Demystifying the Development of an Organizational Vision

Mark Lipton

ALTHOUGH FEW WOULD DENY THAT VISION SERVES A CRITICAL ROLE IN TODAY'S ORGANIZATIONS, IN PRACTICE, MOST MANAGERS ARE INTIMIDATED AND FRUSTRATED by the challenge of developing one. The author explores the notion of vision by first explaining how and why visions work. He presents a template, tested in organizations representing the corporate, nonprofit, and public sectors, that outlines the principal themes necessary for an effective vision. Because not all great visions succeed, the author analyzes why they sometimes fail.

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Sonoma Investment Capital was a model organization. The partners who led the small but enormously successful firm were determined to reinvent investment banking culture. They wanted to create a place where decisions were effective but made by consensus, communications flowed up and down freely, every employee's career potential was carefully managed, and dress codes were nonexistent. The dramatic design of its suburban headquarters office was reminiscent of a successful architectural or software development firm. It neither looked nor felt like an investment bank. Rather than requiring an MBA as the ticket for employment, the company expected that new recruits had excelled at the highest levels of academe. The young employees were full of energy, put in long hard hours, and were rewarded handsomely through a profit-sharing system.

As the organization grew from 15 to 350 people over a three-year period, problems began to surface. Turnover increased among staff as productive talent lost interest and burned out. There was an increasing number of off-line discussions about the informal organizational vision: "Make gobs of money." This refrain was becoming familiar: "Management says that the reason the company exists is to generate profit. Well, I need a more important purpose than that to justify the commitment and hard work I put into this place."

Finally, at a companywide assembly, the senior partner acknowledged the need for defining a more formal vision and assured that one would be developed. "We're a group of extremely bright and motivated people. I agree we've reached a point where we need a concrete vision. But I shouldn't draft it myself; we'll reach our vision through consensus." Within a week, the partners met and designed a strategy that would begin at the top and cascade down to involve virtually every employee.

The visioning process began with fanfare, moved ahead in fits and starts, and finally stalled after three months. Three years later, there was still no vision, turnover remained at unacceptable levels, and many effective teams became mere collections of individuals working at cross-purposes. The original sources of discontent remained unabated, and the bottom line, coincidentally, began to suffer.

How did such a well-conceived idea, in a managerially enlightened organization, flounder so badly? The best intentions of some organizations can be overwhelmed when the work of defining a vision begins. By starting with a blank slate, the vision process can seem intimidating and lead to disabling frustration. It does not have to be this way.

Sonoma is not alone in its need to resolve the enigma of organizational visions. The enigma is condensed into several questions that I address in this article: Why should organizations even bother developing a vision? What are the benefits? What does a "good" vision look like? Why does the process often fail? How can a company avoid the errors that lead to failure?

Clarifying a vision and communicating it to everyone can have powerful results. Unfortunately, as the Sonoma experience illustrates, the need for a vision does not necessarily lead to one, and, in too many organizations, an ill-conceived or poorly managed process can lead to a vision that is worse than none at all. I have found that effective organizational visions share principal themes that serve as a template and facilitate the development of a vision by an organization or division. The themes and lessons of effective vision development evolved initially from two levels of research in which I examined the articulated visions from some of America's most admired, successful organizations. I subsequently applied the results to help more than 300 managers in such organizations as *Fortune* 100 companies; small, rapidly growing technology-driven firms; nonprofits; and government agencies develop their own visions.

Why Bother with a Vision?

A survey of 1,500 senior leaders, 870 of them CEOs, from 20 different countries, asked for the key traits or talents that CEOs should have by the year 2000. The principal behavior trait they most frequently mentioned was that CEOs convey a "strong sense of vision"; 98 percent saw that trait as most important for the year 2000. Of the critical knowledge and skills for CEOs of the present and future, the leaders cited "strategy formulation to achieve a vision" as the most important skill for now and in 2000, by a margin of 25 percent over any other skill. In other words, managers need not only a vision but also a plan to implement it.[1] Unfortunately, more than 90 percent of managers reported a lack of confidence in their own skills and ability to conceive of a vision for their organizational unit.[2] T.J. Rogers, head of Cypress Semiconductor, the highly efficient chipmaker that faced some serious red ink in 1992, has acknowledged that his own shortsightedness caused the damage: "I did not have the 50,000-foot view, and we got caught."

When I analyzed more than thirty independent international studies that used organizational vision as a central variable, my conclusion was clear: managers who develop and communicate a vision skillfully can make a profound organizational impact. Sound data now support the intuitive appeal of visions. Concrete performance measures such as profit, return on shareholder equity, employee turnover, and rate of new product development improve when visions are used as strategic tools to manage organizational cultures.[3]

Managing with a vision can benefit an organization in five ways:

1. *A vision enhances a wide range of performance measures.* A recent, thorough study identified and tracked eighteen "visionary" companies and matched them with comparison companies in the same industries with other similar characteristics.[4] The comparison firms, however, did not manage with a vision. The study found that a dollar invested in a general stock market fund in 1926, with all dividends reinvested, would have yielded $415 by 1990. The dollar invested in the comparison firms on the same date, with adjustments made for when the firms became available on their respective stock exchanges, would have grown to $995, more than twice the general market. But this same dollar invested in the group of visionary companies would have returned $6,356, more than six times the comparison group and fifteen times the general market. Not surprisingly, in a study by Shareholders Surveys, Inc., long-term vision was most important to shareholders for selecting companies in which they would invest.[5]

2. *A vision promotes change.* A vision serves as a road map for companies as they move through accelerated change. Lack of vision is why organizational transformation efforts frequently fail. Three independent studies in the United Kingdom found further support that clear visions support change.[6] The use of vision as a management tool is the most significant determinant for easing the transition from a bureaucratic to a flexible organization. When combined with top management commitment, vision accounts for the success of quality management programs.

> A shared vision can energize people by connecting them to the purpose of the organization or department.

In July 1993, Louis V. Gerstner, chairman of IBM, remarked, "The last thing IBM needs right now is a vision."[7] Six months later, in the IBM employee news magazine and in the 1993 annual report, he announced eight new operating principles for the company. Interestingly, the principles meet the criteria that I establish here for an organizational vision. IBM needed a vision not because of media pressure but because Gerstner realized that the firm's culture had to change quickly. He reiterated in the 1995 annual report, "What IBM needs most *right now* is a vision."

Even successful culture change can be agonizingly slow, but when vision becomes the vehicle to drive change, the speed picks up. Bob Bogart, senior vice president for human resources at Mutual of Omaha and the point person responsible for its corporatewide culture change initiative, claims that the accelerated rate of its change program "would have been impossible without the vision and without managers focusing on it constantly." Many faltering organizations and their leaders share an inability to adjust to a world radically changed by collapsed time frames. They do not try to see into the future, and because they lack a vision, they are unable to set a steady course to prepare for it. By definition, the visionary sees the need for change first.

3. *A vision provides the basis for a strategic plan.* An initial vision is crucial if strategic planning is to work at all. Conversely, strategic planning cannot provide the vision on its own and is totally useless without it. Focusing on a "plan" rather than a vision may be too constraining, reduce individual incentive, and lead to paralysis. A plan does not necessarily result from formal planning. A plan conceived as a vision, however, even if it is communicated in imagery or metaphors, may prove a much greater incentive to action.

4. *A vision motivates individuals and facilitates the recruitment of talent.* A shared vision can energize people by connecting them to the purpose of the organization or department. People need to feel that they are making a useful contribution to a worthwhile venture; the vision enables them to see how their effort contributes to the larger picture. Interestingly, when managers' values are clear to those with whom they work, organizations benefit from an increased level of employee pride and motivation, which, in turn, translates to increased performance. Managers who have difficulty communicating their values find it much easier to convey them in the framework of a vision.

Increasingly, younger employees are pressuring management to develop visions. Ann Weiser, vice president of human resources development at Kraft Foods, commented, "Generation Xers demand a vision that conveys the big picture of what the organization stands for and how, or whether, they will fit in. To recruit the best talent and to hang on to them, we need that vision."

Sonoma experienced problems when members of its brilliant, self-described Generation X work force became demotivated. Their contribution diminished when they could not draw a clear connection between their often narrow job roles and the broader organizational vision, because the vision never existed. "Making gobs of money," the company's informal but publicly stated purpose, was not an effective long-term vision for the talent that the firm had decided to attract. They wanted to maximize their income as much as any investment bank employees, but they also needed a broader challenging purpose. Some of the most productive, talented people left because of the lack of a vision.

5. *A vision helps keep decision making in context.* Visions provide focus and direction. In organizations without a vision, people are exposed to short-term opportunities that they may feel endlessly compelled to seize. Without focus, the organization may never develop a strong distinctive competence. "It's easy to say what you're going to do," says Michael Dell of Dell Computer. "The hard thing is figuring out what you're *not* going to do." When visions help individuals focus their attention on what is most important to the organization, people uncover and eliminate a myriad of unproductive activities.

A shared vision can also provide effective yet unobtrusive control and create a context for decision making. As organizations become managerially leaner and flatter, this takes on greater meaning because decision making becomes inherently more decentralized. A clearly understood vision, in effect, gives people a compass. If it is properly developed and implemented, vision can affect the perspective or premises that people use to make decisions in the absence of rules, direct supervision, or threats. When managers see senior executives effectively communicating the vision, they report a significantly higher level of job satisfaction, commitment, loyalty, esprit de corps, and clarity about the organization's values, pride, productivity, and encouragement.

What Is a Vision?

A vision must focus on the future and serve as a concrete foundation for the organization. Unlike goals and objectives, a vision does not fluctuate from year to year but serves as an enduring promise. A successful vision paints a vivid picture for the organization and, though future-based, is in the present tense, as if it were being realized now. It illustrates what the organization will do in the face of ambiguity and surprises. A vision must give people the feeling that their lives and work are intertwined and moving toward recognizable, legitimate goals.

Do Visions Need Vision Statements?

Many organizations that manage with a vision articulate it through a vision statement. The statement can be as short as four sentences (printed on the back of a business card) or as long as five pages; written in conversational prose or crisply outlined as bullet points; and vague and abstract on some topics, while clear and precise in others. There is no template for the style of a vision statement.

A vision statement is not required, but it does fulfill two useful functions. First, it simplifies the planning phase for defining the vision. Like a set of architectural drawings that give structure to ideas, the statement provides an organizing mechanism that enables managers to integrate an amorphous collection of goals, dreams, challenges, and ideas and make them concrete. The process of developing a vision statement ultimately yields the vocabulary for the vision.

A second function of the statement is that it becomes, like a constitution, a public document from which there can be no equivocation. I encounter people in organizations who resist a vision statement since they believe that a written vision prevents it from evolving. People's response to a vision increases, though, when it is perceived as an enduring commitment. And commitments are usually made in writing.

It is ironic that some people who manage a vision best often claim to be without one. In addition to Gerstner, Robert Eaton, who replaced Lee Iacocca at Chrysler, eschews the notion of a vision statement. "I believe in quantifiable short-term results," he says, "things we can all relate to — as opposed to some esoteric thing no one can quantify." Yet Eaton has been credited with successfully orchestrating a culture change at Chrysler that emphasizes quality, decentralization, speed in decision making, open communication, and initiative and provides for leaner cyclical periods. He has accomplished this by communicating naturally what the future of the company's management must look and feel like. "Being a visionary is trivial," claims Bill Gates, the chairman of Microsoft, an executive who can hardly be described as shortsighted. When listening to these individuals in public venues, we often hear them express a clear, appealing, challenging, and future-oriented picture of their organizations.[8]

Because some leaders are particularly effective at communicating their vision verbally, a written statement is not a sine qua non. The most revealing criterion of an organizational vision is whether the message — written or verbal — addresses three core themes that tell what the organization stands for and what everyone must focus on. No two visions should be alike or be experienced in the same way. The template for the vision's substance that I offer here allows for wide variations in style.

Vision = Mission + Strategy + Culture

My research on the characteristics of effective vision statements started with a simple premise. I took a list of companies that were financially successful according to standard criteria for comparison. If these organizations were also recognized for being attractive places to work, I thought there would be commonalities in their corporate visions. They would certainly not describe the future in the same ways, but there might be common themes in their descriptions.

I used firms in *The 100 Best Companies to Work for in America* as the first database for the study.[9] Subsequent independent analyses of the companies on this list have shown that they performed better financially when matched with comparison groups. The "100 Best" were more than twice as profitable as the S&P 500, and their stock price grew at nearly three times the rate of the others. An analysis of the average compounded total return on investment of the "100 Best" found that they earned 17.69 percent more for investors than did the S&P 500. The evidence is strong that well-managed companies, noted for placing a high value on managing their human resources, derive benefits that go straight to the bottom line.[10] Do their visions have anything in common?

I evaluated the content of the firms' vision statements and sorted them into categories based on the organizational variables that each statement described. The analysis revealed that the visions of these highly effective organizations communicated three messages or principal themes: the *mission* or purpose, the *strategy* for achieving the mission, and elements of the organizational *culture* that seemed necessary to achieving the mission and supporting the strategy (see the sidebar).

Mission

Mission addresses the fundamental question of *why* an organization exists and why it is in business. What is its purpose? For whose benefit are all its efforts? These questions are the organizational equivalent of a person grappling with the existential questions, "Why am I alive? What is my purpose?"

Many successful vision statements define a mission that begins by identifying the stakeholders and defining what they expect from the organization or department. Stakeholders must be motivated to commit to the purpose and actively support it. Maximizing return to shareholders, delivering a specific service to taxpayers, or providing quality health care to a particular constituency are important missions, but they imply that some stakeholders may take or deserve more from the organization than others. A mission must appeal to the broadest stakeholder constituency possible and rise above the interests of any single stakeholder group. It must engage people and require little or no explanation.

Is there a cause that *all* stakeholders can support while feeling challenged and gratified as they work toward it? An enduring statement should distinguish organizational or departmental "business" and identify the scope of the work in customer, service, or product terms. For example, Merck's corporate purpose is "to provide society with superior products — innovations that produce health and well-being — and to ensure investors a superior rate of return, while providing Merck people with superior employment and advancement opportunities."

It is a rare vision that identifies "profit" as the primary mission. In fact, many do not even mention profit or shareholder return. Employees of the organization or department are usually the vision's most important audience. For them, the mission should help build a common understanding of the purpose and nurture commitment. Individuals do not work to make money for a firm, because it is nearly impossible to justify meaningfulness in one's job through the generation of wealth for someone else. People contribute to the delivery of a service or production of a product because it is of value to others and challenging and meaningful to them. This was a sticking point for the Sonoma staff. Although the partners and outside investors (two stakeholder groups) were comfortable with defining the mission as "maximizing investor return," the other 350 people in the organization (a third but no less important stakeholder group) had difficulty rationalizing their fourteen-hour days and six-day weeks with the mission of "making gobs of money."

Profit maximization not only fails to motivate people but also does not differentiate one organization from another. Every corporation wants to maximize the bottom line. A good vision, by addressing each principal theme, must communicate why an organization is special and different. Two studies that linked corporate values and mission statements with financial performance reported that the most successful firms mentioned values other than profit, while the less successful focused almost entirely on profitability.[11] Profit is the metaphorical equivalent of the oxygen, food, and water that the body requires. They are not the point of life, but without them, there is no life.

AT&T's mission statement has no mention of profit or any financial element. It is "dedication to being the world's best at bringing people together — giving them easy access to each other and to the information and services they want — anytime, anywhere." A simple test I give managers is to have them determine whether the definition of their mission has been simply a writing exercise that states *what* their organization or department does, rather than *why* they are in business. If the mission is poorly defined and appears to describe the "what" and not the "why," I continue to ask, "And *why* do you do *this*?" until they identify the larger, almost existential purpose. AT&T's mission, "bringing people together," addresses this criterion.

Dennis Green, chief auditor for Citicorp and head of Corporate Audit, the internal auditing function, has shaped an elegant vision that stands on its own yet fits snugly within the broader stated vision of Citicorp. One element of Corporate Audit's mission is to "shape the way the line thinks and acts about risk and control . . . and to take a leadership role outside of Citicorp in setting professional standards." It has answered the *why* question.

Focusing on the Three Themes of Vision

Mission

What business(es) are we in?

What is our fundamental purpose or reason for being?

What types of products or services do we make or provide? How do we define the customers we serve?

For whose benefit are all our efforts?

What unique value do we bring to our customers?

Are we confident that this mission is distinct and unique from any other organization that may provide a similar product or service?

Are we describing what we do or why we do it?

Strategy

What is the basic approach to achieving the mission?

What is the distinct competence or competitive advantage that will characterize our organizational or departmental success?

Culture

What are (or should be) the hallmarks of our culture and leadership style?

How do (or should) we treat each other and how should we work together?

What do we believe about ourselves?

What do we stand for?

What values do we hold dear?

What characterizes an effective employee?

In what ways is our organization a great place to work?

Strategy

To achieve a mission, there must be a strategy to give the operational logic for what the company hopes to accomplish. If its purpose is to be the best at providing a particular service, the strategy must explain the principles that will make this possible. Sonoma realized that its global investment trading strategy was centered on buying or developing the most advanced hardware and software technology, recruiting the smartest and most creative young people on the planet, seizing creative opportunities before the competition, and cutting costs.

Strategy defines the business in which a company competes and the distinctive competence or competitive advantage that it currently has or plans to develop. It is related to the concept of strategic positioning — the place an organization assumes in relationship to its competitors. An element of strategic positioning for Merck is

A poorly managed vision can severely erode a manager's credibility.

to invest enormous amounts in R&D; at Motorola, it is an obsession with six-sigma quality. In General Mills's vision, it is "speed"; for Federal Express, it is to "continually improve quality to achieve 100 percent on-time deliveries, 100 percent information accuracy, and 100 percent customer satisfaction." Charles Schwab's strategic elements include being "fair, empathetic, and responsive in serving our customers; striving relentlessly to improve what we do and how we do it; always earning and being worthy of our customer's trust; delivering high-quality, reliable ethical products and services at a fair price."

Obviously, a vision statement cannot include all the details of a particular strategy, but it must highlight elements that identify a unique strategy. Because it must differentiate the organization or department, it cannot be borrowed from someone else.

Culture

Organizational culture is typically missing from the standard "mission statement," which is why the statement alone is ineffectual. The ultimate value of the vision as a management tool is undermined if the vision is nothing more than a statement of purpose and a strategy for getting there. Purpose and strategy do not have the power to enhance performance unless they can be converted into action, policy, and job-related behavioral guidelines. Organizational values serve as the underpinning that directs and sustains this behavior. When people understand the desired culture — the values that support the purpose and strategy — they know what is expected of them.

Jack Welch's successful transformation of General Electric was rooted in his development of and commitment to a vision. In a relatively short time, he clearly articulated the mission, but getting to the desired values that he regarded as essential to achieving the mission and strategy required more thought, negotiation, and testing. The glue that makes the GE vision hold together, Welch believes, is the concept of "boundarylessness," shared values and human networks across all its businesses. Welch subsequently outlined more specific values such as "hate bureaucracy and all the nonsense that comes with it"; "understand accountability and commitment and be decisive"; "set and meet aggressive targets with unyielding integrity"; "have the confidence to empower others"; "nothing is secret"; and "[take] ownership [of decisions and actions]."[12]

In a study sponsored by the American Business Conference, McKinsey & Co. analyzed the most successful midsize, high-growth firms in the United States.[13] The defining characteristic common to the companies was the intensity with which they managed their cultures. McKinsey researchers found that the organizations worked diligently to maintain the same qualities of the culture that had characterized them when they were small and that had led to their initial success. How were they able to institutionalize the culture developed during their formative period? They instilled a strong, explicit sense of mission and shared values — and they worked constantly to reinforce deeply ingrained beliefs. Because they consciously communicated the desired characteristics of the culture through various media, they continually reinforced how they expected people to behave.[14]

The eight principles that Lou Gerstner developed include four that define explicit cultural values ("minimum of bureaucracy," "think and act with a sense of urgency," "sensitivity to the needs of all employees," and "outstanding dedicated people make it all happen, particularly when they work together as a team"). He noted that one pressing challenge was to change IBM's culture: "It's not something you do by writing memos. You've got to appeal to people's emotions. They've got to buy in with their hearts and their bellies, not just their minds."[15]

Consistent, clear, and shared values affect personal and organizational effectiveness. For example, people who rapidly understand the values behind their organization's culture adjust more quickly to their jobs; in turn, they tend to have higher levels of satisfaction and commitment to the organization. When there is a snug fit between individual and organizational values, and when these values are made explicit, job satisfaction will be higher and organizational turnover lower.

Why Do Visions Fail?

Sonoma's stalled vision process can be traced to the enigma of organizational visions. Armed with inadequate and inaccurate information, its managers fell prey to some characteristic traps inherent in the process:

- Sonoma's senior managers were confused about what the vision needed to communicate. Initial attempts resembled a short-term plan rather than a long-range vision. Another plan was the last thing the firm needed.
- The motivation for Sonoma's vision came from the bottom up. Since the partners lacked a clear understanding of why visions work and why they fail, they ultimately viewed the effort as a management fad. Staff believed that senior management abdicated their leadership responsibility by not maintaining responsibility and by allowing the vision process to flounder.
- The level of confusion, conflict, and frustration that the managers experienced at the outset was enough to override their motivation and initial momentum. It was ultimately easier to let inertia set in and hope that the need for a vision would just fade away.
- The conflict in the process surprised many managers, especially the senior partner. His need for harmony, consensus, and organizationwide involvement was ill-suited to the discord that ultimately ensued.

A poorly managed vision can severely erode a manager's credibility. Visions, and the developmental process that precedes them, fail for one or more of the following reasons:

The Walk Doesn't Match the Talk

An idealistic vision can raise employees' hopes, but those same hopes will be dashed when they see that senior management's behavior is inconsistent with the vision. For many leaders, vision is a sloganeering campaign of new buzzwords and empty platitudes like "devotion to the customer," "teamwork," or "total quality."

Without substantive ideas and concrete programs to ensure that behavior is consistent with the vision, the platitudes quickly become a joke that invariably backfires on the self-appointed leader. As John Rock, general manager of GM's Oldsmobile division, described,"A bunch of guys take off their ties and coats, go into a motel room for three days, and put a bunch of friggin' words on a piece of paper — and then go back to business as usual."[16]

Carefully worded statements are etched onto plaques and mounted on walls, printed in annual reports and employee newsletters, and paraded through marketing campaigns. Unfortunately, this is where some visions stop. Organizational culture is changed and managed only when a leader's behavior matches the message.

A publicly traded firm that developed and installed client-server software established a vision that emphasized honesty with customers and each other and problem solving at the source. Unfortunately, when software glitches arose, managers generally ordered engineers to do quick on-site fixes rather than redesigning problematic parts of the software. Attacking the symptoms rather than the problem often worked well in the short term, but because the managers emphasized this, it became a problem for the firm's culture. The company ultimately went out of business. With twenty-twenty hindsight, senior managers now believe the company's demise was caused by a lack of focus on solving problems and a lack of honesty with software users. They realized too late that customers want the truth, not optimistic news. Had they followed their own vision, the outcome might have been different.

Some managers are surprised at the organizational repercussions of not practicing what they preach. When their behavior runs contrary to guidelines prescribed by the vision, others perceive it, quite viscerally, as betrayal. The impact of not walking the talk can devastate a manager's long-term credibility.

Irrelevance

Vision created in a vacuum can ignore the needs of those who are expected to follow it. When it is not anchored in reality, takes no account of the environment, or disregards the capabilities and problems of the organization, employees will reject it. Tangible visions that people can relate and commit to are based on the learning that managers get from soft data. This information is difficult to obtain if managers perch atop a hierarchy and do not talk to the people at other levels. It requires not just management by walking around, but by walking around, talking with a diverse constituency, and, most important, listening to their needs, hopes, and obstacles.

An irrelevant vision contributed to serious problems at Lands' End. William End was recruited from L.L. Bean to bring modern management systems and structures to the Wisconsin-based mail-order firm that was struggling with unbridled growth. End and a newly recruited divisional vice president decided to rewrite the mission statement. Prior to this, the company's philosophy had been crystal clear: "Take care of your people, take care of your customers, and the rest will take care of itself." It worked (and it also placed Lands' End in the "100 Best"). But the new statement, "Turn every customer into a friend by delivering quality products, honest value, and world-class service," was created in isolation and caused friction among employees. It was displayed on bulletin boards, buttons, and banners overhanging the huge warehouse. It alienated people like Karen Boebel, a seventeen-year employee, who asserted, "We don't need anything hanging over our heads telling us to do something we're already doing." Employees not only considered it irrelevant, but saw it as an attempt to diminish the existing philosophy that had become so ingrained in their culture. The new credo forced a reorganization from functional to cross-functional teams, forced continual production increases on every team, and depersonalized employees through a numeric performance appraisal process of questionable validity. People now felt like cogs in a production wheel and no longer part of a corporate family. Ultimately, Gary Comer, the company's founder and original visionary, terminated both authors of the new mission in December 1994.

Not the Holy Grail

From best-selling books on leadership development to editorial columns and public forums, we learn that vision is the answer to many organizational maladies. However, when unrealistic expectations are associated with a management strategy or technique, it becomes a kiss of death. The historical landscape of the management profession is littered with the remains of beliefs and techniques that started as good ideas and ended as managerial religions. People frequently reprimand the heretic who refuses to practice a particular religion. In 1990, anyone expressing less than complete devotion to total quality management would have been labeled an iconoclast. Although TQM has been a phenomenal success for many organizations, it is not a universal panacea. Some firms have quietly dropped their formal TQM efforts.

Managers search continually for the one elusive solution that will solve their organizational problems, the next holy grail of management. They may have tried other management fads that fell short of expectations, but the fantasy prevails that one exists. Visions support sound management, but they require everyone to walk the talk and to be accountable for their behavior. A vision should never be viewed as a magic cure for an organizational illness.

Vision from a Rearview Mirror

Although many superb organizational strategies are essentially great visions, many failed visions are no more than limited strategies that sputtered at conception. A manager who needs to control, fears mistakes, is intolerant of ambiguity, or judges rather than creates ideas may develop constraining visions characterized by a short time horizon.

If a manager prefers analysis, the final product will likely be a plan rather than a vision. Creating a vision requires imagination, a mental capacity for synthesis, and a trusted intuition. Managers underdeveloped or uncomfortable in these areas may be more inclined to depend on the formal planning process, which extends the past rather than creates the future.

An Ideal Future Irreconciled with the Present

Although visions are not designed to mirror reality, they do need to be anchored in it. People may have difficulty identifying with a vision that paints a rosy picture of the future, takes no account of the often hostile environment in which the firm operates, or ignores its inherent incapabilities.

Rather than ignoring obvious obstacles to the vision, managers should acknowledge them up front as challenges. Managers who explicitly recognize and address adversity can construct a believable, effective vision that unifies and provides focus. Adversity can be based on an "us versus them" attitude in which "they" are competitors, a hostile environment, constraints within the organization, or limited resources.

Although it must be challenging, a vision cannot be the organizational equivalent of an unrealistic New Year's resolution.

Often, when leaders focus on carefully defining a mission, strategy, and culture, they become more aware of their status as underdogs. They become mired in the pressing reality of survival, which in turn takes enthusiasm and optimism away from the process. A challenge in defining vision is to acknowledge adversity but to develop a perspective of success.

Too Abstract or Too Concrete

Visions and vision statements describe possibilities, attractive futures, and unreachable dreams. Unlike goals or objectives with clearly defined, measurable ends, they take a broader perspective by implying that the vision may never be fully achieved. Visions require a dose of idealism and the ability to imagine what an organization will be like when it has solved all its nagging problems.

Although it must be challenging, a vision cannot be the organizational equivalent of an unrealistic New Year's resolution — exciting, ambitious, and worthwhile at the time, but not grounded in what is even remotely achievable. The problem with finding idealistic missions, strategies, and values broad enough to inspire is that they can be too idealistic and abstract. The process therefore requires managing the inherent paradox of creating a vision that is sufficiently idealistic yet realistic and tangible enough so that people can believe it is achievable in some respects.

A vision statement also needs "legs." Unlike visions that flip-flop every year, a vision works only if people believe that management is bound to it over time. They must perceive the vision as an enduring commitment.

Lack of a Creative Process

Many experiences and ideas about the formal process of developing a vision have been published during the past decade, and, though process is not my focus here, it is important to highlight some misconceptions.[17] Developing a vision can be an imprecise, frustrating, and tedious procedure that is not at all the way people in most organizations communicate and make daily decisions. Some leadership guidebooks imply that the process should be soul-searching, consensus-based, and experienced by as many people in the organization as possible. When the final vision is agreed on, everyone will sing "Koombaya" and celebrate the emerging future.

The exercise is rarely spiritual and pleasant. The process is creative and often chaotic, requiring many iterations. It defies the linear thinking that many managers have been taught throughout their careers. Rather, it requires a mental capacity for synthesis and imagination, something that Mintzberg finds underdeveloped in too many managers.[18]

Those who have struggled with defining an ideal, unique image of their organization nonetheless find that the process itself can be more enlightening and revealing about the organization's strategic future than the final well-crafted vision statement. An honest process will be a sobering but invigorating experience. Anyone who claims to have easily sailed through the vision development process is probably not telling the truth or has approached it incorrectly.

Poor Management of Participation

The evolution of a final vision statement requires consensus building, listening, and provoking. The level at which participation occurs is also important. If managers "tell" the vision, they may elicit compliance but lower the probability for commitment. An autocratically derived statement written in isolation and pushed from the top down is doomed for disaster, as William End experienced at Lands' End. A vision that represents a sophisticated process of collaboration must build on diverse and perhaps conflicting visions from a myriad of levels.

There are, however, limits to the extent of true top-to-bottom participation. A representative group with a leader must listen and seek reactions to versions as they are developed and revised. One person or a small group must decide on the content of the three principal themes and be responsible for wordsmithing the formal vision statement. Broadly collaborative efforts invariably get bogged down by competing agendas and preferences. The struggle for consensus may eliminate strongly held beliefs that belong in the vision. This is a time-consuming process, and as more people are added to it, the costs increase proportionately.

An important role for a leader is to establish a vision and to communicate it compellingly. If the responsibility for vision is liberally diffused, then the leader is abdicating his or her obligation. Leaders must ultimately frame an organization's vision while they seek information from outside sources. At best, it is incrementally negotiated. Successful leaders follow an experimental, largely political process for building a consensus rather than quickly locking themselves into irreversible commitments.

Many avenues can be taken to build support and arrive at a negotiated vision. Establishing a task force, releasing trial balloons, deliberately leaking information, canvassing trusted colleagues, negotiating individually with key people, developing informal networks, cultivating common ground, and strategically waiting for the right moment are often successful approaches. Only after enough people are on board can the leader announce the new vision.

Complacency

Because visions focus on an ideal future, a misconception arises that they address variables that only take time to change. The implementation of a vision that lacks a sense of urgency, and does not have immediate — and measurable — milestones associated with it, risks failure. Citicorp's Dennis Green infused Corporate Audit's vision statement with some ambitious goals that are at least one level above the goals found in a strategic plan. Nonetheless, vision-defined goals such as new audit systems, sharing information with line managers, and customer satisfaction include milestones that can be identified and measured annually. People must be accountable for actions that move the organization closer to its vision.

Conclusion

One purpose of vision is to help employees understand what an organization stands for and what is expected of them. Some may be excited by the promise; others may find it far less appealing. Because a vision is not intended to be all things to all people, vision-by-consensus is a counterproductive process.

After the vision is complete and communicated, each individual must ask whether he or she can commit to it. If the vision is a vehicle for communicating strategy and managing the culture, it requires difficult decisions and actions by everyone. In more than a few incidents, the vision was announced, many managers pledged their commitment, and others walked away, resolved to seek jobs where a different organizational culture might be a better fit.

Although the vision must have broad appeal, it is not a one-size-fits-all proposition. The difficult decisions throughout the vision process are not limited only to the development of a vision statement. People must eventually determine whether the vision fits with their personal goals and values and decide whether they can grow with it. ◆

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