

Toward a Grounded Theory: A Qualitative Study of Vision Statement Development

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Considerable research demonstrates the significant, positive impact of vision statements on organizational, team, and individual performance. However, little research exists on developing effective vision statements. Moving toward a grounded theory of vision statement development, 30 interviews were conducted with organizational leaders to identify and describe the approaches they used to develop their vision statements. Five categories of approaches were identified as a typology: 1) Uncommunicated, 2) Unstated yet Implemented, 3) Formally Stated, 4) Refined, and 5) Re-examined. Representative quotes from the leaders are presented to support and describe each category. Suggestions for future research, along with study limitations, are discussed.

INTRODUCTION

The concept of an organizational vision statement is pervasive in entrepreneurship and leadership theories, especially transformational leadership theories. A vision is a leader's statement of a desired, long-term future state for an organization (Burns, 1978; House, 1977). Vision is a key component in transformational and charismatic leadership theory (Bass, 1985; Conger & Kanungo, 1987; House, 1977), as it provides meaning and context to employees about the purpose of the organization. In the entrepreneurship and business strategy literatures, the importance of an organization's vision statement and its effects on organization-level performance also has been emphasized in theoretical discussions (e.g., Bird, 1989; Filion, 1991; Isenberg, 1987; Maccoby, 1981; Mendall & Gerguoy, 1984; Timmons, Smollen, & Dingee, 1990).

Additionally, a vision statement is a prominent concept in performance improvement, talent management, and change management models and frameworks. The International Society for Performance Improvement's human performance technology model (www.ispi.org) states that the performance improvement process begins by identifying the vision, mission, values, goals, and strategy that the organization wants to achieve. Without an awareness and understanding of these contextual elements that define an organization's desired future state, it is impossible for an organization to specify and measure how it wants to improve.

Human capital management expert Josh Bersin emphasizes alignment between the organization's strategy and its talent strategy (Bersin, 2010). The Human Capital Institute also specifies alignment between the business strategy and human capital strategy (www.hci.org). Further, change management models, such as the Six Box Model and the 7S Model, also recommend ensuring alignment between various aspects of the organization and its vision, mission, and values.

The impact of the vision statement plays a key role in driving change and improvement in organizations. The positive impact that a vision statement has on organizational, group, and individual performance is well documented in the academic literature. Over 50 studies show the positive impact of an organizational vision statement, but only if that statement adheres to certain characteristics (Kirkpatrick, 2009).

In contrast, little to no research exists on how leaders develop the vision statement. Before we can identify ways to develop effective vision statements, we must first identify and describe the range of approaches that leaders use to develop those statements. According to Glaser and Strauss (1967), the first step in the theory development process is to generate conceptual categories based on evidence. The number and representativeness of cases used to generate the categories is not important; what is important is that the cases are first identified, regardless of the method through which they were identified or the number of cases identified (Glaser & Strauss, 1967).

The goal of this study was to describe the process or processes through which leaders develop company vision statements. I conducted a descriptive, qualitative study of 30 organizational leaders (CEOs, Presidents, and founders) using a structured interview. Based on the interview results, I identified five categories of approaches to vision statement development, forming a typology of approaches. After reviewing the impact that effective vision statements have on organizational and individual outcomes, I present the five categories of vision statement development approaches, along with leader quotes that illustrate their rationale for the approach they used. Next, I discuss the importance of communicating and implementing the vision statement, which was emphasized by all of the leaders that were interviewed and therefore could be included in a model of vision statement development. Finally, I present considerations for future research.

IMPACT OF EFFECTIVE VISION STATEMENTS

Research consistently demonstrates that a vision statement can improve organizational performance as well as individual follower performance only if the vision contains certain characteristics (Baum, Locke, & Kirkpatrick, 1998; Kirkpatrick, 2004, 2009; Kirkpatrick & Locke, 1996; Kirkpatrick, Wofford, & Baum, 2002). According to Baum et al., those characteristics are the following: brevity, clarity, abstract and challenging, states the organization's purpose, future focused, sets a desirable goal, and matches the organization's success measures.

Over 50 studies demonstrating the positive impact of an effective vision statement have been conducted across a variety of samples, including students and managers who served as laboratory study participants, military combat and noncombat leaders; top-, middle-, and lower-level managers; work teams; entrepreneurs; educational leaders; national leaders; and political leaders (Kirkpatrick, 2009). A wide range of research methods were employed in these studies, including case studies, longitudinal studies, field studies, interviews, laboratory experiments, and historical analysis of archival information. These studies find positive, significant effects of vision statements on organizational as well as team performance.

At the individual level, follower attitudes, such as commitment to the organization, trust in the leader, and satisfaction, are also positively affected by the presence of a vision statement (Barling, Weber, & Kelloway, 1996; Bono, Foldes, Vinson, & Muros, 2007; Colbert, Kristof-Brown, Bradley, & Barrick 2008; Howell & Frost, 1989; Kirkpatrick & Locke, 1996; Niehoff, Enz, & Grover, 1990; Oswald, Mossholder, & Harris, 1994; Podsakoff, MacKenzie, Moorman, Fetter, 1990).

PURPOSE

The purpose of this study was to identify and describe ways that leaders developed their organization's vision statement. Following Glaser and Strauss's recommendations, a descriptive study was conducted with no preconceived notions as to the types of approaches that leaders used. The goal was

to identify as many categories of vision statement development approaches as possible and then use the categories identified to guide future research.

METHOD

Between July 2013 and August 2015, I identified successful companies and requested an interview with its CEO, President, or founder. In some cases, the CEO or President was also the founder or co-founder; in other cases, the CEO or President joined the company after it was founded. Of the 30 leader interviews, 14 of the companies had been recognized on at least one best places to work list (Best Small Places to Work 2014, Best Medium Places to Work 2014, Fortune 100 Best Companies to Work For[®] 2015). Other companies were identified through networking and comprised a convenience sample of companies that were regarded by the referring individual as highly successful.

The sample of companies included large companies (e.g., Sun Microsystems, Allen Edmonds, WinCup, Allianz Life), medium sized companies (e.g., Hagerty Insurance, Plante Moran), and small companies (e.g., South Mountain Company, Xactly, Bubble Shack Hawaii, Ruby Receptionists). The sample also represented product (e.g., WinCup, Bubble Shack Hawaii, Allen Edmonds, ThinkGeek) and services (e.g., Wild Apricot, Contraqer, ICATT Consulting, Zenoss, ThinkShift) companies as well as nonprofit organizations (e.g., Chesapeake Bay Organizational Development Network, City of Rancho Cordova, Community Memorial Hospital).

I conducted telephone interviews using a structured interview protocol. After each interview, I transcribed my interview notes and sent them to the leader for formal approval. Interview length ranged from 20 to 90 minutes, and questions included the following: *When did you develop a vision statement? Who was involved in developing it? Did you revise the statement? If so, when and who was involved? If you did not develop a vision statement, why not?* The interview protocol is shown in Appendix 1, and the list of leaders, titles, and companies is shown in Appendix 2.

RESULTS

Based on interview results, I identified five categories of vision statement development approaches. After conducting the interviews, I identified five distinct approaches to developing a vision statement. Examining the leaders' statements, I found that many leaders displayed more than one category as they formed their vision and statement of that vision over time.

Leaders who founded their company because they were inspired to make a difference in some way represented Category 1. Although the leader had an inspiration for forming a company, he or she had not developed or communicated a formal vision statement. All of the founders that I interviewed progressed on to another category beyond Category 1, except for one. The one exception was Jack Brucker, CEO of WinCup, who stated that, over the course of his career he had taken over several failing companies where the focus was on securing loans and making payroll rather than developing a vision statement. Brucker stated, "At one company, when I was hired as CEO, I made them rip up the core values. They were on the brink of bankruptcy, and they needed to focus on survival and the current situation."

Leaders who exemplified Category 2 did not formally state their vision but did take steps to communicate it in other ways and to implement it. They communicated the vision through discussions, what they focused their attention on, and what they rewarded and reinforced. The vision was not presented in a single, formal statement.

Some leaders progressed through Category 2 to reach Category 3, where the unstated vision was turned into a formal vision statement and communicated to employees. Leaders in Category 3 were able to state the vision immediately and typically developed it on their own or with one or two co-founders.

In contrast, other leaders indicated that they spent time refining the vision statement by seeking the right words and getting feedback on draft vision statements before finalizing the statement, which was identified as Category 4. These leaders spent time trying to find the best way to state their vision so that it was clear to co-founders and employees.

For Category 5, leaders periodically re-examined and, if needed, revised the formal vision statement. Several leaders reported that they intentionally reviewed the vision statement from time to time, such as quarterly or annually, to make sure that it continued to reflect the strategy and was clear to employees. The vision statement was not always revised, although some leaders said that they did revise the vision statement when they felt it required updating.

I categorized the leaders and their companies into the five Categories. Table 1 shows the highest Category that each leader reached with their current company. As can be seen in the supporting quotes, some leaders described their experiences and rationale for a lower Category than they later achieved; many leaders explained their rationale for moving on to another Category of vision statement development. Each category is described in more detail below, along with supporting quotes from the leaders.

TABLE 1
LEADERS' CATEGORY OF VISION STATEMENT DEVELOPMENT APPROACH

Category of Vision Statement Development Approach	Leader (Company Name)
Category 1: Uncommunicated	Brucker (WinCup)
Category 2: Unstated yet Implemented	Glidden (Introhive) Hunn (Resonate Insights)
Category 3: Formally Stated	Ford (Stellar Solutions) Hagerty (Hagerty Insurance) Imes (Advantage Answering Plus) Louis (WJ Technologies) Mask (Infusionsoft) McNealy (Sun Microsystems) Krater (Plante Moran) Panico (Integrated Project Management Company) Steinem (Dahl-Morrow International)
Category 4: Refined	Gibbs (Contraqer) Hamda (ICATT Consulting) White (Allianz Life)
Category 5: Revisited	Abrams (South Mountain Company) Ballard (Preferred Systems Solutions) Buterin (Wild Apricot) Cabrera (Xactly) Grangaard (Allen Edmonds) Harding (Bubble Shack Hawaii) Karpovich (Zenoss) Krishnamurthy (ThinkShift) McCarthy (ThinkGeek) Nakamura (City of Rancho Cordova) Nelson (Ruby Receptionists) Sharpe (ACF Solutions) Sternberg (Talent Plus) Waggoner (Community Memorial Hospital) Zucal (Chesapeake Bay Organizational Development Network)

Category 1: Uncommunicated

For Category 1, the leader found inspiration and ideas for forming the company and had an ideal future in mind that was not formally stated or communicated. Although almost all of the leaders interviewed displayed additional Categories, many of them focused on the inspiration behind forming their company because it set the stage for their vision. Thus, they began at Category 1 and then progressed on to another Category. As can be seen in the representative quotes below, considerable time often passed before the leader turned the vision into action by founding a company. Without an initial inspiration for forming a company, they would not have been able to formulate and communicate a formal vision statement. Through the interviews, I identified several sources of inspiration behind the uncommunicated vision, which are presented below.

Real Problems

Problems experienced in their daily lives and seeking solutions to those problems was one source of inspiration that led some leaders to create a vision. For example, Dwight Gibbs was a drummer in a rock band who was in charge of ordering all equipment and supplies, such as speaker cables, drumsticks, and t-shirts. He found requesting and organizing quotes in spreadsheets to be unnecessarily time consuming. Later, when he served as CTO for several companies, including co-founding The Motley Fool, he experienced the same frustrations. Gibbs stated:

In my role as CTO, I would get requests for laptops, servers, storage, software, and other equipment we needed to buy. The requests for the stuff people needed were constantly coming across my desk. I was dealing with RFQs [Requests for Quote] again! This time, when quotes came back, they could be 500 lines long or more. I had to put all this information into Excel to compare the quotes. All I could think was — it should not be this hard!

When he got to a point in his career when he was able to start a company, Gibbs founded Contraqer, a procurement software firm for which he later (Category 3) created a formal vision statement, “Friction Free Procurement.”

Initial Success

Several leaders indicated that they pursued their passion without initially giving much thought to turning it into a business or, at least, creating a business that would last more than a few years. However, their friends and colleagues observed their success as well as passion, prompting them to re-assess their short-term aspirations and prompting them to see viable businesses. For example, in 1973, John Abrams and his business partner were building houses in Martha’s Vineyard, figuring out how to do it on the fly while following their passion for design; they had not initially considered turning their hobby into a business. One day, Abrams and a friend were admiring one of the houses when his friend challenged him with, “Nice idea, Abrams – subsidized housing for the rich!” The friend’s comment prompted Abrams to think about the possibility of starting a business. He founded South Mountain Company, a designer and builder of custom homes.

Similarly, Clate Mask, co-founder and CEO of software firm Infusionsoft, didn’t initially realize the full potential of the company. Mask stated,

When we started, we had no intention of building a big business that would need a vision statement. We thought it would be a small company that we would sell after a few years. We went through three years of brutal survival, and then some modest success for a few years. At that point, we started to see that we were onto something really big.

One moment in particular that influenced Mask and his co-founders was when a business consultant prompted them to change their thinking; the consultant asked them why they weren’t “going for it” to

grow the company. That challenge helped them decide that they wanted to build a company that was “big and impactful.”

Desire to Do It Better

Some leaders said that they drew on their early career experiences and used their company to find better ways to do things. For example, Celeste Ford worked in many engineering firms before striking out on her own to found Stellar Solutions. For Ford, “the vision statement was a natural evolution of being in the industry for many years and seeing what worked and didn’t work.” Ford’s vision remains untouched 20 years later—“To satisfy our customers’ critical needs while realizing our dream jobs.” Clearly, one lesson that Ford applied to Stellar Solutions was a dual focus on customers as well as employees. Ford “wanted to build a built-to-last, not a built-to-flip or sell, company.”

Another example was provided by Andy Steinem, founder and CEO of Reston, Virginia’s executive search firm Dahl-Morrow International. Steinem drew on her early work experiences to know what type of culture she wanted to have in a company. As a teenager, she worked on Capitol Hill delivering messages to senators’ offices. Even at a young age, Steinem reveals, she could “tell the personality of the office.” She explains, “If a senator was warm, his staff was that way. If he was cold, his staff was that way.” Over 40 years later, she distinctly recalls the lesson she learned that “leadership denotes what the culture of the organization is.” One reason behind founding Dahl-Morrow, she said, was to be able to create the culture that she knew she wanted in an organization.

Personal Meaning

A final source of inspiration, according to some of the leaders interviewed, was personal meaning. As an example, Kristin Sharpe and her husband worked for consulting firms early in their careers and decided they wanted a change. In her words, they “started to look for work with more personal meaning.” She knew she wanted to make a difference in people’s lives while using her skills but was not sure what to do. So, she and her husband went sailing for about a year before deciding to start ACF Solutions, a company that helps people implement customer relations management systems.

Category 2: Unstated yet Implemented

A Category 2 vision statement was when the leader implemented an informal vision statement and took steps to implement it without a formal set of words. Leaders’ reasons for not formally stating a vision were that they had not found the right words, were too busy running the company, did not initially see the importance of stating a formal vision, and saw doing so as hypocritical.

Andy Hunn of Resonate Insights stated that he had held several positions at fast growing start-up companies in his career; the companies grew so fast that they didn’t have time to create a formal vision statement. He added that at Resonate Insights, “We’ve never really been smart enough to come up with one. The best thing we can do is to make the vision a living thing with the company by continually reinforcing it verbally and through behavior.”

Other leaders indicated that they felt they couldn’t initially live up to the idealism that would have been reflected in a vision statement. For example, Scott McNealy of Sun Microsystems explained why he felt that stating a vision in the company’s early days would be hypocritical: “Most leaders use the vision statement to sound and look good, but if it doesn’t reflect what’s going on in the company, then it’s worthless.” McNealy said that he wanted to evolve the culture to the point that it reflected his vision; only then did he think there enough alignment for him to communicate a formal vision statement. He was able to formally state a vision many years after founding the company, which was to “eliminate the digital divide while doing no harm to the planet.”

Category 2 companies may have been successful because they were able to implement the vision in a variety of ways that reflected the leader’s unstated vision. They set goals aligned with the informal vision and reinforced the goals through slogans, mantras, and symbols. The leaders said that they felt their energy and focus were contagious, and a shared sense of clarity with employees was obtained through

continual discussion of the desired future. Andy Hunn explained how he ensured that employees were clear on his informal vision when he was at internet company Digex:

It worked because we spend a tremendous amount of time playing the role of connector. The role had nothing to do with our formal responsibilities in the company, but we spent time with employees who were executing on day-to-day work and were talking to them about strategic opportunities in the market. This kept everyone going in the same direction.

One key to success for Category 2 companies, according to the leaders, was making sure that the leader was on the same page as co-founders as well as the executive team. They were able to do this through constant communication. Jody Glidden of Introhive, for example, stated that he and his co-founder had “pretty passionate discussions” about what the company should be. They had founded a previous company together and therefore felt that they were on the same page without having to formalize their vision.

Leaders with fewer than 30 employees indicated that it was possible to have frequent, one-on-one conversations with co-founders and employees to ensure common understanding and implementation of the vision. Leaders of companies that grew beyond the size of 30 employees and who waited to write a vision statement until that stage reported that they wished they had written a vision statement sooner. Kristin Sharpe of ACF Solutions stated:

We didn't have it formally written down until a couple of years ago. That's unfortunate, but that's the truth. When we did the mission, vision, and core values, we were at a time of growth and change, which is not easy. It is painful and hard at times to bring about change. It's very personal. I wish that we had more formally written down the vision statement early on. We said that because we're small, we don't need to write it down. I didn't realize how important it was until I sat down to do it. It was good that we did it then. It was good to get it down and was more challenging than I expected.

Category 3: Formally Stated

For Category 3, some leaders said they developed a formal vision statement to describe the inspiration or idea behind the company. Leaders used a variety of approaches to write the formal statement. Some leaders developed it alone, while other leaders involved a combination of other individuals, including co-founders, the top management team, employees, customers, and other stakeholders.

How the leader went about writing the statement depended on the size of the company. Smaller company leaders said that they bore sole responsibility for writing the statement. For example, Ashley Harding, founder of Bubble Shack Hawaii, a manufacturer and wholesaler of natural bath and body products, stated: “The responsibility for writing the statement falls squarely on the entrepreneur’s shoulders.”

Other leaders of small companies indicated that the formal statement was reviewed by all employees. For example, John Abrams of South Mountain Company indicated: “We had a draft statement that we reviewed in a series of open meetings” with employees.

In contrast, larger companies involved executives and, in some cases, employees who represented specific groups and units. For example, Larry Sternberg of Talent Plus described a facilitated process for a vision statement development workshop that he had used with several organizations. The process consisted of forming a planning group representative of executive and lower levels in a company, asking thought provoking questions to generate debate about the vision, and articulating a draft vision statement that was shared with others in order to obtain their feedback before finalizing the statement.

Several leaders, including Larry Sternberg of Talent Plus and Kathryn McCarthy of ThinkGeek, recommended using an outside facilitator to guide a larger team through the vision statement development

process. McCarthy explained, “Everyone in a company has their own strong, passionate views. Having some help to pull all those views together is helpful.”

Category 4: Refined

Some leaders said that they chose to obtain feedback on the draft vision statement in an attempt to find the right words to express their vision. They used the feedback to create the final version of the vision statement. This reflected Category 4.

For example, Gabe Hamda, founder and president of ICATT Consulting, a small human performance consulting company in Jacksonville, Florida, had been trying to find the right way to express his vision. He was meeting with a client when he said, “We improve your people.” Hamda said that he suddenly realized he might be insulting the client by implying that her employees were not up to par, so he asked her if that was the case. Before the client could answer, one of ICATT’s interns who Hamda had brought to the meeting responded, “Let’s say that ‘your people are great and we make them better.’” That statement became ICATT Consulting’s formal vision statement.

Similarly, Bill Karpovich, co-founder and former CEO of IT consulting firm Zenoss, indicated that the company’s original vision statement, “Changing the game in systems management” was refined to better reflect terminology that more clearly conveyed his intent as well as wording that was commonly used in the industry; the final statement became “Transforming IT operations.”

Category 5: Re-Examined

Not every company reached Category 5; some leaders reported that they did not see a need to formally re-examine or revise their original vision statement. Other leaders said that they periodically re-examined, and, if needed, revised their vision statement to ensure that it was still relevant and understandable. These leaders recommended revising the vision statement when the company evolved, employees were unclear what the original statement meant, or the market had changed. They also indicated that, although they periodically re-examined the vision statement, they had not made changes to the vision statement very often.

Jill Nelson, founder and CEO of Portland, Oregon’s Ruby Receptionists, explained: “The essence of our statements has never changed, but the wording has changed a few times.” To Nelson, perfecting the wording is a never-ending process. She revisits the company vision statement at an annual leadership retreat. Ruby Receptionists’ vision statement is “We want to be the business-hold name [similar to being a house-hold name] known for exceptional customer service and making personal connections.” She stated that she saw clear benefits in including others in the revision process because it increased their buy-in and understanding.

Founded in 1922, leadership and employees at shoemaker Allen Edmonds had seen the market change many times. CEO Paul Grangaard took over in 2008 when the company’s market share was declining and debt was increasing. Grangaard updated the company’s vision to clarify its new strategy of expanding beyond men’s shoes to men’s apparel. He explained, “Our vision was to regain our position as a great American shoe company, and now it is to become an American lifestyle brand from head to toe.”

Kathryn McCarthy, Chairman and CEO of Geek.net and ThinkGeek, also evolved the vision as the company strategy changed. Founded in 1999, ThinkGeek’s original business consisted of several websites as well as the ThinkGeek e-commerce site. The two lines of business had similar customers but were different enough that the decision was made to focus on the e-commerce side. The tag line “Stuff for Smart Masses” doubled as the initial vision statement in the early days. Once the decision was made to focus on the ThinkGeek site, a more formal vision was created, which was, “To create a world where everyone can embrace their inner geek, express their passions and connect with one another.” The vision statement helped the company focus on a broader definition of what a geek is, according to McCarthy. It reinforced the idea that the client base included “uber geeks” that were the original client base as well as “moms who want to buy gifts for people in their lives,” she stated. This led to adding more products geared toward women and other demographics that were different from the company’s original focus.

Leaders of two large organizations—Brian Cordova of the City of Rancho Cordova and Jessica Zucal of the Chesapeake Bay Organizational Development Network (CBODN)—indicated that they found it necessary to extend the vision statement revision process to constituents and members. At the time I interviewed Nakamura, he was in the process of revising the city’s original vision statement. He had spent the previous year and a half holding a series of community outreach meetings and gathered over 1,500 individual responses that he organized into 10 key themes. Going to these lengths was seen as essential to Nakamura. He explained that, before the outreach meetings, the city council had expressed specific ideas about what the vision should be. However, the community’s input was “about 30 degrees off of where we expected,” he explained. For him, it was invaluable to take the time to confirm the aspects of the vision that the council had in common with the community while also making some slight adjustments based on community feedback. Gathering community input had an additional benefit, which Nakamura explained as follows:

Even people who had voiced displeasure previously with the city provided constructive input. At first, I thought it wouldn’t go well when these people showed up, but it went well. Inviting people in to participate is more powerful than sharing what we came up with ourselves.

Similarly, CBODN created a formal vision statement that also incorporated themes from a member survey, along with goals. Once the goals were met and themes had been reflected in the organization’s annual conference, it would be time to re-examine the vision and update the goals and themes. Jessica Zucal, then CBODN President, stated that the plan was that a new vision statement would be created and shared with members.

Communicating and Implementing the Vision Statement

With the exception of Category 1, where the vision statement was neither stated nor communicated, all leaders interviewed said that the vision statement must be communicated repeatedly to employees as well as implemented or put into action. Although this finding is not new (see for example, Locke, et al., 1991), it was seen by the leaders as an integral part of running a successful organization and part of the vision statement development process. Developing a formal vision statement would have little impact unless it was communicated and put into action.

The leaders emphasized that communicating the vision statement entailed much more than sending a single email or printing posters with the statement. The leaders stated that they communicated their vision in many different ways. Founder and CEO of recruiting firm Dahl-Morrow International, Andy Steinem, stated: “We have a lot of communication; we have weekly meetings where we talk about our goals for the week as well as our challenges and what we are doing in a changing market or landscape.”

Larry Sternberg, President of Talent Plus, suggested keeping the vision, along with mission and values, alive with a 10-minute daily stand-up meeting with employees. He shared how this worked:

At Talent Plus, we are small enough that everyone can come to the meeting, unless they are meeting with a client. At every meeting, you review one element—one value, the vision, or the mission. On the first day, someone reads the first value, and then invites discussion on how that value is relevant to people’s jobs. People talk about whatever comes to mind for them when they think about this value. They talk about how it contributes to the company’s success. They talk about their own successes and stories. After you’ve gone through each element, then you start over. By then, your situation has evolved, so the discussion stays relevant. Through this approach, you are doing more than simply reading the statements; instead, you are getting employees to relate and share their experiences, ideas, and questions about the vision, mission, and values. Repetition is important; you are repeating and reinforcing the concepts without it getting old or tired.

A daily stand-up meeting can be adapted in many ways, Sternberg said. He indicated that he had seen it work effectively at Ritz-Carlton Hotels, where each hotel shift began with a daily meeting called LineUp, which reflects a term used in the restaurant business. At Mercedes Benz, he said, they are called JumpStart meetings, and, at Talent Plus, they refer to the meetings as Formation, which reinforced a company metaphor of geese flying in formation.

Leaders also took the opportunity to explain decisions in the context of the vision statement, showing employees how it informed specific decisions. Often, communicating the vision went beyond simply repeating the statement word-for-word. Leaders explained that they identified many different ways to get the message across. For example, Ashley Harding, founder of Bubble Shack Hawaii stated, “We have to deliver the same message in a different way to different employees, whether they are putting labels on bottles or are sales executives.”

Another way that leaders communicated the vision statement was to enlist others, usually the executive team, to communicate it. Harding further stated, “We need all levels of management to help us communicate it. All of them are needed to help communicate the message but ultimately it’s up to the leader to be responsible for it.”

Some leaders shared the vision statement externally with customers, potential customers, vendors, supplies, and other stakeholders. Bill Karpovich of Zenoss explained the value of sharing the vision statement with customers:

We hold regular Customer Advisory Board meetings. We spend a lot of time with our key customers and have dialogue about why you are customers. The number one thing that comes through is that they are bought into our vision. It’s the basis for our relationship. It’s about the ‘why.’ Every customer says that it’s about the vision, then they debate with us how we execute it. It’s a validation of the business and vision that customers buy into it.

Perhaps the most important step in the process, according to the leaders, was implementing the vision statement. Regardless of which Category of vision statement development approach was used, the leaders interviewed emphasized the importance of putting the vision into practice by 1) aligning the strategy and goals with the vision statement and 2) aligning the talent management system with the vision statement.

Align Strategy and Goals

Most leaders in the sample emphasized the importance of consistency between the vision statement and the organization’s strategy and short- and long-term goals. Goals were set and progress toward them was regularly and frequently communicated in the context of the vision statement. Founder, President, and CEO of Integrated Project Management Company, Richard Panico, explained his rationale for setting goals that were aligned with the company vision statement: “I felt people needed near-term and measureable goals to track progress toward that ultimate destination.” As part of IPM’s annual plan, progress against the goals is reviewed, and goals are updated as needed. Many leaders interviewed recognized employees’ achievements and gave them a sense of completion before turning to the next goal. Celebrations were held when goals were achieved; for example, Marty Imes, Director of Vision and Culture at Advantage Answering Plus, stated that celebrations were held when quarterly goals were met.

Align the Talent Management System

The leaders that I interviewed described how they used the talent management system—recruiting, hiring, onboarding, and separation—to support the vision statement. Several leaders described how communicating the vision statement began at the recruiting stage and continued through to hiring, onboarding, and even separation.

One leader who reported using the vision statement in the recruiting process was Michelle Waggoner of Community Memorial Hospital, a small award-winning hospital in rural Hicksville, Ohio. The hospital’s formal vision statement, which also includes values, explains the expected behaviors for all

employees in concrete terms. The hospital has 32 behavior standards organized around the values of Attitude, Respect, Customer Service, Continuous Improvement, Teamwork, and Fun. Waggoner stated that prospective employees review the behavior standards before they apply for a job. The specificity of the standards helps applicants understand how they are expected to reflect the vision statement, and some applicants self-select out of the hiring process. Waggoner emphasized, “Having one person who doesn’t display the standards can tear down the group.”

Jill Nelson, founder and CEO of Ruby Receptionists, explained how her company changed the way it advertised for job openings to better reflect its vision statement. Originally, Ruby Receptionists’ job announcements focused on an applicant’s years of experience but were changed to reflect its vision statement of “preserving and perpetuating real, meaningful relationships.” Current job announcements now state, “if you delight in helping others, we want to hear from you!” Nelson stated that Ruby Receptionists’ vision and values are not for everybody, even though their employees thrive on it. She explained, “If being positive and around 100+ cheerful people every day doesn’t sound appealing, that’s okay—but there’s probably a better fit for you than Ruby.”

At the hiring stage, leaders described how the vision statement was applied to ensure that new hires were aware of the vision statement. According to Nelson, an employee whose values do not align with Ruby’s values was not an option. “The health of our company is contingent on everyone being aligned with our mission, vision, and values,” she said, continuing, “We find we do a great job hiring, and people, once they get here, they feel they can be themselves. They tell me that they like getting paid to make other people happy.”

Leaders also described how onboarding of new employees was also aligned with the vision statement. Michelle Waggoner further explained that Community Memorial Hospital’s behavior standards are emphasized in the new employee orientation and comprise part of their performance appraisal. Similarly, Ruby Receptionists gives every new employee a copy of the mission, vision, and values. CEO Jill Nelson holds new employee brunches where she talks to them about the vision and how it was created.

Performance management as well as separation decisions also were aligned with the vision statements, according to the leaders. For example, every now and then, Waggoner explained, a few employees would need coaching to help them understand when their behavior deviated from the standards. In most cases, she said, employees who did not display the standards chose to leave the company.

Although the popular press provides many examples of leaders who are ruthless in how they part ways with employees who don’t buy-in, that was in contrast to what leaders in this study reported. Several leaders explained that they relied more on discussions with employees to attempt to explain the vision and help them buy-in to it. When an employee was not bought in to the vision, then a mutual decision was made to part ways, according to the leaders.

Several leaders described how they used the vision statement as the basis for a discussion with an employee about whether they should continue to work at the company. For example, Gordon Krater, Managing Partner of Chicago accounting firm Plante Moran, discussed the firm’s core purpose and values. One aspect of Plante Moran’s core purpose and values is to take a long-term view, whether that means doing the right thing for clients or for its staff members. Krater shared a story about a time when it was clear a young staff member’s skills were not compatible with accounting work:

He came to me and said that he thought the job wasn’t right for him and he needed to leave. He found another job and when he gave notice and told me where he was going, I told him that wasn’t going to be a good fit for him either. I convinced him to keep looking, wait another month or two, and that I would help him find something that would work for him. He did wait and found a job that’s the perfect fit for him. He has had a satisfying career doing something he loves and has been extremely successful. What’s another month or two of salary for us compared to this guy’s lifetime?

LIMITATIONS AND FUTURE RESEARCH QUESTIONS

The goal of this study was to identify vision statement development approaches that could guide future research. Five categories of vision statement development approaches were identified.

Several limitations to this study exist. First, it is possible that, through further research, additional categories could be identified. The categories and their names also could be refined as additional cases are observed. Although the sample of companies represented a range of company sizes as well as products, services, and nonprofit organizations, the sample may not fully represent the population with respect to size or other demographic variables. It was not possible to control the leaders who chose to participate in the interviews.

Second, it is possible that the leaders who agreed to participate in this study were more effective and intentional in their approaches to developing their company vision statements as compared to leaders who were not interviewed. Although the sample of leaders and companies was generally regarded as successful, leaders who did not develop a vision statement were intentionally excluded from the study (with the exception of one leader interviewed). Again, other samples may reveal additional categories of vision statement development or lead to a refined conceptualization of Category 2, where the statement is unstated yet communicated.

Third, the interviews relied on leaders' recollection of their approaches. No attempt was made to confirm or validate with other executives or employees the approach the leader said was used. Pfeffer (2015) states that a disconnect is sometimes observed between a leader's actual behavior and the advice they give to others about effective leadership as well as their own recollection of their behavior. It is possible that employees did not perceive when they were involved in the vision statement development process or that they were not aware of the vision statement or aware of attempts to communicate and implement it.

Fourth, given a limited amount of time that each leader was available to be interviewed, their statements focused primarily on vision statement development. Although the leaders were asked questions about communication and implementation of the vision statement, not every leader had time to fully address all questions in the interview protocol. Communication and implementation questions were included in the results because the leaders who addressed those topics placed considerable emphasis on their importance. Future models and theories of vision statement development may choose to include communication and implementation, which is consistent with existing leadership frameworks (see for example, Locke et al., 1991).

Despite these limitations, five categories of vision statement development approaches were observed. Where and how the categories were identified are of little consequence at this early stage of grounded theory development (Glaser and Strauss). Although additional categories could certainly exist, we need to continue to understand how leaders develop effective vision statements. One possible next step is to confirm the five categories of vision statement development identified in this study while looking for additional possible additional categories. Future research could also generate and test hypotheses about how the categories impact organizational performance and other important outcome variables. Some initial ideas for future research questions are as follows:

- Do all leaders progress through each category of vision statement development process?
- What other variables describe or are correlated with the categories? For example, do leaders spend a certain amount of time in each category and what is the minimum amount of time spent in each category?
- Does category predict organizational performance? Are certain categories of vision statement development associated with higher organizational performance than other categories?
- Does frequency of communication mediate the category-performance relationship?
- Does the source of communication (such as founder, executive team, or supervisor) impact the category -performance relationship or employees' understanding of the vision statement?
- Does the vision implementation method moderate the category -performance relationship?

- Does category predict individual-level outcomes, such as trust, commitment to the leader, commitment to the organization, understanding of the vision, commitment to goals, turnover, and individual performance?
- Does leader charisma moderate the category-performance relationship? What other variables might moderate that relationship?
- What moderator variables might impact the category-performance relationship?

By understanding how leaders formulate vision statements, future research can be conducted to more fully understand a vision statement's mechanisms and impact, ultimately moving toward a grounded theory.

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APPENDIX 1

INTERVIEW PROTOCOL

1. Please start with a short description of your background – your title or role in the company, number of years in the role.
2. Please tell me about the company – industry, main product(s) or service(s), year founded, number of employees
3. What inspired you to found or join the company?
4. What is the company's vision statement?
5. Is it formal or written down?
6. Did you develop the vision statement alone or involve others (if so, please explain)?
7. Can you describe the process you used to develop the vision statement?
8. Did you develop it right away or after some period of time? Did anything in particular inspire or motivate you?
9. What challenges did you encounter when you developed the vision statement?
10. Have you ever revised the vision statement? If so, how many times and through what process?
11. What advice would you have for others who need to develop a company vision statement?
12. How often do you communicate the vision statement? How do you communicate it?
13. What actions have you taken to implement, or align the company with, the vision statement?
14. Have you designed your systems and structures to support employees in achieving the vision statement?
15. How have you enlisted others in your company to support you in reaching the vision statement?
16. Can you describe any memorable successes where your employees demonstrated the true meaning of your vision statement?
17. What challenges did you face when trying to align your company with the vision statement?
18. Do you feel you are charismatic?
19. What advice do you have for others who are implementing their vision statement?
20. Do you have any final thoughts about vision statements?

APPENDIX 2

LIST OF LEADERS INTERVIEWED

1. John Abrams, Founder and CEO, South Mountain Company (#8 Best Small Places to Work 2014)
2. Jim Ballard, President, Preferred Systems Solutions; former President of Perot Systems Government Solutions
3. Jack Brucker, CEO, WinCup
4. Dmitry Buterin, Founder and Chief Apricot, Wild Apricot
5. Christopher Cabrera, Founder and CEO, Xactly (#25 Best Small Places to Work 2014)
6. Celeste Ford, Founder and CEO, Stellar Solutions (#17 Best Small Places to Work 2014)
7. Dwight Gibbs, Founder and CEO, Contraqer; co-founder of The Motley Fool
8. Jody Glidden, Co-founder and CEO, Introhive
9. Paul Grangaard, President and CEO, Allen Edmonds
10. McKeel Hagerty, Founder and CEO, Hagerty Insurance (#6 Best Medium Places to Work 2014)
11. Gabe Hamda, Founder and President, ICATT Consulting
12. Ashley Harding, Founder and President, Bubble Shack Hawaii
13. Andy Hunn, Co-founder and CEO, Resonate Insights
14. Marty Imes, Director of Vision and Culture, Advantage Answering Plus (#12 Best Small Places to Work 2014)
15. Bill Karpovich, Co-founder and CEO, Zenoss
16. Gordon Krater, Managing Partner, Plante Moran (#29 Fortune 100 Best Companies to Work For[®] 2015)
17. Balaji Krishnamurthy, Chairman, ThinkShift
18. Karen Louis, Managing Member, WJ Technologies
19. Clate Mask, Co-founder and CEO, Infusionsoft (#13 Best Medium Workplaces 2014)
20. Kathryn McCarthy, Chairman and CEO, ThinkGeek
21. Scott McNealy, founder and former President and Chairman, Sun Microsystems
22. Brian Nakamura, City Manager, City of Rancho Cordova (#21 Best Small Workplaces 2014)
23. Jill Nelson, Founder and CEO, Ruby Receptionists (#3 Best Small Workplaces 2014)
24. C. Richard Panico, Founder, President, and CEO, Integrated Project Management Company, Inc. (#22 Best Small Workplaces 2014)
25. Kristin Sharpe, Co-founder and President, ACF Solutions
26. Andy Steinem, Founder and CEO, Dahl-Morrow International
27. Larry Sternberg, President, Talent Plus (#4 Best Small Workplaces 2014)
28. Michelle Waggoner, CEO, Community Memorial Hospital
29. Walter White, CEO, Allianz Life (#68 Fortune 100 Best Companies to Work For[®] 2015)
30. Jessica Zucal, President 2011-2013, Chesapeake Bay Organizational Development Network

AUTHOR NOTE

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