

Effects of Corporate Purpose on Organizational Innovation: An Explanatory Mixed-Methods Analysis

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Purpose: The current study has two primary goals: first, to examine the influence of corporate purpose on organizational innovation and second, to analyze the sequential mediation effect of both a people-centric approach and infrastructure between corporate purpose and organizational innovation.

Design/Methodology: A sequential explanatory mixed-method design was used in this study. Confirmatory factor analysis (CFA) and PROCESS macro were applied based on 188 online questionnaires completed by employees of a leading Portuguese publishing company, followed by a thematic analysis of 37 structured interviews.

Results: The quantitative findings indicate that corporate purpose has a positive impact on organizational innovation and that both the people-centric approach and organizational infrastructure serve as significant mediators in the relationship between corporate purpose and organizational innovation. Moreover, the people-centric approach and organizational infrastructure sequentially mediate the relationship between corporate purpose and organizational innovation. The qualitative data corroborate and deepen these findings, revealing the crucial role of a people-centric approach and organizational infrastructure as mediators in corporate purpose to cope with organizational innovation.

Conclusions: Our study provides theoretical and practical implications for practitioners, researchers, and business leaders to better understand the relationship between these concepts and opportunities for further research.

Keywords: *Corporate purpose, Organizational infrastructure, Organizational innovation, People-centric approach, Sequential mediation*

1 Introduction

Peter Drucker, a prominent figure in modern management, was one of the first to stress the importance of having a clear corporate purpose. In his influential book “Management: Tasks, Responsibilities, Practices,” pub-

lished in 1974, Drucker emphasized the core purpose of a business as the chief goal of delivering value to customers and enhancing their well-being. Thus, one of the key elements contributing to a business’s corporate purpose and potential economic success is proximity to customers. This factor enables validation of the business model, ensures its

survival, attracts resources, and promotes the well-being of customers and other stakeholders. From this perspective, it can be reasoned that corporate purposes transcend marketing tactics (Harrison et al., 2020). Instead, it represents the driving force behind a company's existence, the reason for its business activities, and the foundation upon which its purpose is built (Gartenberg, 2023; van Ingen et al., 2021). Essentially, it serves as a catalyst for fostering customer well-being and business viability (Harrison et al., 2020).

Thus, the primary objective of any business is to prioritize customers, which involves capturing, satisfying, and retaining them. This requires continuous focus on organizational innovation and efficiency in the use of resources, capabilities, organizational infrastructure, systems, processes, and operations. By achieving these goals, a company can differentiate itself from its competitors in the marketplace and create a unified approach among the diverse stakeholders involved in the creation, shared production, and consumer welfare processes (Blair & Stout, 1999; Reichheld et al., 2021). This customer-centric approach enhances a company's sustainability because customers are considered valuable members of society who contribute to the economy by purchasing goods and services, benefiting both the company and society as a whole.

This customer-centric approach was further reinforced by Reichheld et al. (2021), who conducted a comprehensive analysis of numerous businesses, arguing that a company's purpose should be to improve the lives of its customers and that this mission should be embraced by all members of the organization. In 2011, Pink highlighted the significance of finding a purpose in one's work, which holds true for both employees and larger communities. According to Freeman and Ginena (2015), companies with a clear purpose can improve their quality of life and positively contribute to society.

Given the statements made above, corporate purpose refers to the meaning, identity, inspiration, actions, and consequences of a company on society and its stakeholders (Henderson & Van den Steen, 2015; Mayer, 2021; Porter & Kramer, 2019). This serves as a means for employees to align themselves with the overall goals that contribute to the long-term sustainability of the company and to improve society (Ellsworth, 2002). This promotes collaboration and performance among employees, teams, and knowledge networks, ultimately benefiting those who utilize a company's products or services (Breuer & Lüdeke-Freund, 2017; Hollensbe et al., 2014; Mourkogiannis, 2008).

To maintain a competitive edge, companies must engage in ongoing innovation cycles that focus on attracting, satisfying, and retaining their customers. This makes organizational innovation a key aspect of business endeavors. It involves the process of imbuing resources, capabilities, systems, and processes with newfound organizational effectiveness, resulting in improved economic and social

outcomes and the creation of wealth. According to Drucker (1974) and Rogers (1995), this requires the implementation of new organizational practices that produce a significant impact and value while adhering to the company's purpose. Essentially, this study posits that organizational innovation reflects new practices implemented in a company that have a significant and meaningful impact. Thus, this study focuses on organizational innovation, encompassing fresh approaches to work, administrative modifications, and managerial styles that alter the process of converting imaginative concepts into tangible goods and services with the ultimate objective of attaining a competitive edge (Baregheh et al., 2009; Fay et al., 2014; Migdadi, 2019).

Referring to the concept of organizational innovation and the dynamic capabilities view (DCV), two crucial mediating constructs have emerged (Al-Tal & Emeagwali, 2019; Arraya & Ferreira, 2024; Carew et al., 2009): (1) employee-focused human resource practices and an internal network of motivated individuals who think and act proactively, that is, companies with a people-centric approach; and (2) a well-structured organizational infrastructure composed of resources, capabilities, competencies, processes, and routines that foster innovation.

The DCV posits that companies can gain a competitive advantage and attain significant economic returns by effectively adapting, integrating, reconfiguring, and coordinating their internal and external capabilities to respond to market dynamics through innovation (Kareem et al., 2024; Teece, 2023). Furthermore, this approach emphasizes the importance of a people-centric approach in developing organizational competencies that positively affect overall performance and enhance a company's competitive advantage (Buzzao & Rizzi, 2020; Harsch & Festing, 2019; Khan et al., 2020). Hence, human resources are given a people-centric approach as part of their dynamic capabilities, which can serve as a source of competitive advantage, its direct influence on organizational infrastructure, and its role as an unexplored mediator in the literature on corporate purposes and organizational innovation.

A company's organizational infrastructure refers to its organization, which includes resources, capabilities, processes, microsystems, routines, workflows, and practices that are aligned with its corporate purpose and support a customer-centric culture (Carew et al., 2009; Drucker, 1974; Grant, 2010). This organizational infrastructure should enable a company to rapidly adapt and innovate in response to changes in the external environment; streamline work processes; enhance the quality of products, services, and customer experience; expedite coordination between individuals and departments; and facilitate work (Carew et al., 2009; Lamberti, 2013). It also potentially serves as a mediator between corporate purpose and organizational innovation, which has not yet been explored.

The significance of corporate purpose as a guiding

Table 1: Search strategies to select articles

	(A)	(B)	(C)	(D)
"Corporate purpose" OR "Company purpose" (A)	-	23	3	0
"Organizational innovation" OR "Innovation" (B)	76	-	39	47
"People centric" (C)	36	12	-	7
"Organizational Infrastructure" (D)	1	15	8	-

Note: Scopus (left-side) e Web of Science (WoS) (right-side)

principle for organizational innovation cannot be overstated. Nevertheless, the effectiveness of this orientation can be amplified through the mediation of people-centric approaches and organizational infrastructure. To the best of our knowledge, no study has examined the interconnections between these four constructs. To demonstrate the scarcity of studies on the relationship between these constructs, a bibliographic search was conducted in the Scopus and Web of Science (WoS) databases. The search used the search string terms "corporate purpose" OR "company purpose"; "organizational innovation" OR "innovation"; "people-centric"; and "organizational infrastructure". The search was limited to peer-reviewed articles published in English journals with no imposed time limits. The search process encompassed "all fields" to identify relevant articles, and six search equations were processed, as shown in Table 1.

The literature search yielded 148 and 119 articles from the Scopus and Web of Science (WoS) databases, respectively, totaling 267 articles. After merging the two databases and removing duplicate studies based on title screening, 185 articles were selected for the review. The researchers searched for articles that fulfilled the four constructs defined in this study, and none of the studies presented a conjugation of these dimensions. According to research findings, it is apparent that academics have not demonstrated a growing interest in subject matter over the years.

Considering DCV, the following research question is posited: can the relationship between a company's purpose and organizational innovation be sequentially mediated by a human-centric approach and organizational structure? Thus, this study explores the research gap in the mediators that influence the relationship between corporate purpose and organizational innovation. An explanatory sequential design was chosen as the methodology for the study, as it involves using quantitative research (a serial multi-mediation model) as a preliminary step for subsequent qualitative investigation (Creswell & Plano Clark, 2017; Homer & Lim, 2024).

This study makes significant contributions to the existing literature on the significance of corporate purpose and organizational innovation. The first contribution is the identification of two sequential mediators, namely a

people-centric approach and organizational infrastructure, which explain the relationship between corporate purpose and organizational innovation. The second contribution is a favorable environment for fostering innovation that results when the corporate purpose is combined with a people-centered approach and supportive organizational infrastructure. The third contribution is the crucial interaction between people and organizational infrastructure, which is essential for a company's adaptation to external trends and the maintenance of a creative network. The fourth contribution is the specificity of the organizational infrastructure, which makes it difficult to replicate or imitate, thus serving as a critical factor in maintaining a competitive market position. The fifth contribution is the direct virtuous cycle provided by the four constructs. Finally, this study identifies gaps and future directions that can help improve our understanding of the relationship between corporate purpose and organizational innovation. These contributions will enable practitioners, researchers, and business leaders to better comprehend the relationship between these concepts, prioritize initiatives, and develop operational methodologies that facilitate the long-term success of companies.

The remainder of this paper is organized as follows. Section 2 presents a literature review and formulates research hypotheses. Sections 3 and 4 describe the research methodology in detail along with the corresponding results. Section 5 discusses the implications and presents the conclusions, and Section 6 concludes with the limitations and future areas of investigation.

2 Theoretical Framework

The adoption of a corporate purpose that encompasses customer satisfaction and business viability, and promotes a better society, serves as a guiding light for a company's success (Henderson, 2020). To achieve this, it is crucial to involve all stakeholders and prioritize the well-being of employees and customers (Ellsworth, 2002; Henderson, 2020; Metcalf & Benn, 2012; Sisodia & Gelb, 2019). In doing so, the purpose directly influences the necessary changes in the company's policies and practices to enhance

customer operations, achieve better social outcomes, and improve stakeholder relationships (Mayer, 2021).

Alterations in the trajectory of improved performance standards necessitate a dynamic strategy that encompasses three fundamental elements (Peters 1987): adaptability, initiative, and entrepreneurial creativity. In simpler terms, this involves a fluid organizational structure that embraces change and fosters a culture of innovation and proactive problem-solving, underpinned by three foundational pillars: purpose, people, and strategy.

A clear and shared corporate purpose inspires commitment and drives action, resulting in the creation of value within a company (Ellsworth, 2002; Henderson, 2020; Pink, 2011). This can be achieved by aligning individuals with the company's purpose of finding meaning and encouragement in their work and designing an organizational infrastructure that supports the company's strategy and tactics (Henderson, 2020; Mayer, 2021). Additionally, promoting organizational innovation to meet customer and stakeholder needs can help achieve this goal. Ultimately, as Drucker (1974: 361) stated, "the purpose of an organization is to enable ordinary human beings to do extraordinary things."

2.1 Corporate Purpose and organizational innovation

According to Ocasio et al. (2023), corporate purpose enables managers to overcome "business myopia" in response to crises and uncertainties, thereby enabling them to discover new insights, maintain their focus, and maintain the company's direction. Similarly, Henderson (2020) asserted that corporate purpose alerts a company to new business opportunities, thereby increasing the likelihood that the company will "see" the need for innovation. Madden (2017) posited that corporate purpose promotes the survival and prosperity of a company through innovation and efficiency gains by fostering feedback and learning, which are essential components of the company's innovation process.

Organizational ability, creativity, agility, initiative, technological advancement, and human resource management are the key factors in achieving innovation. These elements work together to foster continuous learning and exploration, as well as to acquire new resources, knowledge, and capabilities from the external environment. By incorporating these resources and capabilities into a company, stakeholders, particularly customers, value new products and processes (Camisón & Villar-López, 2014; Chen et al., 2019; Lawson & Samson, 2001; Silva & Cirani, 2020). A company's corporate purpose serves as a guide for its strategy and innovation activities, as it integrates resources, capabilities, methods, and business practices to align all departments towards a common goal, thereby fostering

a culture of transformation within the organization (Aguilera, 2023; Gartenberg et al., 2019; Madden, 2017; Teece, 2023; Yemiscigil, 2019).

Given the vital role of innovation in attracting and retaining customers, it is imperative to investigate whether corporate purpose affects organizational innovation. Consequently, we propose the following hypothesis:

H1. Corporate Purpose is positively related to organizational innovation.

2.2 Multiple mediating roles of People-centric and Infrastructure

A people-centric approach refers to placing a company's employees at the center of everything. This involves understanding their needs, promoting knowledge sharing, fostering creativity, considering opinions in decision-making processes, and what inspires and motivating them to give their best (Lepeley, 2017; Upadhyay & Kumar, 2020).

This result was consistent with the findings of Halbesleben et al. (2014), Lepeley (2017), and Malnight et al. (2019), a people-centric approach serves as an essential strategic element for the success of any business irrespective of its unique business model and innovation process. This is due to the fact that employee engagement, enablement, and empowerment are crucial components of this approach. When employees feel valued and cared for, they are driven by a deep sense of purpose and strong intrinsic motivation, which has a significant impact on reducing absenteeism, turnover, safety incidents, and quality incidents (defects), and improving customer metrics, productivity, profitability, and outperforming competitors. This approach can lead to several benefits, including increased job satisfaction, higher talent retention, and improved productivity and profitability (Fu et al., 2015; Ma Prieto & Pilar Pérez-Santana, 2014). Consequently, for businesses to succeed, it is essential to maintain a work environment that fosters a sense of belonging, respect, and recognition among the employees. According to Meijerink et al. (2020) and Mehta et al. (2016), fostering such an environment can lead to increased employee engagement, improved communication, and heightened morale, ultimately resulting in a positive impact on a company's bottom line.

An enabling work environment is equipped with the essential resources, expertise, technology, and processes required to excel in roles and achieve objectives (Colenbaugh & Reigel, 2010). This fosters employee empowerment, which enhances the capabilities of individuals and benefits the company. Providing employees with the autonomy to make decisions without seeking approval from others is one way that leaders can demonstrate their appreciation, resulting in increased productivity, improved service quality, heightened job satisfaction, and improved skill development (Yin et al., 2019; Zhang et al., 2018).

Several studies have shown that adopting a people-centric approach can lead to improved safety records, reduced staff turnover, increased job satisfaction, and greater involvement, ultimately enhancing a company's overall performance (Buzzao & Rizzi, 2020; Upadhyay & Kumar, 2020).

Considering the aforementioned points, it can be concluded that a people-centric approach forms a crucial aspect of the paradigm of Person-Organization Adjustment, which considers the two types of relationships that may exist between individuals and organizations (Verquer et al., 2003). These relationships involve the mutual satisfaction of each other's needs and the sharing of similar characteristics and interests between the individual and organization. According to van Ingen et al. (2021), the adjustment of the founding purpose and values as part of the person-organization adjustment process serves as an explanatory mechanism that links corporate purpose with the organization's outcomes.

Moreover, a people-centric approach can positively affect innovation and the overall company performance. Commitment-oriented HR practices motivate employees to interact socially while carrying out their day-to-day tasks, thereby increasing creativity and innovation capacity (Ceylan, 2013; Popa et al., 2017). Therefore, companies adopting this approach are more likely to develop skills that benefit their innovation and performance. Consistent with these findings, our research posits that a people-centered approach serves as a mediator between an organization's purpose and its innovative endeavors. Therefore, the preceding arguments suggest the following hypothesis:

Hypothesis 2. A people-centric approach mediates the relationship between corporate purpose and organizational innovation.

We argue that organizational infrastructure is a strategic and operational system that consists of essential and core resources and capabilities to support operations and company objectives. Its agent is people, and its micro-level includes processes, routines, tools, workflow, and practices that enable it to achieve its goals in a financially viable, scalable, and sustainable manner (Arraya, 2024; Teece, 2023). Thus, a company's organizational infrastructure is a critical component that must be carefully planned and

managed to ensure long-term success.

These elements are intended to foster a customer-centric culture and achieve predefined goals (Carew et al., 2009; Grant, 2010). A well-designed organizational infrastructure should facilitate a company's ability to adapt and innovate in response to external changes, streamline work processes, enhance product and service quality, and improve customer experience. Additionally, it should facilitate coordination between different work areas and individuals, and make work more efficient (Carew et al., 2009; Lamberti, 2013). Therefore, the preceding arguments suggest the following hypothesis:

H3. Organizational infrastructure mediates the relationship between corporate purpose and organizational innovation.

Previous research suggests that corporate purpose and organizational innovation are linked through a people-centered approach and organizational infrastructure, as evidenced by the arguments presented above. Employees are considered one of the most critical stakeholders as they are responsible for executing the company's initiatives and bearing their consequences (Aguinis & Glavas, 2012). For a company to achieve its corporate purpose, it is essential that its employees accept and support its objectives (Mossholder et al., 2011). In doing so, they can apply their knowledge and skills, offer innovative solutions, and undertake value-generating activities (Lepeley, 2017; Upadhyay & Kumar, 2020). However, this requires organizational infrastructure that supports and differentiates the company from its competitors. Such an infrastructure brings together resources and capabilities that, when working together, enable the company to operate effectively, generate innovative technological ideas, develop and execute them to penetrate the market, and create customer satisfaction and economic value (Barney et al., 2021). Based on this, we propose the following hypothesis:

H4. The people-centric approach and organizational infrastructure play sequential mediating roles in the association between corporate purpose and organizational innovation.

Integrating hypotheses H1–H4, the research model is presented in Figure 1.

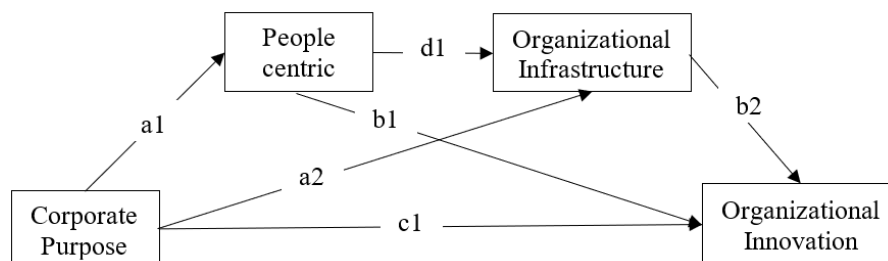


Figure 1: Conceptual model to examine the relationship between corporate purpose, people-centric and organizational infrastructure, and organizational innovation. The direction of the arrow signifies the influence of one dimension on the consequent

3 Methodology

A sequential explanatory mixed-methods design that integrated quantitative and qualitative approaches was implemented for triangulation to assess the extent to which quantitative and qualitative findings corroborated each other (Creswell & Plano Clarke, 2017; Morse, 2018). Quantitative and qualitative data were collected sequentially and analyzed independently, and the latter was used to elucidate the former and bridge gaps in the quantitative outcomes. Subsequently, the data were merged and integrated to generate research implications for theory and practice (Morse & Neihaus, 2009).

For the quantitative component, the population consisted of a single-company approach, which enabled researchers to obtain a comprehensive understanding of the elements and factors that influence the organizational context (Yin, 2009). For the qualitative component, the sample comprised respondents from highly competitive service industries with experience and familiarity with the concepts of corporate purpose and organizational innovation. By conducting interviews with a distinct sample from the population surveyed in the questionnaire, the potential bias in responses from middle- and high-level managers is mitigated as they tend to overestimate the positive aspects of the organizations they manage (Kianto, 2009). Furthermore, considering the constructs examined in this study, it is essential to triangulate the data using interviewees [good informants (Morse, 1989)] to ensure validity (Morse et al., 2006). Purposive sampling techniques have been employed to ensure data richness (Nyimbili & Nyimbili, 2024). The subsequent sections delineate the details of data collection, analysis, and results for each phase, including qualitative data.

3.1 Phase I: Quantitative Data Collection and Analysis

The empirical data used in this study were collected through an online cross-sectional survey conducted between April and May 2023. The survey consisted of 26 items and measured four dimensions: purpose — independent dimension based on Arraya and Ferreira (2024), people-centric — mediator dimension based on Arraya and Ferreira (2024), seven items; infrastructure — mediator dimension based on Arraya and Ferreira (2024), six items; and organizational innovation — dependent variable with ten items.

Since the study is explanatory, we collected data via an online survey of employees, administrative staff, and directors (Kianto, 2009) of a significant company in Portugal's publishing industry, employing over 250 individuals and operating through three distribution channels: stores, digital platforms, and resellers. This entity was chosen for

the following reasons: (1) Grawe et al.'s (2009) finding that limiting the population to a single industry enhances the study's internal validity; (2) it is rational to choose a relevant company in the industry for in-depth research; (3) the company that has been selected has a well-defined corporate purpose: "the promotion of individual and social reading habits and the promotion of better knowledge and use, oral and written, of the Portuguese language"; (4) it experiences substantial competitive pressure on a consistent basis across all its operational segments, necessitating adaptation and innovation to maintain its competitive position; and (5) its strategic process incorporates corporate purpose as an element that provides direction, focus, and motivates employees to work toward a common objective.

Of the 188 participants who completed the survey, 31.90% were male and 68.10% were female. The average age of the participants was 38.92 years, and the average tenure was 10.77 years. In addition, 58.00% of the participants had a university degree.

The dimensions employed in this study were determined based on existing literature and evaluated using a 5-point Likert-type scale (1= "strongly disagree"; 5= "strongly agree"). A comprehensive list of measurement items is presented in Table 2.

Regarding the quality of the responses, we used every measure to ensure anonymity of the participants. Furthermore, to assess the potential for common method bias, we conducted Harman's single-factor test, which involved subjecting the research items to principal component factor analysis (Podsakoff et al., 2012). The results of this test indicated that the factor loading was below 40%, indicating that the common method bias was not a concern. Additionally, we carried out a full-collinearity test (Kock, 2015), and the results showed that the variance inflation factor values were below the threshold of 3.3, further confirming that common method bias was not present.

3.1.1 Exploratory and confirmatory factor analysis and test of psychometric properties

An exploratory factor analysis was performed to investigate the relationships between the items, and the suitability of the data for factor analysis was first evaluated. The Pearson correlation matrix showed coefficients of 0.50 or higher, the Kaiser-Meyer-Olkin overall MSA value was 0.940, and Bartlett's Test of Sphericity was statistically significant at 0.01, indicating that the correlation matrix was suitable for factor analysis (Table 2). The oblique promax technique was used, and four factors were extracted that explained 47.00% of the variance. All loadings are greater than 0.40. In addition, CFI=0.940 (>0.9), TLI=0.910 (>0.9), and RMSEA=0.068 (<0.09) were greater than the threshold values (Saunders et al., 2016).

Table 2: Means, standard deviations, and factor loadings

	Indicator	Mean (n=188)	Sd (n=188)	Factor Loading
Corporate Purpose	The leadership in our firm aligns with this shared purpose.	3.596	0.863	0.716
	People in our firm have a passion for shared purposes.	3.383	0.926	0.767
	In our firm, the purpose is properly defined and understood by people.	3.580	0.833	0.67
People-centric approach	Our firm continually incorporates new learning into standard ways of doing business.	3.346	0.861	0.792
	In our firm people are willing to exchange and combine ideas with their co-workers.	3.766	0.826	0.547
	In our firm people have easy access to the information they need to do their job effectively.	3.644	0.824	0.638
	Our firm provides people with appropriate information about important changes.	3.612	0.861	0.716
	In our firm everyone has the opportunity to influence the decisions that affect them.	2.979	0.986	0.607
Infrastructure	In our firm, systems, structures, and formal and informal practices are integrated and aligned.	3.479	0.797	0.766
	In our firm, formal and informal systems, structures, and practices make it easier for employees to complete their work.	3.335	0.889	0.73
	In our firm, people, processes, and work routines are hard-to-copy systems that allow us to do things better than competitors while creating value for customers.	3.410	0.832	0.674
	In our firm, all work processes are designed to make it easier for customers to conduct business with us.	3.511	0.824	0.641
	Our firm has a clearly stated set of capabilities—that is, things you do better than anyone else—that customers' values and competitors cannot beat.	3.521	0.843	0.597
	Our firm anticipates changes in the market and responds proactively.	3.463	0.868	0.685

Table 2: Means, standard deviations, and factor loadings (continue)

	Indicator	Mean (n=188)	Sd (n=188)	Factor Loading
Organizational Innovation	Our organization is often first-to-market with new innovations.	3.176	1.001	0.733
	In our organization, innovation is a way of life.	3.330	0.958	0.774
	We are constantly looking for ways to improve our business processes.	3.782	0.890	0.743
	Our senior managers are able to effectively cascade the innovation message throughout the organization.	3.484	0.933	0.739
	Our senior management team is diverse in their thinking – they have different ideas about how things should be done.	3.261	0.914	0.773
	Our organization has a clear innovation vision.	3.303	0.901	0.768
	Everyone in our organization knows what we want to achieve with our innovation programs.	3.340	0.890	0.722
	We have continuous strategic initiatives aimed at improving our performance.	3.564	0.948	0.767
	Our key executives are prepared to take risks to grow the organization or to improve performance.	3.441	0.909	0.746
	We are prepared to discontinue products and services that contribute only marginally to our success.	3.335	0.787	0.492

Reliability and validity tests were conducted to confirm internal consistency and reliability of the variables. Cronbach's alpha (>0.70) and composite reliability ($CR>0.70$) were used to verify the variables' internal consistency and reliability (Hair et al., 2010). Additionally, discriminant validity was established based on the Fornell and Larcker (1981) criterion and cross-loading, as all items loaded the highest on the corresponding latent constructs. Furthermore, the square root of the latent variable AVEs exceeded the corresponding latent-variable correlations in each instance (see Table 3). Confirmatory factor analysis (CFA) was performed to establish convergent validity and dimensionality of the factors. The model showed goodness of fit with $\chi^2/df=2.233$, CFI=0.907 (>0.9), NFI=0.903 (>0.9), TLI=0.901 (>0.9), and RMSEA=0.081 (<0.09). Thus, the model fit results are acceptable (Saunders et al., 2016).

The results of the Pearson correlation analysis are presented in Table 3. Notably, all correlations were statistically significant at the 95% confidence level. Furthermore, all four factors showed positive correlations. The confirmed correlations and linear relationships between the predictors, mediators, and dependent variables satisfied the preconditions for conducting PROCESS analyses, as specified by Saunders et al. (2016). The empirical findings support this conceptual model.

3.2 Phase II: Qualitative Data Collection and Analysis

The open-ended interview protocol has several advantages, including its ability to concentrate specifically

Table 3: Pearson correlation and other key dimension measures

Variable	1	2	3	4	α	CR	AVE
1. Purpose	0.773				0.815	0.761	0.598
2. People-centric	0.791***	0.793			0.872	0.796	0.629
3. Infrastructure	0.648***	0.704***	0.736		0.811	0.840	0.542
4. Organizational Innovation	0.721***	0.733***	0.741***	0.751	0.925	0.918	0.564

Note: Internal consistency (α), critical ratio (CR), average variance extracted (AVE), square root of AVE estimates is presented in boldface.
 *** p < 0,001

on the research topic at hand, obtain comprehensive and practical information, elicit perceived causal inferences, and access to individuals' fundamental experiences in the real world, especially when the phenomenon being studied is rare and infrequently observed. This approach is preferred for acquiring extensive and insightful empirical data (Kvale & Brinkman, 2015; Eisenhardt & Graebner, 2007; Yin, 2009).

Although the survey outcomes influenced the composition of the interview inquiries, they maintained an open-ended format to encourage participant-driven responses. These questions were developed by referencing existing literature, which was determined following the completion of the initial phase (Creswell & Plano Clark, 2017). The interviews followed a structured protocol with open-ended questions in four different areas: (1) the relationship between corporate purpose and organizational innovation; (2) the relationship between the people-centered approach, corporate purposes, and organizational innovation; (3) the relationship between organizational infrastructure, corporate purposes, and organizational innovation; and (4) how the relationship between the people-centered approach and organizational infrastructure simultaneously interferes with the relationship between corporate purposes and organizational innovation.

Purposive criterion sampling was used to select participants for the interviews (Nyimbili & Nyimbili, 2024) because the study aimed to explore the theoretical knowledge and practical experience of the phenomena being studied (Creswell & Plano Clarke, 2017). This sampling technique uses specific criteria, including (1) respondents possessing experience in highly competitive service industries and (2) respondents demonstrating familiarity with the concepts of corporate purpose and organizational innovation. Potential participants were identified through the professional social network LinkedIn and invited to participate via a private message.

Data saturation was attained through 37 interviews as the responses provided by the participants displayed a final similarity (Saunders et al, 2018). These interviews were conducted between June and July 2024, and as they were

conducted in Portuguese in Portugal, they were transcribed and translated into English. The participants were 23 males and 14 females. Their average age was 51.6 years, with 52 percent between the ages of 50 and 59 years, and all 37 had a university degree (six bachelor's degrees, seven master's degrees, and 24 PhDs). The answers to the interviews were transcribed, summarized, and categorized according to similar factors to provide data for the qualitative study.

4 Results

4.1 Phase 1: Quantitative results

4.2 Robustness test

To assess the reliability of the mediating findings, we adhered to Baron and Kenny's (1986) procedure, which entails the following stages to evaluate People-centric and Infrastructure mediating effects on the relationship between Corporate Purpose and Organizational Innovation. First, we verified that Corporate Purpose significantly affects Organizational Innovation. Second, we verified that Corporate Purpose significantly affects both People-centric and Infrastructure. Third, we demonstrated the significant and positive indirect effect of Corporate Purpose on Organizational Innovation through People-centric, indicating that Corporate Purpose exerts a positive influence on Organizational Innovation by leveraging the impact of People-centric. Fourth, we demonstrate the presence of a significant indirect effect between Corporate Purpose on Organizational Innovation through Infrastructure, indicating that Corporate Purpose exerts a positive influence on Organizational Innovation through the mediation of Infrastructure. Fifth, we confirm the presence of a positive and significant indirect effect between Corporate Purpose on Organizational Innovation through both People-centric and Infrastructure, revealing that People-centric and Infrastructure sequentially and positively mediate the relationship between Corporate Purpose and Organizational Innovation.

4.3 Direct effects analysis

The PROCESS by JASP (0.18.3) computer program was used to perform direct effects tests. Table 4 presents the results of these tests, including the path coefficients for direct effects. According to our hypothesis, Purpose positively influences Organizational Innovation ($\beta = 0.265$, $p < 0.01$), and this effect was verified. Additionally, our findings indicate that People-centric has a positive and statistically significant impact on Organizational Innovation ($\beta = 0.250$, $p = 0.002$) as does Infrastructure ($\beta = 0.424$, $p < 0.01$). No control variables (gender or education) were found to have a statistically significant effect on Organizational Innovation.

4.4 Mediating effects analysis

This research focuses on investigating the mediating role of People-centric and Infrastructure in the connection

between Purpose and Organizational Innovation, as suggested by hypotheses H2, H3, and H4.

Table 4 presents the results of the mediation analysis using the bootstrap method. The indirect effect of the People-centric approach on the relationship between Purpose and Organizational Innovation is significantly positive ($\beta = 0.175$, $p = 0.002$, 95% CI = 0.022–0.304) as the bootstrap confidence interval excludes zero. Thus, H2 is justified. Furthermore, the indirect effect of Infrastructure on the relationship between Purpose and Organizational Innovation is significantly positive ($\beta = 0.091$, $p = 0.007$, 95% CI = 0.024–0.176), as the bootstrap confidence interval does not contain zero. Therefore, H3 was verified. Finally, the multi-mediating effect of People-centric and Infrastructure on the relationship between Purpose and Organizational Innovation is significantly positive ($\beta = 0.151$, $p < 0.001$, 95% CI = 0.080–0.240). with bootstrap confidence intervals greater than zero. Hence, H4 was confirmed.

Table 4: Results of the multiple mediator model: direct and indirect effects

	Label	Estimate β	Std. Error	z-value	p
Corporate Purpose → Organizational Innovation	c1	0.265	0.067	3.977	< .001
People-centric → Organizational Innovation	b1	0.250	0.081	3.096	0.002
Organizational Infrastructure → Organizational Innovation	b2	0.424	0.065	6.511	< .001
Corporate Purpose → People-centric	a1	0.697	0.039	17.713	< .001
Corporate Purpose → Organizational Infrastructure	a2	0.215	0.073	2.952	0.003
People-centric → Organizational Infrastructure	d1	0.510	0.083	6.173	< .001
Mediation effects	Label	Estimate β	Std. Error	z-value	p
Corporate Purpose → Organizational Innovation	c1	0.265	0.067	3.977	< .001
Corporate Purpose → People-centric → Organizational Innovation	a1*b1	0.175	0.057	3.050	0.002
Corporate Purpose → Organizational Infrastructure → Organizational Innovation	a2*b2	0.091	0.034	2.689	0.007
Corporate Purpose → People-centric → Organizational Infrastructure → Organizational Innovation	a1*d1*b2	0.151	0.035	4.343	< .001
Total effects	Label	Estimate β	Std. Error	z-value	p
Corporate Purpose → Organizational Innovation Total	c1+a1*b1+a2*b2+a1*d1*b2	0.682	0.048	14.266	< .001
Corporate Purpose → Organizational Innovation Total Indirect	a1*b1+a2*b2+a1*d1*b2	0.417	0.059	7.005	< .001

Note. Confidence intervals are bias-corrected percentile bootstrapped. Path coefficients (Bootstrap = 5000). Standard errors, z -values and p -values are based on the delta method.

4.5 Phase 2: Qualitative results

The qualitative results are organized and presented below, and categorized according to the four questions. Table 5 summarizes the themes, frequency, and exemplary quotes relating to how the people-centered approach and infrastructure serve as mediators in the relationship between Corporate Purpose and Organizational Innovation.

5 Discussion

In this research, we aim to investigate the link between corporate purpose and organizational innovation while also assessing the sequential mediating roles of the people-centric approach and organizational infrastructure in

the relationship between these two variables. To the best of our knowledge, no previous study has explored these relationships, as proven by bibliographic research.

The results of both investigations indicate a positive correlation between corporate purpose and organizational innovation. This finding supports the notion that corporate purpose acts as a driving force for organizational innovation (Schultz, 2014). The quantitative data ($\beta=0.265$) further confirms that corporate purpose has a positive impact on organizational innovation, a conclusion shared by the interviewees. Interviewee I32 is an example of a widely held opinion when he states, “corporate purpose can play a crucial role in organizational innovation, as it provides a clear and inspiring direction that can motivate all levels of the organization”. However, interviewee I37 takes it a step further by asserting that corporate purpose is the

Table 5: Themes, meaning, frequency, and exemplary quotes related to participants' interviews

Theme	Meaning	Frequency	Exemplary Quotes
Corporate Purpose impacts or influences organizational innovation.	Corporate Purpose is the objective of motivating teams of skilled individuals to collaborate and carry out specific tasks that ultimately benefit those who utilise their products or services. (Hollensbe et al., 2014; Mourkogiannis, 2008).	34	<p>I1: “A shared vision of corporate purpose is essential for promoting organizational innovation, as it serves as a guide, providing a compass that directs individual and collective innovation activities and initiatives. ... Finally, it boosts cooperation between team members and within the organization, facilitating the implementation of new ideas and innovative solutions.”</p> <p>I4: “The corporate purpose, by clearly defining the company’s values and goals, provides a frame of reference for all employees. This alignment of objectives is crucial for organizational innovation.”</p> <p>I5: “When an organization’s employees are aligned with its corporate purpose, this will have a positive impact on the organization.”</p> <p>I7: “For organizational innovation to take place there needs to be alignment with the corporate purpose.”</p> <p>I11: “Corporate Purpose forces organizational innovation.”</p> <p>I15: “Corporate purpose influences by establishing a clear vision and fundamental values that guide the company’s actions and decisions.”</p> <p>I17: “Corporate purpose, in my opinion, is also reflected in organizational leadership, which can play an important role in change, particularly in the shift towards organizational innovation.”</p> <p>I23: “A common purpose promotes a sense of organization and collaboration, which are essential for innovation.”</p> <p>I28: “When a company has a clear purpose of creating value for stakeholders and improving economic and social results, it tends to encourage its employees to think creatively and constantly look for new solutions. Often, corporate purposes include commitments to sustainability and social responsibility, which drive organizational innovation towards more efficient and responsible practices.”</p> <p>I32: “Corporate purpose can play a crucial role in organizational innovation, as it establishes a clear and inspiring direction that can mobilize all levels of the organization.”</p> <p>I37: “It (corporate purpose) represents the organization’s DNA, translating its present and future impact on all its stakeholders. Considering that innovation consists of a way of being in the world that relegates permanent updating, as a way, even of subsistence and progress, I would say that innovation is inherent to purpose.”</p>
	Organizational innovation is the process of converting creative ideas into concrete products, services, administrative modifications, novel working methods, or management styles to secure a competitive advantage. (Baregheh et al., 2009; Fay et al., 2014; Migdadi, 2019).		

Table 5: Themes, meaning, frequency, and exemplary quotes related to participants' interviews (Continue)

Theme	Meaning	Frequency	Exemplary Quotes
People-centric approach is a third dimension that interferes with the relationship between corporate purpose and organizational innovation.	People-centric approach focuses on prioritizing employees within a company by understanding their needs, encouraging knowledge sharing, fostering creativity, considering their opinions in decision-making, and identifying what motivates them to perform at their best (Lepeley, 2017; Upadhyay & Kumar, 2020).	15	<p>I1: "This perspective is more in line with reality, as a people-centered approach creates a more conducive environment for experimentation and creativity. By understanding and meeting employees' needs, promoting knowledge sharing and considering their opinions in decision-making processes, the organization not only inspires and motivates its employees, but also creates fertile ground for innovation."</p> <p>I4: "I believe that a people-centered approach ensures that employees understand and commit to the corporate purpose in a deep and personal way, thus facilitating organizational innovation. Furthermore, by valuing and considering the opinions of all employees, the company benefits from a diversity of perspectives."</p> <p>I5: "... after all, it's the people who can make the difference in an organization".</p> <p>I13: "Innovation only happens when people feel part of the organization, are heard, and even if they make mistakes, they know that they can always get it right and be recognized for it; the victories of each one are the victories of all and that are celebrated by everyone because everyone is proud to belong to the organization to which they dedicate themselves daily."</p> <p>I15: "The people-centered approach acts as an integrating element that strengthens the relationship between corporate purpose and organizational innovation. By ensuring that employees are involved, motivated and included in decision-making processes, this approach creates a favorable environment for innovation."</p> <p>I16: "Firstly, because it takes account of the skills resident in the organization. Secondly, because it makes it possible to create sharing and synergy between the various departments/stakeholders."</p> <p>I17: Employees are agents of organizational change (innovation), and if they become aware of a company's purpose (corporate), they can contribute to achieving organizational goals.</p> <p>I24: "A people-centered approach is indispensable if employees are to understand, accept and mobilize themselves to apply organizational innovation in the light of the corporate purpose. The corporate purpose must serve as an aggregating factor to harmonize ideas and visions."</p> <p>I28: "The people-centered approach, by putting employees at the center of everything, acts as a crucial dimension linking Corporate Purpose and Organizational Innovation. This approach positively influences both elements in a number of ways: By putting employees at the center, the company creates a working environment aligned with its values and objectives, fosters creativity, commitment and productivity, in a culture of continuous and sustainable innovation."</p> <p>I32: "The people-centered approach can act as a bridge between Corporate Purpose and Organizational Innovation: 1. Involvement and alignment with purpose; 2. Stimulation of creativity and innovation 3. knowledge sharing and collaboration ..."</p> <p>I37: "In fact, I consider that the people-centered approach does not refer only to the organization's employees, but also to all the people affected by the organization's performance, where, in reality, the organization's own employees will be the center. As mentioned above, this underlies the purpose, and therefore, innovation."</p>

Table 5: Themes, meaning, frequency, and exemplary quotes related to participants' interviews (Continue)

Theme	Meaning	Frequency	Exemplary Quotes
Infra-structure is a third dimension that interferes with the relationship between corporate purpose and organizational innovation.	Infrastructure is a strategic and operational system that consists of essential and core resources and capabilities to support operations and company objectives. Its agent is the people, and its micro-level includes the processes, routines, tools, workflow, and practices that enable it to achieve its goals in a financially viable, scalable, and sustainable manner (Arraya, 2024; Teece, 2023).	21	<p>I1: "The greater the formality and rigidity of the infrastructure, the less flexibility there is for improvisation and experimentation, which are essential for organizational learning and innovation processes."</p> <p>I1: "Excessive formalization can create barriers to creativity and agility, which are fundamental characteristics for innovation."</p> <p>I1: "Formal infrastructure can lead to a disproportionate emphasis on operational efficiency to the detriment of exploring new possibilities."</p> <p>I2: "The infrastructure is related to the strategy. Therefore, if this is a strategy, then resources and capabilities are essential elements to guarantee the relationship between corporate purpose and organizational innovation."</p> <p>I4: "In addition, well-defined processes and routines aligned with the corporate purpose ensure that the company's daily activities are always geared towards strategic objectives, allowing room for innovation."</p> <p>I6: "Formal infrastructure allows a company to be organized and facilitates communication, autonomy, and innovation."</p> <p>I7: "Formal infrastructure determines how organizational innovation is conducted. Innovation does not happen unless the company has the capacity to do so."</p> <p>I8: "The means and resources made available by the company to its employees are fundamental to achieving the desired objectives and without which, no matter how goodwill and dedication you have, you will always fall short of the desired goal."</p> <p>I13: "Overly formal and hierarchical infrastructures are cumbersome and slow structures that increasingly have difficulty in being close to their audiences."</p> <p>I14: "I think that this third dimension of "organizational infrastructure" contributes to the improvement of the relationship between corporate purpose and organizational innovation (and vice versa; that is, if there is no organizational infrastructure or it is weak, this worsens the relationship between corporate purpose and organizational innovation). Reason 1: With more organizational infrastructure, organizations are more empowered and have more tools to innovate. Reason 2: With the existence of a strong organizational infrastructure, employees feel that resources, skills, processes, routines, tools, and workflows are made available in an organized/structured way, which encourages employees to develop their work and contribute to organizational innovation in an organized/structured way."</p> <p>I15: "Formal infrastructure ensures that the company's resources, systems, and processes are aligned with its corporate purpose, creating a cohesive environment geared toward innovation."</p> <p>I18: "The formal structure should be an enabler or instrument to achieve the company's goals. The profile, simplicity, logic of the structure and the availability of resources will certainly influence the purpose and innovation."</p> <p>I23: "A well-designed organizational structure can facilitate communication and collaboration, ensuring that everyone works towards the same purpose."</p> <p>I32: "A company's organizational infrastructure should act as a mechanism that enables and enhances the relationship between corporate purpose and organizational innovation: 1. Structural support for strategic alignment ...; 2. Efficiency and Consistency in Innovation Implementation ...; 3. Facilitation of a culture of innovation and collaboration..."</p> <p>I37: "Organizational infrastructure can promote or retract from innovation. Purpose: The organization's DNA impacts the structure and tends to change it in order to improve the impact of the organization's activity on its different stakeholders. In this sense, the purpose tends to counteract the possible negative effects of formal infrastructure on innovation and promote its alteration to promote innovation."</p>

Table 5: Themes, meaning, frequency, and exemplary quotes related to participants' interviews (Continue)

Theme	Meaning	Frequency	Exemplary Quotes
People-centric approach and Infrastructure play sequential mediating roles in the association between corporate purpose and organizational innovation.	See concepts above.	17	<p>I2: The relationship between corporate purpose and organizational innovation rests on the condition that resources and capabilities are properly matched, as well as the infrastructure that follows."</p> <p>I4: "A people-centered approach and formal infrastructure act simultaneously in the relationship between corporate purpose and organizational innovation, creating a balanced environment where employees' motivation and capacity are harnessed."</p> <p>I7: "The relationship between corporate purpose and organizational innovation is mediated by the people-centered approach and the infrastructure form."</p> <p>I15: "The people-centered approach and the formal infrastructure act simultaneously in the relationship between corporate purpose and organizational innovation, creating an environment where culture and structure complement each other."</p> <p>I17: "People need infrastructure to carry out their missions in the organization. An infrastructure that is coherent with people's roles is "halfway there" to achieve the corporate purpose and support organizational change (innovation)."</p> <p>I19: "A purpose obviously needs to exist, but it alone does not result in innovation."</p> <p>I23: "The people-centered approach and the formal infrastructure act in a complementary way in the relationship between corporate purpose and organizational innovation."</p> <p>I28: "They work to strengthen the relationship between corporate purpose and organizational innovation... creating a synergy that aligns the organizational culture with the structure to support innovation."</p>

company's DNA, "it (corporate purpose) represents the organization's DNA, reflecting its present and future impact on all its stakeholders". He argues that innovation is inherently linked to purpose as it involves a constant update of ways of being in the world that is necessary for survival and progress.

The metaphor of DNA is instructive because of its significance in the survival and prosperity of a company. DNA contains the necessary instructions for a company to develop, function, and achieve agility and authenticity in dynamic environments (Bonchek, 2016). A company's DNA serves as the foundation upon which its vision and values are built, as it encompasses not only its identity, but also the motivation it imparts to stakeholders for practices that are advantageous to society as a whole.

A company operates within an ecosystem based on the mutually beneficial and adaptive interdependence of its DNA with the environment (Arraya, 2024; Bonchek, 2016; Joly, 2021). Its primary objective is not to maximize profits but rather to fulfill its corporate purpose, which is to benefit all stakeholders, especially customers. It is plausible to suggest that the impact of corporate purpose on organizational innovation is due to an architecture that puts employees, in order to serve the well-being of customers, at the heart of the business, as evidenced by the result of the people-centric approach mediation between corporate purpose and organizational innovation [$c1 (\beta=0.265) < a1*b1 (\beta=0.175)$]. as interviewee I1 says" it enhances (cor-

porate purpose) cooperation between team members and within the organization, facilitating the implementation of new ideas and innovative solutions," fostering the development of authentic relationships with employees in a manner that leads to optimal outcomes. Essentially, business fundamentally involves fostering human relationships supported by individuals working together for a common purpose. This shared purpose motivates, inspires, and passionates them to work collaboratively with colleagues, customers, and everyone within the company's sphere of influence to achieve the collective goal (Joly, 2021).

The results indicate that corporate purpose, as a factor influencing the person-organization adjustment process, is closely tied to organizational innovation. In an interview, I28 stated, "When a company has a clear purpose of creating value for stakeholders and achieving economic and social outcomes, it typically motivates its employees to think creatively and persistently seek innovative solutions". It is reasonable to posit that individuals perceive the myriad resources provided by a company as serving to focus their attention on their work, motivating them and fostering effective performance. Effective leadership within a company fosters a focus on people; however, to be successful, it must seek and choose individuals who possess characteristics, behaviors, and attitudes that align with the corporate purpose, prevailing culture, values, objectives, and existing practices (Ashfaq & Hamid, 2021; Huang, 2021). Through the adaptation of their emotions, thoughts,

knowledge, and behaviors to new environments, they can achieve goals and fulfill work commitments (Davies et al., 2019; Thorpe & Schmüller, 1958). While corporate purpose encompasses the entire organization, its success ultimately depends on its leadership. As interviewee I13 mentioned, “leaders exist to serve their people,” and interviewee I17 emphasized that “the corporate purpose, in my view, is also reflected in organizational leadership, which can play an important role in driving change, particularly in organizational innovation.” Leaders at all levels play crucial roles in creating, developing, implementing, and supervising corporate goals. However, strong leadership at higher levels can strengthen and expand these efforts (Smith et al., 2018). Rey and Bastons (2019) also highlighted the importance of leadership and employee commitment to the corporate purpose and the alignment of the purpose with company practices in achieving desired goals.

A company’s practices are underpinned by its organizational infrastructure, which comprises resources, methods, procedures, routines, and tactics that support leadership, decision making, and the pursuit of its corporate purpose and objectives (Bocken & Geradts, 2020). The mediation of organizational infrastructure between corporate purpose and organizational innovation [$c1$ ($\beta=0.265$) < $a2*b2$ ($\beta=0.091$)] reveals its impact on facilitating the efficient operation of organizational innovation. As stated by some of our interviewees, “organizational infrastructure is a vehicle” (I20) with a “clear but flexible structure” (I3), whose “well-defined processes and routines aligned with the corporate purpose ensure that the company’s daily activities are always directed towards strategic objectives, allowing room for innovation” (I4) and that “the relationship between corporate purpose and organizational innovation is supported by the condition that the resources and capabilities are properly adequate, as well as the structure followed” (I2). However, interviewee I7 drew attention to “organizational infrastructure conditions in the way organizational innovation is conducted. Innovation does not happen without a company having the capacity to do so. Therefore, even if supported by corporate purpose, organizational infrastructure conditions impose limits on organizational innovation initiatives”. It is reasonable to assert that organizational infrastructure ensures the daily functioning of the company and, through appropriate organizational capabilities, enables the identification, exploitation, and shaping of new opportunities while continually transforming the company’s business model via organizational innovation (Weerawardena et al., 2015; Teece, 2023). Thus, organizational infrastructure is recognized as a mediator that contributes to the success of innovative work (Carew et al., 2009).

The theoretical significance of corporate purpose and organizational infrastructure has often been recognized, but their relationship with organizational innovation is

only possible because people are the common denominator (Felin & Foss, 2005). Thus, it is the knowledge and skills possessed by employees that execute their corporate purpose, utilize infrastructure, and innovate. In other words, understanding and internalizing a company’s purpose can significantly influence how employees achieve their goals and enhance customer and worker satisfaction. Furthermore, the results confirm that the people-centric approach and organizational infrastructure sequentially mediate [$c1$ ($\beta=0.265$) < $a2*d1*b2$ ($\beta=0.151$)] between corporate purpose and organizational innovation. Our interviewees excel in the same vein, “the combination of a clear purpose with a culture of valuing human capital results in a more dynamic, creative organization capable of continuously innovating. ... The people-centered approach and formal infrastructure act simultaneously in the relationship between corporate purpose and organizational innovation, creating an environment where culture and organizational infrastructure complement each other” (I15), “the people-centered approach and organizational infrastructure complement each other to facilitate organizational innovation in alignment with corporate purpose. Together, they create a clear and efficient work environment, empower and empower employees, sustaining an inclusive and continuous culture of innovation” (I33), and “when an organization esteems its employees and takes them into account in the construction of its corporate purpose, it will always want to find innovative solutions and changes that improve the team’s results. It’s a win-win situation” (I5).

This highlights the importance of focusing on employees and their skills and competencies to transform or reconfigure organizational resources and capabilities that reshape infrastructure and influence innovation as well as how this organizational infrastructure facilitates work and contributes to successful organizational innovation (Chaubey et al., 2022; Farida & Setiawan, 2022; Teece, 2023). Additionally, a combination of these dimensions drives innovation, but the ability to generate innovation is not only a cognitive ability, but also a function of learned and practiced behaviors (Dyer et al., 2011). As such, the guiding beacon behavior of corporate purpose, business behavior centered on people who work and strive for the company, and the organizational infrastructure that builds and adapts to all aspects of the company’s architecture, resources, capabilities, processes, routines, and relationships serve to enhance creative impact, innovation, and customer well-being.

5.1 Contributions for theory and practice

Considering the outcomes highlighted, our aim is to make a meaningful contribution to the existing body of knowledge on how these mediators facilitate the impact of

corporate purpose on organizational innovation, ultimately delivering value to customers while simultaneously promoting their well-being. To this end, our research adds value to the literature on corporate purpose, DCV, and organizational innovation in various ways, with the principal implications outlined below.

First, our study suggests that corporate purpose, when combined with a people-centric approach and supportive organizational infrastructure, can foster an environment that encourages innovation. By prioritizing people, a company can facilitate the sharing of new ideas and promote a learning culture that increases the likelihood of successful innovation.

Second, it is important to recognize the role of people within a company's micro-fundamentals. However, the interplay between individuals and organizational resources, capabilities, and practices is essential to allow a company to adapt to external trends and to modify or transform the organizational infrastructure to develop and nurture an unspoken creative network and maintain a competitive edge.

Third, our study emphasizes the mediating role of organizational infrastructure. Each company has a unique configuration of resources, capabilities, skills, and knowledge that enables it to coordinate and execute activities and utilize its assets for organizational innovation. The specificity of a company's infrastructure makes it difficult to replicate or imitate, thus providing a competitive advantage for the company that develops it. Therefore, organizational infrastructure is a critical factor in maintaining a competitive position in the market.

Finally, our study revealed a straightforward virtuous cycle. Customer satisfaction is one of the primary goals for a company's corporate purpose. To achieve this objective, it is essential to promote an approach centered on individuals who share the company's purpose. This approach motivates and empowers individuals and teams to exhibit credible and trustworthy behaviors. Simultaneously, they built, promoted, and nurtured the infrastructure to support this purpose. This results in innovation and enhancement of products and experiences valued by customers, which in turn sustains a competitive advantage. However, it is crucial for a company to maintain consistency and coherence in their actions to achieve their goals. This requires articulating values, strategies, core business processes, decision-making orientations, and operations coherently and consistently.

6 Conclusion

This study makes a significant contribution to the analysis of the relationship between corporate purpose and organizational innovation from the perspective of dynamic capabilities view. The research incorporated a people-centric approach and organizational infrastructure as sequen-

tial mediators in the analysis. The importance of corporate purpose in maintaining and enhancing a company's competitiveness through customer satisfaction and organizational innovation is indisputable. This study corroborates the significance of corporate purpose in organizational innovation and demonstrates how the sequential mediation of a people-centric approach and organizational infrastructure reinforces this connection.

This research suggests that adopting a people-centric approach and organizational infrastructure may serve as an effective means for a company to enhance its organizational innovation. An organization in which one of the objectives of the corporate purpose is customer satisfaction demonstrates proficiency in identifying, seizing, and creating new opportunities, transforming resources and capabilities, and adapting to customer needs and technological advancements in the market, all of which are crucial to the pursuit of organizational innovation. By considering the people-centric approach and organizational infrastructure as core constructs, a company facilitates organizational innovation, leverages knowledge, and improves its ability to satisfy customers. This approach emphasizes essential human requirements, extends a company's scope, and expands its market beyond its current operations.

Therefore, corporate purpose, people-centric approach, and infrastructure collectively contribute to promoting organizational innovation. This study enhances the understanding of the virtuous cycle "corporate purpose – people-centric – organizational infrastructure – organizational innovation" as a fundamental component of customer satisfaction and organizational success.

Although this research presents significant contributions to theory and practice, there are avenues for further investigations, such as: (1) exploring and understanding whether the customer's perception of the company's corporate purpose is a significant factor in the purchase decision; (2) comparing whether the innovation strategies employed in the company reflect its corporate purpose; (3) conducting exploratory research to assess whether the corporate purpose helps the company withstand internal or external shocks; (4) investigating whether human resource management practices incorporate corporate purpose as a guiding principle and contribute to driving organizational innovation; (5) in this study, we considered the mediation of a stakeholder (an approach centered on the individuals employed by the company) and we suggest investigating the mediating or moderating role of other stakeholders and how they enhance the development and leverage of the relationship between organizational purpose and organizational innovation; and (6) future research may employ longitudinal design and different populations to confirm the direction of causality and examine the effects of two of the four constructs studied on company performance: corporate purpose and organizational infrastructure.

Finally, it is essential to acknowledge the potential

limitations of this study: (1) a cross-sectional design was employed, which reflects the respondents' perceptions at a single point in time, necessitating caution in generalizing the results to other industries and populations (Tsang, 2014); (2) the quantitative component of this study focused solely on one company in Portugal, and although the rigor of the field research ensures internal validity, construct validity, and reliability (Gibbert & Ruigrok, 2010), the results should be interpreted with caution when generalized (Tsang, 2014). Consequently, future research employing a longitudinal design and comparing the results across different regions and sectors may contribute to the elimination of contextual and cultural biases. Finally, (3) external reliability could be enhanced by conducting surveys across various types of companies (e.g., technology, industry, and financial) to ascertain their perceptions of corporate purpose and its influence on business performance.

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