

A commentary on Pells' "higher purpose" editorial, Part 2: Organizational vision, mission, and strategic drivers ¹

By Alan Stretton

INTRODUCTION

This commentary relates to organisational vision and mission statements, as discussed by Pells 2021 in Part 2 of his editorial: *Project management needs a higher purpose!* In his discussions, Pells emphasises the importance of vision and mission statement, whose attributes he summarises very neatly in two substantial paragraphs. He then looks at several of the world's most prominent project management representative bodies, in the context of what they have in the way of mission statements. Three of these bodies do not have any form of mission statement. The other four have a mix of mission statements, purposes, and strategies/goals, all of which evidently fall short of what Pells believes they could or should be. He concludes this series of discussions with:

The questions for each [representative bodies] are: "Do you have a vision or mission statement? Are they the right ones? And do they go beyond just serving your members (or customers)?"

My own experience in organisational strategic planning have led me to a somewhat different "take" on the nature and importance of vision and mission statements in the organisational strategic management context. That difference is the genesis of the main discussion point of this commentary, which emphasises the role of strategic drivers, and their influence on establishing and re-establishing organisational strategic objectives in the dynamic environment of the modern era. I believe these to be far more relevant than vision and/or mission statements, as now discussed.

A CONTRARY PERSPECTIVE ON VISION AND/OR MISSION STATEMENTS

Although the literature typically espouses the merits of mission and vision statements, my own experience has suggested to me that they may not be as important as generally touted. This perspective mostly derives from my time as secretary of the Lend Lease Group [Strategic] Development Committee for some seven years from 1965. We did not have a vision statement or mission statement. At one stage a committee member suggested we should, so we laboured long and hard developing alternative statements. We produced quite a few drafts, but rejected each one in turn, simply because they all sounded like pious generalities.

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Maybe it's a cultural thing, but for many Australians, the mission statements quoted in Pells 2021 fall squarely into this category. We concluded that we did not need such a statement. The ongoing success of Lend Lease in the Dusseldorp era (to 1988), and beyond, suggests that this was a reasonable conclusion.

However, that is not to say that there was no common vision amongst employees. There was nothing written down, but in discussing this with many of my colleagues in later years we came to an interesting conclusion about the nature of this unspoken thing we shared. We all wanted our project, or unit, or company, and certainly the corporation, "to be the best". Different colleagues had quite different perceptions of what "being the best" entailed. These differences were also acknowledged, and indeed seen as a strength, because we recognised the importance of the diversity of our different contributions towards the multi-faceted attribute of "being the best".

Where or how did this shared ethos originate? There was general agreement that it had permeated down from the founder of Civil & Civic and Lend Lease, Dick Dusseldorp, sometimes directly, but probably more often via his CEOs and other senior staff who shared his vision of excellence. Indeed, new employees who were uncomfortable with this "being the best" ethos (for whatever reason) did not tend to stay with the company for very long. So, there were some self-perpetuating factors also at play. But, in summary, this shared ethos originated from the top – i.e. from leadership, and in Dusseldorp's case in particular, from charismatic leadership.

My experience with Lend Lease has undoubtedly influenced my own approach to the broader issue of organisational strategic management. Lend Lease made many key strategic changes in my time with it (and beyond), but these were invariably in response to both internal and external strategic drivers. This appears to me to be the key issue when one is discussing how and/or when an organisation decides to modify or change its purpose – which is I believe is also Pells' main concern, in his case in the context of project management individuals and organisations.

I will shortly be discussing organisational strategic drivers at large, and then in the context of a recursive organisational strategic management framework I have been using in recent articles in this journal. However, although I have not been showing vision and/or mission statements in that framework, for the sake of completeness I will now briefly illustrate how such connections have been represented in the literature.

LINKING ORGANISATIONAL VISION, MISSION, AND STRATEGIC OBJECTIVES

There have been innumerable representations of what is involved in organisational vision and mission statements, and ensuing organisational strategic planning and implementation. I will start with a relatively recent depiction from Ingason & Johansson 2019, with what they describe as a simplified version of the strategic planning process.

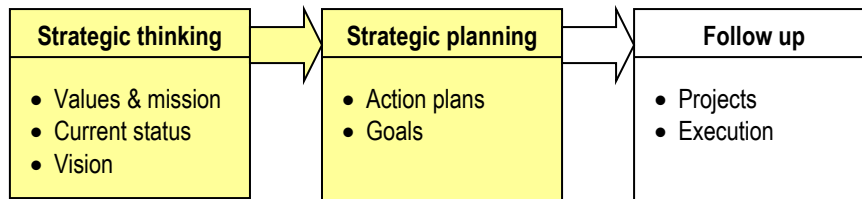


Figure 1: Linking vision, mission and strategies. Adapted from Ingason & Johansson 2019, Figure 8.2 – Strategic planning process diagram – simplified version

I do not have the computer drawing skills to attempt to replicate the authors' more detailed *Figure 2.1 Generic strategic planning process*, but can say that it includes consideration of the external environment, and the internal environment, culture and infrastructure.

Another representation, which I first showed in Stretton 2011j, comes from Van Den Broecke 2005, as follows.

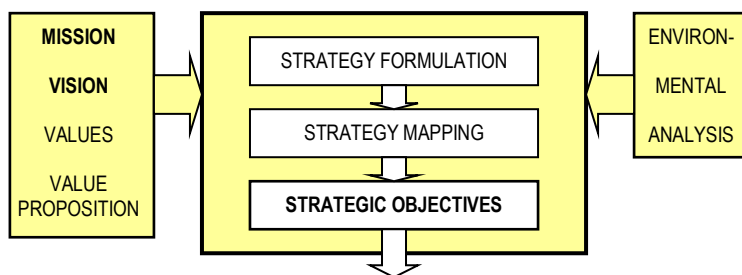


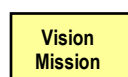
Figure 2: Linking vision, mission and strategies. Adapted from Van Den Broecke 2005

Although configured somewhat differently, this representation shares many features of those in Figure 1. Another representation I showed in Stretton 2011j was much more basic.



Figure 3: Linking vision, mission and strategies. Adapted from PMI 2006b, Figure 1-4

Having shown the above examples of representation of links between organisational vision, mission and strategies, I will use the very basic text box format shown below to represent vision and/or mission statements in later representations of a recursive strategic management framework.



We turn now to discussing organisational strategic drivers.

THE ROLE OF ORGANISATIONAL STRATEGIC DRIVERS IN CHANGING TIMES

Examples of internal and external organisational strategic drivers

In two recent article of a series (Stretton 2021a,c) I identified the following internal and external strategic drivers from what is evidently a somewhat sparse coverage in the literature.

CITED INTERNAL STRATEGIC DRIVERS	KEY EXTERNAL STRATEGIC DRIVERS
Financial performance	Technological drivers
Cost efficiency	Economic drivers
Execution performance	Social/health drivers
Predictability & meeting commitments	Political drivers
Ability to deliver strategy	Environmental drivers
Organisational development	Regulatory & legal drivers
Growth	Industry & market drivers
Innovation	Other external drivers

Figure 4: Summary of the main strategic drivers identified in Stretton 2021a

Relating strategic drivers to the recursive organisational strategic framework

I then added these to the recursive organisational strategic management framework I have been using for some time now, both as summarised in Figure 5 below. I have also added a Vision/Mission text box, as foreshadowed above.

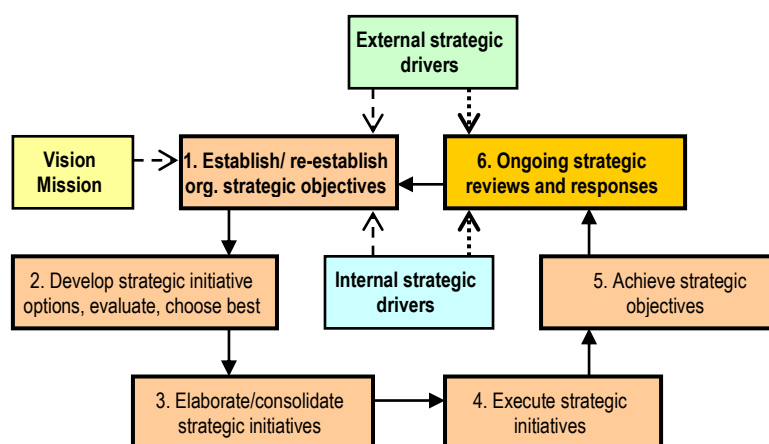


Figure 5: Adding a vision/mission text box, and internal and external strategic drivers, to the basic organisational strategic management framework

In Stretton 2021c I directly linked both external and internal strategic drivers to the Stage 6 ongoing strategic-review-and-response text box. However, these strategic drivers also influence the original establishment of organisational strategic objectives in Stage 1, so I have added such links in Figure 5.

I now want to turn to a couple of examples which illustrate why I believe external and internal strategic drives to be far more relevant than the presence or absence of vision and/or mission statements in the context of making appropriate decisions on establishing and re-establishing organisational strategic objectives in the dynamic environment of the modern era.

An example of strategic drivers prompting changes in commercial organisational directions

In this section I am going to use Civil & Civic/Lend Lease as the exemplar – first, because of my direct knowledge and occasional involvement, and second, because the details are well documented in Clark 2002, from which I will quote to describe the nature of the business, its changing directions, and motivations. The circumstances and nature of a first “higher purpose” step are described by Clark 2002:11, thus:

Although construction contracting had given him an entrée to the Australian market, Dusseldorp was soon convinced that this was not the business to be in – the margins were too slim, for one thing: the factors outside his direct control (yet influencing project outcomes) were too numerous, for another. And so the Dutchman set to work on enhancing both control and profit by ratcheting his firm up the value chain. Providing clients with an improved building service – by managing a project’s design and construction in an integrated way – took Civil & Civic the first step up that ladder.

There were evidently both external and internal strategic drivers for this first “higher purpose” step in moving the organisation up the value chain. The internal drivers were the stated desire of enhancing both control and profit. But this particular step up the ladder could not have been successfully undertaken if there had not been a corresponding external driver – namely an unfulfilled need of customers in the Australian building marketplace for better value for money.

Clark 2002:11-12 goes on to describe the next “higher purpose” step as follows.

Moving it up the next rung, however – to sponsoring its own development projects – required access to capital on a scale that was exceedingly difficult to obtain in Australia’s then rather primitive financial markets. Dusseldorp’s innovative solution to the problem was to go public – and in 1958 he floated, in Lend Lease, one of Australia’s first listed property development ventures.

This step had similar internal strategic drivers, namely greater control and profit, but on a much more substantial scale. A similar external driver also existed, but a more dominant one was evidently an unfulfilled potential for the public to invest in a property finance and investment corporation. This was regarded as highly innovative at the time, but this investment opportunity was strongly taken up by the public.

There were several other somewhat similar examples from the Civil & Civic/ Lend Lease experience, but the above should suffice to illustrate the point about the role of strategic drivers in making very substantial changes in the direction of a commercial organisation.

An example of strategic drivers prompting changes in a project management associative body

Here again I will draw on my own experience in exemplifying the Australian Project Managers Forum (PMF), and its successor, the Australian Institute of Project Management (AIPM). Although I was very substantially involved with the Project Managers Forum from its formation in 1976, I do not have my own documentation on its original aims. However, I do have what is evidently a handout entitled "Background information on the AIPM", a mimeo marked "d2info", which says:

The Forum [PMF] was established in 1976 with the following aims:

- to advance the discipline of project management as distinct from general management
- to promote the self-development of project managers and the members of the project team
- to increase the public and governmental awareness of the value of project management
- to encourage the study of project management, and
- to promote the professionalism of project management

I do, however, still have a copy of a memo dated 16 March 1977 which I wrote on "Project Managers Forum objectives", which was less than enthusiastic about the PMF objectives on which I commented. These were probably the above, or similar.

Undoubtedly my lack of enthusiasm was linked to the fact that the dominant strategic driver for the formation of the PMF was to provide a forum for project people to be able to share experience, and learn from one another, and from invited outside experts. This was the common driver that all of us involved in the early days of the PMF shared, and was the focus of its principal activities for well over a decade.

Then, as the "Background information on the AIPM" says,

During the 1980s the Forum's membership grew significantly and developed in a way that dictated the need for an organisation to develop the profession of project management and meet the needs of professional project managers rather than be just a forum. In 1988 the membership voted on a change of direction which led to the Forum becoming a professional institute in 1989.

This quotation very clearly shows the emergence of a new internal driver. This "needs of professional project managers" driver was actually a perceived need to develop and implement mechanisms for credentialing project managers, to help overcome the "anyone-can-call-themselves-a-project-manager" problem. This strategic driver led to the organisation changing its direction in quite a specific way.

So, once again, we see that the real changes in organisational direction were initiated by specific strategic drivers, rather than broader-brush aspirations as expressed in the above PMF aims, for example.

These two examples complete the main body of this commentary on organisational vision, mission, and strategic drivers, which was prompted by Pells discussions about mission statements in Part 2 of his "higher purpose" editorial.

SUMMARY/DISCUSSION

The main theme of this commentary has been that strategic drivers appear to be far more relevant than vision and/or mission statements in helping organisations respond appropriately to changing conditions in the dynamic environment of the modern era.

I initiated this theme by offering a contrary perspective to Pells on the utility of organisational vision and mission statements, based on my own experience. However, recognising that this is probably a minority view, I illustrated how some typical representations of such statements relate to the recursive organisational strategic management framework I have been using for some time.

I then introduced the role of strategic drivers in the context of this framework, and developed the theme of their critical role in establishing and re-establishing organisational strategic objectives.

These discussions were illustrated with two examples – one in the context of changes in Civil & Civic's organisational priorities, and the other relating to changing Australia's Project Managers Forum to the Australian Institute of Project Management. Both clearly illustrated how strategic drivers appear to be far more relevant to changing organisational directions in the modern era's dynamic environment than vision and/or mission statements.

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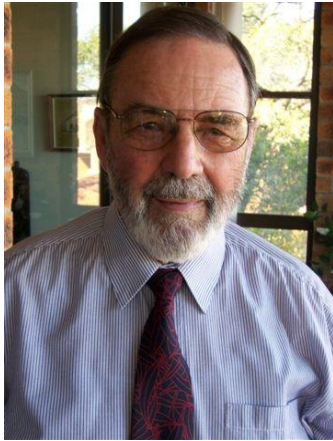
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