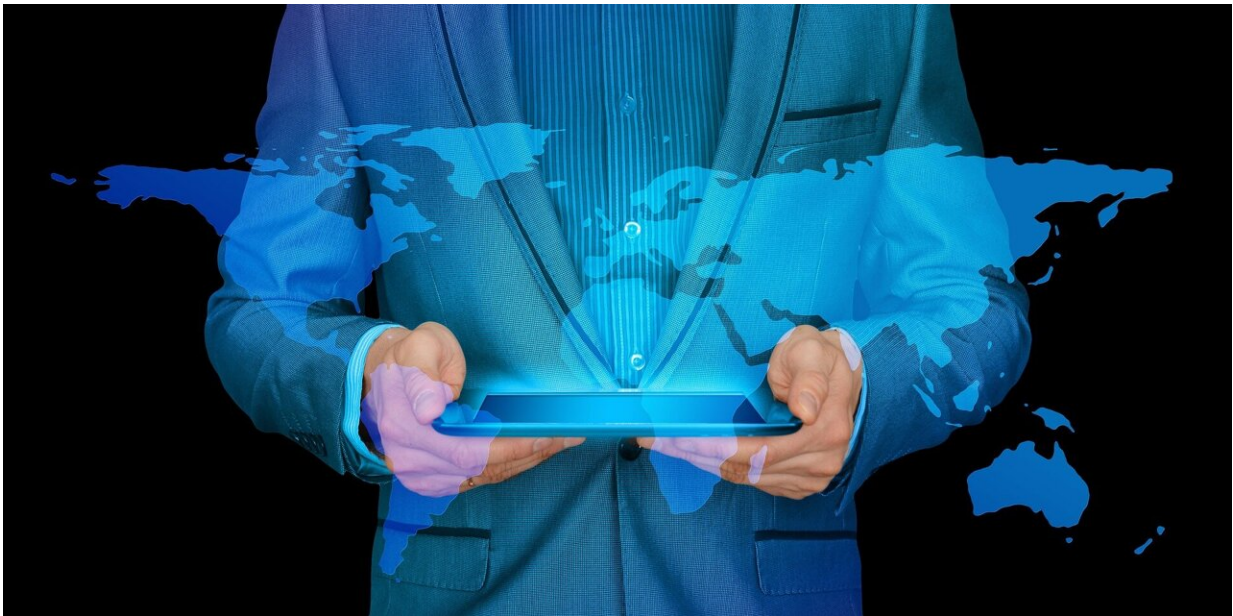


# Study shows companies can profit by aligning financial goals with social aims

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International research involving Monash University has shown that businesses can achieve financial success by embracing critical global issues such as climate change, poverty, human rights violations and medical breakthroughs as a core mission.

The study, [published](#) in the *Journal of Marketing*, explores social profit orientation, a concept where organizations simultaneously generate profit

and foster societal well-being.

Social profit orientation differs from [corporate social responsibility](#) in that [social progress](#) is part of the organization's central mission, rather than a by-product of its activities.

The research was led by Professor Leonard Berry from the Mays Business School, Texas A&M University with researchers from Monash Business School, Gabelli School of Business at Fordham University, Tobin College of Business, St John's University and NHH Norwegian School of Economics.

The study investigated social purpose organizations such as financial services organization Oportun and educational not-for-profit First Book, but also included the global giant Salesforce and an Australian medical research organization, the Children's Cancer Institute (CCI).

It found both for-profit and not-for-profit organizations achieved a competitive edge, attracted top talent and drove innovation when adopting a social profit orientation.

"The life-quality challenges of modern society—climate change, poverty, hunger and homelessness, inaccessible health care, wars, pandemics, and more—alter what society needs from corporations and other organizations," lead author Professor Berry said.

"Generating financial profits, noble and important, is no longer enough. Society needs organizations to invest their skills and resources to also create social profits through initiatives that specifically enhance the well-being of people and/ or the planet."

Co-author Monash Business School's Professor Tracey Danaher from the Department of Marketing said organizations with this orientation

proactively invest resources such as knowledge, infrastructure, labor, reputation, money and time to enhance the common good, improving the well-being of people and safeguarding the health of the planet.

"We found that the organizations with a social profit orientation benefited through enhanced reputation and trust, stronger stakeholder relationships, improved employee retention, engagement, and attraction, which ultimately positively impacted their financial performance," Professor Danaher said.

## **Australian example: Children's Cancer Institute (CCI)**

Children's Cancer Institute (CCI), which focuses on researching new treatments with the aim that more children survive their [cancer](#) to live long, healthy lives, was one of six Australian organizations interviewed in the study.

One initiative pinpointed in the research is the ZERO Childhood Cancer precision medicine program, led by CCI in partnership with the Kids Cancer Center at Sydney Children's Hospital, which offers all children with cancer in Australia access, for the first time, to a program that allows researchers to identify personalized treatment options based on the genetics and biology of their individual cancer.

Professor and Executive Director of CCI Michelle Haber said, "CCI's ZERO Childhood Cancer initiative aims to provide the most comprehensive pediatric precision-medicine program in the world by using all available genomic data from each child's cancer, to identify the optimal treatment."

Professor Danaher said social profit orientation could be the next step

for corporate social responsibility, "to push for profit and nonprofits to go further to tackle some of the grand challenges the world faces, including addressing [climate change](#), poverty, hunger, inequality, as well as better access to health care and education."

## How to build a social profit orientation:

- Align employee and organizational values to create a unified mission.
- Ensure organizational resources and governance structures maximize societal benefits.
- Inspire executive and board leadership to deeply commit to social profit goals.
- Make informed investment decisions that focus on initiatives with the greatest social impact.
- Measure and evaluate [social impact](#) rigorously to ensure meaningful contributions.
- Foster external partnerships and communicate purpose through compelling storytelling.

**More information:** Leonard L. Berry et al, Social Profit Orientation: Lessons from Organizations Committed to Building a Better World, *Journal of Marketing* (2024). [DOI: 10.1177/00222429241258495](https://doi.org/10.1177/00222429241258495)

Provided by Monash University

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