

Lab 5: Measurement & Performance (Reframing value)

Initial insights



The Purpose-in-Practice
Community

Introduction

This document sets out the initial insights from the Lab.

The Context

A purpose-led business creates value for both the business and for society – this Lab considered how businesses think about and assess this value so that they measure what matters, make decisions based on this understanding of value, and ensure internal systems and processes are aligned with delivering it.

The challenges in seeking to reframe and assess value will vary depending on the industry and where a business is on their journey in being purpose-led. Financial value remains dominant, and understanding, assessing and communicating other types of value can be difficult.

The Challenge (scope of the brief)

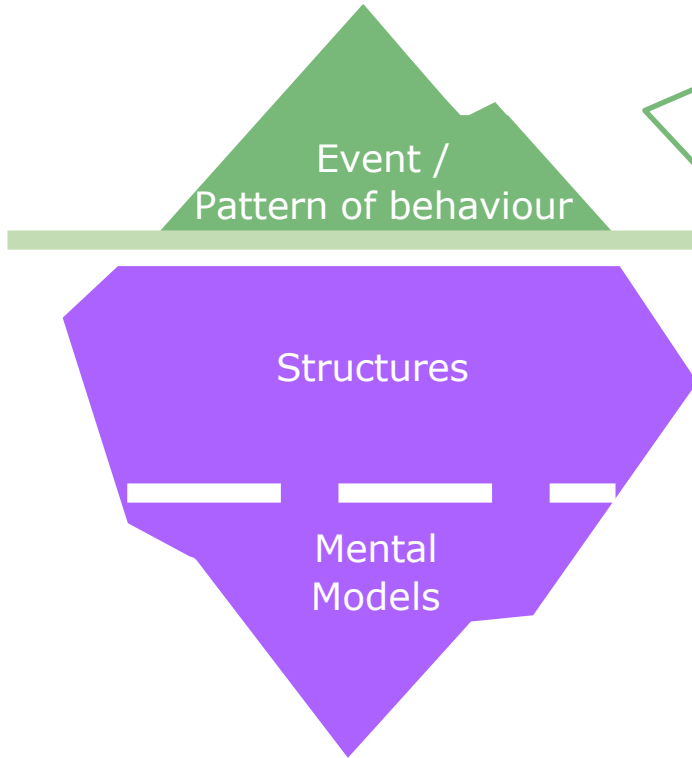
- How to reframe how the business thinks about the impact / value that the business creates, beyond financial value, and to create the conditions for the business to think about broader value. This should help to unlock innovation in service of the purpose and help the business continue to survive and thrive in a rapidly evolving context
- How to assess / measure the progress the business is making in being purpose-led, internally and externally, and to use this information to help deliver on the purpose

What we considered:

- How can we reframe what we see as 'value' and measure what matters?
- What can we learn from attempts to do this within our organisations?
- What practices would help us to do this more effectively?



Presenting Problems

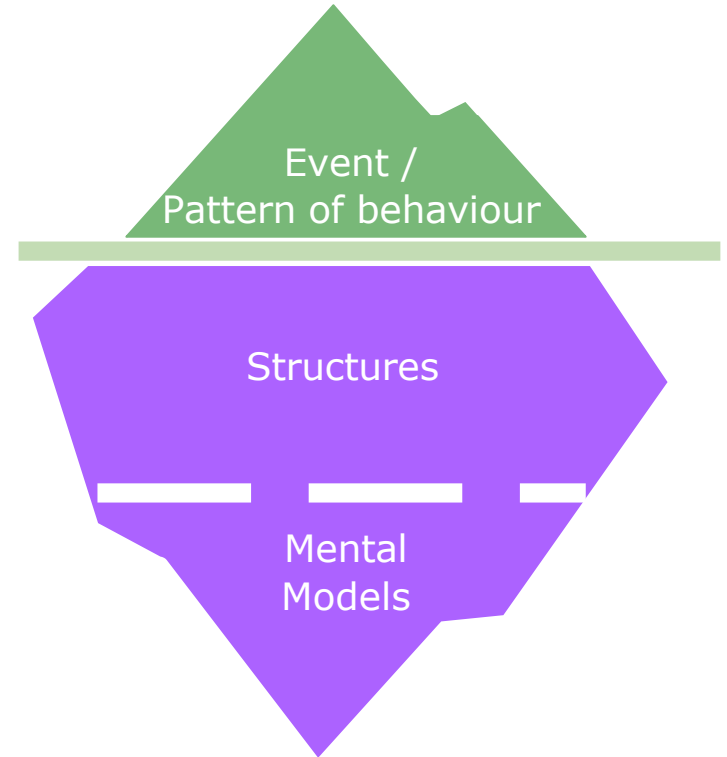


- 1. Financial Logic Dominates — and Crowds Out Other Forms of Value** *Current systems are structurally biased towards financial outcomes, so attempts to elevate non-financial value struggle within an outdated paradigm.*
- 2. Non-Financial Value Is Recognised but Not Operationalised** *There is a gap between aspiration and integration — organisations know these things matter but lack the tools, confidence, or mandates to act on them.*
- 3. Measurement Alone Won't Solve It — New Mindsets, And Narratives Are Needed** *Expanding value is not just a technical measurement problem; it's a paradigm shift requiring new ways of thinking, talking, and sensing value.*
- 4. Leadership Mindset and Governance Structures Are Crucial Levers** *Changing what is valued requires changes in who decides, how they decide, and the authority structures that shape decision-making.*
- 5. Complexity, Ambiguity, and Trust Are Core Barriers** *Expanding what is valued requires cultural and cognitive shifts as much as structural ones — especially greater comfort with ambiguity and narrative.*
- 6. Systemic Change Is Required — Not Isolated Initiatives** *Isolated attempts, tools or KPIs won't shift the system — organisations need an integrated transformation across mindsets, behaviours, governance, and culture.*



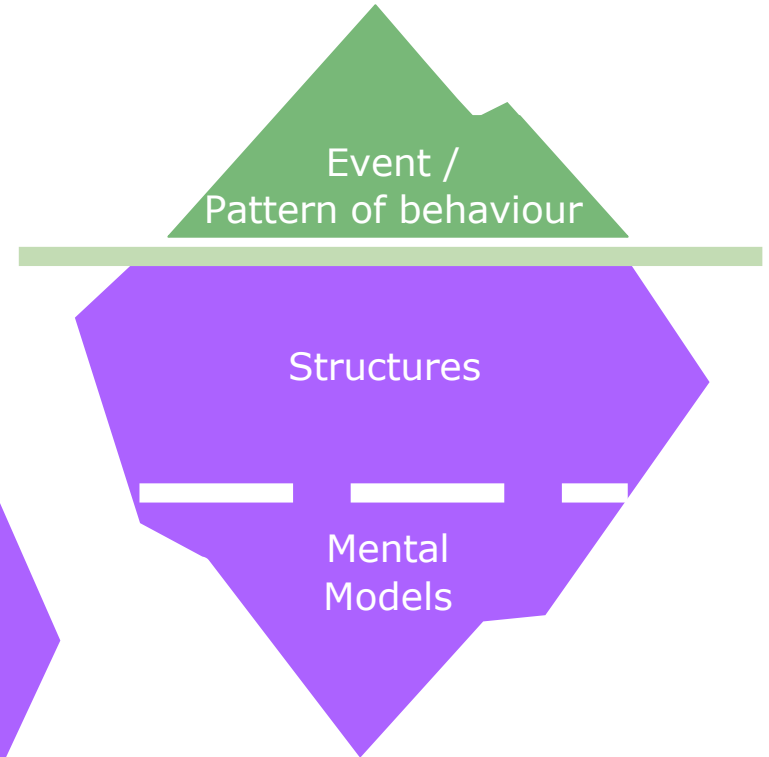
Org/Structural Enablers or Blockers

1. Leadership	
Enablers <ul style="list-style-type: none">• Desire to leave a positive legacy• Intrinsic motivation toward purpose and impact	Blockers <ul style="list-style-type: none">• Inconsistent or unpredictable leadership support• Misalignment with perceived board mandate
2. Differentiation	
Enablers <ul style="list-style-type: none">• Cost of change increasingly lower than cost of maintaining the status quo• Desire to stand out in competitive markets• Broader strategic thinking expanding scope of consideration	Blockers <ul style="list-style-type: none">• Profit primacy (“only money matters”)• Financial incentives reinforcing the status quo• Silence feels safer than action• Fear of attracting scrutiny or attention
3. Measurement & Framework Maturity	
Enablers <ul style="list-style-type: none">• Growing interest in impact measurement• Availability of frameworks and benchmarks	Blockers <ul style="list-style-type: none">• Immature or inconsistent measurement capability• Low trust (purpose washing / hushing)• Lack of consensus on how to measure



Org/Structural Enablers or Blockers

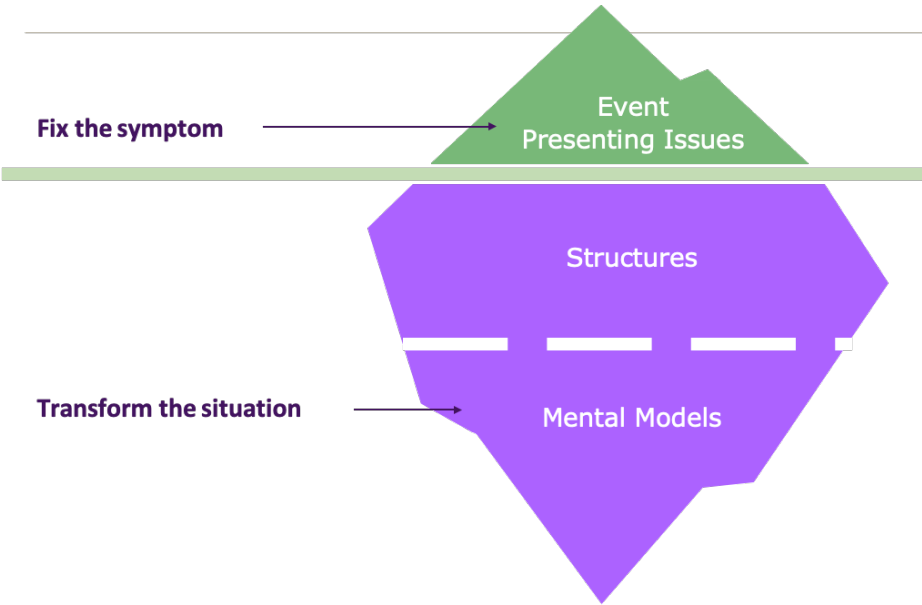
4. Trust	
Enablers <ul style="list-style-type: none"> Organisations want to be trusted Recognition of commercial and societal value of trust 	Blockers <ul style="list-style-type: none"> Low internal and institutional trust Competitive dynamics undermine collaboration
5. Simplicity bias/ Complexity unfit	
Enablers <ul style="list-style-type: none"> None 	Blockers <ul style="list-style-type: none"> Limited capability to navigate complexity Desire for certainty and consistency Pace of change feels overwhelming
6. Crisis & Risk Oriented	
Enablers <ul style="list-style-type: none"> Immediate threats compel action Crises disrupt the status quo Strong existing risk-management capability 	Blockers <ul style="list-style-type: none"> VUCA / volatile context Financial stress and cost-of-living pressures
7. Intrinsic Motivation	
Enablers <ul style="list-style-type: none"> Positive societal purpose People's natural desire to contribute 	Blockers <ul style="list-style-type: none"> Dissatisfaction at work Misalignment in roles



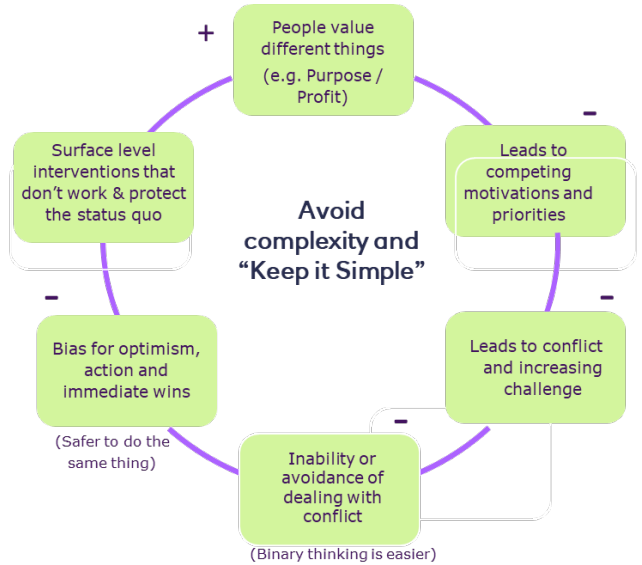


Going Deeper: Pattern Mapping

Going Deeper Pattern Mapping: Designing more artful intervention

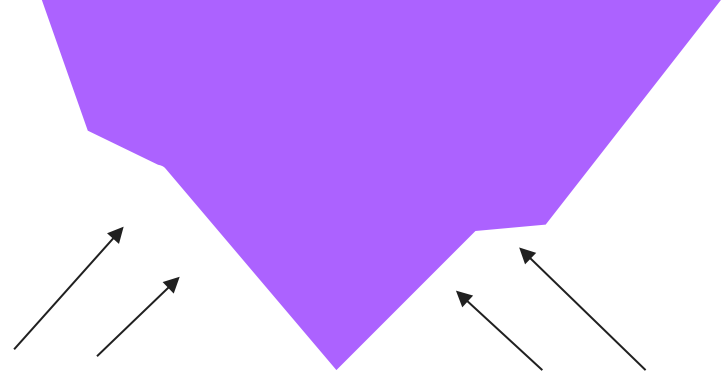


Avoid complexity and keep it simple	
Drivers	Downstream impacts
• X	• X
• X	• X
• x	• X



Foundational / Systemic Drivers we CANNOT ignore

These are not optional. They shape everything else. These explain why the system behaves the way it does.

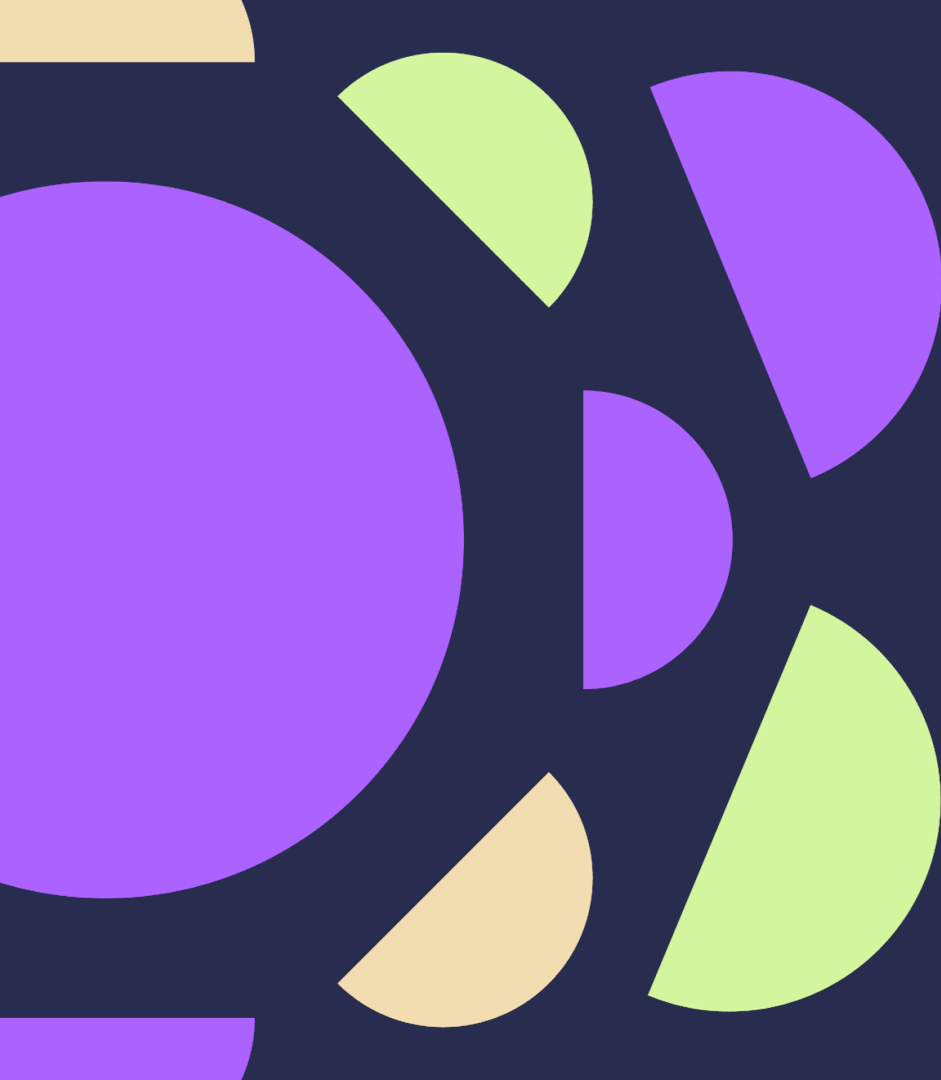


1. Legitimacy & Authority	2. Time Horizons & Temporal Bias	3. Fear, Loss & Psychological Safety
<p>Core question: <i>What counts as value — and who gets to decide?</i></p> <ul style="list-style-type: none">• Financial value is institutionally legitimate• Non-financial value is rhetorically accepted but weakly authorised• Narrative and qualitative evidence lack formal standing <p>Why it's foundational: Without legitimacy, motivation becomes performative and measurement becomes defensive.</p>	<p>Core question: <i>Over what timeframe is success judged?</i></p> <ul style="list-style-type: none">• Short-term certainty is rewarded• Long-term value is discounted• Crisis becomes the only trigger for change <p>Why it's foundational: Time compression is one of the strongest drivers of financial dominance and risk aversion.</p>	<p>Core question: <i>Is it safe to act beyond the default?</i></p> <ul style="list-style-type: none">• Fear of loss (profit, status, credibility) dominates• Ambiguity increases anxiety• Silence becomes a rational strategy <p>Why it's foundational: Without safety, no enabler activates — people protect themselves first</p>

Note: See Appendix for source drivers analysis

The shift in thinking we need to make?

FROM - Reactive	TO - Creative
Playing defence Staying in the pack	Playing offence Stand out from the pack
Justifying relevance Measuring to prove	Building resilience Measuring to improve and learn
Reducing to numbers Quantitative deduces	Expanding the story Qualitative gives nuance
Appeasing regulators Justifying how we add value	Appealing to investors Demonstrating how we could add more value
Thinking in binaries Financial verses non-financial value	Broadening the spectrum Including the the power of intangible value
Structure stifles Making the current financial system and processes wrong	Structure liberates Re-orientating well established financial processes / intangible
Token targets Setting 'safe' targets we can easily tickbox	Setting higher standards Creating new evidence with proxies
Avoiding the elephant in the room Fear of standing out in VUCA contexts	Acknowledging reality Giving permission to experiment without expectation



Leverage Points & Interventions

Possible Interventions

Value only expands when it becomes legitimate, discussable, and safe to act on inside real decisions. To expand value, organisations must legitimise what counts, lengthen the time horizon, surface trade-offs, redesign evidence, and make it safe to act.

The interventions proposed are designed to:

- Change *what counts*
- Change *who decides*
- Change *how decisions* are made
- Change *what people feel safe to do*

They address:

- Where we change the system and,
- How do we change how people behave within it



Possible Interventions

The interventions proposed don't ask people to be braver — they make bravery unnecessary. The system gives permission; the coaching within each develops new capacity to meet uncertainty and complexity

Intervention	Change proposed	What this looks like in practice	What this unlocks	Behavioural focus
1. Redesign Decision Architecture <i>Make expanded value unavoidable in decisions</i>	Change how decisions are framed, challenged, and approved.	All significant decisions must explicitly consider: <ul style="list-style-type: none">• Financial value• Human / relational value• Societal / long-term value• Trade-offs and unintended impacts are documented, not hidden• Decision quality is reviewed post-hoc, not just outcomes	<ul style="list-style-type: none">• Non-financial value becomes legitimate• Silence and oversimplification are reduced• Individuals don't need personal courage to raise broader impacts	<i>Naming value and tension calmly, without defensiveness</i>
2. Reset Governance Mandates & Accountability <i>Change what leaders believe they are responsible for</i>	Change how perceived fiduciary and leadership constraints	<ul style="list-style-type: none">• Board and executive mandates explicitly reference stewardship and long-term value• Leaders are assessed on <i>judgement under uncertainty</i>, not just delivery• Governance forums legitimise narrative and qualitative evidence	<ul style="list-style-type: none">• Fear-based conservatism decreases• Leadership signals become consistent• Non-financial value is authorised from the to	<i>Confidence in judgement and authorisation</i>

Possible Interventions cont...



Intervention	Change proposed	What this looks like in practice	What this unlocks	Behavioural focus
3. Reframe Measurement as Sense-Making <i>Stop measurement killing what matters</i>	Change the value of qualitative evidence in decision-making	<ul style="list-style-type: none"> • Measurement used to learn, not prove • Qualitative evidence given formal standing in governance • Fewer metrics, paired with narrative interpretation 	<ul style="list-style-type: none"> • Intangible value can be discussed without false precision • Trust in evidence increases • People stop defaulting to financial metrics for safety 	<i>Curiosity over certainty</i>
4. Embed Time Horizons into Strategy & Risk <i>Expand value by expanding time</i>	Change the temporal logic of the organisation	<ul style="list-style-type: none"> • Major decisions assessed across multiple time horizons • Long-term human and societal risks treated as strategic risks • Renewal and resilience discussed outside crisis moments 	<ul style="list-style-type: none"> • Short-term financial logic loses dominance • Differentiation and innovation gain legitimacy • Value expansion no longer waits for crisis 	<i>Long-term thinking as a leadership habit</i>
5. Align Incentives, Recognition & Protection <i>Make it safe to act on expanded value</i>	Change what behaviours are rewarded or punished	<ul style="list-style-type: none"> • Incentives reflect relationship health, capability building, and long-term outcomes • Leaders are protected when non-financial considerations create tension • Recognition focuses on stewardship, not just short-term wins 	<ul style="list-style-type: none"> • Fear of loss reduces • Intrinsic motivation is activated through structure • People act on values without burning out 	<i>Reinforcing courage through recognition, not rhetoric</i>

Thank you



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