Purpose-washing

What it is, and how to avoid it
Faisal AlSalim and Michael Etter
King’s Business School was established in 2017. Our thinking helps organisations navigate the complexities of global challenges, valuing profit with purpose, success with sustainability through real-world research, impact and engagement. Its innovative global research programme connects with businesses, governments, policy bodies and civil society organisations to identify knowledge gaps, build alliances for joint problem-solving and share state-of-the-art research findings. Learning from these deep external networks, King’s Business School research is addressing today’s grand challenges associated with new technologies, globalisation, inequalities, sustainability and rapid change in product and finance markets.

This literature review is part of a series of publications from the Meaning and Purpose Network (MaPNet) of employers and academics which was founded at King’s Business School in 2020 with the aim of ‘creating more ethical, inclusive and sustainable futures for organisations through partnership and knowledge sharing’.

**Damian Grimshaw** (Associate Dean, Research Impact)  
**Ko De Ruyter** (Vice Dean, Research)  
**Stephen Bach** (Dean)  

[www.kcl.ac.uk/business](http://www.kcl.ac.uk/business)
Purpose-washing
What it is, and how to avoid it

Authors

Faisal AlSalim is a doctoral candidate in strategic management at King's College London with a focus on corporate advocacy. He holds a master's degree in Management and Organisational Innovation from Queen Mary, University of London, and a bachelor's degree in Management Information Systems from Imam Abdulrahman bin Faisal University. Previously, he taught Business Ethics, Business Communication, and Principles of Management.

Michael Etter is a Reader in Entrepreneurship and Digitalisation at King's College London, with a focus on social evaluations of new and established organisations. He is particularly interested in the role new information and communication technologies have for the social judgments of organisations. Michael Etter has published in leading international journals, such as Academy of Management Review, Academy of Management Annals, Journal of Management Studies, and Business and Society. He is also an Associate Editor for the journal Business and Society.

Date of publication: July 2023
Introduction

Many companies nowadays are striving to align their business purpose with societal values, such as inclusion, fairness, and respect. In underlining such efforts, companies have also become more vocal about environmental and social issues. This engagement is, not least, the result of the increased pressure that companies are experiencing from their stakeholders. Indeed, customers, employees, investors, and communities demand more and more that businesses should take a clear and public stance regarding issues they care about.

However, such highly visible pledges of purpose commitment have, paradoxically, also resulted in public concern and backlash. All too often, companies are accused of making empty claims about their social or environmental mission that are not backed up with meaningful action. These accusations of ‘purpose-washing’ can undermine the trust that companies seek to build with their stakeholders. While taking a public stance can become an integral component of the implementation of a purpose-driven approach to business, it is important companies avoid accusations of purpose-washing. It is, therefore, key that purpose-driven campaigns are genuine and authentic – and are perceived as such. This is crucial, because 56% of people believe that purpose-driven marketing is a way for firms to promote their goods, rather than a real commitment to solve social or environmental problems.¹

Research shows that fast fashion, food and beverages, and technology are some of the industries that are especially prone to accusations of purpose-washing. For example, investigations into the supply chains of H&M have revealed exploitative labour practices, excessive waste, and environmental harm within the supply chain, despite the company’s claims to the contrary.² Similarly, Abercrombie & Fitch’s ‘pride’ merchandise has been interpreted as purpose-washing due to their ongoing business activities in countries with strict anti-LGBTQ laws.³ Within the food and beverages industry, companies like McDonald’s often emphasise their dedication to health and ethically sourced meat.⁴ Nevertheless, at the same time, such companies are accused of selling products that are hazardous and use false labelling. Companies from the technology sector often emphasise their purpose in reducing environmental impact (e.g., their carbon footprint), yet, critical consumers point out how many of these companies, such as Apple, harm the environment with electronic waste.⁵

Accusations of purpose-washing can emerge unexpectedly for some companies. Businesses generally launch their purpose-driven campaigns with good intentions. However, publicly sharing their purpose can raise suspicion among stakeholders. Perceived inconsistencies, often overlooked by companies themselves, are immediately flagged on social media and can spark heated debates. Therefore, organisations should understand not only how to define, but also how to communicate their purpose. Understanding the interests and expectations of important stakeholder groups, such as consumers and employees, is crucial. Millennials and Generation Z are especially vocal in their demand that purpose be authentic.⁶,⁷

This report presents the findings of a review of the literature on the implications of purpose-washing: why companies are accused of purpose-washing, the consequences of such accusations, the importance of alignment, and the strategies for promoting a purpose in an authentic way. By highlighting important nuances and possible blind spots that can result in accusations of purpose-washing, this report will help managers to retain authenticity with purpose-driven campaigns.

Figure 1: The rise of the conscious stakeholder: demands for authentic organisational purpose

---

56% of people believe that purpose-driven marketing is a way for firms to promote their goods, rather than a real commitment to solve social or environmental problems.
For many managers and stakeholders, organisational purpose goes beyond mere profit and business performance – it increasingly represents an organisation’s desire to make a difference in society. By stating its purpose, an organisation seeks to explain how its activities address a societal need or problem, as well as how its activities are significant for external stakeholders while also motivating for internal stakeholders. With a statement of purpose, managers seek to bring all areas of the company together around a single goal that encourages collective action. When this statement of purpose is communicated to external stakeholders, a lack of perceived authenticity can easily escalate into accusations of purpose-washing.

In principle, purpose-washing combines the concepts of greenwashing and woke-washing. Greenwashing refers to companies portraying themselves as environmentally conscious even though their actions do not align with their claims. Woke-washing is an accusation that arises when companies claim to care about socio-political issues, but stakeholders believe they do not. In both cases, claims that are based on a broader purpose that goes beyond economic profit maximisation are not perceived as consistent with actions.

L’Oréal Paris, the internationally-recognised cosmetics company, was accused in 2018 of purpose-washing after a dispute arose over the company’s claims of supporting diversity and inclusion. Munroe Bergdorf, a transgender model, was hired by the corporation to represent its diversity initiative; however, upon speaking out against racism in the workplace, her contract was immediately terminated. Purpose-washing claims were then made, as this move seemed to go against L’Oréal’s stated commitment to diversity. The following table provides further examples of purpose-washing.
### Table 1: Examples of accusations of purpose-washing

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Basis of criticism</th>
<th>Accusation of purpose-washing</th>
</tr>
</thead>
<tbody>
<tr>
<td>H&amp;M</td>
<td>Fashion</td>
<td>Racially insensitive</td>
<td>H&amp;M's stated purpose is to promote diversity and inclusion. It received accusations of racial insensitivity due to a black boy modelling in a hoodie bearing the inscription 'the coolest monkey in the jungle'. Another instance involved a young black model with poorly maintained hair, which was perceived to be supporting a negative stereotype.</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>Automobile</td>
<td>Environmental damage and deception</td>
<td>VW's stated purpose was to deliver sustainable cars for a better future. However, the company was accused of tampering with emissions testing, which resulted in the 'Dieselgate' scandal and major financial losses.</td>
</tr>
<tr>
<td>Primark</td>
<td>Fashion</td>
<td>LGBTQ+ discrimination</td>
<td>The purpose of the fashion company was to champion conversations around inclusion and equality. The accusations drew attention to the fact that the Pride-themed t-shirts were made in a country with low tolerance in regard to LGBTQ+ rights. By producing their Pride merchandise in such country, Primark was accused of financially benefitting at the expense of the LGBTQ+ community.</td>
</tr>
<tr>
<td>Starbucks</td>
<td>Food and beverages</td>
<td>Racial injustices/LGBTQ+ discrimination</td>
<td>The purpose of Starbucks was to promote diversity and inclusion. The ‘Race Together’ initiative encouraged Starbucks baristas to engage customers in a conversation about racism. The accusation was that baristas did not receive proper training to talk about these sensitive topics, and that coffee shops were not the right place to discuss such issues. This had a negative impact on Starbucks’ reputation. In a recent incident, employees were not allowed to use the LGBTQ+ flag which triggered accusations of purpose-washing.</td>
</tr>
<tr>
<td>Nike</td>
<td>Sportswear</td>
<td>Ingenuine about racial injustice</td>
<td>The purpose of Nike’s ‘For Once, Don’t Do it’ campaign, which was launched during the height of the Black Lives Matter Movement, was to promote racial equality. The accusation claimed that Nike was ingenuine and simply jumping on the bandwagon due to the popularity of the issue.</td>
</tr>
<tr>
<td>Audi</td>
<td>Automobile</td>
<td>Gender inequality</td>
<td>The stated purpose of Audi’s advertising campaign was to advocate for women’s empowerment. The accusation was that the company lacked female representation at the executive level.</td>
</tr>
<tr>
<td>M&amp;M's</td>
<td>Food and beverages</td>
<td>Gender inequality</td>
<td>M&amp;M’s purpose was to have a gender balance within the iconic chocolate mascots. The accusation involved changing the female mascot’s shoes from high heels to sneakers, which was perceived by critical consumers to be an indication that the organisation missed the point of feminism and just wanted to exhibit a ‘progressive’ image.</td>
</tr>
</tbody>
</table>

The examples in this table show that numerous companies have come under fire for misalignment between their stated purposes and their actual behaviour for a variety of reasons and to different degrees (which will be explored later in this report). Ultimately, companies that are perceived to engage in purpose-washing will have to deal with negative consequences as we outline next.
The consequences of purpose-washing

Research clearly indicates that companies should avoid accusations of purpose-washing: in addition to the obvious ethical concerns, negative consequences include a decrease in trust, a damaged reputation, and substantive financial losses. These consequences have become apparent in a prominent example, namely, the recent backlash against Facebook. The company’s well-established purpose statement was ‘to bring people closer together’ by establishing a virtual space where everyone could engage and communicate. However, the public perception was somewhat different: that Facebook provided an environment where users abuse each other, distribute hurtful comments, and promote false information. In July 2020, a coalition of civil rights organisations urged advertisers to refrain from advertising on Facebook for one month. This led to three principal consequences for the company:

1. Loss of trust

Loss of trust occurs when stakeholders perceive that corporate practices do not align, or even worse, contradict the proclaimed purpose. In the case of Facebook, the perception was that the company had made insufficient effort to deal with hate-speech and disinformation, calling into doubt its commitment to promote a safe virtual environment, to follow ethical business practices, as well as its goal to create a more connected world. This discrepancy led users, regulators, media and other stakeholders to question Facebook’s trustworthiness. With a loss of credibility of its social mission as a safe platform, Facebook is still struggling to regain the trust and general confidence of users.

2. Reputational damage

Research shows that accusations of purpose-washing can significantly damage corporate reputations, both in the short and long-term. In particular, this leads to a cumulative doubt that the organisation will provide its goods and services as expected. The #StopHateForProfit campaign that highlighted Facebook’s lack of fulfilment of its social mission significantly tarnished its reputation (see also the Starbucks example in Table 1). Stakeholders began to doubt Facebook’s dedication to the maintenance of a secure online community and questioned the quality of its service overall. An experimental study conducted in 2021 confirms this effect: when people view an organisation as engaging in purpose-washing, its reputation will suffer; conversely, the study also shows that if an organisation is seen as authentic, it will have a positive impact on its reputation.

3. Financial loss

Finally, research indicates that accusations of purpose-washing can have negative consequences for the financial bottom line. Indeed, a loss of trust and reputation will eventually catch up with a company and have potentially severe financial consequences, as was the case for Facebook in light of its #StopHateForProfit campaign, and also for Volkswagen as we saw in Table 1. Facebook’s advertising income fell as various organisations, from small enterprises to industry titans, paused their ads on the platform. Furthermore, studies have shown that Facebook suffered significantly in terms of stock performance, with the accusations of purpose-washing leading to an 8.3% decline in stock value.

As Facebook grappled with the financial fallout, it responded to the campaign and made significant policy changes to realign its purpose with its actions. The company made genuine efforts to tackle disinformation during elections, for example, which reduced the circulation of incorrect information on the platform. Through these efforts, Facebook not only protected its interests, but also aligned its activities with its stated purpose to promote a safe online environment for its users.
Dodging purpose-washing: decoding the right time to join the dialogue

When organisations take a public stance based on their purpose, they are joining a broader public conversation on the topic. In order to avoid being perceived as simply using the issue for their own advantage, the evidence from research shows that there are three considerations that managers should bear in mind, as outlined in a recent Harvard Business Review article.\(^\text{32}\)

First, managers need to ensure that the issue is truly related to the company’s purpose. Second, they should consider the potential consequences of the company’s stance: does it have the potential to make a meaningful difference and is it worthwhile becoming engaged? Third, before communicating the company’s stance to a larger audience, managers should carefully evaluate whether main stakeholders’ expectations are in line with the company’s stance.\(^\text{32}\)

If a company concludes that it meets all three conditions, it can join or even initiate a public conversation around their purpose and its related issues without the risk of being accused of purpose-washing. However, if only two of the conditions are met, it may be better to wait and join the debate later rather than acting as a conversation starter. When just one condition is met, it is critical to keep track of the situation and determine whether and when it is suitable to voice a stance. If none of the conditions are met, the company should refrain from commenting on the matter.\(^\text{32}\)

The three conditions were all met in the case of Facebook and the #StopHateForProfit campaign that it joined: Facebook tied the campaign directly to the company’s purpose, namely to provide a safe virtual environment that connects users. Facebook also created a meaningful difference by effectively flagging and therewith reducing the spread of fake news and misinformation. And, finally, the company met stakeholder’s expectations, which were interested in the reduction of fake news and the spread of content that incites hate.
Avoiding the purpose-washing trap: avoiding blind spots to stay authentic

Accusations of purpose-washing can come as a surprise. Research indicates that this often the case, because managers are unaware of the nuanced expectations and perceptions of their stakeholders.

**Bad fit**

Research suggests that to be perceived as true and genuine, a company should avoid making statements about every social or political issue that is of public interest. Not every issue is perceived as relevant to every company and its purpose. A clear demonstration of bad fit can be seen in example 1 in Table 2, where a poorly executed campaign by Pepsi led to criticism. According to academic research, there is a positive association between the fit of company’s purpose and activities and its degree of perceived authenticity.\(^{33,23,37}\)

**Profit-driven motivation**

The public perception of a company’s motivation is crucial in assessing its authenticity. Research shows that when a company’s motives appear to be self-serving and profit-driven, it will be perceived as inauthentic.\(^19\) However, if a company’s activities are regarded as altruistic, especially when it comes to righting wrongs, this will favourably affect its perceived authenticity. Research has shown that when people feel the company is fighting for societal issues for the right reasons (rather than for profit),\(^38\) they tend to perceive the company to be authentic.

**Jumping on the bandwagon**

Jumping on the bandwagon refers to a perception that a company simply supports a cause that is of general social concern. The perception of bandwagoning becomes particularly pronounced when the purpose is unrelated to the company, which will likely lead to accusations of purpose-washing.\(^18\) Campaigns that reference a topical issue run the risk of looking opportunistic, since they may be seen as capitalising on social conflict for their own benefit.\(^20\) Studies suggest that companies need to avoid being seen as simply following trends in social and environmental issues.\(^19\) This is demonstrated in Example 3 in Table 2, with Microsoft advocating for Pride yet simultaneously donating to opposing causes.

**Fringe practices that do not meet broader purpose**

Stakeholders will often find and highlight any inconsistencies between stated purpose and corporate actions, even if they concern fringe practices, which are likely to be in the blind spot of managers. Failure to keep promises, or a discrepancy between message and actions will often lead stakeholders to perceive the company as being inauthentic.\(^30\) Indeed, all the evidence from existing studies shows that credibility is key to achieving authenticity.\(^30,40,41,42\) Well-executed initiatives that take potential inconsistencies into consideration have a greater chance to be seen as genuine. This is because companies show that they go beyond simple advocacy by committing to concrete and tangible acts that match their values and purpose.\(^33\)

<table>
<thead>
<tr>
<th>Stakeholder perceptions</th>
<th>Company: cause</th>
<th>Accusations of purpose-washing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad fit between purpose and company</td>
<td>Pepsi: racial injustice and police brutality</td>
<td>Accusations of purpose-washing arose when stakeholders highlighted a lack of fit between the product, the cause, and the celebrity endorsement in Pepsi’s ‘Live for Now’ campaign(^33) that referenced the Black Lives Matter movement against police brutality.</td>
</tr>
<tr>
<td>Profit-driven motivation</td>
<td>Burger King: women’s empowerment</td>
<td>Burger King UK tweeted on International Women’s Day: ‘Women belong in the kitchen.’ Despite the company’s subsequent tweets indicating that it was part of an effort to rectify the gender imbalance in the restaurant sector, people accused Burger King of making what it knew to be a controversial tweet for the sake of publicity.(^34)</td>
</tr>
<tr>
<td>Jumping on the bandwagon</td>
<td>Microsoft: LGBTQ+ discrimination</td>
<td>Despite Microsoft’s public endorsement of the LGBTQ+ community, the company has given $61,500 to support anti-LGBTQ+ legislation.(^35) Consequently, their vocal engagement during Pride Month was seen as jumping the bandwagon rather than a genuine purpose-driven campaign.</td>
</tr>
<tr>
<td>Fringe practices that do not meet broader purpose</td>
<td>Tesco: environmental sustainability</td>
<td>Tesco has stated their dedication to sustainability. ‘Biodegradable’ teabags, however, were identified as not being biodegradable, which led to amplified accusations of purpose-washing on social media.(^36)</td>
</tr>
</tbody>
</table>
Guiding principles for purpose-driven campaigns

Research suggests that the following guiding principles can help to avoid blind spots and accusation of purpose-washing. In order to foster a sense of trust and authenticity, companies should think about their societal and environmental initiatives thoroughly – as well as how to communicate them.

Consider possible misinterpretations.

It is insufficient for companies to merely issue campaigns and merchandise relating to their purpose. They must carefully consider how to communicate their commitment in a meaningful manner. For instance, in 2018, the fashion company Revolve developed a line of apparel aimed at combating cyberbullying by incorporating abusive comments sent to influencers. However, one of the sweaters triggered uproar by showcasing the slogan: ‘Being fat is not beautiful, it’s an excuse’.

The sweater was worn by a skinny model, giving the appearance of body shaming rather than addressing cyberbullying. The company did not consider how the message would be interpreted. As a result, Revolve’s initiative addressing fatphobia raised concerns about the company’s genuine support for body positivity and inclusion. Studies clearly indicate that the perception of authenticity relies strongly on stakeholders correctly interpreting the alignment of the stated purpose with the company’s practices.

Take a clear stance

While a purpose-oriented company should support social causes, such as justice and equality, it should also avoid favouring one social group over another. Hence, it is not about staying neutral (one should take a clear stance!), but it is about avoiding falling into the trap of being accused of creating another form of inequality that may inadvertently produce dissatisfaction among others.

For instance, the Gillette campaign in 2019, ‘We Believe: The Best Men Can Be’, provoked a significant backlash from the online community. Many male audiences perceived the ad as demonising and stereotyping men. This critique raises an important question concerning how people perceive fairness and neutrality. Research indicates that staying neutral, and thus not taking a clear stance, can lead to a lack of perceived authenticity. As a result, although striving for fair representation is vital, it is also critical that a company’s stance is clear, well-thought-out and displays a real commitment to its principles.
Stay consistent

Disney’s position on the LGBTQ+ community is an intriguing example of staying consistent with the company’s purpose. The company has demonstrated its support for LGBTQ+ rights in public. However, Disney’s employees have cited the company as not being consistent with its purpose when the company decided not to speak against the ‘Don’t Say Gay’ bill. Researchers have highlighted the importance of consistency in enhancing authenticity; therefore, it is critical for companies to be consistent with their actions in support of their purpose. By doing so, they limit the risk of being accused of purpose-washing.

A prime illustration in following these principles is Patagonia, a well-known outdoor apparel and gear brand that has made significant steps to connect its business activities with its purpose of environmental responsibility. This includes using recycled materials in most, if not all its product lines, pushing for product repair and reuse, all the while actively engaging in environmental efforts. These activities demonstrate Patagonia’s persistent dedication to environmental sustainability. Effective communication has been critical to their success, which is based on a good understanding of how stakeholders interpret their actions in relation to their purpose.

Conclusion

In the current business climate, remaining committed to the purpose of the organisation and demonstrating authenticity in communicating social and environmental issues are of the utmost importance. It is therefore not only about harmonising practices with purpose and remaining aware of blind spots, but also about communicating the right way. The literature indicates that addressing the right topics, for the right audiences, at the right time, with the right nuance, is crucial for avoiding accusations of purpose-washing.
References

19. Mirzaei A, Wilkie DC, Siuki H. ‘Woke brand activism authenticity or the lack of it’. Journal of Business Research. 2022;139:1–.
We undertake ground-breaking research that improves the way people do business. And we engage with organisations around the world to create real value for society.

Since 1989, King’s Business School has grown into a leading management institution – and one of the largest in London. We’ve appeared in the top 10 for business and management studies three years in a row.

We’re a friendly, diverse community committed to the highest quality teaching and research. People from over 80 countries come here to study with us, and we’re proud of the varied perspectives they bring to our School.

Being in the heart of London, our students and academics have unlimited opportunities for collaboration, research, and developing their career prospects. From bold new startups to multinational conglomerates, businesses inform our teaching and benefit from our work.