

CREATING EFFECTIVE MISSION STATEMENTS

Recapturing the Power and Glory of Mission Is Possible with Careful Planning and Implementation

Mission statements. The mere mention of these words can send chills down the spines of many managers. And for good reason. For many senior executives, mission statements don't seem to be worth the paper on which they are written. They don't seem to be of any value.

For example, in 1999, the Ministry of Health in the Province of Ontario, Canada, conducted its first province-wide survey of patient satisfaction for each of its acute care hospitals.¹ When the results were published, they were shocking for one Catholic hospital that was ranked almost dead last in the satisfaction scores. Somewhat ironically, this particular hospital was one that professed to truly believe in the power of mission statements. And yet it was a prime example of the conventional wisdom and experience of many CEOs that most mission statements simply don't work.

With anecdotes such as these, one would naturally expect that by now mission statements would have fallen into a state of disuse. Yet, surprisingly, mission statements (and their accompanying vision and values proclamations) continue to be considered one of the most popular management tools in the world and have even been ranked at least in the top two practices in global usage by Bain & Company since 1993.² So why does this management concept seem to generate disdain and disrespect while continuing to flourish as an executive favorite?

The answer lies in the *promise* of mission statements. Mission statements are designed, first and foremost, to create focus. Every CEO understands (at least intuitively) that it is better to have an organization in which everyone is focused and committed to collectively achieving some organizational "ends." When everyone in an organiza-

tion knows, understands, accepts, and *remembers* what the organization is trying to accomplish, each person is then better able to make a contribution to that success and to help the organization reach its desired "state of being" faster, more efficiently, and with passion. As the old nautical expression states, "No wind favors the ship that has no charted course." Mission statements, therefore, are typically viewed as the starting point of any organization's strategic planning and goal-setting activities. They are the cornerstones of a process that demands collective effort, energy, and spirit.

As a management tool, the mission statement could best be defined as a formal written document intended to capture an organization's unique and enduring purpose, practices, and core values. Such documents are used to communicate the ground rules of the organization's business conduct to those involved in making decisions. For hospitals and other health care organizations, the typical purpose to be pursued is often described in terms of high-quality patient care that results in patient satisfaction. Most Catholic hospitals, however, include words that they believe capture their unique purpose, which is typically a blending of both spiritual and secular ends. What, then, could be keeping health care institutions in general—and Catholic hospitals in particular—from realizing the maximum potential of their missions? And how can they prevent the disastrous results experienced by organizations such as the one described at the beginning of this article?

I have been conducting research for the past 15 years on mission statements, the role they play, and how to get the most benefit from them. I have examined mission "best practices" in more than 600 organizations worldwide and have amassed a dataset on the mission activities of 130

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North American hospitals. My research has produced some definitive and sometimes provocative results concerning their proper development, content, dissemination, and implementation within health care institutions.

Let me briefly share some of the things that health care professionals and administrators need to consider if they are going to capture and enjoy the "mission mystique."

THINK THROUGH THE RATIONALE

Many reasons are cited for having a mission statement. The list of possible rationales behind a mission's creation includes:

- Establishing the purpose of the organization
- Defining the scope of an organization's activities
- Creating standards of performance
- Helping individuals identify with the organization
- Promoting shared expectations and values
- Creating behavior standards
- Promoting the interests of external stakeholders (e.g., patients, suppliers, and regulators)
- Helping organizational members to refocus during a crisis
- Creating a more effective and focused allocation of scarce resources
- Motivating, inspiring, and controlling organizational members in pursuit of common organizational ends

Hospital administrators need to have a clear purpose in mind when creating a mission rationale for their organization and to remember that not all mission rationales are created equal in terms of their achievability. For example, in one previous study I found that two of the most popular rationales within health care organizations are "establishing a common purpose" and "promoting shared values."³ Yet these rationales received some of the lowest scores in terms of their actual achievement. Creating shared values or a common purpose is not easy to do and often takes an inordinate amount of time to accomplish. Administrators unprepared for this consequence might, therefore, be apt to proclaim that mission statements are useless when they do not experience instant success (when, in fact, they

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have simply not given the mission—and its accompanying process—sufficient time to work its effect).

Interestingly, this same study showed that although "enhanced resource allocation" was one of the least-used rationales for having a mission, its correlation with achievement produced some of the highest scores. In other words, some mission rationales appear to provide a more

efficient route to success (which, in turn, can quickly prove their usefulness). Yet most health care managers don't seem to take full advantage of them. Hospital administrators would do well to analyze the nature of their mission rationale(s) when determining how to judge a mission's later impact. In fact, I would further argue that by not deploying a mission with the purpose of "more focused resource allocation," achieving any of the higher-order objectives, such as establishing a common purpose or shared values, will be that much more difficult.

PAY ATTENTION TO THE PROCESS

The process used to create the mission rationale is often badly overlooked and misunderstood by managers. Participation of senior management and the board in the mission creation process is important to avoid goal conflict. However, having only those two stakeholder groups involved may be detrimental to a mission's long-term success. Participation by other stakeholders (e.g., middle managers, front-line workers, shareholders, and regulators) is vital if the promise of mission is to be realized. When various stakeholders feel involved in the process, they have a sense of ownership in the final product. This, in turn, leads to greater feelings of commitment and dedication to the goals embedded in the mission. Indeed, when the degree of participation for these stakeholder groups was measured and correlated with various mission achievement scores, their participation was observed to have the most significant positive relationship with performance—even in excess of that provided by the CEO and the board (whose participation was viewed more as a necessary condition for success than as a sufficient one).⁴

Moreover, greater participation by all stakeholder groups collectively seems to have the

greatest performance impact of all. Participation by one stakeholder group serves to reinforce and energize the participation of others. Different stakeholders, when sharing their respective viewpoints, can also resolve any disagreements before they become entrenched positions. Perhaps most importantly, widespread participation in a mission's creation helps keep the statement much more alive (especially after the euphoria of the mission's launch has subsided) than if it had been created at an executive retreat.

In addition, a mission formulation process that is democratic, flexible, and creative with clear performance benefits is vital.

ALL MISSION STATEMENTS ARE NOT CREATED EQUAL

Perhaps the most often asked question is "What should a mission statement contain?" Peter Drucker says that the content of a mission statement should be small enough to fit on a T-shirt. But that's probably more appropriate for broadcasting the "slogan version" of a mission. I once reviewed dozens of articles discussing mission content and was amazed to find that there were up to 43 different items that one might include in a mission statement. Further sorting and categorizing reduced the number of items to 25. But that still seemed too large a number—particularly for a T-shirt.

Some mission statement items, when included, seem to have considerable beneficial effects for an organization—and some do not. In particular, mission statements that identify the following organizational attributes produce the strongest and most far-reaching performance impact:

- Key values and beliefs
- Distinctive competence
- Desired competitive position
- Competitive strategy
- Compelling goal/vision
- Specific customers served and products/services offered
- Concern for satisfying multiple stakeholders

Surprisingly, some of the items that have not been historically viewed as popular in a mission (e.g., desired competitive position and distinctive competence) are now proving to be of value. This change, however, appears to reflect the times that we live in. Managed care models are forcing hospitals to become more competitive, and wise health care organizations are responding to this challenge in their missions. They know that in this new century it is important for organizations to understand that they will not exist unless they meet and serve the needs of multiple stakeholders in a manner superior to that of other institutions. Some, mostly secular, hospitals have felt compelled to discard mission statement

objectives such as compassion, charity, and human dignity in favor of financial objectives to address these competitive challenges. Financial objectives are, of course, important contributors to the success of any health care organization, but they should not be viewed as part of an organization's mission.

Finally, remember that quality matters. How well a particular mission component is written will have an effect on hospital performance. Consequently, a great "mission thought" that is poorly expressed may not have the intended or desired consequences. Managers should therefore take heed concerning the way in which key mission components are articulated and expressed.

COMMUNICATION IS KEY

An ancient Eastern question asks: "If a tree falls in the forest and no one hears it, does it make a sound?" This question could also be said to apply in communicating a hospital's mission statement once it has been formulated. Over the years, I have been surprised at how many mission exercises have failed because senior management did not follow the four rules of effective mission communication.

Send the Mission "Message" A great mission becomes reality only when every person in the organization is making a contribution toward its achievement and not simply relying on those at the top. Therefore, once a hospital's mission is formulated, it must be communicated to the entire organization as quickly as possible. The mission is not a senior management tool only. When all staff are aware of the new mission, implementation will not be such a struggle.

Ensure the Message Has Been Received Simply announcing the organization's mission to the troops is not enough. Specific steps must also be taken to ensure that the message has been received. Using a variety of ways to relay the message is frequently an effective method of dissemination. Possible formats include video presentations, banners, posters, newsletters, in-house magazines, e-mails, memos, business cards, Web sites, and Web broadcasts. One Catholic hospital even organized a public investiture ceremony in the lobby, during which the mission was reverentially posted. The more methods a hospital uses to communicate its mission, the more attention employees pay to it and the more they use it as a decision-making tool.

Relying on one-time communication could be a mistake if no one is listening. Take the case of one particular hospital in which the mission was officially proclaimed by e-mail to its 5,000 employees. Those in charge of the communication process generated an automatic return receipt for the e-mail so that they would be able to prove that everyone had received the hospital's

official communication. And yet, at a management meeting several days later, the CEO was shocked to learn that very few could recall seeing or receiving the official communication.

One of the first steps that hospital administrators should take to ensure that the mission message is received is to obtain some formal personal acknowledgement of receipt—typically at a staff meeting called specifically to announce the mission. Even better still is to ask members at that meeting to discuss the new mission, why it is important to have one, how it might help the organization, and how the mission will help avoid certain pitfalls.

A potentially more subtle—yet almost Machiavellian—method for making sure the mission is received is to ensure that the mission is communicated to as many external stakeholders as possible, especially patients. The more the mission is communicated to these external groups, the more the mission is used by staff for decision-making purposes. Once the public is aware of the mission, staff and the organization become accountable for upholding it.

Ensure the Message Is Understood Sending and receiving the mission still doesn't guarantee its effective communication or dissemination. Everyone in the organization must have the same understanding of its meaning. What does "excellent patient care," "compassionate care," or "providing employees with opportunities for personal growth and achievement" mean in your hospital? Chances are these words have slightly different interpretations in every hospital. If left undefined, certain phrases could also have a different meaning for every employee in the organization. Lack of definitions can destroy the unified effort and organizational focus that mission statements are supposed to deliver. It is therefore critical for management to organize special information sessions for all employees (such as the unique one I have devised called "The Mission Camp") so that the words in the mission can be properly explained and translated.

Ensure the Message Is Remembered Any gains from a shared understanding can be short-lived, however, if this final rule for effective mission communication is not followed. Einstein once said that it is not what we read that makes us educated; it is what we remember. So, too, with a mission statement. It can only have a continuing impact in the life of an organization to the degree that members can regularly recall it to guide their daily decision making. In other words, hospital administrators must treat their mission statement as a sacred prayer. *If you can't say it, you can't live it.*

I continue to be amazed, however, during my

visits to Catholic hospitals when members of the administration speak fondly about "our mission" and yet blanch when asked to recite it or even paraphrase it. They simply don't know it. So how do they hope to achieve it? Until knowledge of the mission becomes as important as the budget, it will continue to languish in our institutions.

FAITH WITHOUT WORKS IS DEAD

At the end of the day, the tangible expression of any organization's mission occurs only through the behavior and actions of its employees. One of the first steps senior management should take is to help employees across the organization translate the mission's words and phrases into specific behaviors and actions that, for their particular job/position, reflect the priorities embedded in the mission. Simply saying that "everything we do supports the mission" is self-delusional, a reflection of ignorance, or an attempt to avoid the hard work associated with defining specific mission-driven behaviors.

Once specified, though, such behaviors and actions will not happen automatically. Ensuring that they actually occur requires additional effort and initiatives on the part of senior management—particularly in the way that a hospital's organizational systems are set up to encourage, induce, and reinforce the desired behaviors/activities. Training programs may have to be developed and launched to ensure that employees have the necessary skills, attitudes, and competencies required to carry out the new mission-inspired tasks. Some employees may be afraid of the behavioral challenges posed by a new mission because they worry that they will be unable to perform the new tasks.

After the necessary training has been put in place, however, two other major processes need to be aligned with the mission if the desired behaviors are to be practiced on a regular basis: information and reward systems. Hospital administrators must take steps to measure and report the degree to which any newly specified mission-related actions and behaviors are performed according to standard. In addition, a system of incentives (and disincentives) needs to be created to both encourage and develop the required mission-associated actions and to acknowledge and reward the behavioral performance of those whose commitment to living the mission is truly outstanding.

Thus, it is only through a combination of task specification, training, performance measurement, and incentives that an organizational context can be formed in which the actions of all hospital members can be aligned with the mission.

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Managers derive great comfort and satisfaction from situations of "high alignment" because such situations validate both the mission and the organizational choices. Moreover, the degree of alignment between a hospital's mission and its organizational practices produces some of the most powerful and positive relationships with various measures of performance.

It is therefore somewhat perplexing to find that hospital administrators do not, as a general rule, choose to more aggressively align their organizational systems with their missions. One reason for this may be the fact that they are simply unaware of the performance benefits that await them when they ultimately arrange conditions of high mission-organizational alignment. Another may be the perceived difficulty (both administrative and political) in making the necessary organizational alignment changes. Whatever the cause, hospital managers may be perceived as poorly advised if they do not make a conscious and serious effort to capture some of the gains that can occur. After all, it is only through such alignment activities that hospital administrators can truly create the mission-driven organization—one that is a living testament to the glory and honor of the healing ministry of Jesus Christ on earth. □

NOTES

1. "The Hospital Report: A Balanced Scorecard for Ontario Acute Care Hospitals," Ontario Hospital Association, Nov. 30, 1999.
2. "Management Tools and Techniques (1993-1997)," Bain & Company, Boston, MA.
3. C.K. Bart & J.C. Tabone, "Mission Statement Content and Hospital Performance in the Canadian Not-for-Profit Health Care Sector," *Health Care Management Review*, June 1998, vol. 24, no. 3, pp. 18-29.
4. C.K. Bart & J.C. Tabone, "Mission Statements in Canadian Not-for-Profit Hospitals: Does Process Matter?" *Health Care Management Review*, Spring 2000, vol. 25, no. 2, pp. 45-63.