

MANAGEMENT

Mission Possible

The reason your company exists is expressed through its mission statement.

But do employees take mission statements seriously?

By Christopher K. Bart

Quick! Name the most popular management tool of the past 20 years. Now name the least respected. In both cases, the management tool in question is the “mission statement.” By now, just about everybody has heard of mission statements — those warm and fuzzy phrases that typically go something like: “We, the management and staff of ABC Corp., hereby pledge our continuous effort to provide the best service, selection, satisfaction and value for each and every customer, whether the need be large or small... yadda, yadda, yadda.”

Whatever the phraseology, the reason for having a mission statement always seems to be the same: it's intended to capture an organization's unique and enduring “reason for being.” At its most basic, it should address some tough questions: What is our business? Why do we exist? What are we trying to accomplish? By answering those questions, a mission statement is supposed to provide better control over the actions and behaviours of employees and bring about a more focused allocation of organizational resources. (Indeed, having a mission statement is listed as the first “criteria of control” in the CICA's *Guidance on control*.)

Mission statements are popular. For the past 20 years, the management consulting firm of Bain and Company, based in Boston, has conducted an annual sur-



vey of more than 1,000 corporations in 14 countries. Of all the management tools deployed by survey respondents, mission statements come first — beating out, in 1996, such popular items as “TQM” (ranked 8th), “re-engineering” (5th), and “shareholder value analysis” (12th). Mission statements were found in approximately 90% of all the companies surveyed.

Nonetheless, there is also widespread disaffection with mission statements. In a survey I conducted last year (involving senior managers from 88 major Canadian and US corporations), only 36% of the respondents were “completely satisfied” with their firm's mission statement; more than 80% were less than satisfied with the direction indicated by their mission. And despite an average 10-year lapse since the creation of their firm's mission, only 23% of the managers surveyed believed they were making major strides toward realizing it. The vast majority of respondents complained that they just didn't believe in their mission.

Perhaps that's because there are so few reliable guidelines available on how to develop, write and execute “winning” statements. Most managers, when faced with creating or renewing their firm's mission, are armed with little more than a swath of photocopied statements from other, supposedly “high performance,” companies. Too often, the result is just a hodgepodge. Take, for example, the mission of Burlington Northern Railroad, which is “to design and consistently deliver transportation and information services that exceed our customers' expectations.” How different is this from the mission of the Eaton Corporation: “Producing the highest-quality products at costs which make them economically practical in the most competitively priced markets.” No wonder employees get turned off or confused — particularly when such banality is the by-product of some senior-management retreat held in an exotic location.

Over the past several years, I have been investigating how corporations develop mission statements and attempting to measure their impact on firm performance. My research indicates that mission statements can make a difference — provided they are used properly.

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To the extent that you answer “no” to any of the questions that follow, you are probably missing out on some of the real advantages that a mission statement can deliver.

1. Has the mission development process involved a cross-section of the organization’s key stakeholders?

The more that various stakeholders are involved in the process the better. This does not mean that everyone must be consulted. However, if the mission’s implementation depends on certain people, their input should be solicited, considered and incorporated into the final document.

As I conducted my research, I frequently encountered situations where middle managers and front-line employees had been completely ignored by the mission development committee. And yet these very same employees were invariably told that their support was critical to the mission’s success. More than one such employee voiced skepticism: “They keep saying that it’s our mission when it’s really their mission. The guys at the top wonder why the mission doesn’t succeed. The answer’s simple. It’s not my mission because I wasn’t included!”

2. Does your mission statement answer the question: “Why do we exist?”

Now, what we are talking about here is “purpose” and not vision. Vision is about achieving some bold, overarching, long-term goal. It is a destination. It is about landing a man on the moon and returning him safely to Earth within seven years. Once the vision is achieved, another one must be created.

Mission, on the other hand, defines the enduring and quintessential nature of the organization — why the company exists. One of the most important considerations in creating a winning mission statement is to clearly specify the organization’s values and to balance the competing interests of key stakeholders — especially customers, employees and shareholders. I suspect that, in the end, the “correct” mission of all organizations is more or less generic (that is, look after your customers, look after your employees, look after your shareholders and look after the community in which you operate). The challenge for each organization, however, is to spend

the time necessary to find a unique expression of those concerns. Here are two superb examples:

- “We believe that our products and services must enrich people’s lives and enhance their relationships; that creativity and quality — in our concepts, products and services — are essential to our success; that the people of Hallmark are our company’s most valuable resource; that distinguished financial performance is a must, not as an end in itself, but as a means to accomplish our broader mission; that our private ownership must be preserved.” (Hallmark Cards)

- “Our passion is music. Our commitment is to our artists. Our focus is customer service. Our edge is innovation. Our success is in our attitude.” (Sony Music Canada)

3. Is the mission statement known to all key employees?

This question may sound impertinent. Many readers (particularly if they are part of senior management) will say: “Of course employees know it! They helped create it and they were all given a copy for their bulletin board.” Try writing out your firm’s mission statement right now (without looking). Then ask your assistant and the kid in the mail room to do the same thing.

Familiarity with the mission statement is the first step in its successful implementation. Many of the executives I surveyed claimed widespread knowledge of the mission throughout their organization, only to be surprised when I demonstrated this was not the case. So, the bottom line is that if you can dream it, you can be it. But if you can’t say it, you can’t live it!

4. Is there a high level of satisfaction with the current mission statement?

The higher the satisfaction with the mission statement, the greater the impact of the mission on growth and employee behaviour. One manager remarked: “It only makes sense that, if you have a mission statement that everybody believes in, there’s going to be a lot more commitment to it.” This may appear self-evident, but it was amazing (to me) to discover the number of times firms were impatient to sign off on their mission development process “just to get on with it.” The typical price for early closure was apathy, mistrust, disbelief and discontent.

5. Is the mission statement a daily part of organizational life?

To what extent is your mission statement referred to in meetings between employees and management? To what extent do managers in your organization have to relate their plans and budgets to it? Does your firm’s mission statement form the basis from which training, recruitment, promotion, reward and disciplinary programs are developed? And does your company’s management information system regularly report on progress against the mission?

When a firm does align its management systems and procedures with its mission, a very high level of performance can be achieved. When the mission statement is just a nice shiny plaque that hangs on a wall, it’s virtually worthless. In fact, having perfect strategies may be less important than implementing less-than-perfect strategies with excellence. Why? Because, when mission is aligned with firm resources, the result is a juggernaut organization that rolls over competitors who have not developed the same degree of focus, dedication and commitment.

Mission statements can provide the élan in corporate life; if the surveys by Bain and Company are any indication, most organizations seem to intuitively understand this. The problem is that most managers don’t know how to tap the potential. My research demonstrates that mission statements do matter and that they can make a difference. They must use the right words; but, even more important, they must be developed the right way. This is the critical (and often missing) ingredient. To the extent that they convey a properly developed, widely shared understanding, and are referred to throughout the operation, their impact and benefits can be significant. Please test your own organization’s mission against the questions raised in this article to see where you may be missing the mark.

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