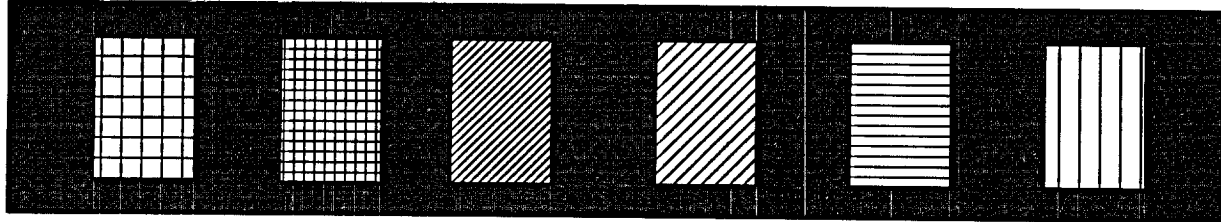


Mission Statements Revisited

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“Corporate mission statements . . . are the operational, ethical, and financial guiding lights of companies. They are not simply mottoes or slogans; they articulate the goals, dreams, behavior, culture, and strategies of companies” (Jones & Kahaner, 1996, p. ix.)

By 1993, Quaker State Corporation had fallen on hard times. The company was losing 1.5 points of market share a year and experiencing declining sales and profits. Fearing a possible takeover, the Quaker State board hired Herbert M. Baum, a marketer from Campbell Soup as CEO. Among his many initiatives was a management retreat where the firm redefined its core mission: “To funnel a wide range of lubricants through a massive network of mechanics, retailers and drive-through lube shops” (Murray, 1995). By 1995, Baum had successfully transformed the ailing Quaker State from an oil company selling motor oil to a branded consumer products company, a solid number two behind Pennzoil. Clearly, the new mission played a key role in shaping Quaker’s turn-around.

Another company that had to undergo open heart surgery in order to respond to increased competition, a growing global marketplace, and increasing service demands by customers was United Parcel Service (UPS). By 1990, profit margins were slipping toward 4% from nearly 7% in 1988 (Hawkins, 1993). CEO Kent Nelson ordered UPS to develop a new strategy to respond to its rivals and changing marketplace. Spearheading the strategy change was the development of a new corporate mission statement. According to Clinton Yard, senior vice president of operations, “The mission statement gave a direction to go in” (Jones & Kahaner, 1995, p. 246). For example, UPS’s mission now explicitly focuses on the customer, where in the past it was not as customer-driven as its competitors.

These examples and many others (e.g., GM,

Sears, IBM, Xerox, Kmart) illustrate the need for all organizations to place more emphasis on reformulating their mission statements to respond to the current competitive landscape. Organizational leaders increasingly are faced with the challenge of how to reinvent and transform their organizations to adapt to the globalization of markets, increased competition, deregulation, and wave of downsizing.

The starting point for effectively dealing with these issues is the organization’s mission statement (sometimes called value statement, credo, or principles). Some years ago, Drucker (1974) observed, “That business purpose and business mission are so rarely given adequate thought is perhaps the most important single cause of business frustration and business failure” (p. 78). It is even more clear today that firms committed to developing and implementing clear and unambiguous strategic mission statements enjoy a competitive edge over rivals who do not.

The recent explosion of literature on this subject seems to fuel the notion that mission statements are just another management fad. Fad or not, mission statements serve a vital strategic role in organizations and should never be neglected. There are many books that offer collections of mission statements managers may review for samples (e.g., Abrahams, 1995; Graham & Havlick, 1994; Jones & Kahaner, 1995). The purpose of this article is to reexamine the relevance of mission statements in the 1990s and to review issues related to developing, writing, and implementing a mission statement. The article provides a step-by-step guide to assist organizations in this process.

Why a Mission Statement Is Important

It is not uncommon for athletes to improve their performance in an upcoming event by first creating a mental image of the perfect routine. Using this proven method of enhancing perfor-

mance, competitors create a mental image of a perfect home run, a perfect golf swing, a perfect ski run, or a flawless gymnastic routine. In the context of Olympic champions, Gouillart and Kelly (1995) comment on this process: "More than physical prowess, more than thinking about beating someone else, it's mental focus that makes the Olympian" (p. 45).

If companies want to succeed in the 1990s, they too need a mental focus, a vision, and sense of direction. Hamel and Prahalad (1994) note that "In business, as in art, what distinguishes leaders from laggards, and greatness from mediocrity, is the ability to uniquely imagine what could be" (p. 25). A mission statement specifying what the company does, how it does it, why it does it, and where it is going in the future can transform a leader's vision into substance. According to Drucker (1974),

Defining the purpose and mission of the business is difficult, painful, and risky. But it alone enables a business to set objectives, to develop strategies, to concentrate its resources and to go to work. It alone enables a business to be managed for performance (p. 94).

Mission statements are not the sole property of for-profit enterprises, however. Perhaps one of the oldest statements is found in Philippians Chapter 2, verse 2, where Paul says ". . . make my joy complete by being of the same mind, maintaining the same love, united in spirit, intent on one purpose." Many consider the U.S. Constitution as an example of the world's most successful statement of purpose.

Mission statements are crucial for nonprofit organizations, too. In their book, *Profiles of Excellence*, a study of achieving excellence in the nonprofit sector, Knauft, Berger, and Gray (1991) found that the key to success was having a clearly articulated mission statement along with goals to carry out the mission. In the nonprofit world, achieving the mission is analogous to making a profit in the private sector. According to Knauft et al., "Nonprofit groups that give short shrift to their missions will almost always find the going bumpy. Those that invest the time and effort necessary to formulate a sound mission statement build a platform from which to soar" (p. 125).

What is a Mission Statement?

A mission statement is the starting point for an organization's entire planning process. Estab-

lishing the mission requires top management to sit down and seriously consider where the firm is now and where it should be in the future.

A mission statement provides a sense of direction, focus, and unity, and in Chester Barnard's words, "a spirit that overcomes the centrifugal forces of individual interests or motives" (Barnard, 1968, p. 283). It contains both a strategic and a cultural perspective. Strategically, the mission statement is a tool that defines the company's business and target market. Culturally, the mission statement serves as the "glue" that binds the organization together through shared values and standards of behavior (Campbell and Nash, 1992). It can inspire employees and "stretch" the organization to achieve higher levels of performance. Bennis and Nanus (1985) focused on this important motivational tool:

When the organization has a clear sense of purpose, direction and desired future state and when this image is widely shared, individuals are able to find their own roles both in the organization and in the larger society. . . . This empowers individuals and confers status upon them because they see themselves as part of a worthwhile enterprise. They gain a sense of importance, as they are transformed from robots blindly following instructions to human beings engaged in a creative and purposeful venture. (p. 90)

Nicholls (1994) characterizes mission statements as a "strategic compass" that helps organizations find their way. "If the pace of change is rendering the business environment increasingly featureless, a compass is the essential tool. In the absence of landmarks, it [mission statement] shows the way ahead" (p. 22).

Campbell and Nash (1992) hold a perspective not widely shared by others. They see mission statements as creating more harm than good because "they imply a sense of direction, clarity of thinking, and unity that rarely exists" (p. 9). They suggest that many mission statements articulate values and behavior standards that are unrealistic and not a part of the organization's culture. Instead of motivating employees, they invite cynicism. As an example of this kind of thinking, the authors cite some employees as saying, "If this is what the leaders think we should be believing and doing, then they are more stupid or out of touch than we thought"

(p. 9). Instead of trying to write mission statements per se, Campbell and Nash argue that leaders should be trying to create a "sense of mission" among their employees that serves to cultivate a level of commitment and emotional attachment not attainable in a basic statement of purpose. Creating a sense of mission involves managing a blend of factors that include the organization's purpose, strategy, values, standards and behaviors such that employee values are congruent with the organization's philosophy and culture.

Mission Statement Elements

There is no simple formula that prescribes exactly what elements a mission statement should contain. In one collection of 622 mission statements, no two had the exact same format, formula, or pattern; they varied in length as well as tone (Graham & Havlick, 1994). However, a review of the literature reveals that effective mission statements must be:

- 1. Clearly articulated.** Mission statements should be simple to comprehend, each section pithy and to the point (Jones & Kahaner, 1995), so that employees can clearly understand the values and principles that will guide them in their day-to-day and future activities. Avoiding jargon and buzzwords also will help keep the mission statement sufficiently universal for all employees to understand. Southwest Airlines' mission, for example, is succinct and easy to understand: "The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company spirit."
- 2. Relevant.** A mission statement should be appropriate to the organization in terms of its history, culture, and shared values (Quigley, 1993). It should also be consistent with the present situation and provide a realistic and informed assessment of what is attainable in the future (Nanus, 1992).
- 3. Current.** A mission statement established years ago and unchanged may no longer be able to act as the driving force guiding the organization into the future. If the firm has been successful in achieving its strategic goals, the original vision and sense of direction may no longer be viable, resulting in a loss of focus and direction. Also, if the competitive environment changes significantly, the mission should be subject to revision. The Quaker State and UPS

examples cited earlier highlight this important point. However, changes to the core statement are likely to be infrequent if the mission is cogently crafted.

4. Written in a positive (inspiring) tone. A mission statement should be written to encourage commitment and to energize all employees toward fulfilling the mission. A statement that does not do that is of limited value. The statement should be composed so that all stakeholders can identify with the organization and feel a sense of attachment. Creative and precise crafting will keep mission statements from being drab and uninspiring. Intel Corporation's mission does this well: "Our Mission: Do a great job for our customers, employees and stockholders by being the preeminent building block supplier to the computing industry."

5. Uniqueness to the organization. An organization's mission statement should set it apart from other companies. It should establish the individuality, if not the uniqueness, of the company (Ackoff, 1987). Celestial Seasonings mission statement provides a good example: "Our mission is to grow and dominate the U.S. specialty tea market by exceeding consumer expectations with: The best tasting, 100% natural hot and iced teas, packaged with Celestial art and philosophy, creating the most valued tea experience. . . ."

6. Enduring. Mission statements should serve to guide and inspire the organization for many years (Collins & Porras, 1994). In other words, a company should be continually challenged in the pursuit of its mission, never achieving its ultimate goal. Perhaps Walt Disney best illustrated this enduring, never completed aspect of mission when he said Disneyland would never be finished as long as there was imagination left in the world. Other examples of enduring missions include Ritz-Carlton Hotel Company's enduring commitment to guest satisfaction and AT&T's dedication to being the world's best at bringing people together.

7. Adapted to the target audience. Some company mission statements are created for employees only, some for the general public and stockholders, and others are intended for all audiences. In any case, the target audience has a bearing on the length, tone, and visibility of the statement (Abrahams, 1995). It is essential to know who you're writing for before you decide what to say.

Mission statements that have these features

can challenge and energize all employees in the organization and ensure that everyone is reading off the same page. A well-crafted mission statement is a prerequisite to the strategy formulation process. Without some form of direction, the resultant strategy is unlikely to be effective. Table 1 reviews the seven essential features for mission statements.

Developing a Mission Statement

There is no standard length for a mission statement. Abrahams (1995) lists 88 companies whose mission statement is one sentence long: Cerner, an information systems provider for the health care industry, states as its mission: "To automate the process of health care"; Motorola's mission reads "OUR FUNDAMENTAL OBJECTIVE (Everyone's Overriding Responsibility) Total Customer Satisfaction."

Other company missions are several sentences long, some even several paragraphs. Beyond the actual statement of mission, most

Table 1	
Essential Features of a Mission Statement	
1.	Clearly articulated
2.	Relevant
3.	Current
4.	Written in positive (inspiring tone)
5.	Unique to the organization
6.	Enduring
7.	Adapted to the target audience

companies include vision statements, values, objectives, principles or philosophies, and strategies that support and provide concrete guidance in fulfilling the mission (Abrahams, 1995; Jones & Kahaner, 1995). Abrahams addresses the question of the appropriate length of a mission statement by reminding readers of the old story about President Lincoln. When asked how long a man's legs should be, Lincoln is said to have replied, "Long enough to reach the ground." The same philosophy should apply to designing a mission statement. "All that's necessary is that the mission be long enough to reach the target audience" (p. 47).

The ultimate form of the statement will largely be dependent on how organizations define themselves and the vision they wish to rally behind and project to their stakeholders. A key step in this process is to capture what the company truly believes its guiding philosophy

should be, rather than emulating what some other company sees as its mission or philosophy. Exhibit 1 gives a suggested step-by-step guide to assist organizations in this process.

The following sections highlight the five phases of the mission development process set out in the exhibit.

Envision the future. The starting point for writing a mission statement is to articulate the vision and shared values the CEO or founders have for the organization. Bennis and Nanus (1985) articulate this important step:

To choose a direction, a leader must first have developed a mental image of a possible and desirable future state of the organization. This image, which we call a vision, may be as vague as a dream or as precise as a goal or mission statement. The critical point is that a vision articulates a view of a realistic, credible, attractive future for the organization, a condition that is better in some important ways than what now exists (p. 89).

In short, the vision creates the spark that brings the organization to life. It provides a future strategic direction, the foundation for its mission and related goals, and helps energize it to strive for success and a new level of performance.

Form a mission task force. Although the CEO is ultimately responsible for developing an organization's mission statement, it is not realistic to expect him or her to do all the work. In this regard, forming a task force is often appropriate. Ideally, the task force should include representatives from every department, but in larger firms this may not be practical. This phase should be preceded by an announcement from the CEO formally creating the task force and outlining its purpose and objectives.

Develop a draft mission statement. Before deciding what form the mission statement will take, the task force should conduct a situation analysis. A good situation analysis will identify where the organization stands today, how it came to be where it is, what external forces will probably influence its future, and what it hopes to become (Tombazian, 1994). Once the analysis is complete, the task force should proceed to draft a mission statement that includes the essential features listed in Table 1. The draft should then be shared with all organization members for review and comment. This is an important step because it involves employees in

shaping the identity and direction of the organization and ensures that they have an investment in its fulfillment. Following this process, the task force should present a final draft to the

CEO for approval and prepare a budget to facilitate communicating and disseminating the final mission statement throughout the organization.

Exhibit 1 **SUGGESTED STEP-BY-STEP GUIDE TO DEVELOPING A MISSION STATEMENT**

PHASE 1:	ENVISION THE FUTURE <ul style="list-style-type: none">☐ CEO articulates his/her aspirations for the company (preferably with input from others in the company); develops a visual and verbal representation of what the future could be☐ CEO defines the management practices and values that should guide behavior☐ CEO validates the vision and values with the board of directors and senior officers
PHASE 2:	FORM A MISSION TASK FORCE <ul style="list-style-type: none">☐ CEO verbally announces to organization the purpose of the mission creation process and the level of involvement expected☐ Establish a task force composed of representatives from every department
PHASE 3:	DEVELOP A DRAFT MISSION STATEMENT <ul style="list-style-type: none">☐ Conduct a situation analysis to assess internal and external environment (e.g., core competencies, success factors, opportunities, obstacles, beliefs about future trends and events)☐ Decide on what form and structure the mission statement will take (just a core mission statement or will it also include a vision and value statements, philosophies, principles, ethics, environmental policies and more)☐ Write a draft that includes essential features listed in Table 1☐ Post draft statements/beliefs and solicit input and feedback from employees and managers☐ Synthesize rough statements/beliefs into an overall corporate mission and submit to CEO for approval☐ Prepare a budget for mission dissemination and implementation
PHASE 4:	COMMUNICATE FINAL MISSION STATEMENT <ul style="list-style-type: none">☐ Determine in what format the mission statement will be communicated (e.g., annual report, brochure, poster, pamphlet, wallet-sized card, printed on company calendar/coffee mugs, T-shirts, displayed on front door, video, etc.)☐ Mail company mission to each employee from the CEO's office and announce upcoming meetings☐ Introduce mission to entire company in series of meetings<ul style="list-style-type: none">■ Train managers as facilitators■ Schedule managers to introduce mission at departmental level■ Solicit employees for their ideas on how to turn the mission statement into reality every day on the job
PHASE 5:	OPERATIONALIZE THE MISSION STATEMENT <ul style="list-style-type: none">☐ Align the company's strategies, tactics, operations, and administrative support systems to be consistent with the mission☐ Translate key elements of the mission into relevant performance objectives for employees at all levels☐ Make mission statement review an integral part of the strategic planning process

Communicate final mission statement. Critical to the effectiveness of a mission statement is for all employees throughout the organization to be marching to the same drummer. Management should use every opportunity to communicate, confirm, and clarify the corporate mission (Bartlett & Ghoshal, 1991). This requires more than just publishing and distributing the mission or exhorting employees in various meetings; it requires a significant expenditure of personal time and effort by management to ensure the mission is shared by all.

Implement the mission statement. Once the mission statement has been carefully developed and fits the history, culture, and values of the organization, the toughest challenge for management centers on how to generate the support and commitment necessary to use it as a blueprint for success. One commentator has compared the process to going to church. After hearing the homily, one still needs to know how to put the moral message into operation (Mathews, 1995).

If the mission is correctly formulated, it will be aligned with the organization's strategies, tactics, operations, and administrative support systems. In addition to the crucial communication phase, managers at all levels need to translate the key elements of the mission into objectives and goals that guide the execution of the mission and are meaningful to all employees. The goals and objectives should also be linked to the reward and performance evaluation system. At this stage the dangers of an overly ambitious mission will be abundantly clear. If, despite Herculean efforts, a company is unable to achieve its goals, the mission statement will be a failure.

Management must also be totally committed to implementing the mission — to bringing the rhetoric to life. Otherwise, it serves no useful purpose and reinforces employee cynicism and apathy. Lastly, mission statement review should be an integral part of the strategic planning process.

Steelcase is an example of a company that revised its mission statement to reflect the realities of the office furniture industry. For much of the past two decades, Steelcase considered itself an "office environment" company providing office furniture for large companies. However, by 1992 Steelcase recognized that the office furniture market had changed dramati-

cally. They found that customers wanted faster product-to-market times, quicker response to their needs, higher-quality goods, flexibility, ergonomic products, and all at a lower price. At the same time they recognized many organizations were moving toward "virtual" work, that is hiring employees to work at home either full- or part-time. In May 1994, Steelcase's board of directors approved a new mission statement: "Helping people work more effectively." The new mission makes no mention of the company's product. According to Jerry Myers, former pre-sident and CEO, "The reason is that the product today may not be the product tomorrow" (Jones & Kahaner, 1995, p. 223). They also chose to use the word "people" instead of referring to customers and employees, people in this context encompassing both stakeholders.

Because companies now do battle in a competitive environment that is increasingly volatile and unpredictable, no mission statement can ever be considered a "once and for all" document. As Steelcase and other examples illustrate, companies should review their mission statements and formulate them with a broad vision in mind. At a minimum, the mission should be reviewed whenever the firm engages in a long-range planning process.

Conclusion

A well crafted mission statement is a key component of an effective strategic planning process. This is especially important as organizations undergo change and embark on new ways of doing business. Perhaps Drucker (1992) said it best:

It [the mission] focuses the organization on action. It defines the specific strategies needed to attain the crucial goals. It creates a disciplined organization. It alone can prevent the most common degenerative disease of organizations, especially large ones; splintering their always limited resources on things that are 'interesting' or look 'profitable' rather than concentrating them on a very small number of productive efforts (p. 205)

Like wine, words can describe a company's mission in some detail, but the real test comes when you taste it. A mission statement is worthless if it does not truly inspire and channel the energy of every employee in the same direction. Everyone has to believe the mission is reasonable and doable and not just empty

rhetoric. Business leaders need to “walk the walk” by setting the example for all employees. They don’t just talk mission statement, they become examples of the new philosophy; they live it every day. A mission statement is key to guiding the firm in these turbulent times and to creating a competitive advantage.

Dr. Stone, who teaches strategic management and other management subjects, has published numerous strategy case studies as well as articles in journals, including the Academy of Management Executive and Business Horizon.

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GILBRETH ANCESTER TO BE HONORED AT SAM CONFERENCE



Mrs. Elizabeth Gilbreth Carey, daughter of Frank and Lillian Gilbreth, will be honored at the SAM Conference Banquet in Corpus Christi, Texas on March 16, 1996 with the Gilbreth Medal. This award is presented by SAM as a tribute to the pioneering work of Frank and Lillian Gilbreth, whose principles and techniques have contributed greatly to the economy and the effectiveness of business organizations throughout the world.

Mrs. Carey is one of twelve children of the well-known Gilbreth couple, who were pioneers in the field of time-and-motion studies designed to increase productivity and reduce workers' fatigue. Mrs. Carey's mother, Lillian Gilbreth, was the first woman to receive the prestigious Hoover Medal for distinguished public service by an engineer and was often referred to as the “first lady of engineering.” Mrs. Carey and her brother, Frank B. Gilbreth, Jr., were co-authors of a chronicle of their family life, “Cheaper by the Dozen.” This book was a humorous account of how the Gilbreths applied their research studies to running a large family. The book became a best seller and eventually was made into a movie starring Clifton Webb and Myrna Loy. Additionally, a postal stamp honoring Lillian Gilbreth was issued in 1983 as a part of the “Great American” series.

Mrs. Carey has continued her career as a prominent author and lecturer. She was recognized in the 1995 Marquis “Who's Who in the World,” and has been very active in literary and academic environments. She is also active in the care and preservation of Frank B. and Lillian M. Gilbreth's lifetime papers at various worldwide libraries and universities. With the help of Mrs. Carey, the story of Lillian and Frank Gilbreth will continue to touch the lives of individuals throughout the world.

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