of the pandemic, Barilla’s priority was to guarantee the maximum safety of its people, as well as the “continuity of operations in all production sites, meeting rising demand, in order to provide all of our markets with essential products”. (CEO, Barilla Sustainability Report, 2020, p. 10).

For all reasons above, Barilla provides a relevant case for the aim of this study, as it enables us to identify specific practical situations where different aspects of corporate purpose are mobilized and understood by managers in practice, while remaining linked to societal needs in dynamic environments.

The main data collection took place over a period of four years, from 2019 to 2022 (with 1 interview in 2023, as explained below). We drew on documentary analysis of published reports and internal documents provided with the informants’ permission. In particular, we examined all of the company’s sustainability reports and official communication published by the company during the research period, as well as exemplary screenshots of the Operations scorecard shown by informants. We looked at all main narratives describing the external context, global pressures and challenges the organization was exposed to and how these narratives were related to the two components of corporate purpose (“Good for you; Good for the planet”), organization initiatives and performance measurements.

Also, we rely upon 31 semi-structured interviews with informants from different departments (Finance, Sustainability, Operations, Supply chain, plus one brand division) to compare and contrast the views of different individuals in relation to same issues related to corporate purpose and PMS. Each interview lasted between 1 and 2 hours. Interviews started in 2019 at the company’s headquarters in Italy. The aim of this first set of interviews (2019–2020) - with Finance, Operations and Sustainability managers - was to understand the general design of the PMS and reporting system, the organization’s governance and strategic management structures, and their relation to corporate purpose. The subsequent set of interviews (2021–2022) aimed at exploring the relationship between different aspects of corporate purpose and its practical enactment by comparing and contrasting different perspectives: we interviewed the Finance manager and Operations manager and controller (Italy), we then moved to a Sustainability manager (Italy), a Supply chain and operations manager (Southern division) and an Operations manager (non-EU division). This set of interviews revealed emerging meanings associated with corporate purpose. Therefore, we conducted 2 follow up interviews with a communication manager and local brand manager in December 2022 and March 2023. Where possible, informants were asked very similar questions to aid comparing and contrasting their views. Half of the interviews took place on-line. In-person interviews took place at the corporate headquarters in Italy.

A list of interviews and main topics is provided in appendix 1. Our data analysis is informed by the theoretical insights offered by the literature reviewed in Sections 2 and 3. Transcripts of interview data, and our notes from the interviews, were analysed to identify all instances in which the GYGP purpose, with its specific features, was explicitly referred to in connection with operating practices of the PMS. In doing so, we concentrated on informants’ accounts about practical activities and episodes of operational use of PMS, when these accounts were narrated in connection with the different aspects of the GYGP purpose, and we grouped these accounts (from different informants) according to these aspects.

This analysis enabled us to reconstruct examples of use of the PMS in connection with corporate purpose during such decisions, activities and interactions as: innovating nutritional aspects of products’ receipts, reducing water consumption, preventing accidents, enacting projects for sustainable supply chain, reducing emissions or innovating packaging. In our analysis, we focused on those types of decisions, activities and interactions (related to the PMS) mentioned by more than one informant in connection with different aspects of purpose to reconstruct different types of ‘social situations’ (Furnari, 2020) for corporate purpose enactment: namely, water consumption reduction, accidents’ prevention, the innovation of ingredients (i.e., for innovating nutritional properties). Grouping the accounts according to the aspects of corporate purpose during such decisions, activities and connection with corporate purpose during such decisions, activities and connections were narrated in connection with the different aspects of the GYGP purpose.

5. PMS and corporate purpose in Barilla

To support daily conversations and initiatives around the key aspects underpinning corporate purpose, Barilla adopts an integrated ‘Operations scorecard’. This tool was designed internally and implemented within all operations’ divisions in all countries where the group operates. It provides a framing for integrating financial and non-financial KPIs broadly related to Barilla’s purpose within a platform shared across Barilla’s group.

The scorecard is divided into five dimensions (see Fig. 1): People, including health and safety, training, absences, injuries and accidents; Product, including product quality, and customer complaints; Planet, including waste, recycling, energy and water consumption; Profit effectiveness, concerning asset usage effectiveness; Profit efficiency, concerning asset usage efficiency. These dimensions are then linked to further financial performance metrics (e.g., CAPEX and working capital). For each dimension, the scorecard shows the YTD (year to date actuals), objectives, variance (%) from the budget, LY (last year results), variance (%) from LY (see Fig. 1). Favourable variances are marked with the green colour, whereas adverse variances with red colour.

The Operations scorecard (group level) is articulated at the regional level (e.g. Europe, USA). Each regional scorecard is further articulated into product category (e.g., meal, bakery, etc.), and then into further geographical zones (e.g. South, West, North, Central). Each zone is then articulated according to different production sites/plants (e.g., Ascoli, Cagliari, etc.). The Operations scorecard platform is shared by all operations managers, and their teams, in any country. All operations managers can visualize the People, Product, Planet, Profit KPIs of each plant in each region. The full visibility of the scorecard within the group facilitates the alignment of KPIs across the different units. This makes it possible to compare targets and results from different plants, identify best practices, discuss opportunities for learning and improvements, and share best practices across plants in different countries.

Such sharing accelerates the speed of improvements along the lines of the GYGP purpose – (Operations manager).

Every year (in September-December) the targets for the scorecard are set for the subsequent year. Specific (non-financial) targets are proposed by operations managers at the plant level following a process of analysis and data collection within their teams. Targets are then discussed and aggregated, ensuring consistency with financial KPIs. These are managed by the Finance Unit, with finance managers working closely with operations managers in each plant.

It is a bottom up approach but there is no difficulty in aligning the objectives. We share the same mindset through the scorecard, that is about continuous improvement in all dimensions – Supply chain and operations manager.

The achievement of the targets is supported by local projects:

8 Within this paper we conceive a ‘vignette’ as a group of accounts (quotes) from different informants on the same type of situation, e.g., the water consumption reduction, the accidents’ prevention, the innovation of ingredients (for innovating nutritional properties).
Through measurement, we look for continuous improvement. And behind the measures there is an intense definition of initiatives. This is a virtuous cycle. Without projects there is no improvement – Supply chain and operations manager.

For example we had a project of reduction in energy consumption by 10% in [name of plant]. Related performance indicators were included in the scorecard and in the end we could see we did better than what was budgeted. I was very pleased to see those achievements through the scorecard. I am very proud of this tool – Operations manager and Controller.

We see an opportunity for improvement and we measure it. Measuring is like looking ourselves in a mirror. [...] When we do something, we need to see a KPI that moves coherently – Operations manager and Controller.

We see an opportunity for improvement and we measure it. Measuring is like looking ourselves in a mirror. [...] When we do something, we need to see a KPI that moves coherently – Operations manager and Controller.

Information and data collected through the scorecard are then dis-embedded from the Planet, People, Product, Profit dimensions to be reported at the corporate level and reincorporated into the different sections of the GYGP report, where they are connected to evolving opportunities for global development, reviewed every year by the GYGP board. This is again a mainly bottom-up process.

Each Brand has to pick specific goals according to its priorities and distinctiveness to consumers - Sustainability manager, pointing to internal documents.

The Operations scorecard does not follow the GYGP [reporting] system in a systematic or top down manner. It is instead the opposite. We discuss and compare our data at the Operations level, as they come from our daily activities, and periodically we report our data from the Planet, People, Product, Profit pages of the scorecard to the GYGP report [system] where the data are given sense at the corporate level as they are linked with strategy, purpose and global challenges [...]. The GYGP board does not question the data [from the Operations scorecard] but link them to the GYGP system as they meet to discuss about it – Operations manager and Controller.

There is a bottom-up process towards the GYGP report – Communication manager

The connections between the meanings associated with the GYP purpose and the dimensions of the Operations scorecard are clearly explained by the quote below:

We started with this wonderful statement, Good for you, Good for the planet, in 2013 [...] It means there are two pyramids [pointing to the logo
of Barilla’s GYGP purpose shown in the GYGP report]. The environmental pyramid and the pyramid of health for the people. One is upside down compared to the other. The underlying concept is that the healthier the food for the people the better it is for the planet. There is some kind of food that requires a lot of water, a lot of energy, and a lot of resource waste to be produced. This is low quality for People, which is also bad for the Planet. The less you eat of this food [pointing to the top of the health pyramid signalling the low consumption of this food] the better it is for the Planet [pointing to the base of the upside down environment pyramid visualizing the high impact on the planet] and for you […] People is the upper part of the Operations Scorecard, that is the good for you [component] of the GYGP purpose. Planet is visualized in the middle part, that is the good for the planet [component] of the GYGP purpose. Profit at the bottom, showing the link with the business as an element of purpose [pointing to the Operations Scorecard on the PC monitor] - Operations manager and controller.

Within Barilla, the Operations scorecard engages users in a process that links operations to the key components of the GYGP purpose. Through these connections, the logics underpinning purpose do not remain ‘free-floating’ templates ‘out there’. But they are mobilized in specific types of situations at the operating level, triggering actions and unfolding meanings as we discuss next through the aid of three Vignettes (as explained in Section 4).

5.1. Mobilizing purpose: linking People, Planet and Profit

[Vignette 1 – Water consumption]

We have to reduce water consumption for each ton of product by […]% [pointing to the water KPI] […] I am just back from a strategic planning kick off meeting and these kinds of objectives have to be fully embedded into our strategic plan. We are assessing the granularity of the data that we need to achieve this integration. Financial and non-financial data need full integration - Finance manager.

What matters is the coherence between the KPI and our purpose. If you entered a plant this morning at 8:30 am you would see people discussing about the data of last week scorecard. […] These indicators [pointing to the water indicators] can change our agenda of the day as they provoke immediate actions and not just long-term planning […]. This happened few months ago with a red KPI. We had to take immediate actions on water depuration and recycling – Supply chain and Operations manager.

Pasta is a simple product, with wheat and water. […] We are trying to reduce water consumption [pointing to the water KPI of the Planet area of the Operations scorecard] - Operations manager and controller.

For example, promoting water efficiency technique among suppliers. Water reduction is an objective. […] Water is a priority but probably not the highest compared to the rest. Is it really distinctive or more a standard element? - Sustainability manager.

The quotes above offer examples of managers’ reflections and accounts about water reduction triggered by the Operations scorecard’s KPIs. In those instances, managers could recognize social situations for activating the Planet dimension of the GYGP purpose, relating their specific experience and expertise to those situations, also leading to immediate actions and initiatives. Here, the situations triggered by the water KPI unfolded from pointing to the connection between financial and non-financial elements (as for the Finance manager’s perspective), to immediate action for water depuration and recycling (changing the agenda for the day following red flags in the Operations scorecard – as for the Supply chain and Operations manager’s perspective), up to associating water reduction initiatives to ‘standard elements’, probably ‘not the highest priority compared to the rest’, as for the Sustainability manager’s perspective. The priority given to ‘water reduction’ for the Planet unfolded through the interaction triggered by the social situations themselves, ending up pointing to further initiatives for the Planet, also linked to Profit, such as energy reduction initiatives and a new transportation project, as showed in the quote below:

Once we have reduced water consumption to the minimum, we cannot do more with it as we need some water to produce Pasta. We can concentrate on other costs for the benefit of the Planet, for example new initiative for energy reduction. [For example] Transport costs, energy costs, waste costs have a high incidence. Attack those costs is another way [in addition to reducing water consumption] to be good for the planet in line with financial performance. Actions to take waste from 7% to 3.5%, give plus 3.5% of productivity in the Operations scorecard. […] This is in line with GYGP purpose. […] For example, transporting Pasta from Italy to […] has a high incidence on costs [pointing to the profit dimension of the Operations scorecard]. And producing ‘pasta’ in Italy is a value for us. We found a way to reduce this incidence. We arranged a special railway connection from our largest production site of Pasta. In so doing we avoided […] pollution, with a benefit for the environment and also for financial performance […] The scorecard shows what objectives are activated and the coherence between them. This is purpose - Operations manager and controller.

Within Barilla, the logics underpinning the GYGP purpose are enacted from the ground through the initiatives, engagement and reflections stimulated by the PMS. The specific KPIs of the Operations scorecard triggered, and enabled managers to recognize, different types of ‘social situations’ for enacting purpose, immediate to managers’ experience (for example the need to integrate financial data with non-financial data from Finance manager, or initiatives for promoting water efficiency techniques among suppliers for the Sustainability manager, or new ways for saving Planet beyond water consumption for the Operations manager and controller), as ‘bounded social entities’ (Gonos, 1977; Furnari, 2020) attracting managers from different divisions in an unfolding reflection about the implications of specific aspects of the GYGP purpose. As part of this, evolving priorities and connections between Planet, Product and Profit also emerged, leading to new initiatives (such as the new transportation system).

[Vignette 2 – Accidents’ prevention]

The scorecard gives visibility to what happens in other plants, making it possible to reflect about our comparative performance in a more intuitive way. If I see significant differences in the achievements of KPIs, I start interrogating why this happened and discuss it with colleagues from other units, checking the possibility to adopt their best practices and mirror their successful initiatives. The scorecard helps doing this exercise - Operations manager.

This is what happened with Accident index. For example, when discussing the scorecard, we saw that a [peer division] was scoring almost zero with the Accident index of the scorecard. This has to be read with headcount. We got in touch with the [peer division] to understand their internal practices and we found ways to innovate our own. We worked together to align with the best practice. About training initiatives, for example - Operations manager.

We have to read the KPIs together [pointing to the Operations Scorecard open in the PC monitor]. For example, if the target is to produce 1000 tons more [pointing to the Production Volume KPI in the Profit section of the Operations scorecard] with 100 people instead of 108 [pointing to the Headcount KPI of the People section of the Operations scorecard], this is likely to explain why we have a red flag here [pointing to the red variance for the Production Volume KPI]. It shows that Profit and People are interconnected. The red flag means that we have to sit down and find out what is happening in these connections - Operations manager and controller.

As shown in Vignette 1 and 2, the Operations scorecard enabled managers to recognize, respectively, ‘water reduction’ and ‘accidents prevention’ initiatives as two types of social situations for activating the
5.2. Unfolding meanings: towards the ‘joy of food’

[Vignette 3 – The innovation of ingredients]

For example, palm oil abolition was not imposed by a top-down project but it was the market [local brands] that was asking for it and driving the process – Finance Manager

The GYGP purpose came from the company. […] But then it was the head of the brand […] who said I want to work to certify the wheat supply chain. It was the head of the brand […] who said ‘I want [brand name] palm oil free’. [Finance point was] ‘But it costs more’. [The head of the brand’s response was] ‘It does not matter’. […] So, we incurred in much higher costs. We reconsidered entirely our recipes and innovated our products. […] In the end we sold more biscuits. Listening to Finance, you would have thought ‘You are crazy. You are using a raw material 2.5 times more expensive’. We had to innovate 1000 recipes in the Bakery division with 6 months of work for a product which is more expensive. – Operations manager and controller.

Palm oil abolition was a big thing for us. Following this, we innovated the nutritional ingredients of our products, and worked for the sustainability of the supply chain and the high quality of all ingredients – Brand manager.

Within Barilla, ‘product quality’ objectives and targets, in connection with the GYGP purpose, attracted managers in ongoing conversations, and shared episodes of interaction, where they mobilized their immediate experience and understanding of the logics underpinning purpose to recognize their role in the situation and take action. ‘We had to innovate 1000 recipes’ quoted above; ‘we did accurate research’ quoted below.

We did accurate research and we verified that from the perspective of the Planet and from the perspective of the People, [palm oil] was not the best raw material to be used. We could find better ingredients. There was this aspect too […] And there is now a shortage of sunflower oil supply too. So, we will have to innovate recipes again – Operations manager and controller, pointing to the Operations scorecard.

Employees understand the ‘obsession’ for quality. They know that without perfect quality, products are not delivered to customers. […] Being good for the customer means being good for you and for the Planet – Supply chain and Operations manager.

Whereas Finance perceptions of product quality emphasised its relationship with Profit indicators [‘You are using a raw material 2.5 time more expensive’ quoted above], local brand managers also linked it to the People and Planet dimensions, pointing towards initiatives for improving the sustainability of ingredients.

Quality of raw materials is one of our key objectives. […] The target […] is that 100% of our suppliers have to be certified with international standards. We decided to go for a 100% target. This is because targets have to be aspirational. We could have set a 90% target, putting on a safety net. However, we agreed that we had to move action towards purpose. We have to aim high to motivate action. Aim high and then deliver. And then report it in relation to SDG 12, Responsible consumption and production, as you can see here [pointing to a table in the GYGP Report 2020] – Operations manager and controller.

Here, the ‘palm oil abolition’ initiative, endorsed through a bottom-up approach, prompted conversations and reflections on the overall nutritional quality of ingredients, leading to research and development initiatives for changing product recipes (with the reformulation of 476 products – see Barilla Sustainability Report 2021, p. 6), improving the Product quality index in the scorecard, and reported in the GYGP report in connection with SDGs. In so doing, meanings associated with product quality also unfolded.

Following all the attention to palm oil, fat reduction, and the nutritional properties of all our ingredients, we realised that we sort of ended up forgetting that our products are also tasty. They have to bring joy – Brand manager.

We wanted to avoid a conception of quality, health, sustainability as punitive, as if eating healthy means eating tasteless without joy. No, we wanted to avoid that. Particularly after the Pandemic – Operation manager and controller.

We are innovating the product compositions and recipes to reduce sugar and to keep them healthier, without compromising the joy of food. We are changing the packaging system to offer balanced portions in one pack. So, we offer a healthier solution through quality and balanced portions, without compromising joy – Brand manager.

While recognizing shared social situations for enacting purpose around ‘Product quality’, and relating it to the People and Planet dimensions of purpose through their own understanding of the situation, managers’ conversations, reflections and social interaction produced emerging meanings. They related the innovation initiatives for ‘Product quality’ to the joy of food (‘we realized that we sort of ended up forgetting that our products are also tasty. They have to bring joy’ quoted above), stimulating new initiatives for improving the nutritional components of products and their sustainability, without compromising joy. For example, the new packaging system offering ‘balanced’ portions, without compromising taste. These meanings were re-embedded into the understanding of purpose as ‘the joy of food for a better life’ (Barilla Sustainability Report, 2022). This also followed external pressures for social recovery following the global pandemic.

At the corporate level, the visualizations of the GYGP reporting system provides for a different narrative compared to the narrative of the Planet, Product, People and Profit dimensions of the Operations scorecard. At the corporate level, The GYGP reporting system gives corporate purpose visual form through graphs, objectives and KPIs (see, for example, Barilla GYGP Sustainability Report, 2020; pp. 26–27; 48–49), visually articulating the ‘Good for you’ and ‘Good for the planet’ components and linking them to global development goals. Simultaneously, locally situated meanings are triggered by the Planet, Product, People, Profit dimensions of the Operations scorecard. As new initiatives emerge from the social interaction taking place at the micro-level (such as new
packaging initiatives in Vignette 3) and as new meanings unfold (such as the meanings given to Product quality), these are dis-embedded from the dimensions of the Operations scorecard and re-embedded into the different components of the GYGP reporting system (such as SDG 12, Responsible consumption and production, in the quote above), where they are connected to global development needs. Within this process, purpose is not cascaded down at the local level (indeed the Operations scorecard’s structure does not mirror the GYGP report’s structure), but rather local initiatives emerge from the local brands (‘The GYGP purpose came from the company. […] But then it was the head of the brand […] who said: I want [brand name] palm oil free’ – quoted above), and are then reported at the corporate level (e.g. in relation to SDG 12, Responsible consumption and production, as quoted above).

This loose connection between the Operations scorecard’s structure and the GYGP report’s structure also meant that whereas new interpretations of purpose appeared in the 2022 corporate report, the sections and KPIs of the Operations scorecard did not change structures or labels across the different situations. Still, they triggered evolving managers’ reflections, meanings and social interaction around the ‘joy of food’, forming into the understanding of corporate purpose. This was re-incorporated into Barilla’s Sustainability Report 2022, entitled ‘The joy of food for a better life’, thereby reflecting the emerging meanings into new statements.

6. Discussion

This paper has explored how managers interpret and connect to the various logics underpinning corporate purpose during their day-to-day practices, activities, and interactions within an organization, ultimately giving meanings to corporate purpose. We have shown that these meanings unfold across the situations for enacting purpose, as managers relate their situated experience to it and engage in social interaction, while keeping purpose connected to external, dynamic, requirements for sustainable development. Here, we have revealed that these connections take place with the aid of the PMS, that acts as a set of situational frames for managers to mutually recognize specific situations for enacting various aspects of purpose, to relate to and interpret those aspects through their situated experience, and to interact within those situations, leading to new initiatives and unfolding meanings. While these meanings evolve throughout the situations, they feed back into the understanding of purpose, sustaining its connections with external pressures for sustainable development, particularly in dynamic environments.

Studies on the micro-foundations of institutional logics acknowledge the role of situations in the enactments of institutional logics at the micro-level (Thornton et al., 2012), but does not delve into the actual mechanisms for recognizing a situation (see Furnari, 2020). Our analysis contributes to these studies by showing how a situation for enacting corporate purpose can be recognized through a PMS: the PMS attract users and bind them into episodes of social interactions, where the KPIs facilitate managers’ recognition of a specific situation for enacting purpose, as well as managers’ recognition of their role in such situation.

Within the situations, the PMS does not work in an ‘institutional vacuum’. The logics underpinning corporate purpose do not ‘free float’ detached from practice. Rather situational frames activate managers’ perception and experience of the logics underpinning purpose. While different aspects of corporate purpose are mobilized in different situations, these aspects are not mirrored, determined or constrained by the PMS. Rather, they are filled with locally constructed meanings. For example, in the social situation in Vignette 1, managers assigned different meanings (with different implications on actions and priority perception) to water reduction initiatives. In Vignette 3, new meanings were produced and associated with Product Quality (from sustainability and health of raw materials to the joy of food) as managers engaged in conversations and social interaction around it. These meanings did not remain ‘local’, and did not remain constrained in the social situation, but rather they fed back into managers’ perception of purpose, from GYGP to the joy of food. In so doing, corporate purpose was filled with meaning, remaining aligned to emerging needs for social development coming from the external environment (such as the need for recovery and well-being following the global pandemic).

These considerations contribute to the extant debate on corporate purpose (Stroehle et al., 2019; Gartenberg et al., 2019) by showing the role of PMS in enacting purpose from the ground. We show that purpose is not enacted through a structured approach, within which its elements and the macro rationalities underpinning it are cascaded down at the micro-organizational level through the PMS. Rather, micro-instantiations (e.g., the initiatives on water reduction and quality improvements in Vignette 1 and 3) of corporate purpose emerge through the ‘social situations’ enabled by the shared frames provided by PMS practices, such as the metrics and KPIs of the Operations scorecard, and the related social interaction. Within the resulting social situations, individuals could relate themselves to different aspects of corporate purpose, activating it at the micro-level, leading to new meanings and initiatives.

Whereas the accounting literature has broadly recognized the role of accounting practices in the micro-instantiation of institutional logics (see, e.g., Lounsbury, 2008; Bögk and Scapens, 2019; Quattrone, 2015), we extend these insights to the micro-instantiations of corporate purpose, and add the role of ‘social situations’ (Furnari, 2020) in illuminating how the PMS participates in such micro-instantiations, through shared frames and the social interaction. Here the PMS enables managers to recognize a situation for corporate purpose enactment and mobilize their own experience and understanding of the situation to produce unfolding understandings of the logics underpinning purpose. Rather than been confined to those situations, and the related initiatives, these micro-instantiations feed back into the understanding of purpose through evolving meanings, keeping it connected with external demands. These considerations also add to the accounting literature on PMS (Wouters and Wilderom, 2008; Broadbent and Laughlin, 2009; Wouters, 2009; Ligonie, 2021), particularly in relation to the struggles for sustainable development (Arjalies and Mundy, 2013; Gond et al., 2012; Contrafatto and Burns, 2013), by demonstrating the role of PMS in shaping managers’ understanding of specific aspects of purpose, as it is enacted in specific situations, feeding into unfolding meanings assigned to it in connection with global development needs.

7. Conclusions

Following the UN sustainable development agenda, and the global struggles towards development, organizations operating in the food industry have been required to offer a concrete contribution showing their commitment towards addressing fundamental societal demands (Sachs et al., 2021). Further, the global crises brought by the pandemic has emphasised the need for collective action for social development with the involvement of institutions, organizations and individuals (Hollerer et al., 2020). Especially during crises situations, companies like Barilla have been called upon to ensure ‘normality’ (as referred to by Barilla’s CEO) in the distribution of food, relying on their purpose to secure closeness to society as well as enabling actual responses to global needs coming from the grass root organizational level.

In this paper, we have discussed the role played by PMS in making this process happen. We contribute to the extant debate on corporate purpose (Stroehle et al., 2019; Gartenberg et al., 2019) by showing how purpose can ‘flow’ throughout the company with the aid of PMS, and how managers’ interpretations and understanding of purpose in specific situations of enactment can fill it with unfolding meanings. Here we extend the scant literature on the role of PMS in the practical enactment

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of purpose, by showing how accounting and performance measurement practices and artefacts (e.g. the Operations scorecard in Barilla) can be drawn upon to connect managers to the logics underpinning purpose, while providing for local instantiations of these logics in specific situations. Here we confirm Bartlett and Ghooshal (1994)’s original claim that the actual enactment of purpose does not follow the ‘strategies-structures-system’ approach of the ‘old doctrine’, but this enactment comes from people. We extend this claim by demonstrating how purpose enactment and its local instantiations can happen through the PMS. Rather than being mere activators of its logics, micro-instantiations enable the filling of purpose with meanings, linking managers’ immediate experience and their interactions to the societal demands underpinning purpose.

Secondly, we contribute to accounting literature and organization studies on the micro-foundations of institutional logics (Bogt and Scapens, 2019; Furnari, 2020) by showing the role of PMS in enabling ‘social situations’ for enacting purpose, both attracting managers in a bounded ‘social body’ for interaction, close to their immediate experience, enabling them to recognize it as a situation for purpose enactment, ultimately leading to unfolding meanings that keep it connected to societal demands. In so doing, we further add to the literature on PMS in challenging environments (Wouters and Wilderom, 2008; Broadbent and Laughlin, 2009; Wouters, 2009; Ligonie, 2021), such as those challenged by pressing needs for sustainable development and for addressing societal needs. Here, we show that, although some meanings of purpose (such as those related to the GYGP purpose in Barilla) persist, other meanings emerge, triggered by local instantiations, and feed back into the understanding of purpose (such as the Joy of Food in Barilla), sustaining its connections with emerging societal needs and therefore its endurance.

Our study focusses on corporate purpose and PMS. Further research could explore the role of other practices, such as IT systems and technologies, in making corporate purpose happen through micro-instantiations. Also, further studies could explore the role of PMS in enacting other concepts and categories, such as ‘value’ and ‘societal value creation’, making them happen at the micro-level, while enabling them to endure. Here we suggest researching gaps and inconsistencies in between different practices, such as those between the PMS and the sustainability reporting system, to further explore how tensions between the needs for adapting meanings and the persistence of purpose can be addressed in challenging environments.

Data availability

The data that has been used is confidential.

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Appendix I. - List of main informants

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<th>Role</th>
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<th>Topic</th>
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<td>Governance and strategic management structures; Corporate purpose and PMS</td>
</tr>
<tr>
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<td>Local initiatives of corporate purpose and PMS</td>
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<td>Operations manager (non-EU division)</td>
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<td>Local initiatives of corporate purpose and PMS</td>
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References


