

# Enhancing Organization's Performance Through Effective Vision and Mission

Ben E. Akpoyomare Oghojafor, Olufemi O. Olayemi, Patrick S. Okonji

University of Lagos, Akoka Yaba-Lagos, Nigeria

James U. Okolie

Lagos State University, Ojoo-lagos, Nigeria

Organizations, no matter their kinds, are established to serve specific societal needs. The success of an organization depends on its ability to direct the energies of its members in effectively serving these needs. The primary motive for the existence of any organization is often expressed in its mission. It is heartwarming that most Nigerian organizations (profit and non-profit alike) have mission statements conspicuously displayed in their front offices. However, the efficacies of these mission statements in securing the needed employees support and commitment have not being fully investigated within the Nigerian context. The authors used structured questionnaires to elicit required responses from respondents' employees of various Nigerian organizations. It was affirmed that the statements of properly formulated and communicated missions are potent tools in the hands of management in unleashing employees' commitment and improving organizational performance. It was recommended that Nigeria organizations should move beyond the use of mission statements as mere "slogans" and open up employees' "eyes" to see how their daily tasks and roles as enshrined in the vision and mission can move the organization towards the attainment of its objectives.

*Keywords:* vision, mission, commitment, performance, objectives

## Introduction

For over a decade now, corporate Nigeria suddenly woke up to the fact that the formulation of vision and mission usually compressed in statements is a sure building block for effective management of organizations. Expectedly, corporate front offices were and still filled with various sorts of statements purporting to be mission and vision statements. Lately, the non-profit organizations especially the churches have followed suit. While this realization is a welcomed development. There is a debate as to whether, and if these statements have actually improved organizational performance within Nigeria. This study was carried out to ascertain the extent to which effective vision and mission statements could help improve managerial performance and organization prosperity.

---

Ben E. Akpoyomare Oghojafor, Ph.D., Professor and Dean, Faculty of Business Administration, University of Lagos.

Olufemi O. Olayemi, Ph.D. candidate, Lecturer, Department of Business Administration, University of Lagos.

Patrick S. Okonji, Ph.D. candidate, Lecturer, Department of Business Administration, University of Lagos.

James U. Okolie, Lecturer, Department of Accounting and Finance, Faculty of Management Sciences, Lagos State University.

Correspondence concerning this article should be addressed to Olufemi O. Olayemi, Department of Business Administration, University of Lagos, Akoka Yaba-Lagos, Nigeria. E-mail: femolayemi1@yahoo.com.

Specifically, the study focused on:

- (1) Determining the extent of corporate awareness of vision and mission relevance in the effective management of organization;
- (2) Ascertaining the efficacy of visions and mission so formulated by Nigerian managers in improving organizational performance.

### **Literature Review and Theoretical Framework**

A vision is a realistic, credible and attractive future for an organization (Nanus, 1997). For Thornberry (1997), vision is a picture or view of the future, something not yet real but imaging. What the organization could and should look like, partly analytical and partly emotional. According to Dess, Lumpkin and Eisner (2007), statements of vision tend to be quite broad and can be described as a goal that represents an inspiring, over arching and emotionally driven situation. Vision statements tend to be quite enduring and seldom changes.

Hay and Williamson (1999) posit that an effective vision must possess both the external and internal dimensions. The external dimension is a shared view within the organization of what are the market, customers, competitors, industry and likely macroeconomic impacts on the market. While the internal dimension is the shared organizational beliefs and values. It is through this that meaning is created throughout the organization about what it is that the organization does—and from here other strategic actions are taken such as the development of the mission, plans, objectives and budgets.

For Nutt and Backoff (1997) visions can be crafted in three different ways:

- (1) Leader—Dominated approach—In this approach, the founder or chief executive officer formulates the vision for the organization;
- (2) Pump—Priming approach—This is an improved method under which the leader or CEO provides visionary ideas on which selected employee, will work on to fashion out a vision statement;
- (3) Facilitation approach—This is a participatory approach under which a wide range of people are engaged in a process of developing and articulating a vision. The leader/CEO merely acts as a facilitator that guides the vision formulation process.

According to Mishe (2000), the most effective visions share six essential qualities. The visions are:

- (1) Vision communicates a sense of direction. All organizations need a sense of direction, a goal and guide to a future state of existence;
- (2) Vision establishes a context for operating the enterprise. Contexts help to define and classify the environment in which the leader and the organization operate;
- (3) Vision describes a future condition. Effective visions provide a future—state and condition that represents a “better” state than the ones of the past and that exists in the present;
- (4) Vision motivates people. Leaders understand that effective and meaningful visions provide a high value proposition to others. Those visions that appeal to the instincts, needs and intelligence of people and touch their “soul” serve as a basis for systematic acceptance and motivation;
- (5) Inspires people to work toward a common state and a set of goals;
- (6) Serves as a centering point for organizational behaviour and performance. Visions provide a central point for focusing the resources of the organization, developing strategy and measuring progress towards the

vision.

Nutt and Backoff (1997), posit that for a vision to enhance organizational performance it must possess the following generic features:

- (1) Possibility—It should entail innovative possibilities for dramatic organizational performance;
- (2) Desirability—It should draw upon shared organizational norms and values about the way things should be done;
- (3) Actionability—A vision should provide a motivation for people to take actions that are relevant to them;
- (4) Articulation—The vision should possess an image that is powerful enough to communicate clearly a picture of where the organization is headed.

For Jick (2001), vision should be clear and concise, memorable, exciting and inspiring, challenging, centered on excellence, both stable and flexible and achievable and tangible. According to Daft (2008), the mission describes the organization's values, aspirations and reason for being. Formal mission statements are a broadly shared definition of purpose. A mission statement answers the following questions, what is our business, i.e., who are our customers and which of their needs are we seeking to serve? Given the dynamic nature of the external environment, a market-focused mission and strategy may not provide the stability and consistency of direction needed as a foundation for long term strategy (Grant, 2000).

For Bateman and Snell (2007) the mission statement is a clear and concise expression of basic purpose of the organization. It describes what the organization does, who it does it for, its basic product or service and its values. Oghojafor (2006) defined mission statement as that which reveals the long-term vision of an organization in terms of what it wants to be and whom it wants to serve. It describes the organizational purpose, customers, products or services, markets, philosophy and basic technology.

David and David (2003) posit that a well-defined mission statement can enhance employee's motivation and organizational performance. The purpose of the mission statement is to inspire, its credibility lies in the significance and scope of the problems and needs it has identified (Ragan, 2004).

According to King and Cleland (1978), the objectives of a company mission are:

- To ensure unanimity of purpose within the organization;
- To provide a basis for motivating the use of organizational resources;
- To establish a general tune or organizational climate to suggest a business like operations;
- To develop a basis or standard for allocating organizational resources;
- To serve as a focal point for those who can identify with organization's purpose and direction and to deter those who can not do so from participating further in its activities;
- To facilitate the translation of objectives and goals into work structures involving the assignment of tasks to responsible elements within the organization;
- To specify organizational purpose and the translation of these purposes into goals in such a way that cost, time, and performance parameters can be assessed and controlled.

All told, an organization without a clear mission statement tends to have its short-term actions counter-productive to its long-run purpose. It should be carefully prepared and should always be subject to revision so that it can meet major environmental changes to enable it stand the test of time (Oghojafor, 2006).

### Methodology

One hundred and twenty questionnaires were administered to respondents out of which 83 were completely filled and returned. Thus, the sample of the study consists of 83 respondents. These were made up of employees of three companies (two in manufacturing and one in the service sector) and part time students of the Masters degree program in the department of Business Administration, University of Lagos (who were employees of different companies with in Lagos and its environments). These were selected through the use of systematic random sampling procedures.

### Measures and Analysis

Structured questionnaires consisted of 15 items describing the benefits of vision and mission to an organization and its employees was employed. This was measured along a five-point Likert scale of "Strongly agree", "Agree", "Undecided", "Disagree" and "Strongly disagree". A content analysis revealed that four main benefits of vision and mission were recurring. Thereafter, the respondents were asked to rank these four benefits in order of importance. The result of the ranking is shown in Table 1.

Table 1

#### *The Result of the Ranking*

Opinions	Rank 1(%)	Rank 2(%)	Rank 3(%)	Rank 4(%)	Total
Organizational focus	55 (67)	12 (14)	10 (12)	6 (7)	83 (100)
Employee motivation	42 (51)	20 (24)	13 (16)	8 (9)	83 (100)
Public image	25 (30)	34 (41)	15 (18)	9 (11)	83 (100)
Co-ordination	28 (35)	30 (36)	10 (12)	12 (15)	83 (100)

*Note.* Source: Author's Survey Instrument (2010).

### Findings, Conclusion and Recommendations

Respondents were unanimous in their agreement that effective vision and mission have great potential in improving organizational performance. This is because vision and mission statements provide a sense of direction for the organization and channel employee's behaviour towards this direction. Employee's motivation is greatly improved since "the knowledge of where one is heading seems to make the journey easier". Besides, vision and mission statements tend to improve the public image of an organization as well as aid coordination of organizational activities.

However, it is regrettable that vision and mission statements in most Nigerian organizations are mere "slogans" which are used as public relation tools to deceive stakeholders into believing that the management is competent. These statements do not guide managerial decisions and actions since management does not match "actions with words". Besides, most organization's vision and mision statements are vague and management sometimes failed to sufficiently explain the meaning and import of them to lower level employees. The result is that most employees do not understand how their daily activities contribute to the attainment of the vision and mission for the organization. Most organization's vision and mission statements were manifestations of the "bandwagon effects". They were simply formulated to meet the vague and not reflecting on the environments of the organizations concerned.

Given that vision and mission statements are sine quo non for better management and improved organization performance, it is recommended that top management should formulate them based on environmental realities and where possible in consultation with the rank and file in the organization. It is suggested that all employees should be properly educated on the primary role of these statements and how each member's activities contribute towards the realization of the vision and mission of the organization.

Management's commitment to the vision and mission should be unwavering. This should be manifested in matching actions with the vision and mission statements. Above all, vision and mission statements are starting points in the strategic management process thus its effectiveness will depend on how well the other stages in the strategic management have been implemented or carried out.

### References

- Bateman, T. S., & Snell, S. D. (2007). *Management: Leading and collaborating in a competitive world* (7th ed.). Boston: McGraw-Hall: Irwin.
- Daft, R. C. (2008). *Management* 3rd Australia: Thomson.
- David, F. R. (2003). It is time to re-draft your mission statement. *Journal of Business Strategy*, 1-2, 11-14.
- Dess, G. G., Lumpkin, G. T., & Eisner, A. B. (2007). *Strategic management: Text and cases*. Boston: McGraw-Hill/Irwin.
- Grant, R. M. (2000). *Concepts, techniques, applications* (3rd ed.). Massachusetts: Blackwell Publishers.
- Jick, J. P. (2001). Vision is 10%, implementation is the rest. *Harvard Business Review*, 11(4), 36-38.
- Jick, T. D., & Peciperl, M. A. (2003). *Managing change: Case and concepts*. New York: McGraw-Hill Higher Education.
- King, W. R., & Cleland, D. (1978). *Strategic planning and policy*. New York: Van Reinhold.
- Mishe, M. A. (2000). *Strategic renewal: Becoming a high-performance organization*. New Jersey: Prentice Hall.
- Nanus, B. (1992). *Visionary leadership: Creating a compelling sense of direction for your organization*. San Francisco, C.A.: Jossey-Boss Publishers.
- Nutt, P. C., & Backoff, R. W. (1997). Crafting vision. *Journal of Management Inquiry*, 6(4), 308-328.
- Oghojafor, B. E. A. (2006). *Essentials of business policy*. Lagos: Ababa Press.
- Rangan, V. K. (2004, March). Lofty mission, down-to-earth plans. *Harvard Business Review*, 112-119.
- Thornbarry, N. (1997). A view about vision. *European Management Journal*, 15(1), 23-34.
- Trichy, N., & Devanna, M. (1986). *The transformational leader*. New York: John Wiley.