



**FACULTEIT ECONOMIE  
EN BEDRIJFSKUNDE**

**TWEEKERKENSTRAAT 2  
B-9000 GENT**

**Tel. : 32 - (0)9 - 264.34.61  
Fax. : 32 - (0)9 - 264.35.92**

## **WORKING PAPER**

# **Does your mission statement have any value? An explorative analysis of the effectiveness of mission statements from a communication perspective**

**Sebastian Desmidt<sup>\*</sup>**

**Anita Prinzie<sup>†</sup>**

March 2009

2009/568

---

<sup>\*</sup> Corresponding author: Desmidt, Sebastian, Ph.D., Assistant Professor at University College Ghent, Department of Applied Business and Public Administration, Belgium and post-doctoral researcher at Ghent University, Faculty of Economics and Business Administration, Department of Management, Innovation and Entrepreneurship, Belgium, [Sebastian.Desmidt@hogent.be](mailto:Sebastian.Desmidt@hogent.be)

<sup>†</sup> Prinzie, Anita, A., Ph.D., Post-doctoral researcher at Manchester Business School, Marketing Group, The University of Manchester, United Kingdom and visiting professor at Ghent University, Faculty of Economics and Business Administration, Department of Marketing, Belgium.

## **ABSTRACT**

Convinced that it will improve their performance, the majority of public and non-profit organizations has developed a formal mission statement. However, despite its popularity, the assumed mission statement-performance hypothesis seems to be barely analyzed nor tested (Weiss and Piderit 1999). We addressed this issue by empirically examining the effectiveness of mission statements from an intra-organizational communication perspective and tested a theoretical rationale explaining the mission statement-performance hypothesis. The study results indicated that mission statements stimulate organizational members to engage in information conveyance and convergence processes, which prove to be positively related with the level of mission motivation. Higher levels of mission motivation, in turn, are assumed to be related with higher organizational performance.

## **KEYWORDS**

Mission statement, communication effectiveness, public organizations

## INTRODUCTION

Building on the work of scholars of bureaucracy from Luther Gulick to James Q. Wilson, whom all have championed the benefits of a strong mission (Heimann 1995), many public management authors have emphasized that salient and clear organizational missions are conducive to effectiveness (Brewer and Coleman Selden 2000; Meyers, Ricucci, and Lurie 2001; Moynihan and Pandey 2005; Rainey and Steinbauer 1999; Weiss and Piderit 1999). Moreover, the idea that clarification of an organization's mission must be given priority (Crewson 1997) has pervaded the prescriptive writing about public management to the extent that it has led to a wildfire spread of legal requirements coercing various types of public and non-profit organizations to devise and communicate a formal statement of mission (Weiss and Piderit 1999). The Government Performance and Results Act, for example, requires U.S. federal departments and agencies to write a mission statement while several U.S. state legislatures and governors have forced state agencies to write a mission statement and many U.S. states demand mission statements from their public universities, colleges, community colleges and non-profit hospitals (Gilmour and Lewis 2006; Weiss and Piderit 1999). By motivating and even legally forcing public and non-profit organizations to devise a formal mission statement, elected officials hope to stimulate public and non-profit agencies toward performance improvement (Weiss and Piderit 1999). As a result, it comes as no surprise that mission statements have become virtually ubiquitous in the public and non-profit sector (Chun and Rainey 2005), and that the majority of public and non-profit organizations, including health care providers (Bart 1999), nursing homes (Kalis, van Delden, and Schermer 2004), public agencies (Weiss and Piderit 1999), non-profit youth and recreation service organizations (Brown and Yoshioka 2003), and libraries (Kuchi 2006), have joined, as Rainey and Steinbauer (1999) have labeled it, "the herd" of organizations issuing a formal mission statement. Ironically, despite its increasing popularity, the intuitive belief that mission statements

stimulate organizational performance seems to be based on equivocal evidence (Bart and Baetz 1998; Bart, Bontis, and Taggar 2001; Bartkus 2000; Bartkus and Glassman 2008). Moreover, the mechanisms that lead from mission statements to subsequent improved performance have only been sporadically the subject of rigorous, systematic empirical analysis (Weiss and Piderit 1999). The paper at hand would like to contribute to the existing discussion on the mission statement-performance relationship by examining mission statement effectiveness from a communication perspective. More specific, we discuss and investigate the effectiveness of organizational mission statement as an intra-organizational communication instrument. The first section of this paper discusses how mission statements can, theoretically, contribute to the performance of an organization. Section two elaborates some of these theoretical rationales in a theoretical model which is then tested in section three. Section four discusses the results and implications of the tested model.

## **THE RELATIONSHIP BETWEEN MISSION STATEMENTS AND ORGANIZATIONAL PERFORMANCE**

The organizational mission has been described as the purpose, strategy, values and behavioural standards of an organization (Campbell and Yeung 1991). It should reflect the organization's reason for being by addressing fundamental organizational questions such as: "Why do we exist?", "Who are we", "What do we want to achieve?" and "What is our purpose?" (Bart 1996; Bart and Tabone 1999). Organizations often specify these issues in a formal organizational mission statement. By formulating and articulating a specific answer to the cited questions, organizations hope to achieve two key results: (a) to create a common direction or rationale transcending individual and departmental needs, and (b) to motivate and inspire organizational members and stakeholders to support the organization in its pursuit to realize its rationale (Bart and Tabone 1999; Campbell and Yeung 1991). Roberts and Wargo (Roberts and Wargo 1994), for example, indicated in their analysis of the implementation process of a comprehensive

strategic planning system within the U.S. Navy that one of the ultimate aims of this planning process would be to articulate a statement of mission that was (a) immediately understood by the internal audience as well as the general public, Congress, and other government agencies, and (b) provides cohesive, single source, top-down guidance for planning, resource allocation, and future investment. In addition, research by Bart and Tabone (Bart and Tabone 1998) revealed that non-profit health care managers primordially develop and communicate mission statements with the aim of (a) providing a common direction/purpose, (b) defining the scope of business, and (c) to promote shared values. These examples underline that formal organizational mission statements are invested with a dual responsibility: they are expected to be both a strategic management instrument and a communication instrument (Campbell and Yeung 1991). As a strategic management instrument, the formal mission statement is expected to reflect the strategic blueprint of the organization and act as the starting point for the intended strategy. The central aim of a strategic mission statement is to guide the resource allocation process of the organization in a way that produces consistency and focus (Ireland and Hitt 1992). Hence, mission statements are the foundation of numerous management concepts and models such as strategic planning (Larson 1998), strategic management (Smith et al. 2001), and the Balanced Scorecard (Kaplan and Norton 1992). As a strategic management instrument, mission statements are above all intended to help managers develop, formulate, implement and evaluate organizational strategies. The second function stresses the communication value of mission statements. Mission statements “are clearly written with a view not only to the expression of something fundamental about the organization, but with a view to achieving it as well. That is, the act of communicating this mission message to certain parties is assumed to further the ends expressed in it (Hackley 1998, p. 93)”. As a communication instrument, formal mission statements reflect what the current managers, directors, and owners believe the organization is, and where it is likely to be headed. By projecting a specific description of the

organization's purpose, behavioral standards, strategies and values, the formal mission statement aims to generate a shared sense of organizational meaning. It offers the organization's stakeholders an understanding of how things fit together and articulates what is important and unimportant depending on underlying values and shared interests (Hill and Levenhagen 1995). As a communication instrument, the formal organizational mission statement intends to help the organization's stakeholders to make sense of the organization's essence and purpose. In the case of organizational members, the construction of such a shared organizational definition should stimulate the organization's functioning as it enhances organizational members' sense of connection towards the organization, as well as provides clear directions and goals that serve to define the appropriate course of action (Denison and Mishra 1995).

### **CONCEPTUAL FRAMEWORK AND HYPOTHESES**

The previous section demonstrated that, from a communication perspective, formal mission statements can be interpreted as a top management constructed explicit narrative of what an organization is and represents, expected to influence its members' perception of the central, enduring, and distinctive features of the organization (Ravasi and Schultz 2006). The mission statement hereby serves as a knowledge structure which (a) shapes how people who work in (or with) the organization, perceive, remember, and think about the organization and its tasks, and (b) stimulates conversation about the mission statement and questions how people think about the agency, helping people to connect their individual or unit work with the larger organizational mission, developing more widely shared schemas about the agency, and creating focus and a shared sense of priorities (Weiss & Piderit, 1999). Consequently, the communication effectiveness of mission statements can be interpreted as a function of their ability to (a) provide organizational members with relevant knowledge structures about the

organization (i.e. transmission of information), and (b) create shared organizational schemas and a shared sense of priorities (i.e. generate mutual agreement on the meaning of information).

### **The Vital Role of Conveyance and Convergence Processes**

Mission statements can thus only be deemed effective or successful, from a communication perspective, if they stimulate organizational members (a) to process the information embedded in the mission statement (i.e. the conveyance process), and (b) to reach a common understanding about the meaning of the information embedded in the mission statement (i.e. the convergence process) (Dennis, Fuller, and Valacich 2008). The first phase, i.e. conveyance of information, encompasses the transmission of information to enable the receiver to create and revise his or her mental model of the organization (Dennis, et al., 2008). Such mental models are important as they allow organizational members to make sense of their organization and to generate descriptions of the organizations' purpose and functioning (Rouse and Morris 1986). Organizational leaders will try to influence and steer these individual sensemaking or meaning construction processes of organizational members by devising and communicating evocative narratives (e.g. mission statements) about the essence of the organization in order to help organizational members interpret organizational events, issues and actions (Smircich and Morgan 1982) and to foreclose alternative interpretations and understandings of phenomena (Vlaar, Van den Bosch, and Volberda 2006). Miranda and Saunders (2003), however, stress that it is important to understand that these management induced information processing processes are inherent individual subjective activities. Organizational members draw on their prior knowledge, experiences and existing mental models to ascribe meaning to the projected information hereby often imposing his or her subjective meaning on the text (Miranda and Saunders 2003). For example, the formal mission statement of a service organization can focus on "delivering the highest possible quality", but the significance and meaning of the labels "service", "quality", and "highest possible" can take on different meanings at different times

and in different parts of the organization (Corley 2004). As a result, the labels and metaphors embedded in the mission statements may have different meanings for different organizational members based on their biographies and positions in the organizational setting (Wang and Berman 2000). The existence of different interpretations hampers the effectiveness of mission statements. It is therefore of vital importance that organizational members examine how others interpret the mission statements and negotiate a mutually agreed-upon meaning (Weick 1985). In other words: the individual subjective activity of interpreting the mission statement has to be complemented with collective subjective activities (i.e. intersubjectivity) in order to socially construct a shared upon meaning and to develop interactively a richer interpretation of the mission statement content (Miranda and Saunders 2003). In this second phase, i.e. the convergence process, it is important that organizational members try to establish a shared sense of mission statement meaning. Fairhurst and Jordan (1997) argue that such a shared sense of mission statement meaning can be generated when organizational members discuss the content of the mission statement and more specifically communicate predicaments to reveal choice points in implementation, articulate possible futures, debate next steps, and translate the implications of the mission statement into specific role requirements. Such a shared sense of mission statement meaning is believed to be an essential factor as it offers a theoretical rationale to explain why mission statements could influence the performance of organizations (Weiss and Piderit 1999).

### **Problem Statement**

The previous paragraphs have demonstrated that both conveyance and convergence processes are essential steps towards the development of an effective mission statement as “without adequate conveyance of information, individuals will reach incorrect conclusions [and] without adequate convergence on meaning, individuals cannot move forward [...] as they will lack a shared understanding (Dennis et al. 2008, p. 580)”. However, despite the fact (a) that managers



primordially develop mission statements with the aim of transmitting a specific organizational image and creating a common direction (Bart and Baetz 1998), and (b) that the academic literature has often claimed and stressed that mission statements can stimulate information conveyance and convergence processes within an organizational setting (Bart, Bontis, and Taggar 2001; Brown and Yoshioka 2003; Campbell and Yeung 1991; Weiss and Piderit 1999), the effectiveness of mission statements as a vehicle of organizational communication is under-exploited (Hackley 1998). In fact, prior mission statement research focused primarily on the content of mission statements and its development process, while the communication effectiveness of mission statements and the factors influencing the level of effectiveness received scant attention (Desmidt and Heene 2007; Desmidt, Prinzie, and Heene 2008). An observation which leads to the remarkable contradiction that experts widely recognize that “the effectiveness of mission statements is contingent upon the extent to which they are communicated to the organization’s members (Williams et al. 2005)” but that we know relatively little about organizational members’ perception of the mission statement and the mission statement’s impact on them (Brown and Yoshioka 2003). Consequently, the paper at hand assesses mission statement effectiveness by examining (a) if formal organizational mission statements stimulate organizational members to engage in the necessary conveyance and convergence processes, and (b) if the intensity with which organizational members process the mission statement is related with subsequent performance. Figure 1 depicts our conceptual framework and will be explained in the subsequent paragraphs.

-----  
Insert Figure 1 about here  
-----

## **Hypotheses**

As the ultimate goal of mission statements is to serve as “a knowledge structure about the organization, which shapes how people work in (or with) the agency perceive, remember, and think about the organization and its tasks (Weiss & Piderit 1999, p. 196)”, it is a prerequisite

that organizational members accept the information imbedded in the mission statement. Inspired by the work of Rainey and Steinbauer (1999), we argue that the likelihood of accepting the mission statement increases when the mission statement is deemed to have a high level of valence (i.e. attractiveness). The concept of mission statement valence, which draws on the concept of valence from the expectancy theory of work motivation, posits that a mission statement has higher valence if the projected persuasive message is perceived to be (1) difficult but feasible, (2) reasonably clear and understandable, (3) worthy/worthwhile, legitimate, (4) interesting, exciting, (5) important, influential, and (6) distinctive (Rainey and Steinbauer 1999). We argue that, when confronted with the mission statement message, organizational members will assess the mission statement's valence by comparing the projected message or organizational schemas with their existing mental models of the organization. Organizational members will process or "elaborate" the arguments and organizational attributes expressed in the mission statement by (a) accessing relevant associations, images, and experience from memory, (b) scrutinizing message arguments in light of the associations available from memory, and (c) drawing inferences about the merits of the arguments (Cacioppo and Petty 1984). This internal comparison will result in either (a) acceptance of the projected image when the information provided by the mission statement is considered relevant, or (b) rejection of the mission statement when the information provided by the mission statement is considered to be too incompatible with the current organizational mental models (Corley, Cochran, and Comstock 2001). Especially when the mission statement voices (a) a desired future organizational state which is deemed to be unachievable, (b) management focal points which are deemed irrelevant by other organizational members, (c) a socially desirable, managed impression that overemphasizes selected aspects of the organizational identity, and/or (d) even attempts to conceal or misrepresent aspects of the organizational identity (Gioia, Schultz, and Corley 2000), the chance that organizational members reject the mission statement increases.

Accordingly, we posit that the perceived mission statement valence will be positively related with organizational members' evaluation of or satisfaction with the mission statement.

*H1: The perceived mission statement valence has a positive effect on organizational members' satisfaction with the mission statement.*

Note that hypothesis H1 only depicts the individual subjective activity of interpreting information. Based on the work of Miranda and Saunders (2003), we argued earlier that this conveyance process has to be complemented with collective subjective activities in order to socially construct a shared mission statement meaning. The question now arises to what extent mission statement satisfaction stimulates organizational members to engage in convergence processes and collectively manage the meaning of the mission statement. Most literature on the topic seems to be driven by the rationale that a mission statement characterized by clarity and high understandability, hence the dominant focus on mission statement content, will lead to higher recipient's mission statement satisfaction (Brown and Yoshioka 2003), which in turn will stimulate explicit conversation about the mission statement (Weiss and Piderit 1999). An assumption which is probably suggested by the fact that a positive evaluation of an attitude object is likely to result in consequent appropriate actions regarding the attitude object (Bhattacharjee and Sanford 2008). In accordance with this assumption, we assume that a positive evaluation of the mission statement will stimulate organizational members to engage in behaviors associated with the management of mission statement meaning, such as communicating predicaments to reveal choice points in implementation, articulating possible futures, debating next steps, communicating enthusiasm and translating the implications of the mission statement into specific role requirements (Fairhurst and Jordan 1997).

*H2: Mission statement satisfaction is positively related with organizational members' level of management of mission statement meaning.*

The importance of organizational members' level of management of mission statement meaning is significant as it offers a linkage between the communication of a mission statement and organizational performance. Weiss and Piderit (1999, p. 196), for example, argued that such management of mission statement meaning makes it possible for organizational members to connect their individual or unit work with the larger organization and helps them to incorporate the agency and its goals into their sense of identity, which in turn increases "the motivation of individual employees to strive to achieve the mission and work together to do so". Such "mission motivation" will stimulate organizational performance as individuals "will extend effort and seek to perform well in ways that he or she perceives to be related to accomplishing the mission (Rainey & Steinbauer 1999, p. 25)". Consequently, we argue that the degree to which organizational members engage in behaviors associated with the management of mission statement meaning, and thus build connections between themselves and the organization, influences their level of mission motivation.

*H3: Management of mission statement meaning is positively related with organizational members' level of mission motivation.*

## **METHODOLOGY**

### **Sample and Data Collection**

The data for this study were collected during a larger research project examining the effect of mission statements and goal setting within the public and non-profit sector. The theoretical population included all organizational members of three Flemish (semi-)public organizations. The first organization was a public health inspection agency. The second organization was a nonprofit publicly funded psychiatric hospital and the third a nonprofit publicly funded general hospital. The actual data collection process consisted of two phases and similar data collection procedures were applied in all three organizations to minimize researcher bias. Phase 1 of the

data collection process consisted of an on-site structured interview session with one member of the top management team, designated by the organization's CEO, in each of the participating organizations. The goal of this structured interview was to assess (a) if the mission statement was more than mere window dressing and, (b) if the top management team had made efforts to bring the formal mission statement to the attention of all organizational members. More specific, the respondents were asked to indicate (a) the degree of stakeholder involvement in and influence on the mission statement development process, (b) the style of the development process, (c) the used mission statement communication media, and (d) the degree to which the mission statement is used as a guide to hire and evaluate organizational members (Bart and Tabone 2000). The interview results indicated that all three organizations had developed and implemented their formal mission statement in accordance with the theoretical recommendations (Bart and Tabone 2000). In addition, we calculated the Flesch Reading Ease Index of the mission statements of the selected organizations (23.5, 41.6 and 12 respectively) which indicates that the mission statements in our sample are very difficult (0-29) to difficult (30-50) to understand and could thus have a low level of clarity and understandability.

In phase 2, i.e. the actual data collection process, a self-administered questionnaire was distributed to all organizational members of the participating organizations. All members were handed an envelope containing (a) a copy of the organizational mission statement, (b) an 8-page questionnaire, in which the subject's confidentiality was assured by an attached cover letter, and (c) a return envelope. Subjects had two weeks time to return the completed questionnaires to a closed on-site drop-off box. To ensure anonymity, questionnaires were retrieved, opened and processed by non-organizational members (Desmidt and Prinzie 2008).

The survey had an *N* of 2834 and 1062 completed questionnaires were returned. Given the objectives of this research project, we decided to select only the respondents whom indicated at the beginning of the questionnaire that they were aware of the fact that their organization

disposed of a mission statement. This reduced the number of useable responses to 912, resulting in a usable response rate of 32%. Non-response bias was assessed by comparing, for each organization, the characteristics of the population with the characteristics of the respondents. The comparison revealed no discrepancies between the samples and their respective populations. Among the usable respondents, the average age was about 39.9 years old and 63% of the sample was female. On average, the sample respondents had worked for their organization for 13.6 years with 10.7 years of tenure in their current positions.

-----  
Insert Table 1 about here  
-----

## **Measurement**

The self-administered questionnaire was primordially designed to elicit information on organizational members' perceptions of the mission statement. The questionnaire contained 34 closed-ended questions. Wherever possible, the study variables were measured using items from previous measures.

*Mission statement valence.* The attractiveness or "valence" of the mission statement indicates the degree to which organizational members perceive the mission statement as (1) difficult but feasible, (2) reasonably clear and understandable, (3) worthy/worthwhile, legitimate, (4) interesting, exciting, (5) important, influential, and (6) distinctive (Rainey and Steinbauer 1999). 12 items, measured by means of a 7-item semantic differential format, were used to operationalize the construct "mission statement valence". Items were derived from the theory of planned behavior (Ajzen 2006; Ajzen, Rosenthal, and Brown 2000) and elaboration likelihood literature (Bhattacharjee and Sanford 2008).

*Mission statement satisfaction.* Mission statement satisfaction indicates the degree to which organizational members are satisfied with their organization's formal mission statement and what it expresses. Mission statement satisfaction was measured by means of 1 item (7-point Likert scale).

*Management of mission statement meaning.* Management of mission statement meaning indicates the degree to which organizational members intent to engage in behaviors associated with the management of mission statement meaning. These behaviors include explanation of the mission statement, making linkages to extant programs or practices, agenda setting, communicating enthusiasm, and adapting the mission statement to the personal work situation. Management of mission statement meaning was measured by means of Fairhurst, Jordan and Neuwirth's (1997) 7-item Management of Meaning Scale (7-point Likert scale).

*Mission motivation.* Mission motivation indicates the degree to which organizational members are motivated to contribute to the achievement of the organizations' mission. Mission motivation was measured by a 6-item scale based on de Ridder's Organizational Supportive Attitude Scale (7-point Likert scale) (de Ridder 2004). The scale was adapted to reflect what Rainey and Steinbauer (1999, p. 25) have labeled "mission motivation" and does not mere focus on "the perception of a mission but the extension of effort toward achieving it".

### **Analytic Procedure**

Hypotheses were tested using structural equation modeling (SEM) with latent variables, following a two-step approach (Anderson and Gerbing 1988). In the first step of this approach, we used confirmatory factor analysis (CFA) to develop an acceptable measurement model and to assess the reliability and construct validity of all scales. In the second step, the relationships among the constructs are estimated, i.e. a structural model was constructed. All calculations were conducted in LISREL (version 8.54) and before starting the analyses the data was screened (Jöreskog and Sörbom 1993). More specifically, we (a) screened the collected data for coding errors, (b) recoded when reverse coding had been used, and (c) checked for missing values. Missing values were dealt with by tree imputation as incorporated in SAS Enterprise Miner (SAS 9.1). Using a tree imputation method has the advantage to listwise or pairwise deletion that the initial sample size (N = 912) could be retained.

### **Results**

### *Univariate analysis*

Table 2 shows the univariate statistics for all latent variables. On average, respondents are rather content with the attractiveness (i.e. mission statement valence) of their organization's mission and are, in general, rather satisfied with the mission statement. The respondents display an average mission motivation score of 5.14. With an average of 2.96, the reported level of management of mission statement meaning is the only variable scoring below the scale midpoint.

-----  
Insert Table 2 about here  
-----

### *Measurement model*

A multi-factor measurement model was developed with the survey items. All variables were treated as latent constructs. As there is only one indicator for the latent construct mission statement satisfaction, its measurement error variance is unidentified. Following Jöreskog and Sörbom (1993), assuming a reliability of 0.85 for mission statement satisfaction, the error variance of mission statement satisfaction is fixed to 0.15 times the variance of the observed item mission statement satisfaction, i.e. 0.216. Successively we tested the measurement model for 1) construct validity, 2) convergent validity and 3) discriminant validity.

First, construct validity is reflected by all standardized factor loadings being significantly different from zero (t-statistics exceeding 1.96) and non-trivial (absolute standardized loadings  $>.50$ ). The measurement model  $\chi^2(145)=548.46$  provides a good fit to the data. The goodness-of-fit index (GFI, .94) exceeds the .90 (Bollen 1989). The non-normed fit index (NNFI, .96) and the comparative fit index (CFI, .97) are all above .95 (Hu and Bentler 1999). The root mean square error of approximation (RMSEA, .055) falls within the acceptable fit interval of  $[.50, .80[$  (Browne and Cudeck 1993). Finally, further evidence of construct validity is derived from the average variance extracted and the construct reliability of each construct exceeding .50 and .70, respectively. An overview of the final measurement model is presented in Table 3.



Additional information including means, standard deviations, and correlations between the variables in the model are listed in Table 2.

-----  
Insert Table 3 about here  
-----

Second, following Fornell and Larcker's (1981) suggestions, evidence of *convergent validity* is provided by a) the significant size of the factor loadings ([.73, .87], average  $\lambda = .80$ ), b) composite reliabilities for each of the three constructs exceeding .80, and c) average variance extracted (AVE) for each construct exceeding .50. Third, all constructs are discriminant valid as the square root of AVE for each construct is greater than the correlations between the given construct and any other construct (Fornell and Larcker 1981) as shown in Table 2.

#### *Structural model*

The next step in our data analysis examines the significance and strength of each of the hypothesized effects by estimating a structural model. Model fit for the analytical model is summarized in Table 4. The overall structural model fit of the model is acceptable (GFI=.91, NNFI=.93, CFI=.94, RMSEA=.078).

-----  
Insert Table 4 about here  
-----

Figure 2 shows the final structural model with path coefficients and explained variance. All path coefficients were significant at the 0.001 level, nontrivial (absolute values  $>.10$ ) and having the expected sign.

-----  
Insert Figure 2 about here  
-----

Consequently, the data confirms all hypotheses. The proportion of variance in the endogenous variables accounted for ranged from .13 to .54 (cf. R-squares). For example, almost 54% of the variance in the construct "mission statement satisfaction" is explained by the construct "mission statement valence". A series of mediation tests (Hair et al. 2005) provides support for the sequence of effects as shown in Figure 2. There is a partial mediation effect of "mission

statement satisfaction” on the relationship between “mission statement valence” and “management of mission statement meaning”. The indirect effect of mission statement valence via mission statement satisfaction on management of mission statement meaning is much smaller (.32) than its’ direct effect on mission statement satisfaction (.73). Furthermore, the “management of mission statement meaning” partially mediates the relationship between “mission statement satisfaction” and “mission motivation”.

#### **DISCUSSION**

Based on the work of authors such as Miranda and Saunders (2003), and Dennis, Fuller and Valacich (2008), we argued that mission statements can only be deemed effective or successful if they stimulate organizational members to (a) process the information embedded in the mission statement (i.e. the conveyance process), and (b) to reach a common understanding about the meaning of the information embedded in the mission statement (i.e. the convergence process). With respect to the conveyance process, the study results indicate that mission statements fulfill their expected role. First of all, the majority of the organizational members indicated that they were aware of the fact that their organization had a formal mission statement. Second, the majority of the organizational members evaluated the mission statement message rather positive. The results also indicate that an organization members’ evaluation of the formal mission statement is influenced by its level of perceived mission statement valence: organizational members are satisfied with their formal mission statement if the organizational image expressed by the mission statement is deemed to be (1) difficult but feasible, (2) reasonably clear and understandable, (3) worthy/worthwhile, legitimate, (4) interesting, exciting, (5) important, influential, and (6) distinctive (Rainey and Steinbauer 1999). This observation has at least two major consequences. First of all, as perceived mission statement valence influences mission statement satisfaction, more research should examine how the perceived valence of mission statements can be increased. Such research should focus on the linguistics, format and content characteristics of mission statements. Smythe, et al., for

example, indicated that mission statements should avoid passive constructions, relational process verbs and nominalization as these linguistic structures make a mission statement impersonal (Smythe et al. 2006). But do these linguistic characteristics have an influence on the level of perceived mission statement valence? And if so, to what extent? In addition, to what extent do content characteristics influence perceived mission statement valence? Mission statements are always a colored representation of reality. Not one manager is interested in a formal mission statement which presents a broad and nuanced picture of the organization (Alvesson 1990). On the contrary, managers will focus on a constrained set of organizational characteristics and selectively punctuate some while hiding others (Fiss and Zajac 2006). But what is the “slack” that managers have? Where is the line between articulating an inspirational future and becoming unbelievable? Likewise, one could wonder if the format in which the mission statement is presented and communicated influences perceived mission statement valence and satisfaction. Are some formats more attractive and thus effective than others? Second, researchers analyzing the concept of mission statement clarity have often used readability measures, such as the Flesch Reading Ease Index and the Gunning-Fog Index, to assess the understandability of mission statements (Campbell and Nash 1992; Chun and Rainey 2005; Weiss and Piderit 1999). Such measures are very valuable when comparing the mission statements of different organizations but one should be careful to use such measures as a proxy to assess how organizational members will perceive or how well they will understand their organization’s mission statements. The mission statements in this study all have a high Flesch Reading Ease Index, indicating low readability and clarity, while the organizational members indicated that they perceived the mission statement to be clear and understandable. Further research is thus warranted. With respect to the conveyance process, the study results also confirm the formulated hypothesis: mission statement satisfaction is positively related with the level of management of mission statement meaning. However, we have to acknowledge that the

level of explained variance, albeit the relationship is significant, is rather low. Further research should thus focus on determining the organizational and individual factors which mediate or moderate this relationship. Organizational factors such as communication climate and selected communication instruments could for example influence the number of opportunities within the organization to engage in behaviors associated with the management of mission statement meaning. Determining the factors which influence the level of management of mission statement is of particular importance as the results confirm the hypothesis that the level of management of mission statement meaning is positively related with the level of mission motivation.

#### **CONCLUSION AND LIMITATIONS**

Intrigued by the remarkable contradiction that experts widely recognize that “the effectiveness of mission statements is contingent upon the extent to which they are communicated to the organization’s members (Williams et al. 2005)” but that we know relatively little about organizational members’ perception of the mission statement and the mission statement’s impact on them (Brown and Yoshioka 2003), we assessed mission statement effectiveness from a communication perspective based on data collected at the individual level of analysis. More specific, we examined if formal organizational mission statements stimulate organizational members to engage in the necessary conveyance and convergence processes essential to mission statement communication effectiveness. By focusing on the topic of mission statement communication effectiveness, the paper at hand contributes to the literature in three specific ways. First of all, it empirically investigates an aspect of organizational communication within a public/non-profit research setting and thus helps to remediate the existing mismatch “between the conventional wisdom that communication is the central management function most critical to administrative success and the attention and respect that communication has received within the public administration community in terms of scholarship and teaching (Garnett, Marlowe, and Pandey 2008)”. Second, this paper provides a theoretical underpinning which sheds light

on one of the mechanisms linking mission statements and subsequent organizational performance. Third, it empirically assesses the effectiveness of mission statements hence helping to avoid that the lack of empirical validation of the mission statement-organizational performance hypothesis becomes “something of an embarrassment for scholarship in public management (Weiss and Piderit 1999)”. However, we also have to acknowledge that this paper has, like most empirical research, certain limitations and leaves some questions unanswered. First of all, the scope of the study. Although the study results advance our understanding of mission statement communication effectiveness, the results of any single study should be viewed with caution. Second, the validity of the study. Even though we offer empirical support for the devised conceptual model, there is room for further validation work that uses (a) multi-method and longitudinal designs, and (b) tests possible the moderating and mediating effects of other variables. Third, the research design. Both independent and dependent variables in this study were measured by gathering responses from the same source using the same measurement instrument. Consequently, common method bias could be an issue. Common method bias occurs when the employed research instruments enter into or affect the scores or measures that are being gathered (Straub, 2004). Based on the work of Podsakof et al. (Podsakof, 2003), we used several procedural and statistical remedies to respectively avoid and measure common method bias. First, multiple items were used to measure the same construct. Both positively and negatively worded items were included, and the items assessing a particular construct were separated in the questionnaire (Warburton and Terry 2000). Second, Harman’s single factor test was used to address the issue of common method variance which indicated that substantial common method variance is absent (Podsakof, 2003). However, the total absence of common method variance is thereby not proven. Forth, one specific form of common method bias, and potentially important threat to the validity of research, is social desirability bias. In the case at hand, we do not perceive social desirability bias to be a major

concern. First of all, earlier research indicated that “the topic of investigation, although strategic, was not thought to be so highly sensitive as to be likely to prevent responses that would present the respondent or organization in an unfavorable light” (Bart,2003). In addition, as previous research indicated that anonymity reduces social desirability bias, we designed and implemented a survey to guarantee respondents anonymity (Bart, 2001). However, the occurrence of such bias cannot be totally ruled out.

## REFERENCES

- Ajzen, I. 2006. Constructing a TpB questionnaire: Conceptual and methodological considerations. Amherst: University of Massachusetts
- Ajzen, I., L. Rosenthal, and T. Brown. 2000. Effects of Perceived Fairness on Willingness to Pay. *Journal of Applied Social Psychology* 30 (12):2439-2450.
- Alvesson, M. 1990. Organization: From substance to image? *Organization Studies* 11 (3):373-394.
- Anderson, J., and D. Gerbing. 1988. Structural equation modeling in practice: a review and recommended two-step approach. *Psychological Bulletin* 103 (3):411-423.
- Bart, C. 1996. The impact of mission on firm innovativeness. *International Journal of Technology Management* 11 (3/4):479-493.
- Bart, C., and M. Baetz. 1998. The relationship between mission statements and firm performance: an exploratory study. *Journal of Management Studies* 35 (6):823-853.
- Bart, C., N. Bontis, and S. Taggar. 2001. A model of the impact of mission statements on firm performance. *Management Decision* 39 (1):19-35.
- Bart, C., and J. Tabone. 1998. Mission Statement Rationales and Organizational Alignment in the Not-for-Profit Health Care Sector. *Health Care Management Review* 23 (4):54-69.
- . 1999. Mission statement content and hospital performance in the Canadian not-for-profit health care sector. *Health Care Management Review* 24 (3):18-29.
- . 2000. Mission statements in Canadian not-for-profit hospitals: Does process matter? *Health Care Management Review* 25 (2):45-53.
- Bart, C., Tabone, J. 1999. Mission statement content and hospital performance in the Canadian not-for-profit health care sector. *Health Care Management Review* 24 (3):18-29.

- Bartkus, B., and M. Glassman. 2008. Do Firms Practice What They Preach? The Relationship Between Mission Statements and Stakeholder Management. *Journal of Business Ethics* 83 (2):207-216.
- Bartkus, B., Glassman, M., McAfee, B. 2000. Mission Statements: Are They Smoke and Mirrors? *Business Horizons* Nov / Dec:23 - 28.
- Bhattacherjee, A., and Clive Sanford. 2008. Influence processes for information technology acceptance: an elaboration likelihood model. *MIS Quarterly* 30 (4):805-825.
- Bollen, K. 1989. *Structural Equations with latent variables*. New York: Wiley.
- Brewer, G., and S. Coleman Selden. 2000. Why elephants gallop: Assessing an predicting organizational performance in federal agencies. *Journal of Public Administration Research and Theory* 10 (4):685-711.
- Brown, W., and C. Yoshioka. 2003. Mission attachment and satisfaction as factors in employee retention. *Nonprofit Management & Leadership* 14 (1):5-18.
- Browne, M., and R. Cudeck. 1993. Alternative ways of assessing fit. In *Testing Structural Equation Models*, edited by K. Bollen and J. Long. Newbury Park: Sage Publications.
- Cacioppo, J., and R. Petty. 1984. The elaboration likelihood model of persuasion. *Advances in Consumer Research* 11 (1):673-675.
- Campbell, A., and L. Nash. 1992. *A sense of mission*. Reading, MA: Addison-Wesley.
- Campbell, A., and S. Yeung. 1991. Creating a sense of mission. *Long Range Planning* 42 (4):10-20.
- Chun, Y., and H. Rainey. 2005. Goal ambiguity in U.S. federal agencies. *Journal of Public Administration Research and Theory* 15 (1):1-30.
- Corley, K. 2004. Defined by our strategy or our culture? Hierarchical differences in perceptions of organizational identity and change. *Human Relations* 57 (9):1145-1177.



- Corley, K., P. Cochran, and T. Comstock. 2001. Image and the impact of public affairs management on internal stakeholders. *Journal of Public Affairs* 1 (1):53-68.
- Crewson, P. 1997. Public-service motivation: Building empirical evidence of incidence and effect. *Journal of Public Administration Research and Theory* 7 (4):499-518.
- de Ridder, J.A. 2004. Organizational communication and supportive employees. *Human Resource Management Journal* 14 (3):20-30.
- Denison, D., and A. Mishra. 1995. Toward a theory of organizational culture and effectiveness. *Organization Science* 6 (2):204-223.
- Dennis, A., R. Fuller, and J. Valacich. 2008. Media, tasks, and communication processes: A theory of media synchronicity *MIS Quarterly* 32 (3):575-600.
- Desmidt, S., and A. Heene. 2007. Mission statement perception: Are we all on the same wavelength? A case study in a Flemish hospital. *Health Care Management Review* 32 (1):77-87.
- Desmidt, S., and A. Prinzie. 2008. The impact of mission statements: an empirical analysis from a sensemaking perspective. Paper read at Academy of Management Annual Meeting, at Anaheim, U.S.A.
- Desmidt, S., A. Prinzie, and A. Heene. 2008. The level and determinants of mission statement use: a questionnaire survey. *International Journal of Nursing Studies* 45 (10):1433-1441.
- Fairhurst, G., and J. Jordan. 1997. Why are we here? Managing the meaning of an organizational mission statement. *Journal of Applied Communication Research* 25 (4):243-264.
- Fiss, P., and E. Zajac. 2006. The symbolic management of strategic change: sensegiving via framing and decoupling. *Academy of Management Journal* 2006 (49):1173-1193.

- Fornell, C., and D. Larcker. 1981. Evaluating structural equations with unobservable variables and measurement error. *Journal of Marketing Research* 18 (February):39-50.
- Garnett, J., J. Marlowe, and S. Pandey. 2008. Penetrating the performance predicament: communication as a mediator or moderator of organizational culture's impact on public organizational performance. *Public Administration Review* 68 (2):266-281.
- Gilmour, J. , and D. Lewis. 2006. Assessing performance budgeting at OMB: The influence of politics, performance, and program size. *Journal of Public Administration Research and Theory* 16 (2):169-186.
- Gioia, D., M. Schultz, and K. Corley. 2000. Organizational identity, image, and adaptive instability. *Academy of Management Review* 25 (1):63-81.
- Hackley, C. 1998. Mission statements as corporate communications: the consequences of social constructionism. *Corporate Communications: An International Journal* 3 (3):92-98.
- Hair, J., W. Black, B. Babin, R. Anderson, and R. Tatham. 2005. *Multivariate Data Analysis*. 6th ed. New York: Pearson- Prentice Hall.
- Heimann, I. 1995. Different paths to success: A theory of organizational decision making and administrative reliability. *Journal of Public Administration Research and Theory* 5 (1):45-71.
- Hill, R., and M. Levenhagen. 1995. Metaphors and metal models: Sensemaking and sensegiving in innovative and entrepreneurial activities. *Journal of Management* 21 (6):1057-1074.
- Hu, L., and P. Bentler. 1999. Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal* 6 (1):1-55.
- Ireland, R., and M. Hitt. 1992. Mission statements: importance, challenge and recommendations for development. *Business Horizons* 35 (3):34-42.

- Jöreskog, K., and D. Sörbom. 1993. *LISREL 8: Structural Equation Modeling with the Simplis Command Language*. 1st ed. Hillsdale, NJ: Lawrence Erlbaum.
- Kalis, A., J. van Delden, and M. Schermer. 2004. "The good life" for demented persons living in nursing homes. *International Psychogeriatrics* 16 (4):429-439.
- Kaplan, R., and D. Norton. 1992. The Balanced Scorecard. Measures that drive performance. *Harvard Business Review* 70 (1):71-79.
- Kuchi, T. 2006. Communicating Mission: An Analysis of Academic Library Web Sites. *Journal of Academic Librarianship* 32 (2):148-154.
- Larson, P. 1998. Strategic planning and the mission statement. *Montana Business Quarterly* 36 (3):22-24.
- Meyers, M., N. Ricucci, and I. Lurie. 2001. Achieving goal congruence in complex environments: The case of welfare reform. *Journal of Public Administration Research and Theory* 11 (2):165-201.
- Miranda, S., and C. Saunders. 2003. The social construction of meaning: An alternative perspective on information sharing. *Information Systems Research* 14 (1):87-106.
- Moynihan, D., and S. Pandey. 2005. Testing how management matters in an era of government by performance management. *Journal of Public Administration Research and Theory* 15 (3):421-439.
- Rainey, H., and P. Steinbauer. 1999. Galloping elephants: Developing elements of a theory of effective government organizations. *Journal of Public Administration Research and Theory* 9 (1):1-32.
- Ravasi, D., and M. Schultz. 2006. Responding to organizational identity threats: exploring the role of organizational culture. *Academy of Management Journal* 49 (3):433-458.

- Roberts, N., and L. Wargo. 1994. The dilemma of planning in large-scale public organizations: The case of the United States Navy *Journal of Public Administration Research and Theory* 4 (4):469-492.
- Rouse, W., and N. Morris. 1986. On looking in the black box: Prospects and limits in the search for mental models. *Psychological Bulletin* 100 (3):349-363.
- Smircich, L., and C. Morgan. 1982. Leadership: the management of meaning. *Journal of Applied Psychology* 18:257-273.
- Smith, M., R. Heady, K. Carson, and P. Carson. 2001. Do missions accomplish their missions? An exploratory analysis of mission statement content and organizational longevity. *The Journal of Applied Management and Entrepreneurship* 6 (1):75-96.
- Smythe, W. E., D. C. Malloy, T. Hadjistavropoulos, R. R. Martin, and H. A. Bardutz. 2006. An Analysis of the Ethical and Linguistic Content of Hospital Mission Statements. *Health Care Management Review* 31 (2):92-98.
- Vlaar, P., F. Van den Bosch, and H. Volberda. 2006. Coping with problems of understanding in interorganizational relationships: Using formalization as a means to make sense. *Organization Studies* 27 (11):1617-1638.
- Wang, X., and E. Berman. 2000. Hypotheses about performance measurement in counties: Findings from a survey. *Journal of Public Administration Research & Theory* 11 (3):403-428.
- Warburton, J., and D.J. Terry. 2000. Volunteer decision making by older people: A test of a revised theory of planned behavior. *Basic and Applied Social Psychology* 22 (3):245-257.
- Weick, K. 1985. Cosmos vs. Chaos: Sense and nonsense in electronic contents *Organizational Dynamics* 14 (2):51-64.

- Weiss, J., and S. Piderit. 1999. The Value of Mission Statements in Public Agencies. *Journal of Public Administration Research and Theory* 9 (2):193-223.
- Williams, J., W. Smythe, T. Hadjistavropoulos, D. Malloy, and R. Martin. 2005. A Study of Thematic Content in Hospital Mission Statements: A Question of Values. *Health Care Management Review* 30 (4):304-314.

## **APPENDIX A: MEASUREMENT SCALES**

### **Mission statement valence**

The information contained in the formal mission statement is:

1. Not realistic – Realistic
2. Not credible – Credible
3. Not understandable – Understandable
4. Not clear – Clear
5. Not useful – Useful
6. Irrelevant – Relevant
7. Not interesting – Interesting
8. Not motivating – Motivating
9. Not important – Important
10. Not convincing – Convincing
11. Not distinctive – Distinctive
12. Not distinguishing – Distinguishing

### **Mission statement satisfaction**

1. I am satisfied with the formal mission statement of my organization.

### **Management of mission statement meaning**

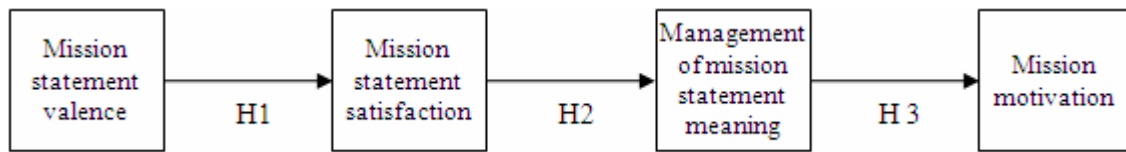
1. How often do you explain some aspect of the mission statement to a coworker?
2. How often do you discuss how your job helps accomplish the mission statement?
3. How often do you discuss how this mission is different from past mission statements here at  
XXX
4. How often do you discuss job activities using the same words that are in the mission statement?

5. How often do you explain the advantages of working to achieve the mission statement?
6. How often do you try to identify parts of the mission statement that are not being accomplished in your department?
7. How often do you encourage others to try to accomplish the mission statement?

**Mission motivation**

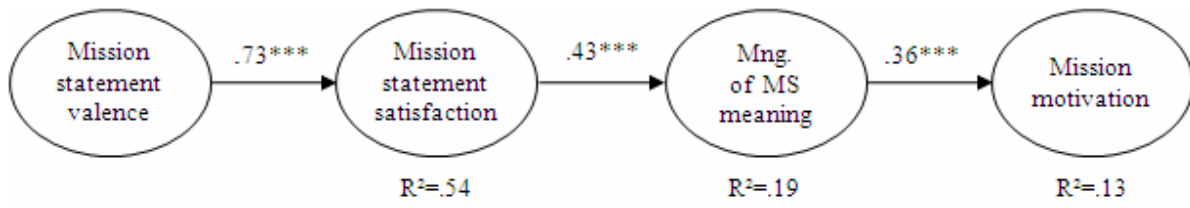
1. I agree with the policies of my organization.
2. I subscribe to my organization's vision.
3. I approve of the direction that this organization is taking.
4. I support the goals this organization strives for.
5. I have such a high opinion of this organization's goals that I will do my best to reach them.
6. I do not agree with what the organization maintains.

**FIGURE 1: PROPOSED RESEARCH MODEL**





**FIGURE 2: STRUCTURAL MODEL**



**TABLE 1: SAMPLE**

	<b>Popu- lation</b>	<b>Overall response</b>	<b>Mission statement awareness</b>	<b>Usable response rate</b>	<b>Average age</b>	<b>Female</b>	<b>Org. tenure (y)</b>	<b>Funct. tenure (y)</b>
Organization 1	1101	403	338 (84%)	31%	39.09	75%	11.71	9.92
Organization 2	473	293	277 (95%)	59%	41.02	76%	16.25	13.95
Organization 3	1260	366	297 (81%)	30%	40.24	39%	10.87	6.18
Total / Average	2834	1062	912 (86%)	32%	39.92	63%	13.62	10.65

**TABLE 2: MEANS, STANDARD DEVIATIONS, CORRELATIONS AND SQUARE  
ROOT OF AVERAGE VARIANCE EXTRACTED (ITALIC)**

<b>Construct</b>	<b>Mean</b>	<b>S.D.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Mission statement valence	5.15	1.06	<i>0.81</i>			
2. Mission statement satisfaction	5.05	1.20	0.69	<i>NA</i>		
3. Management of mission statement meaning	2.96	1.36	0.44	0.37	<i>0.78</i>	
4. Mission motivation	5.14	0.96	0.61	0.67	0.34	<i>0.80</i>

All inter-construct correlations are significant at  $p < .001$

**TABLE 3: PROPERTIES OF THE MEASUREMENT MODEL**

<b>Construct and Indicators</b>	<b>Standardized Loadings<sup>a</sup></b>	<b>Indicator Reliability<sup>b</sup></b>	<b>Composite reliability<sup>c</sup></b>	<b>Average variance extracted<sup>d</sup></b>
<i>Mission statement</i>				
<i>Valence</i>			.94	.65
Useful	.79	.63		
Relevant	.77	.60		
Practical	.74	.55		
Important	.84	.71		
Convincing	.85	.73		
Interesting	.84	.70		
Credible	.76	.58		
Clear	.79	.62		
Motivating	.87	.76		
<i>Management of Mission</i>				
<i>Statement Meaning</i>			.90	.61
Explaining	.78	.61		
Using same words	.77	.59		
Discuss advantages	.82	.67		
Discuss contributions	.81	.66		
Discuss accomplishment	.75	.57		
Encourage others	.81	.66		
<i>Mission Valence</i>			.85	.65
Policy agreement	.73	.53		
Vision agreement	.84	.71		
Direction agreement	.83	.70		

<sup>a</sup> All standardized loadings are significantly different from zero at the .001 level.

<sup>b</sup> Indicator reliability should be at least .50, indicating that fifty percent of the variance in the indicator is accounted for by the construct to which it was assigned.

<sup>c</sup> Composite reliability is analogous to Cronbach coefficient alpha, with .80 as the minimum acceptable level (Fornell and Larcker 1981).

<sup>d</sup> Average variance extracted assesses the amount of variance that is captured by an underlying construct in relation to the amount of variance due to measurement error, with .50 or higher as desirable level (Fornell and Larcker 1981).

**TABLE 4: GOODNESS-OF-FIT AND PARSIMONY INDICES FOR VARIOUS MODELS**

<i>Model</i>	<i>Chi square</i>	<i>Df</i>	<i>GFI</i>	<i>NNFI</i>	<i>CFI</i>	<i>RMSEA</i>
Null	12780.527	171				
Uncorrelated factors	1678.542	151	.821	.863	.879	.105
Analytical	964.347	147	.906	.925	.935	.078
Measurement	548.464	145	.938	.962	.968	.055