

## Chapter 1

# Mission

## The Principle of the Deep Why

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*A group of people get together and exist as an institution that we call a company so they are able to accomplish something collectively that they could not accomplish separately—they make a contribution to society.*

*David Packard*

This book is for the sort of manager or executive who says, “I don’t work at a charity, but I want to do good in the world.” Or maybe, “I’m not a social entrepreneur, but I wish I could feel better about working for my company.” Or “I feel so fortunate about the wealth I have been able to generate through my work. I am wondering what I can do to give back.”

Our first answer to all these questions is this: Your company probably already adds tremendous value to the world. And we can help you to be better.

Not do better. Be better.

Our philosophy is rooted in virtue ethics. The basic idea underlying virtue ethics is that when faced with a decision, the main thing you consider is what your decision will say about who you are and who you are working to become. What matters most is your mission and values in life, and every decision you make is weighed against a sense of loyalty to the concept of achieving—and maybe even improving—that mission.

If you ask most people working in for-profit companies what the “mission” of their organization is, you’ll typically hear one of two things: it’s organized either 1) to generate money (either for the owners/shareholders, the employees, or both) or 2) to produce a product or service. What you won’t often hear is the very thing that an organization needs in order to even have a virtue orientation: a mission. Not an ambition (“I want to be the biggest/best/fastest/essential/first/most innovative . . .”). A mission. A value-based statement about the contribution your organization seeks to make in the world.

The irony is that most businesses have a mission. It’s inherent in what they do—if they weren’t contributing something of value to the world, people wouldn’t buy their products. But it’s too easy to get trapped into believing that having a product is the same as having a mission. And if the product is the center of your organizational identity, then you are trapped if your product is ever at odds with your values (think cigarettes and the discovery of tobacco-related harms or the sugar industry).

The philosophy of virtue ethics was developed with individuals in mind. But from decades of research, we know that organizations have values too and that organizational values matter for attracting, inspiring, and directing the people

who affiliate with those organizations—not just founders, employees, and customers, but a whole range of stakeholders who are linked to the organization in a variety of ways. Over time, we have learned that there is such a thing as organizational psychology, organizational behavior, and organizational values, missions, and identities.

What is the core purpose of your organization? Why does it exist? There are different ways of answering these questions, and we believe that some kinds of answers are more likely to motivate virtue in your organization than others.

There are some answers we are more primed to give because of the way we generally teach people to think and talk about organizations (particularly for-profit firms): answers about profit, product, and differentiation, for example. But these are not the deep why of the organization. If you allow yourself to be satisfied with these primed answers—if you define your organizational mission, vision, and values according to them—you may not fully realize the potential of your organization's identify and strategy statements to integrate your entire organization around the kind of deeply resonant purpose that will connect your executives, employees, customers, shareholders, and others to a deep sense of purpose and identity.

We believe you are more likely to create a virtuous organization if you understand the deep why.

The deep why is a statement about the world that connects people by identifying a common (sometimes even universal) problem and a shared need. Filling such a need in ourselves and others can help us to achieve a greater connection with ourselves as people, and with others as members of a shared humanity. Statements about organizational mission or purpose that fall short of the deep why have less potential to motivate us toward virtue.

The remainder of this chapter is focused on figuring out how to identify the deep why and offering some practical tools for developing mission and vision statements that build on the deep why in a way that can help guide your organization toward a more virtuous identity.

## **The deep why**

Some people get trapped when they try to figure out the purpose their organization exists to fill. We have identified

The easy answer for most for-profit organizations is that they exist to create wealth; companies create income for the owners and shareholders and for the employees who count on the company for their wages. We call this the profit trap. Creating wealth can be a virtuous goal, as we discuss in a later chapter. There are infinite ways in which a founder or employee could pursue the objective of making money. But for some reason, they chose this one. Wealth is an important outcome of businesses and markets, but it is not the unique reason that this organization exists in this particular way.

A second easy answer for many organizations is to focus on the product or service. We call this the product trap. You might say, "We provide these specific products or services to people who are willing to pay for them. That's why we exist." And certainly the product mix is a key component of what organizations do, and the nature of the product mix is an important part of organization virtue. But the very fact that people will consume and pay for these products or services suggests a deeper reason for existing—a way of being connected to the society around you by producing something of value. So why is your service or product valuable?

The answer to that question may not be quite as easy as others, but plenty of people jump to differentiation as a straightforward way of answering the question as yet another justification for organizational existence. We call this the differentiation trap. Organizations differentiate their product or service from other similar products or services in the same general market. "We produce better/less expensive/unique versions of the product. That's why we exist." Certainly, differentiation demonstrates self-awareness on the part of the organization and is an important—even vital—set on the way of identifying the deep why. In ideal cases, it's motivated by the deep why.

But we're not there yet.

If you are trying so hard to convince people to choose your product or service rather than those offered by competitors, it's important to know why the market for your product exists in the first place. The answer almost universally comes down to a statement of need. Such needs can generally be linked, in their essence, to a specific human need from Maslow's hierarchy of needs. Identifying the need your organization exists to fill can help bring your organization into alignment. People can powerfully empathize with the needs of others—being part of an organization that exists to lift others out of need can fill a need for employees and shareholders themselves. It gives everything your organization does a deeper purpose.

Sure, people may not need to donate to a national charity, to gain graphic design skills, or to buy mascara, Settlers of Catan, or Purple brand mattresses. They want to. But why? Stopping at this point means you are caught in the want trap. Because below everything people want is the reason they need it. A person might donate to a national charity because they need to connect with something greater than themselves (self-transcendence) or might take graphic design classes because they need outlets for personal expression (self-actualization). A customer might buy mascara because they crave social acceptance (esteem) or play board games because they need more time with their friends (social belonging). A person might buy a new mattress because the old one prevents them from getting a good night's sleep (physiological).

But need still isn't your deep why.

The deep why is one level below need: Why do people still have the need you've identified? What problem or barrier prevents them from being able to solve this problem on their own? That is your deep why. Overcoming that problem or barrier is the reason you exist. It is why the market for your product or service exists. In a more general sense, it is the reason people need other people—even strangers—in this world. The truth is, there are some problems we cannot solve on our own. There are some needs we can't fill on our own, no matter how self-reliant we think we are.

Your organization exists to make it possible for other people to meet their own needs—by connecting with you.

Consider these two hypothetical conversations with shoe manufacturers:

## Organization 1

We sell shoes. (Product trap)

*Why?*

Because people will pay for shoes. (Profit trap)

*Why?*

Because people want to buy our shoes. (Want trap)

*Why?*

Because our shoes are more durable than other kinds of shoes. (Differentiation trap)

*Why?*

Because people need shoes to have their feet protected. (Need)

*Why?*

Because without shoes, the places they walk can be cold, wet, and dangerous. (The deep why)

## Organization 2

We sell shoes. (Product trap)

*Why?*

Because people will pay for shoes. (Profit trap)

*Why?*

Because people want to buy our shoes. (Want trap)

*Why?*

Because our shoes are more beautifully designed than other kinds of shoes. (Differentiation trap)

*Why?*

Because people need to express themselves. (Need)

*Why?*

Because the world is filled with pressure to conform. (The deep why)

Both organizations sell shoes, and both organizations sell shoes ostensibly to make money. But the difference they are trying to make in the world—the value they bring to others—is different in both cases.

In describing the process of identifying a company vision, David Packard (CEO of HP) said the following: "I want to discuss why a company exists in the first place. In other words, why are we here? I think many people assume, wrongly, that a company exists to make money. While this is an important result of a company's existence, we have to go deeper and find the real reasons for our being. As we investigate this, we inevitably come to the conclusion that a group of people get together and exist as an institution that we call a company so they are able to accomplish something collectively that they could not accomplish separately—they make a contribution to society, a phrase that sounds trite but is fundamental" (Building Your Company's Vision, HBR, 1996).

The deep why shapes that special, unique way that each organization contributes to the world. We are trying to help organizations design practices, policies, and procedures that have an integral sense of meaning, purpose, and direction. In order to design an organization that uniquely and successfully achieves this goal,

## Vision quest

The deep why invites you to create a vision—a dream of a world in which the problem or barrier you've observed no longer exists. This vision serves as a driving and unifying force within your organization and among your stakeholders. William Drohan writes, "A vision statement pushes the association toward some future goal or achievement, while a mission statement guides current, critical, strategic decision making" (Drohan, 1999). Another way of looking at a vision statement can be something you potentially have in common with many other organizations, but the mission statement is what makes your organization unique. Your products may change over time. Your profit margin certainly will. You might even achieve your mission (more on this later). But your vision of the world? That's enduring. That's a deep why.

"Companies have a responsibility to improve society, and the problems Airbnb can have a role in solving are so vast that we need to operate on a longer time horizon," writes AirBNB's Brian Chesky in an open letter to the network's

community. "We imagine a world where every one of us can belong anywhere. A world where you can go to any community and someone says, 'Welcome home.' Where home isn't just a house, but anywhere you belong. Where every city is a village, every block a community, and every kitchen table a conversation. In this world, we can be anything we want. This is the magical world of Airbnb. We will probably never fully realize this vision, but we will die trying."<sup>[1]</sup>

Out of a universal physiological need for shelter—and by identifying specific ways in which the need for shelter has not been addressed for all people—a vision is born. A deep why that can motivate a loose network of thousands of people and provide an enduring sense of purpose and belonging despite changes in platform, target audience, and pricing models.

## Defining the organizational mission

An organizational mission can also be derived from the deep why of an organization, but it is more about the unique contribution your organization can make toward achieving the mission. It can help the organization identify the positive influence it wants to have on the world just by existing and performing its usual, day-to-day tasks.

Consider the two approaches suggested by this idea. In one approach, the company exists to produce shoes for profit. In the second approach, the company exists to achieve an ideal and works to achieve this ideal by selling shoes. And, bonus! The company sustains livelihoods in the process.

It doesn't matter, as in the case of our two shoe manufacturers above, whether the ideal is "We keep the world's feet safe from the elements" or "We encourage creative expression from heel to toe." What matters is that the company has an ideal. It has a purpose. It has a mission.

You differentiate because of your mission; your mission is not to differentiate.

People pay you because of your mission; your mission is not to get paid.

You have a product because of your mission; your mission is not to produce a product.

To keep the company's purpose and mission at the forefront of all the decisions made at the company, many organizations choose to write a mission statement. And for the virtuous organization, a mission statement is essential. A mission statement is your company's WHY. It defines the company's business, its objectives, and its approach to reaching those objectives. And, if it's implemented well, a mission statement can and should set the tone, culture, and direction of the virtuous organization.

Focusing on your mission statement will help you avoid pitfalls that take you away from virtue and cause you to forgo your core goals and values during times of pressure. When in doubt, let your statements guide your decisions.

Many of the mission statements of for-profit organizations automatically focus on the financial benefits they bring to their shareholders. Because that's where the value is, right? Not entirely. We believe that for the virtuous organization, objectives should shift from profits and products and instead focus on an organization's purpose. "A company's mission statement reveals the long-term vision of an organization in terms of what it wants to be and who it wants to serve" ("How companies define their mission," Fred R. David).

Thinking beyond the bottom line is an essential aspect of a virtuous company's mission statement. As seen in the prior examples, each of the examples includes a social focus as an integral part of the company's overall mission.

Consider the following questions as you think of a social purpose for your organization:

- What problems does our company's product have the ability to solve?
- What are our company's strengths and how can we leverage them to do good?
- Does our company have access to resources that can help us make a difference in a unique way?

# Organizational values as safety rails

It might be tempting to presume that an organization's stated values should closely align with the mission statement—that the values should reinforce the mission and vision in order to achieve a sense of internal consistency.

We suggest that values should play precisely the opposite role.

If the vision is the why of your organization and the mission is the what, then values are the how. In this case, values motivate the action of restraint. They prevent you from operating outside the boundaries of what you might consider virtuous. In the absence of value tensions, our eagerness to fulfill a mission might encourage us to do so at all costs. Any mission or individual value taken to an extreme can turn a virtue into a vice.

This is why we identify values: to give us safety rails that prevent us from going too far.

Shalom Schwartz is a world-renowned expert in human values. He has studied tens of thousands of people and has examined values in every part of the world. He found that across the vast diversity of languages and cultures in humanity, there is a set of what he calls “universal human values” that exist in natural tension with one another.<sup>[2]</sup> Together they form a circumplex with four quadrants that demonstrate opposition in the values: openness to change vs. conservatism and self-transcendence vs. self-enhancement.

Within the openness to change quadrant, we see values such as self-direction and stimulation. These are in tension with values like security, conformity, and tradition in the conservatism quadrant. In self-enhancement, we see hedonism, achievement, and power. These are in tension with values like universalism and benevolence.

If your organization has identified a mission that closely aligns with values in one part of the circumplex, consider complementing this mission with values from other parts of the circumplex. If your mission closely aligns with innovation, for example—innovation is a change value—you might want to actively invoke values such as “security” and “tradition” in order to help your organization remember that there are always tradeoffs in the decisions they make. Forcing the company to face those tensions and reason through them is an important key to making good decisions.

This is true even in those cases where your organization has been founded with a social mission in mind. If your most naturally mission-aligned values are universalism and benevolence, then your challenge is to identify values that will prevent you from marching off in the direction of destructive self-sacrifice for yourself and those who work with you—even, perhaps, for your planned beneficiaries. Identifying self-enhancement goals for the organization can maintain balance and create dynamic tension that might not otherwise exist. For example, TOMS shoes learned the hard way that their benevolence—if unchecked—came at the sacrifice of power and achievement in those they aimed to serve.

Their revised approach is much more focused on operating and giving in ways that are focused on empowerment for the served populations.

The General Motors (GM) strategic priorities (“earn customers for life, grow our brands, lead in technology and innovation, drive core efficiency, and culture to win”) demonstrate internal value tensions. The goal of earning customers for life is a conservative value, while the goal of leading in technology in innovation is from the opposite quadrant, openness to change. This tension suggests that the company should not innovate so quickly as to lose customers, nor should it cater so much to the historical demands of the customer base that it fails to develop new and exciting technology. Growing brands, culture to win, and drive core efficiency are all driven by self-enhancement values, so it is good that GM has balanced this need for achievement and power with its more benevolent vision statement (“zero crashes, zero emissions, zero congestion”).

## Building on your strong foundation

The virtuous organization doesn't just write mission, vision, and values statements and let them collect dust. The virtuous organization incorporates these foundational documents into every aspect of the company.

Everyone from the custodian to the shareholders and from the front line employee to the CEO should know why they come to work every day. And if they are tuned into the mission, vision, and values of the organization, they will be coming to work for more than just a paycheck.

Incorporating your mission, vision, and values statements into everything you do can include the following ideas:

- Post the statements on walls or placards throughout the workplace. This can help constantly remind the employees of your WHY.
- Discuss the purpose of your organization as part of team meetings. Follow up with employees on how they have been incorporating the mission and values into their daily work and how their work contributes to the vision. This reiterates the importance of your mission, vision, and values in the success of the company and can help employees get new ideas from each other on how to live the mission and values at work.
- Recognize your employees privately and publicly for the ways they incorporate the mission, vision, and values into their core activities. This also reinforces the importance of the mission and shows the employees that their efforts are important to the company.

A strong, focused mission statement is essential to the success of a virtuous organization. It creates a culture that reflects the values of the organization and gives direction and focus to the goals of the company. Inside and outside of the company, the brand will be known for its outward focus and gain credibility, influence, and opportunities to make a real difference in the problems that face our world.

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[1] <https://www.prnewswire.com/news-releases/brian-cheskys-open-letter-to-the-airbnb-community-about-building-a-21st-century-company-300588412.html>

[2] Schwartz, Shalom H. "Are there universal aspects in the structure and contents of human values?" *Journal of social issues* 50, no. 4 (1994): 19–45.



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