

Mission, Vision and Quality within Organizations

Principle-Centered Leadership

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Try an interesting and meaningful experiment... the next time you attend a meeting of several people from your organization away from your office, without warning ask everyone to cover their eyes and not peek. Then ask them to raise their arm and boldly point in the direction of north.

With everyone's arm extended, ask them to open their eyes and look around. Chuckle with them as they joke about the different directions they are pointing, each doing their best to indicate true north.

Now, walk down the halls of your organization, wandering into work areas, and privately ask several people at random, in different levels and divisions, these questions:

"What is our organization's basic mission?"

What specific vision do we have for our future?

What are the most important governing principles and values shared by management and employees?"

If the answers are as diverse as the directions people were pointing with their eyes closed, then the situation might not be as humorous.

If you ask a half-dozen or so people concerning their view of your organization's mission, vision, principles and values and fail to receive consistent, compatible, and unified answers, then you should question to what extent the sharing actually exists.

And what difference does it make?

The culture of quality

In 1986, ASQC surveyed 600 managers across the country asking the importance of several contributing factors in developing quality. Ten percent responded that "organizational culture" was the most important ingredient contributing to quality. In 1988, they performed a similar study of 600 different managers. This time, 40 percent replied that organizational culture was the most important component producing quality.

Today the percentage would be much higher. Why? Because an organization's culture is the collec-

tive behavior of its people. And it is collective human behavior that creates or implements every element of quality — materials, processes, systems, products, and services.

People are the programmers — Systems and processes are the programs that produce goods and provide services. But people are the programmers who create the systems. So how do we create quality organizations having a quality culture to produce quality products and services?

The heart of organizational quality

Three integrated elements comprise the heart of every organization and its culture: its primary purpose; its desired future; and its core beliefs about itself and others.

The source of long-term health and quality performance for any organization is the extent to which management in unity with its

employees, and other primary stakeholders share these elements.

Mission/primary purpose —

We refer to mission as long-term, broad, overriding purpose — fundamentally why the organization exists, what it is and is for.

Vision/desired future —

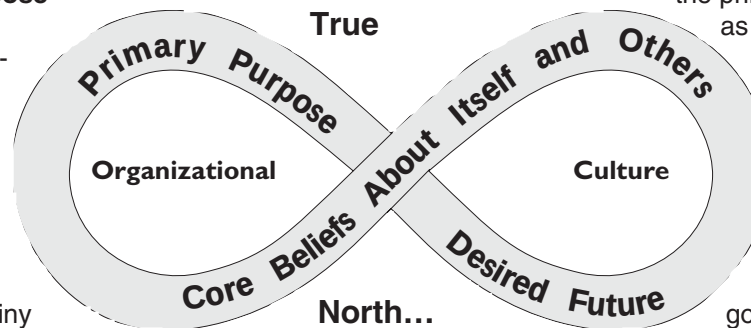
By vision we mean the organization's destiny and continuing destination — where it's going, a description of its future self, what it wants to become and therefore what it needs to do. Although both incorporate certain goals, mission is more general, vision more concrete.

Core beliefs — We use principles to describe fundamental truths and natural laws which govern human behavior. We do not create principles, but we can identify, understand and utilize them. Principles simply exist and are self-evident, universal, unchanging, timeless — they are external to ourselves and our organization and operate regardless of our awareness of them.

Values, however, are what's important to us, the worth and priority we place on people, things, ideas and principles. We create our own values (what's important to us), or allow society to create them for us—they are internal to ourselves and our organization. We can reconsider, change, or adjust our values.

Collectively, an organization's mission, vision, principles and values become the basis for its identity—what its purpose is today and what it will become tomorrow. Identity is the foundation of beliefs and values by which it governs itself,

becomes known to stakeholders, and guides its future path. As with organizations, so it is with the people who comprise them.



leadership's first principle and responsibility

The first responsibility of leadership is to establish or affirm organizational identity: the mission and vision of the enterprise, including the principles and values upon which to base their fulfillment.

First challenge — The initial challenge, therefore, is to establish continuing consciousness of the principles foundational to organizational effectiveness and quality. Like a compass needle, correct principles always point *True North*.

Because they are independent and external to the organization, these principles serve as a stable, constantly dependable guide from which the leader/manager can always determine proper bearings to lead the organization in the desired direction.

Second challenge — Leadership's second challenge is then to create conditions enabling the organizational culture to internalize and apply those principles.

How else can such commitment be developed unless people individually live the same principles?

Cooperation as a value... If the organization is to value cooperation as foundational to teamwork, team leaders and members must adopt the principle of win-win thinking as a personal value.

As management, employees, and other key stakeholders begin to value these principles by applying and living them, the principles become governing organizational values.

Consistent commitment to common values aligned with true principles, supporting a genuinely shared mission and vision, results in a unified, cohesive enterprise heading *True North*.

To the degree our personal sense of mission and vision, our valued principles and significant needs, are in harmony with and are fulfilled by the organization we serve, we maximize the potential for individual motivation, commitment and creativity, and for cooperative synergy, innovation and quality.

Organizational vision... a principle-centered leadership paradigm

In a broader context, vision suggests its literal meaning: how and what we see. The *Principle-Centered Leadership Paradigm* represents a powerful and practical model of how a leader sees an organization. It integrates the foundational components and fundamental principles essential to effectiveness for any business, association, or institution.

Understanding one's company or enterprise through this framework facilitates both diagnosis and

prescription for optimizing the most important of all systems, the entire organization.

Let's look at the leader's role in establishing and affirming organizational identity through development of mission, vision, principles and values. We must first understand the four developmental levels of any organization and their collective characteristics.

Four levels of organizational developmental — Any organization from families to General Motors; from an elementary school to the United States Government reflects four levels of interactive development. Any sub-unit such as a subsidiary, division, plant, department or small workteam, also possesses the same characteristics.

Understanding their relationships and qualities increases leadership's ability to optimize the overall organizational system to achieve high performance and quality.

In overview, every organization shares these common dimensions:

Organizational level: Strategy, systems and structures as they relate to core mission, vision, principles and values, recognizing the environment or conditions (stream) in which the organization functions. We include organizational assets under structures.

Managerial level: Formal working relationships between organization members, including the influence of management style and skills. This level essentially reflects the organization chart.

Interpersonal level: Relationships between employees and between workers and management as people; the collective behavior or culture of the organization.

Personal level: One's individual relationship to oneself; the degree of self-mastery, self-leadership, and self-management evidenced by organization members.

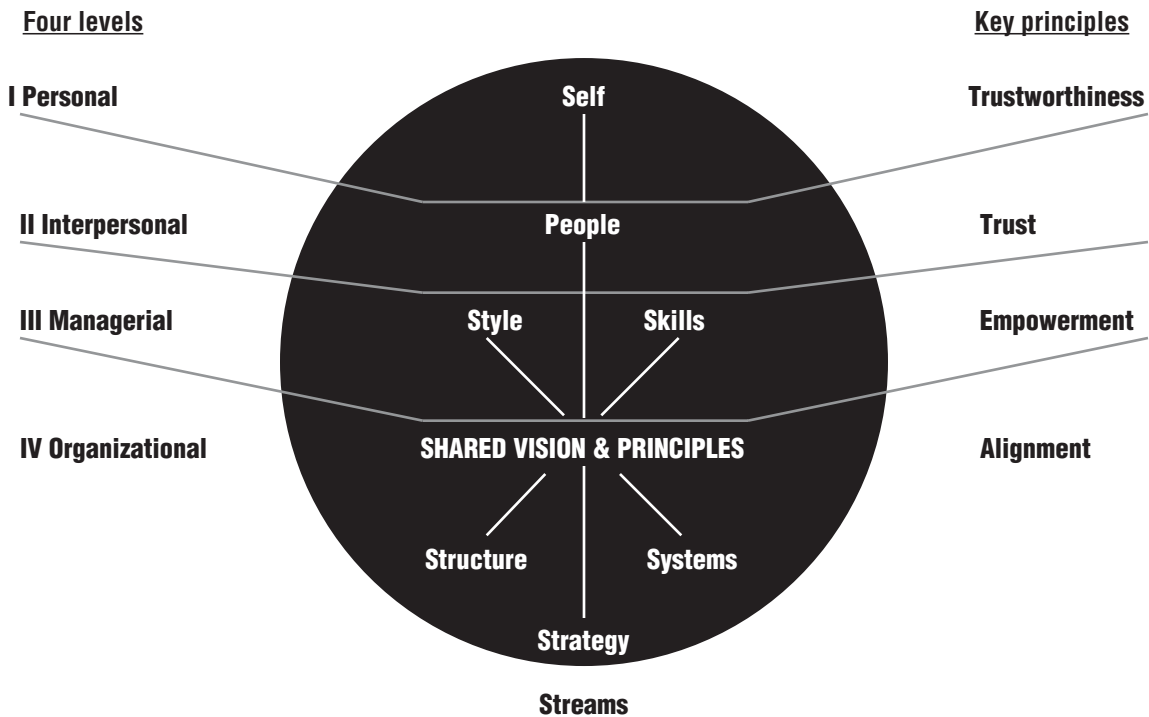
Four integrating concepts — Common management blind spots include failure to see organizations in terms of the *Principle-Centered Leadership Paradigm*, or to use the following concepts in integrating the four developmental levels:

Holistic: As leaders develop systems quality, they need to understand the big picture of the most important of all systems — the organization itself.

The Principle-Centered Leadership Paradigm

Four levels and key principles

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The paradigm includes all basic elements, including the environment in which the organization operates.

Ecological: An organization is a delicate ecosystem. Everything is interdependent, related to everything else. In taking actions, management frequently fails to consider or to understand the impact on all elements of the organizational system of a change or decision affecting one of them.

Organic: Organizations are organic; not mechanic. They are developmental in that natural, organic processes follow a sequence and take time. Organizations grow and develop according to natural law. Leaders cultivate rather than fix them.

People-based: Organizations are groups of people working together, using shared resources to achieve related purposes. The basis of organizational quality, productivity, and high performance is people, not assets or things. People control and govern all other dimensions of the organization.

Let's examine briefly the leadership vision and interdependent principles required to optimize the productivity and quality of any organizational system.

The vision of total organizational integrity

Highly effective leaders can develop a foundation for quality and continuous improvement by striving to achieve total organizational integrity through *Principle-Centered Leadership* — applying the *Seven Habits of Highly Effective People* and primary principles at each level within the organization.

One primary principle at each level serves as the cornerstone upon which the *Seven Habits* build.

Envisioning an organization as holistic, ecological, organic, and people-based includes applying the following key principles at respective levels:

Organizational alignment — Organizational alignment means arranging strategy, structures and systems in a positive and reinforcing manner.

Aligning strategy... Strategy is the action plan to achieve mission and vision. It is the connecting link between the organization's core identity and the stream, and the realities of the external environment. Goals, decisions and use of organizational resources must acknowledge the constraints imposed by generally uncontrollable outside forces.

Organizational vision may call for substantial growth, for example, but the financial strategy to fund the growth must relate the balance sheet and income statement to money market and investment conditions.

Mission should drive strategy, and strategy should drive structures and systems, not the reverse.

Aligning structures and systems... Organizational structures and systems are designed to achieve the core strategy and to support each other.

For instance, a strategy of broad based market penetration and customer service may require a nationwide, decentralized organization structure. Communications, information, personnel recruitment and training systems would be different from those of a large, centralized, local operation.

Leaders and employees often confuse strategy with mission or identity... Organizational strategy creates a path anchored at one end by mission, vision and principles providing stable identity, and connected at the other end to the ever changing environment. As competitively dynamic market, economic, technological and other environmental forces change, effective organizational leaders must review and adjust strategy as necessary.

Identity and constancy of purpose... It is not strategy but identity, the core of unchanging principles and commitment to shared vision and mission, which enables the constancy of purpose necessary for long-term success. As the environment changes, systems and structure must also be flexible and modified as required to support the new strategy.

A case of mis-alignment: During the 1970s, Swiss watchmakers confused their mission and vision, their identity, with market strategy. They inflexibly ignored the emerging technology of electronic timepieces and within a few years lost to the Japanese a worldwide market they had dominated for decades.

As technology and markets changed, the Swiss continued to see themselves as masters of precision mechanical watches. By failing to alter an historically effective strategic path to reflect new environmental conditions, they abandoned an opportunity to dominate the new paradigm of timekeeping, the electronic watch — a technology which Swiss researchers had invented.

Managerial empowerment — Organizational alignment is a means to an end, not an end itself. The ultimate purpose of alignment is to support managerial empowerment, a key to leveraged effectiveness.

Empowerment and delegation... Empowerment is more than delegating decision making authority to the lowest level possible. It requires nurturing conditions within the organization to enable every member to contribute his or her maximum potential talent, creativity, commitment, innovation, and quality.

Management style and performance... Management style creates distinctly different long-term performance results. Traditional authoritarian, control-oriented styles foster dependence and stifle initiative; empowering, release style management encourages interdependence and creativity. In addition, the skills of the manager, particularly leadership, communication, and team building, are powerful influences on organizational effectiveness.

Managerial styles, values and principles... Managerial styles and skills must embody organizational values and principles. When one's vision of management responsibility becomes *stewardship* instead of *possession*, supervisors become resources and coaches, rather than bosses and cops.

Such vision requires self-confidence and personal mastery, win-win thinking and an abundance mentality. Empowering managers are strengthened, not threatened, by the success and growth of others.

Interpersonal trust — How can managerial *span of control* (more properly, *span of stewardship*) be increased without mutual trust? How can self-directed workteams self direct without justified trust? Empowerment without merited trust fosters ultimate chaos and return to control style management.

How can we expect to continuously improve interdependent systems and processes unless we progressively perfect interdependent, interpersonal relationships?

We perfect relationships by making and receiving deposits to emotional bank accounts — by building trust.

Trust is prerequisite to empowerment and quality... During 1991 we conducted a survey of almost 3,500 members of several hundred business, government, educational and other institutions from all around the country. We asked the question, "What's getting in the way of quality in your organization?"

The number one restraining force to quality, named by 58 percent of the respondents, was *trust*. Trust in senior management by employees, and trust of employees by senior management.

Personal trustworthiness — If I am to trust you, you must be trustworthy. Such a simple principle, and yet so powerful — and powerfully violated.

Character, competence and effectiveness... Trustworthiness is comprised of two primary characteristics: *character* (commitment to one's personal values and principles, and strength to live them) and *competence* (one's skill level and technological effectiveness).

From the combination of character, competence as well as the lessons of experience, we develop judgment — the ultimate determinant of effectiveness.

Supervisors who are well meaning and desire to empower can lose the trust and confidence of their

direct reports (and others) if they lack sufficient competence or character strength, or consistently exercise poor judgment in making decisions.

Systems for hiring, training and professional advancement need to support the need for empowering management style by assisting personal development of necessary skills and character growth.

Quality from the inside out

Leaders with holistic vision will optimize quality and effectiveness over the long term by creating a culture of *total organizational integrity*. This framework for continuous improvement is constructed *inside-out*, through consistently applying the foregoing fundamental principles at four levels:

1. Trustworthiness at the personal level, creates...
2. Trust at the interpersonal level, which is the basis for...
3. Empowerment at the managerial level, which is supported by...
4. Alignment at the organizational level.

Notice the relationships between the principles and that we now begin with the personal level to develop organizational integrity.

Implementing additional principles represented by the *Seven Habits* at each level cultivates an integrated, congruent paradigm of *Principle-Centered Leadership* — personally, interpersonally, managerially and organizationally.

In essence, *Principle-Centered Leadership* refers to using the compass of correct principles, always pointing *True North*, to guide one's life and one's organization.

The inside-out approach means that organizational quality is achieved through developing personal quality.

Organizations cannot continuously improve unless their people do, individually and collectively. How can business, government, schools or other institutions experience continuous improvement if the people who create their strategies, systems, and structures, and who manage through individual style and skill, are satisfied with their personal status quo.

“Of course we have a shared mission” — Organizational integrity begins with the need to develop a relatively changeless core of shared identity to give stability and guidance in a dynamically changing business and cultural environment. Overall alignment, congruency and integrity begin with shared mission, vision, principles and values.

Eloquent words alone, do not a vision make... Many executives today have written or have begun to write organizational mission or vision statements, generally a commendable endeavor. An organization's printed mission or vision statement may be eloquently worded, beautifully printed, and widely distributed.

Cases of “Which way is True North?” — But as our *pointing north blindfolded* experiment suggested, too often with clients we find the following kinds of situations.

True North? We don't have those kinds of directions... Keith once attended a senior level management retreat conducted by in-house personnel of a telecommunications client. The topic turned to a discussion of the mission and vision of the company for the next decade, including a

reaffirmation of the values and principles of the organization. Keith overheard one officer whisper to the one seated next to him, “The trouble with the principles and values in this company is that we don't have any!”

True North? Yes it's here somewhere; wait, I'll look for it... A couple of years ago we visited an eastern United States industrial corporation. On the way from the airport to the home office, Stephen asked the senior human resources officer if the company had a mission statement. He thought a moment and said, “Well, I've been here seven years, and if we did, I'd know about it. No, I don't think we do.”

Later that day Stephen asked the CEO, who had headed the firm for many years, the same question: “Does your company have a mission statement?” With pride the CEO smiled and said, “Why, yes, of course we do. We've had one for several years. If you'd like, I think I could find a copy of it around here somewhere.”

True North? It's just a poster... Keith encountered perhaps an even more distressing experience recently as he visited a division of one of the nation's largest manufacturing corporations. While conducting a meeting of a dozen line and staff personnel, they discussed the power of shared mission and vision in an organization. He noticed hanging on the conference room wall a beautifully printed, four-color, 24 by 36 inch poster stating the corporate mission.

Pointing to the poster, he asked:

“Now let me ask you about this mission statement. Does it really reflect deeply shared values and principles lived daily by top, middle, and line management, as well as the rank and file employees?

Does management at all levels look to this mission statement as a guide in their decision making processes, a source of wisdom and direction in their strategic planning?

Do employees consider it a source of motivation and inspiration, a reflection of the meaning they find in their jobs?

Does it serve as the ‘corporate constitution’ guiding and governing all executive and management behavior and decisions?”

By this time, everyone in the group was smirking and many had begun to giggle. As Keith finished the question, one of the group responded with unrestrained cynicism, “Are you kidding me?”

Effective organizational mission statements — Certain management opinions notwithstanding, these organizations lacked the key components of identity — mission and principles deeply shared by employees. Their operational performance reflected this state of affairs. Unfortunately, the foregoing examples are too common in corporate America.

Organizational mission and vision integrated with one's own can motivate people to contribute their finest, their most outstanding efforts, their latent creative genius to achieve the objectives of their organization. After fundamental physical and financial needs are met, people are motivated by a sense of contributing their best efforts to meaningful endeavors.

Of the six characteristics common to peak performers, for instance, Charles Garfield identified the first and most important as being: “commitment to a mission that motivates.”

Peter Senge relates vision and purpose (mission) to the “cornerstone of personal mastery,” one of the five disciplines of a learning organization. At the organizational level, another foundational discipline is “shared vision.” He states in *The Fifth Discipline*:

“If any one idea about leadership has inspired organizations for thousands of years, it’s the capacity to hold a shared picture of the future we seek to create.

One is hard pressed to think of any organization that has sustained some measure of greatness in the absence of goals, values, and missions that become deeply shared throughout the organization... Though radically different in content and kind, all these organizations managed to bind people together around a common identity and a sense of destiny...

The practice of shared vision involves the skills of unearthing shared ‘pictures of the future’ that foster genuine commitment and enrollment rather than compliance.”

Power potential of a congruent vision — If properly developed, with appropriate content, and congruently applied, an organizational mission statement can become the single most important internal influence on the future success of the organization.

It is the written expression of the organization’s very identity. It becomes the organization’s governing constitution, its supreme law, the standard by which all behavior or conduct is judged.

It is the source of ultimate principles and values, direction and purpose, which guide the development and consistency of strategy, tactics, systems, policy, procedure, and decision making throughout the organization.

Creating a congruent mission statement

On one occasion, Stephen Covey asked the CEO of a smaller organization struggling to find its industry niche, “How do you develop a shared vision and mission for your company?” The man thought and replied, “Oh, that’s easy. I receive the vision, establish the mission, and then I share it with everyone!” Not a very galvanizing approach to motivating people.

Writing organizational mission or vision statements is becoming familiar and widespread today; yet too many executives see it as a *thing to do* that “our executive team can whip out over a couple of days.” We find that frequently one or all of three essential mission statement elements are fatally flawed. Thus the statement becomes ignored and ineffective at best, or a prominent object of cynicism and ridicule at worst. Mission statements need to incorporate effectively three primary elements: process; content; and application. We’ll briefly summarize each.

Seven mission statement process principles... While methods vary with organizational needs and circumstances, observing certain fundamental principles can maximize the process effectiveness. Seven powerful principles in mission statement development are essential:

1. Initiation and constant attention by senior management. It is a proper role of upper leadership to begin the process, to discuss and articulate the basis for developing organizational mission, vision, principles and values, and to start document drafting. This begins the *top down* portion of the mission statement process, management’s creative initiative.
2. Significant early intense involvement by selected other levels of appropriate management and employees. This includes certain drafting or wordsmithing, recognizing documents cannot effectively be written by a committee. In this *joint effort* phase, top management in effect says, “We’ve begun—but we’re not there yet. Your primary input is essential.”
3. Widespread review, feedback and comment. Involvement fosters commitment. Include everyone in the organization, if possible. This *bottom up* period of mass review invites not so much creativity but critical analysis. Here, management essentially says, “We’ve worked hard on this and like it — but what do you think? Give us input. We want this to be yours.” Be honestly open to the feedback and incorporate modifications and the best thinking of others.
4. Timely communication of the process to all employees. Don’t assume they know what’s going on. Preview and then report on the plan for developing the mission statement. Give acknowledgement and appreciation, and report on adoption of comments or validation of the proposed text.
5. Sufficient time for the process to work. Don’t rush through the process (don’t let it languish, either). People need time to think, feel, develop commitment and adjust to change, even positive change. The original thought and drafting takes longer than management usually expects. Top management may spend weeks on the original draft, months on the involvement and feedback process, and up to a year or more to finished product.
6. Commitment, follow-through and concurrent action by top management. Management must walk the new talk. Anything sincere, meaningful and appropriate to put action with words will lend credibility to the effort.
7. Development of sub-unit mission statements. Each division, plant, department and workteam needs similar development of their own mission statements. They need to be compatible with the parent’s to foster mutual understanding and interdependence.

Five mission statement content principles... The content of highly effective mission statements will address at least five critical objectives:

1. Identify the ends (mission, vision). This is overall purpose, direction, what you want the organization to become.
2. State the means (principles, values). These are basic guidelines on how to fulfill the mission.
3. Meet needs of primary stakeholders. People and organizations have four basic needs: physical or financial; intellectual or mental; social and emotional; and spiritual or holistic (not necessarily religious, but to find meaning and significant contribution). Mission statements should address more than the financial need of the owners. What about the needs of employees? Customers? Suppliers? The community?
4. Be challenging yet relevant and realistic. Don't make it pie in the sky; connect with reality. But let it stretch both people and the organization.
5. Inspire and motivate management and employees. This is perhaps the most important element of all.

In addition, the content of the mission statements for sub-units of the larger organization (divisions, plants, departments, workteams, etc.) should be in harmony with and relate to the overall mission statement of the parent.

Five mission statement application principles... Regardless of the effectiveness of its development process and the excellence of its content, the organizational mission statement becomes an empty sham and a source of cynical ridicule if it is not lived. Five particularly important points should be considered in utilizing the mission statement as a powerful influence in fostering quality, productivity, and continuous performance improvement:

1. Establish, honor and live it as the organization's constitution. The principles and values of the mission statement, not the personal style of individual managers, should govern organizational culture and behavior.
2. Encourage new employee commitment through early introduction and identification. Those not involved in the development process can identify with the mission statement from the first job interview. "This is what we're all about; if you can embrace this mission and these values as your own, then we might have a fit."
3. Make it constantly visible to all stakeholders. Dr. Deming now recommends expressing constancy of purpose through a written statement to which management commits. The mission statement should be publicized with sincere commitment to owners, employees, customers, suppliers, everyone.
4. Create the core of total organizational integrity through alignment and congruency. Use the mission statement as a tool and decision making guide, as a checkpoint to test alignment and integrity of strategy, structures, systems, management style and skills.
5. Review it periodically over the long term, revising as appropriate to reflect changing conditions. Even the U.S. Constitution can and needs to change over the long term. Remember, the mission statement is a program; people are the programmers.

True North in your organization

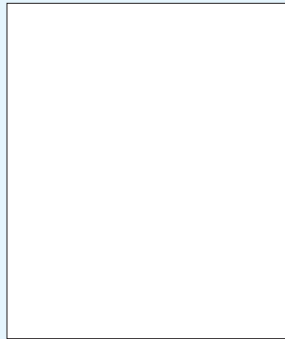
How would you answer these questions about the condition of your organization's mission and vision condition:

1. How is your organization governed and conducted?
 - a. Is it dominated by personalities or principles?
 - b. Are values shared, imposed, or ignored?
 - c. Do people show up for work primarily motivated by paycheck or mission?
 - d. Is the shared vision of your employees focused on leaving early Friday afternoons for the weekend, or how they will contribute to your organization's growth into the next century?
2. Do you have a mission statement that serves as the supreme law of the organization, the corporate or institutional constitution with which all other policies, systems, structures, strategies, and management behavior are in aligned, congruent harmony? Does every department, plant, division, operating unit, cost/ profit center, and workteam of the organization have its own statement, compatible and integrated with the organization's?
3. Were the mission statements developed through planned processes of involvement and communication or imposed from the top down?
 - a. Do they serve as a source of motivation, inspiration, and decision making guidance to management and all employees?
 - b. Are the stated principles, values, mission, and vision of these mission statements genuinely shared by a substantial majority of employees and are they committed to them?
 - c. Do new employees identify with the organization mission statement because it is visible and modeled daily?

Leaders with vision create organizations with vision — shared mission, vision, principles and values. The process and product of developing organizational mission statements can crystallize your vision of quality and continuous improvement. It can create the basis for *Principle-Centered Leadership*.

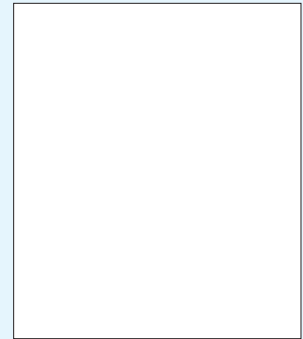
Think what it could mean for quality in your organization if everyone were pointing True North. ♦

About the Authors:



Stephen R. Covey is founder and chairman of the Covey Leadership Center, a 200-plus member firm whose mission is to empower people and organizations to significantly increase their performance capability in order to achieve worthwhile purposes through understanding and living principle-centered leadership. He is also founder of The Institute for Principle-Centered Leadership, a non-profit research group dedicated to transforming education and improving the quality of community life.

Covey received his doctorate from Brigham Young University and is the author of *The Seven Habits of Highly Effective People* and *Principle-Centered Leadership* (Simon and Schuster).



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