
Innovation, mission statements and learning

Chris Bart

DeGroote School of Business, McMaster University,
Hamilton, Ontario, Canada, L8S4M4
Fax: 905 521 8995 E-mail: bartck@mcmaster.ca

Abstract: In the current study, we surveyed 339 firms to determine the linkages among firm innovativeness, company mission, employee commitment and selected organisational learning practices.

Our results demonstrated that significant relationships do indeed exist between the variables studied. The results suggest especially the kinds of practices that company executives need to follow if they are serious about getting the maximum benefits that their mission statements have to offer in terms of enhanced innovativeness. The findings also indicate that mission statements, without appropriate learning on the part of employees, may be just a waste of valuable management time.

Keywords: mission; vision; innovation; learning; implementation.

Reference to this paper should be made as follows: Bart, C. (2004) 'Innovation, mission statements and learning', *Int. J. Technology Management*, Vol. 27, Nos. 6/7, pp.544-561.

Biographical notes: Chris Bart is North America's leading expert on helping organisations develop *mission and vision statements* that get results. He has published over 50 papers, cases and reviews and he has a unique expertise in helping firms organise their internal structure to better achieve their mission. Dr. Bart is currently a Professor of Business Strategy at the Michael G. DeGroote School of Business, McMaster University, Hamilton, Ontario and a Principal with Corporate Missions Inc. (www.corporatemissionsinc.com). In 1993, he helped found the Management of Innovation & New Technology Research Centre (MINT-RC) at McMaster and was named its first Director. In 1994, he conceived and created the Innovation Management Network – a world-wide association of academics and practitioners who communicate and collaborate on matters of innovation and new technology management through the internet. In 1995, he received McMaster's highest teaching award: The President's Award for Teaching Excellence. Over the years, Dr. Bart has been invited to lecture at numerous prestigious institutions throughout the world. He has also received many academic awards and honours. Among his other qualifications, Dr. Bart is a Chartered Accountant.

1 Introduction

We are living in the age of innovation. According to the OECD [1], innovation is now the dominant factor in a nation's economic growth. As a result, organisations today need to be quick-footed and capable of rapidly introducing successive generations of new products and services.

Why this has occurred is because the changing global marketplace has given rise to intense competitive battles for market supremacy which, in turn, have produced rapidly shrinking product life cycles. Additionally, the world is moving quickly away from one rooted in manufacturing to one that is driven by knowledge. Consequently, to be successful in the 'innovation age' requires that organisations must have – or acquire – the capabilities both to identify new market opportunities (with respect to emerging customer demands) and then to amass all of the resources necessary for capturing those opportunities – and swiftly, before the competition does!

However, in today's marketplace, *one must deliver something truly unique to one's customers in order to gain an advantage over one's competitors*. By being innovative (i.e. by developing and selling unique services or products capable of incessant, incremental improvement), organisations can develop long-term relationships with their customers in which they continue to satisfy ever increasing – and more demanding – wants and needs. Businesses based on innovation are also very resistant to 'commoditisation' or price wars [2]. Innovation, therefore, is often regarded as the key element of competitive advantage and, in the end, of both growth and job creation.

While innovation (and its importance) has been studied extensively over the past number of years, we are only now beginning to realise just how difficult, complex and multi-dimensional it is. Nevertheless, of all the organisational resources needed for winning the new products game, none is probably more important than having a cadre of creative, resourceful, and intelligent employees who understand the strategic importance of innovation and who are passionately committed to it. This is because genuine innovation ultimately depends on the existence of an innovative culture which saturates the whole company. The way an organisation manages its human resources, therefore, may be a precondition to innovation success.

Yet, the importance of employees and their role in contributing to organisational success has not always been so easily recognised and accepted. For instance, in the later half of the last century, management gurus, such as Tom Peters, caused firms to re-evaluate their fundamental purpose and adopt a much greater focus on the customer rather than slavish devotion to their shareholders. The infamous failure of North American firms relative to the Japanese during the 1970s was also instrumental in driving organisations everywhere to recognise that the Asian success was ultimately attributable to giving customers what they really wanted – products that worked! The result of these occurrences was a re-orientation in the way that North American enterprises looked at their businesses. The customer was king and the emphasis was solidly on the external environment.

But, as more and more organisations began to worship the marketplace, the search for a sustainable differential advantage escalated. That search eventually led to the notion that resources which could not be easily transferred or imitated provided the best source of competitive advantage. Accordingly, the collective skills, intelligence, knowledge, attitudes and values of an organisation's workforce – combined with their creativity and passion – were seen as forming the foundation upon which a true core competence could ultimately be forged: a core competence driven by innovation.

Today, certain organisations have managed to develop a culture that fosters such innovation and creativity. One way that organisations at the leading edge of the innovation revolution are doing this is by viewing their employees as potential producers of revenue rather than as a burdensome drain on profitability. They see their workers as

partners and *entrepreneurs* who add value through the knowledge and creativity they bring to identifying, understanding and solving customer (and organisational) problems.

However, such new partnership arrangements with employees, if they are to reach their full potential, *need to be well managed*. Having employees who ‘understand and value innovation’ does not happen automatically. And having employees willing to both offer their creativity and ‘download’ their knowledge – and make it available to corporations as a source of competitive advantage – needs to be nurtured rather than forced.

2 The mission connection

One management tool that seems to have the potential for playing a significant role in helping unleash the innovation potential in employees is the company mission statement. Mission statements have been identified as the most popular management tool in the world [3]. The reason for their popularity appears to rest in their recognised ability to inspire and motivate organisational members to accomplish exceptional performance [4–9]. How mission statements primarily accomplish this end is by providing a sense of purpose and direction to those responsible for making the enterprise strategy a reality. According to Bart [10]:

“A major leading cause of failure in most organizations is the inability of top management to identify and agree upon what their organization is really trying to accomplish. When this occurs, employees throughout the organization – but, especially senior managers – become confused and easily distracted in both their day-to-day and longer-term orientations. Before long, confusion and chaos (the ‘natural state’ of all organizations) dominate. A well conceived and communicated mission statement, however, is intended to help begin the process of overcoming these limitations. It does this by giving organizational members some security of direction (as opposed to wandering aimlessly) and by channelling their energy into selected areas.” [10, p.10]

While numerous writers and researchers have devoted considerable attention to the question of what a mission statement might possibly include in terms of giving direction [5,9,11–13], the most common viewpoint is that it should “define a company’s business and provide a clear view of what the company is trying to accomplish for its customers” [13]. In other words, a mission statement should answer one of the most important strategic questions that every organisation faces and needs to answer, i.e., *how it intends to attract and retain the loyalty of its customers/clients*.

But, does the mere presence of this information in a mission statement really have, as so many previous writers have claimed, any impact on employee attitudes and behaviour? Does some brief or cursory expression for meeting and satisfying the needs of customers cause employees to feel more committed to achieving their organisation’s ‘purpose and direction’? More importantly, does employee commitment to such a mission (i.e. one focusing on the customer) produce organisations that are more innovative? Surely, simply writing a mission and then ‘announcing it to the troops’ can have only a minimal impact unless the mission is understood, accepted and remembered by all employees. In other words, do employees not need to truly ‘learn the mission’ first in order for it to have any real effect? And, yet, how exactly does this occur?

Interestingly, over the years, a fairly large body of research has been developed which generally supports the notion of a linkage between an organisation's mission and the behaviour of its members [10,14–29]. However, despite their generally recognised importance to firm success, the exact nature of the relationship between mission statements and member behaviour, particularly as it relates to innovation and learning, remains largely unexplored.

3 The research questions

Given both the importance of innovation to organisational survival and the endemic use of mission statements, we decided that it was time to address this issue directly. A major empirical research study was subsequently launched to determine the linkages among firm innovativeness, company mission, employee commitment and selected organisational learning practices. The research was designed to answer several specific questions:

- what is the relationship between the *customer component* of a firm's mission statement and firm innovativeness – if any?
- what is the relationship – if any – between the *customer component* of a firm's mission statement and *employees' commitment to achieving the mission*?
- to what extent is *employee commitment to achieving the mission* influenced by their *learning* it?
- does the *effectiveness with which a mission statement is communicated* influence *employees learning the mission*?
- are some *methods of communicating the mission* to employees more effective than others?

4 How the research was conducted

Sample selection and size. The current study is based on a convenience sample of 339 large organisations whose leadership agreed to participate by completing a survey questionnaire that examined the research questions listed above. Unfortunately, both the method of sample selection and the sample size restrict any claims that might be made about the representativeness of the findings. Nevertheless, the findings from this sample of large and established organisations were expected to help identify some of the best practices found within highly innovative companies.

Data collection. A questionnaire was developed and distributed which measured respondents' perceptions of:

- the overall financial performance of the firm
- the degree of firm innovativeness
- the degree to which a firm's mission statement contained selected content items

- the degree of employee commitment to the mission
- the degree to which employees learned the mission
- the degree to which the mission was communicated effectively to its employees
- the degree to which various communication methods (and their frequencies) were used to communicate the mission.

(Although it is recognised that responses based on individuals' perceptions may vary significantly from reality, exploring such differences has been left to another study.)

Firm financial performance was measured by asking respondents to indicate

- how satisfied they were with their organisation's current financial performance (using a 10-point scale, where 0 = very dissatisfied and 9 = very satisfied)
- how they would rate their firm's overall industry performance (using a five point scale, where 1 = below industry average and 5 = above industry average).

Firm innovativeness was measured by asking respondents to indicate:

- the actual percentage of current year revenues resulting from new products introduced in the past five years
- the actual number of new products/services introduced in the past five years
- how important innovation was to their organisation (using a 10-point scale, where 0 = not at all and 9 = to the greatest possible extent)
- how innovative they perceived their organisation to be (using a 10-point scale, where 0 = not at all and 9 = to the greatest possible extent).

The *customer component of a firm's mission* was measured by asking respondents to indicate (using a 3-point scale, where 1 = not at all; 2 = somewhat mentioned; and 3 = clearly specified) the degree to which their firm's mission statement contained:

- an expression of concern for satisfying customers
- the firm's competitive strategy for attracting and retaining customers
- the firm's desired competitive market share position/marketplace ranking.

Employee commitment to achieving the mission was measured by asking respondents to indicate (using a 10-point scale, where 0 = not at all and 9 = to the greatest possible extent) the degree to which individuals throughout the organisation were committed to achieving their firm's mission.

Employees learning the mission was measured by asking respondents to indicate (using a 10-point scale, where 0 = not at all and 9 = to the greatest possible extent):

- the extent to which the mission statement was remembered precisely by everyone in the organisation
- the extent to which the mission statement was clearly understood by everyone in the organisation.

The *effectiveness of communicating the mission* was measured by asking respondents to indicate – for each of its senior, middle and non-management groups – the degree to which the mission was communicated effectively to them (using a 4-point scale where 0 = not at all; and 3 = to the greatest possible extent).

The *methods and frequency of communicating the mission* were measured by asking respondents to indicate for eight communication methods (i.e. newsletters, advertisements, posters/plaques, personal explanations, annual reports, seminars/workshops, company information kits and employee manuals) the frequency with which each method was deployed for this purpose (using a 5-point scale, where 0 = not at all; and 4 = very frequently).

For each variable, the state of current practice was assessed using frequency analyses. Chi-square tests were then conducted for each variable to establish the probability of these frequencies occurring by chance. In all instances, the chi-square statistics indicated that the respondents' intra-item scores were not likely to have occurred by chance, i.e., that the differences between values were significant for each question.

Respondent characteristics. Senior managers (i.e. CEOs or their designates) in each of the corporations were contacted by mail or phone and asked to complete the questionnaire. Twenty-seven percent of the companies responding classified themselves as 'primarily manufacturing'; 61% as 'primarily service'; and the remainder as being involved in 'both' types of activities. Only 4% of the firms were described as 'unrelated' while 45% were categorised as a collection of 'related' business activities. Fifty-one percent considered themselves to be in a single line of business that dominated 70% or more of their activities [29].

Of the persons responding, 35% were classified as either CEOs, Presidents or Board Chairmen; Vice Presidents and Directors accounted for 28%; middle managers responded to 24% of the surveys; and 14% of the respondents were categorised as 'others'.

A one way analysis of variance revealed that there were no significant differences in the responses based on the type of firm and that only very few significant differences existed between the various categories of respondents. As a result, we concluded that there was no inter-firm and little inter-respondent variance.

Data analysis. Descriptive statistics and frequencies were calculated for each item measured. The nature and the degree of the relationships among the variables measured was then determined using Spearman's rank correlation analysis.

5 Findings

5.1 Financial and innovation performance

Tables 1a and 1b show the frequencies for our measures of firm financial performance and innovativeness. The table for financial performance (1a) indicates that while most respondents were only moderately satisfied with their firm's posted results (i.e., the median score was six out of nine), they also believed their organisations to be among the industry leaders (i.e., the median score was four out of five).

Table 1b provides some of the details of how innovative the firms in our sample were. This table suggests that innovation was regarded as exceptionally important in most of the firms surveyed (i.e., the median score was eight out of nine). Yet, the respondents only scored their companies moderately high in terms of their actual innovativeness

(i.e., the median score was six out of nine). Interestingly, when the actual revenues from – and numbers of – new products were examined, the firms in our sample introduced, on average, 162 new products and services into the marketplace during the past five years and these, in turn, accounted for 27.9% of current year revenues.

As a secondary analysis, we decided to correlate (using the Spearman rank statistics) our financial performance measures with our four innovation measures. The results, shown in Table 2a, indicated that, with only one exception, there were highly significantly degrees of association between all of the measures.

Table 1a Frequency analysis of variables: Firm financial performance

Variable	Frequencies (%)										Median score	
	0	1	2	3	4	5	6	7	8	9		
Satisfaction with financial performance	Very dissatisfied										Very satisfied	6
	1.3	3.4	4.7	6.6	8.4	11.9	17.2	24.1	13.4	9.1		
Overall industry performance/standing		Below industry average				Above industry average						.4
	n/a	7.7	14.2	27.1	35.5	15.5	n/a	n/a	n/a	n/a		

Table 1b Frequency analysis of variables: measures of innovation

Variable	Frequencies (%)										Median score
	0 (Not at all)	1	2	3	4	5	6	7	8	9 (To the greatest possible extent)	
Importance of innovation to the firm	0	1.7	3.5	5.2	7.8	7.0	8.7	15.7	30.4	20.0	8
Degree of firm innovativeness	0.6	2.2	4.0	5.9	5.6	20.1	21.1	21.4	12.7	6.5	6

5.2 Mission content, employee commitment and learning

Tables 1c and 1d show the distribution of scores that were received for each of our questions pertaining to mission content, employee commitment to the mission and employee learning. The findings in Table 1c suggest that an expression of concern for satisfying customers was ‘clearly specified’ in most of the mission statements (i.e., the median score was three out of three). In contrast, respondents indicated that their organisation’s desired competitive position/ranking was generally specified only ‘somewhat’ in the mission (i.e., the median score was two out of three) and that very few mission statements made any mention of their firm’s competitive strategy (i.e., the median score was one out of three).

Table 1c Frequency analysis of variables: mission content

<i>Customer component variables</i>	<i>Frequencies (%)</i>			<i>Median score</i>
	<i>1 No mention in the mission statement</i>	<i>2 Somewhat mentioned in the mission statement</i>	<i>3 Clearly specified in the mission statement</i>	
Concern for satisfying customers	16.9	25.0	58.1	3
Competitive strategy for attracting and retaining customers	54.9	28.1	17.0	1
Desired competitive position/ranking	43.3	22.1	34.7	2

Table 1d, on the other hand, demonstrates that while employees were both committed to their firm’s mission and to its learning, they were so only to a moderate degree. The median score for employee commitment was only six out of nine – as was employee remembrance of the mission. The survey results also implied (with a median score of seven out of nine) that only a marginally higher aptitude on the part of employees’ understanding of the mission appeared to exist.

Table 1d Frequency analysis of variables: employee commitment and learning

<i>Variables</i>	<i>Frequencies (%)</i>										<i>Median score</i>
	<i>0 (Not at all)</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9 (To the greatest possible extent)</i>	
Commitment to the mission	0.9	1.9	6.3	5.6	4.1	17.5	16.6	22.2	20.9	4.1	6
Degree to which mission is understood	0.9	0.0	4.4	4.4	1.8	7.0	24.6	27.2	19.3	10.5	7
Degree to which the mission is remembered	1.8	7.0	7.0	5.3	7.0	11.4	14.9	20.2	17.5	7.9	6

When the scores for the three mission content items were correlated with both our measures for innovation and those for employee commitment and learning, a number of intriguing observations occurred (Table 2b). The correlation analysis demonstrated that ‘high specification’ in the mission of a company’s ‘concern for satisfying customers’ and its ‘competitive strategy’ were found to result in positive significant relationships for almost all of the innovation measures and for our measure of commitment to the mission. In contrast, only one significant correlation with our innovation measures occurred (i.e. percentage sales from new products) regarding the specification of a firm’s ‘desired competitive position’. And, none of the three mission content items was significantly associated with increases in either employee understanding of the mission or aid in its commitment to memory.

The observed relationships between 'mission commitment' and both 'innovativeness' and 'learning' were also very interesting. In particular, the degree of employee commitment to the mission was found to have a significant and positive association with all of the measures for firm innovativeness. And the correlations between employee commitment and their learning the mission (i.e. both understanding and remembrance) were seen as being exceptionally strong and significant.

5.3 Communication effectiveness and methods of communication

Tables 1e and 1f present the frequencies for both the degree to which the mission was communicated effectively to various employee groups and the extent to which assorted communication methods were used. More specifically, Table 1e shows that, according to the median scores, the effectiveness with which a mission was communicated to all groups was quite high. Senior management, however, appeared to be the group that had the mission statement communicated to them most effectively (i.e., with 74.2% of respondents giving an effectiveness rating of four) followed by middle managers and then non-managers.

Table 1e Frequency analysis of variables: effectiveness of communicating the mission to selected employee groups

<i>Variables regarding 'effectiveness of communicating the mission'</i>	<i>Frequencies (%)</i>					<i>Median score</i>
	<i>0 (not communicated to this group)</i>	<i>1 (communicated, but not effectively at all)</i>	<i>2</i>	<i>3</i>	<i>4 (communicated effectively to the greatest possible extent)</i>	
To senior management	1.2	0.0	4.0	20.5	74.2	4
To middle management	1.6	0.3	10.0	29.0	59.2	4
To non-managers (front-line workers)	4.4	1.6	18.4	33.7	41.9	3

Table 1f Frequency analysis of variables: methods of communicating the mission to employees

<i>Variables</i>	<i>Frequencies (%)</i>				<i>Median score</i>
	<i>1 (not at all)</i>	<i>2 (somewhat frequently)</i>	<i>3 (moderately frequently)</i>	<i>4 (very frequently)</i>	
Newsletters	18.6	28.3	33.5	19.6	3
Advertisements	53.9	18.8	16.9	10.4	1
Posters/plaques	18.6	17.9	21.7	41.8	4
Personal explanations	8.8	28.8	32.7	30.2	3
Annual reports	19.0	13.3	21.9	45.7	4
Seminars/workshops	19.3	29.0	28.0	23.7	2
Information kits	20.8	19.6	27.9	31.7	4
Employee manuals	17.1	19.0	23.8	40.0	4

Similarly, the frequencies in Table 1f indicate that many methods were used to a considerable extent for the purposes of communicating the mission. Nevertheless, the method used most often for communicating the mission was the company annual report (i.e., with 45.7% of respondents giving a rating of four). Posters/plaques and employee manuals were also used to a similarly high degree, while the least used method was advertisements (i.e., the median score was one out of four).

Our subsequent analysis of the correlations and relationships between ‘mission communication effectiveness’ and ‘employee learning’ is presented in Table 2c. According to this table, communicating a mission effectively to senior, middle and non-managers was found to be significantly and positively associated with employees’ understanding of that mission. A significant association between communication effectiveness and employees’ remembrance of the mission was also found in the case of middle and non managers. But, the relationship between communicating the mission effectively to senior management and employees’ mission recall was not significant.

The analysis contained in Table 2d indicates the relationships found between the various communication methods and our measures for communication effectiveness. With only one exception (i.e., ‘advertisements’), all methods of communicating the mission were significantly and positively correlated with the degree of communication effectiveness for each employee group.

6 Discussion and conclusions

A review of the findings and analyses presented above suggest the following major observations and conclusions.

6.1 *Innovation enhances firm performance*

When the correlations in Table 2a were examined, they confirmed the conventional wisdom that both superior financial performance and industry standing are associated with those firms who understand the value of innovation to their long-term success and then work at becoming innovative. Indeed, the highest correlations with firm performance occurred in terms of our measure for firm innovativeness, i.e., the greater that respondents rated the innovativeness of their firms, the greater they rated their satisfaction with financial performance and industry standing.

Table 2a The correlations: financial performance and innovation

<i>Performance measures</i>	<i>Innovation measures</i>			
	<i>Percentage of sales from new products in the past five years</i>	<i>Number of new products introduced in the past five years</i>	<i>Importance of innovation to the organisation</i>	<i>How innovative the organisation is</i>
Satisfaction with current financial performance	0.239**	0.206**	0.366***	0.472***
Relative industry standing/ranking	Ns	0.256**	0.233**	0.441***

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Yet, according to Table 1a, most of the firms were not highly satisfied with their financial performance (i.e., the median score was six out of nine). We now believe that one possible explanation for this finding stems from our observation that most of the respondents rated their firms as only moderately innovative (i.e., the median score was six out of nine) – and despite the fact that they appeared to value innovation so highly (i.e., the median score was eight out of nine). Thus, to the extent that firms in our sample wish to improve their performance, the correlations in Table 2a would suggest that they need to become more innovative. This is an especially important lesson that the lower performing firms in our sample need to better appreciate!

6.2 Mission content seems to matter: especially the degree to which a firm specifies its ‘concern for customer satisfaction’ and its ‘competitive strategy’ in its mission

Our analysis of the frequencies in Table 1c indicated that some mission statement items were mentioned – or favoured – more than others. In particular, the highest mentioned mission component was a ‘concern for customer satisfaction’ followed by ‘competitive position’. ‘Competitive strategy’ was infrequently mentioned. At the same time, the correlation analysis contained in Table 2b showed that higher specification of certain mission components appeared to be associated with certain outcomes more than others. For instance, it revealed that increasing the specification of both concern for customer satisfaction and the firm’s competitive strategy were positively related to increases in practically all of our measures for innovativeness – as well as our measure for employee commitment to the mission. On the other hand, increasing the clarity with which the firm’s desired competitive position was specified seemed to have only a very limited effect.

The implications stemming from these observations were particularly instructive. The frequencies confirm that firms are indeed using their mission statements to help identify ‘the customer’ as a priority for their organisations and to signal that this is where employees need to focus their efforts and energies. The results also indicate that doing so appears to be associated with two major benefits. The first is that mission statements which encourage employees to ‘satisfy customer needs’ represent an important step (maybe even a necessary condition) towards helping them both identify unmet/unsatisfied needs and then finding ‘solutions’ for them – in other words, innovating! The second is that when a mission is abundantly clear about an organisation’s priorities and what it is trying to accomplish, there is greater commitment to it. This is because employees are thirsting for strategic guidance and direction; they want to do the right thing in terms of their jobs and day-to-day activities; and that they want to do them well. They just want some clarity on this.

But not all the customer components contained in a mission seem to have the same effect. And many firms in our sample appear to have misplaced their emphasis on two of our mission content items. For instance, while significant correlations were obtained between most of our measures for innovation and the specification of ‘competitive strategy’, this content item received the lowest frequency of mention in any of our mission statements. A major implication stemming from this observation, therefore, is that firms in our sample may not be taking full advantage of the benefits and impact that increased specification of their competitive strategy could have on their organisation’s degree of innovativeness. This is because while it is important for firms to recognise the

value of satisfying customer needs, it is equally important that the manner in which those needs are to be met is also clearly specified. Such additional specification adds greater direction and clarity to the task that employees are expected to follow if they are to help improve financial performance – especially through innovation. Indeed, in an earlier study, Bart [30] articulated the benefits that accrue from increased specification of ‘competitive strategy’ for firms in the airline industry:

“Airlines can compete on a multitude of dimensions but success generally goes to those organizations that limit the battlefield by making some clear choices and that concentrate their resources around a few competitive weapons. Innovative airlines understand this and, in so doing, develop specific (and limited) criteria that help them focus their efforts more tightly – particularly around the development of new products and new services.” [30, p.483]

It should be pointed out, however, that while the absence of any reference to customers or competitive strategy in the mission probably impedes an organisation’s ability to innovate, our findings should not be taken to mean that having such references, by themselves, produces innovation. Our results simply imply that having a mission which focuses on the customer – and how to compete for him or her – is most likely an important consideration on the road to innovation because of its association with this latter variable.

What was particularly surprising in our findings, however, was the relative unimportance and futility of effort that appeared to be associated with specifying a firm’s ‘desired competitive position’ in its mission. While this mission component received a fairly consistent degree of mention in our sample of firms, the correlation scores indicated that it had practically little impact with respect to our measures for innovativeness or commitment to the mission.

One possible explanation for these latter findings is that specification of a firm’s desired competitive position simply may not provide the same precision with respect to achieving a ‘state of innovativeness’ that other more ‘customer oriented’ mission content items do. After all, there are many different ways to improve a firm’s competitive position (e.g., licensing, mergers, acquisitions, strategic alliances etc.) and innovation is just one of them. However, having a mission which specifies the need for having satisfied customers and then indicates precisely the firm’s strategic choices regarding how it intends to attract and retain them seems to us to narrow the competitive options more and focuses employee behaviour with greater exactitude. Such a mission would especially signal the climate and context necessary in which innovation can both be encouraged and can occur.

6.3 Mission content is important, but ‘commitment to the mission’ matters even more

The content of a firm’s mission statement has been shown, in this study, to be significantly associated with its innovativeness. However, a closer examination of the relationships in Table 2b reveals that ‘employees’ commitment to the mission’ appears to have an even greater impact. Indeed, the correlations between commitment to the mission and our measures for firm innovativeness were among the highest and strongest uncovered in the entire research investigation.

Yet, incredibly, the frequencies in Table 1d indicated that for most of the firms in our study, there was only a moderate commitment to achieving the mission among the various workforces. Therefore, if firms are interested in improving and enhancing their overall state of innovativeness, one recommendation stemming from the current study is that they should focus their attention on increasing their employees' commitment to the mission.

But, why should this variable (i.e., commitment) have such a profound impact on innovation? One possible explanation for this concerns our observation that most of the mission statements examined in this study contained some sort of expression of concern for satisfying customers. Recall that this expression was shown to be significantly linked with higher rates of firm innovativeness. Consequently, to the extent that a strong commitment to achieving such a mission existed, we speculate that it acts as a sort of multiplier effect producing even greater levels of innovativeness than were just the words – and not the commitment – present.

This conclusion, however, naturally leads us to raise the question of where employees' commitment arises from in the first place. One source stems, once again, from our finding that the content of a firm's mission is significantly and positively linked to employee commitment; that greater specification of certain mission content items provides greater direction and clarity and this, in turn, generates greater employee commitment. Thus, if managers wish to encourage greater commitment to their firm's mission among their employees, the present research suggests that the degree of specification contained in the content of the mission (pertaining to customer satisfaction and competitive strategy) should be increased. However, the correlations between mission content and employee commitment, while significant, were nevertheless comparatively weak (see Table 2b).

Table 2b The correlations: mission content, innovation, commitment and learning

<i>Degree of specification of mission content and commitment variables</i>	<i>Innovation variables</i>				<i>Commitment to achieving the mission</i>	<i>Employee learning</i>	
	<i>Percentage of sales from new products in the past five years</i>	<i>Number of new products introduced in the past five years</i>	<i>Importance of innovation to the organisation</i>	<i>How innovative the organisation is</i>		<i>Employee understanding of the mission</i>	<i>Mission statement remembered precisely by everyone in the organisation</i>
Concern for customer satisfaction	0.325***	0.181*	0.222*	0.199***	0.216***	ns	Ns
Competitive strategy	0.220***	0.158*	Ns	0.128*	0.152**	ns	Ns
Desired competitive position/ Ranking	0.187*	ns	Ns	ns	Ns	ns	ns
Commitment to achieving the mission	0.239**	0.251**	0.594***	0.534***	1.000	0.544***	0.567***

* $p < .05$; ** $p < .01$; *** $p < .001$.

Another more powerful source of employee commitment to the mission appears to come from the extent to which employees actually learn it. The correlations in Table 2b confirmed that both greater employee understanding of the mission and their ability to articulate it was associated with a significant and very strong degree of employee commitment. Now, why this occurs appears to be fairly obvious. When employees understand their firm's mission statement well, they have a better appreciation for it and can begin thinking about how they might make some sort of contribution towards its achievement. After all, most employees are naturally concerned with keeping their jobs and will, therefore, look for ways to show the organisation that they are indispensable to its operations. One way of doing this is by focusing on the goals imbedded in their firm's mission. In addition, increasing one's understanding of a mission aids in its remembrance. But, learning the mission to the point whereby it is capable of high recall and recitation adds further to employee commitment because now the mission can be used as a daily reference for decision making. Thus, employee learning appears to have an important role to play in enhancing firm innovativeness – especially in relation a firm's mission statement.

Interestingly, when the correlations between mission content and employee learning were examined, no degree of clarity or specification of any of the content items seemed to have any impact or relationship with either employees' understanding or remembrance of the mission. We believe that this finding simply further reinforces the point that just because a mission statement is well articulated and clearly specified (e.g. "We will provide absolutely positively outrageous service to all of our customers"), there is no guarantee that the words by themselves will lead either to greater comprehension or recall. Other factors must come into play if the learning necessary to generate employee commitment is to take place.

6.4 *Communicating a firm's mission effectively contributes to employee learning but organisations need to put their communication efforts into where the greatest 'payoffs' are*

When the great bank robber Willy Sutton was once asked why he robbed banks, he replied: "Because that's where the money is!" Our examination of the correlations regarding communication effectiveness (shown in Table 2c) proved to be as equally insightful. The correlations demonstrated that efforts to communicate a mission effectively do indeed enhance employees' learning in terms of mission understanding and recall.

Table 2c The correlations: communication effectiveness and employee learning

<i>Variables measuring the degree to which the mission is communicated effectively to</i>	<i>Employee learning variables</i>	
	<i>Employee understanding of the mission</i>	<i>Mission statement remembered precisely by everyone in the organisation</i>
Senior management	0.203*	ns
Middle management	0.308**	0.363***
Non managers (front line staff)	0.346***	0.418***

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

But such efforts also appear to have a greater ‘learning payoff’ for some groups than for others. In particular, the correlations suggest that when an organisation works hard to communicate to front-line workers the existence of its mission and then explain its content, the impact on them (as measured in terms of employee understanding and recall) appears to be much greater than for either middle or senior managers. In fact, the correlations obtained were the strongest for this particular employee group. Yet, according to the frequency results contained in Table 1e, the group which seemed to receive the most effective communication about their firm’s mission was the senior management team – while the front-line staff garnered the lowest. (A secondary analysis also indicated that front-line employees received the lowest ‘volume’ of communication efforts.)

What these findings suggest, therefore, is that perhaps not enough communication effort (and especially communication efforts that seem to be effective) is being spent in the right places; that greater attention should be given first to the front-line troops and then to the middle managers where the learning effects are much more pronounced. After all, they are the ones ultimately charged with implementing the mission that will eventually contribute to future innovations. And so, they should be the ones who understand it – and can recall it – the best.

6.5 Not all methods for communicating the mission are created equal

Our examination of the frequencies and correlations regarding the methods used for communicating the mission (see Tables 1f and 2d) also produced some intriguing observations and implications. The frequencies in Table 1f, for instance, demonstrated that certain methods were clearly preferred over others for the purposes of communicating the mission. The top three communication methods identified were:

- annual reports
- posters/plaques
- employee manuals (in that order).

However, when we examined which specific methods were associated with effective communication, a different ranking occurred. The correlations in Table 2d revealed that, overall, ‘personal explanations’ and ‘posters/plaques’ were consistently ranked among the top three communication methods for each employee group. (In addition, a secondary and separate correlation analysis revealed that ‘personal explanations’ was the top ranked communication method in terms of both employee understanding and recall.) Our observations, therefore, appear to confirm the conventional wisdom that it is through face-to-face and Q&A sessions between managers and their subordinates where superior communication of the mission takes place. The sterile and dispassionate words of an annual report, on the other hand, were actually found to be one of the worst methods.

The correlations in Table 2d have also helped to produce certain additional refinements in our thinking about mission communication methods and effectiveness. In particular, while our analysis appears to have ‘teased-out’ a rough pecking-order (or ranking) in the way that firms should use various communication methods, it now seems that this ranking varies with the target audience as well. For instance, for front-line managers, the top three communication methods were: employee manuals, personal explanations and posters. For middle managers, it was personal explanations, posters and

seminars/workshops which captured the top three spots. And as for senior management, the communications ranking was posters, newsletters and personal explanations.

We can only speculate as to the rationales behind our results. They appear, however, to have a considerable degree of face validity. For instance, personal explanations seem to work best for middle managers because, when they are learning about the mission for the first time, having the message delivered from their bosses in the executive echelons probably creates the greatest attention. Employee manuals, on the other hand, are preferred for front line employees since it is part of both their initial orientation and continuing work rules. Finally, posters/plaques were found to be the best medium for continuously communicating the mission effectively to senior managers. While somewhat surprising, we speculate that the justification for this latter finding is that senior managers, as the original mission authors, probably need the least amount of 'formal introduction' to the messages contained in the mission. "We can get-by with only 'sound-bite reminders'", one executive explained. Companies, therefore, need to consider carefully the way in which they choose to inform their various employees about the mission if they are to achieve the maximum result in communication effectiveness.

6.6 One is never enough

A final major insight occurred when all of the communication methods were combined into one score and then correlated with our measures of communication effectiveness (see Table 2d). They produced some of the strongest correlations in this study and were also greater than any of the individual correlations in their respective employee groups. This would suggest that, whatever the situation, the most important consideration in communicating a mission is that a complete suite of communication methods be employed. In other words, one method is simply not enough. But then, how do we reconcile this conclusion with our earlier observation that certain communication methods seem to have more impact than others when dealing with different employee groups. One possibility is that the specific order – or timing – with which various communication methods are used may have an important bearing on the overall effectiveness of the communication. We leave the exploration of this latter item, though, to a future study.

7 Some final thoughts

It is hoped that the insights and findings obtained from this study will provide some guidelines to practicing managers on the relationships among innovation, mission content and learning. Too often, managers approach the creation of their company's mission statement with careless abandon. The result, in such instances, is a mission statement that is comprised of either 'motherhood' drivel or meaningless generalities. The present study has shown, however, that the mission statement is a powerful tool that can be used to set the tone and direction for driving innovation and employee commitment to it. Not just any mission statement will do and companies need to be mindful of their mission's content when creating these highly criticised documents. But they need to be especially concerned about their employees' commitment to it.

Table 2d The correlations: communication methods and communication effectiveness

Communication methods	Variables measuring the degree to which the mission is communicated effectively to		
	Senior management	Middle management	Non managers (front line staff)
Newsletters	0.267*** (2)	0.353*** (4)	0.350*** (4)
Advertisements	Ns	Ns	0.178** (7)
Posters/plaques	0.285*** (1)	0.370*** (2)	0.376*** (2)
Personal explanations	0.259*** (3)	0.408*** (1)	0.376*** (2)
Annual reports	0.187** (7)	0.216*** (7)	0.269*** (6)
Seminars/workshops	0.235*** (4)	0.363*** (3)	0.335*** (5)
Information kits	0.188** (6)	0.295*** (6)	0.360*** (3)
Employee manuals	0.202*** (5)	0.306*** (5)	0.402*** (1)
Total Methods	0.306***	0.446***	0.491***

() Ranking; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Also, as a result of the findings from this study, we now have a better understanding of the role that learning plays vis-à-vis employee commitment to the mission. The more that an organisation's workforce understands their mission and have the ability to recall it for decision making purposes, the greater their willingness to commit to their mission's achievement. But creating that understand and remembrance still does not happen by chance. Companies must manage and influence the way in which their employees are exposed to the mission and become acquainted with it. The current study has demonstrated that the effectiveness with which the mission is communicated affects greatly the way in which employees respond to it. Our findings also suggest that the manner in which various communication methods are deployed needs to be considered in order to enhance mission communication. Managers would, therefore, do well to heed and profit from these lessons if they are serious about their commitment to innovation and improving organisational performance.

References

- 1 Organization for Economic Co-operation and Development (1996) *Oslo Manual*, 2nd ed., DSTI/STP (96), p.10.
- 2 Deutschman, A. (1994) 'The managing wisdom of high-tech superstars', *Fortune*, 17 October, pp.197-206.
- 3 Bain and Company (1994) *Management Tools and Techniques: An Executive Guide*, Bain and Company, Boston.
- 4 Campbell (1989) 'Does your organization need a mission?', *Leadership and Organization Development*, Vol. 3.
- 5 Campbell, A. and Yeung, S. (1991) 'Creating a sense of mission', *Long Range Planning*, Vol. 24, No. 4, pp.10-20.
- 6 Collins, J.C. and Porras, J.I. (1991) 'Organizational vision and visionary organizations', *California Management Review*, Fall.
- 7 Javidan, M. (1991) 'Leading a high-commitment high-performance organization', *Long Range Planning*, Vol. 24.

- 8 Ireland, R.D. and Hitt, M.A. (1992) 'Mission statements: importance, challenge and recommendations for development', *Business Horizons*, May–June, Vol. 35, No. 3, pp.34–42.
- 9 Klemm, M., Sanderson, S. and Luffman, G. (1991) 'Mission statements: selling corporate values to employees', *Long Range Planning*, Vol. 24, No. 3, pp.73–78.
- 10 Bart, C.K. (1997) 'Sex, lies and mission statements', *Business Horizons*, November–December, pp.9–18.
- 11 David, F.R.(1989) 'How companies define their mission', *Long Range Planning*, Vol. 22, No. 1, pp.90–97.
- 12 Pearce, J.I., John, A. and David, F. (1987) 'Corporate mission statements: the bottom line', *Academy of Management Executive*, Vol. 1, No. 2, pp.109–114.
- 13 Thompson, A.A. and Strickland, A.J. (1996) *Strategic Management: Concept and Cases*, Ninth Edition, Irwin, Illinois.
- 14 Bart, C.K. (1986) 'General managers control new and existing products differently', *Journal of Business Venturing*, Vol. 8, pp.341–361.
- 15 Bart, C.K. (1991) 'Controlling new products in large diversified firms: a presidential perspective', *Journal of Product Innovation Management*, Vol. 18, pp.4–17.
- 16 Bart, C.K. (1996) 'The impact of mission statements on firm innovativeness', *International Journal of Technology Management*, Vol. 11, Nos. 3–4.
- 17 Bart, C.K. (1996) 'High tech firms: does mission matter?', *The Journal of High Technology Management Research*, Vol. 7, No. 2, pp.209–225.
- 18 Bart, C.K. (1997) 'Industrial firms and the power of mission', *Industrial Marketing Management*, Vol. 26, pp.371–383.
- 19 Bart, C.K. (1998) 'A comparison of mission statements & their rationales in innovative and non-innovative firms', *International Journal of Technology Management*, August, Vol. 16, Nos. 1/2/3, pp.64–77.
- 20 Bart, C.K. (1999) 'Mission statement content and hospital performance in the Canadian not-for-profit health care sector', *A Health Care Management Review*, Vol. 24, No. 3, pp.18–29.
- 21 Bower, J.L. (1970) *Managing the Resource Allocation Process: a Study of Corporate Planning and Investment*, Graduate School of Business Administration, Harvard University, Boston, MA.
- 22 Burns, T. and Stalker, G.M. (1961) *The Management of Innovation*, Tavistock, London.
- 23 Chandler, A.D. (1962) *Strategy and Structure: Chapters in the History of the Industrial Enterprise*, MIT Press, Cambridge.
- 24 Duncan, R. (1976) 'The ambidextrous organization: designing dual structures for innovation', in Kilmann, R.H., Pondy, L.R. and Slevin, D.P. (Eds.): *The Management of Organizational Design*, North-Holland, New York, Vol. 1, pp.176–188.
- 25 Galbraith, J.R. and Kazanjian, R.K. (1986) *Strategy Implementation: Structure, Systems and Process*, Second Edition, West Publishing, St. Paul, MN.
- 26 Lawrence, P. and Lorsch, J. (1967) *Organization & Environment: Managing Differentiation and Integration*, Harvard University.
- 27 Newman, W.H. (1971) 'Strategy and management structure', *Journal of Business Policy*, Vol. 2, No. 1, pp.56–66.
- 28 Rumelt, R.P. (1974) *Strategy Structure and Economic Performance*, Harvard University.
- 29 Wrigley, L. (1970) *Divisional Autonomy and Diversification*, Unpublished doctoral dissertation, Harvard University.
- 30 Bart, C.K. (2000) 'Mission Statements in Canadian not-for-profit hospitals: does process matter?', *Health Care Management Review*, Spring, Vol. 25, No. 2, pp.45–63.