

# Interface between Corporate Vision, Mission and Production and Operations Management

Abolaji Joachim

*GJMBR Classification*

*FOR: 150307,150399*

*GJEL: D24*

**Abstract-** There are compelling reasons for organisation to develop strategic vision. It stimulates organisations mission and challenge employees. In addition corporate mission statements which are fundamental unique purpose that differentiates a firm, sets the organisational context for strategic decisions. The task for production and operations management is to relate the corporate mission and vision statements to the operating characteristics of the production process. This paper argues that corporate vision should inform mission statement and that a future compelling picture of production and operations activities should inform both. It is suggested that exploring and developing the company's operating system for competitive advantage is a product of vision and mission alignment and comprehension. This indicates that a faulty or poorly defined vision or mission statement could inhibit the conduct of production and operations management activities and promote enterprise failure.

## I. INTRODUCTION

The definition of corporate vision and mission statement is a task that can easily be slighted in the strategic management process. Some corporations do not have a vision or mission statements or merely take both to mean the same or are quite unclear in their definition of both statements. But the critical roles of both the vision and mission statement in providing and guiding the framework for managerial actions indicates that listlessly defining or slighting the task of defining these statements could be counter-productive. For example, in the absence of well articulated vision and mission statement provision of unified direction for the corporate geographically scattered employees will be quite difficult. In addition, providing a basis for a culture that guides future executive action will be absent.

Therefore, the task of defining a picture of the company's destinations, setting forth the future roles and objectives of the organisation and the fundamental unique purpose that differentiates and link the organisation with the society are not to be taken lightly. This effort requires serious attention and should be systematically determined. The issues are central to production and operations management in that corporate vision and missions articulate the long term intentions, dreams and aspirations of owners and strategic decision makers; and set the sail for business operational activities. This paper, therefore, is intended to explore and establish the interface between corporate vision, mission and

production and operations management. How the vision and mission statement provides the framework for management of physical operations, manufacturing and services.

## II. CORPORATE VISION

A corporate entity needs a vision because 'where there is no vision, the people perish...' (Proverb 29: 18). This quotation from the holy writ aptly captures the essence of vision both at individuals and corporate level. Vision is important in that it guides and perpetuates corporate existence. Vision is viewed as a mental picture of a compelling future situation. It originates from creative imagination, the act or power of perceiving imaginative mental images or foresightedness.

Corporate vision could be thought of as related to intuition. This is, however, not to eliminate other sources of corporate vision. Corporate vision can be associated with external agencies imposition of strategy or vision and, they can be deliberately formulated as part of planning process (Johnson, Scholes and Whittington 2006). Indeed, some writers have pointed out that the role intuition has been neglected (Hurst, Rush and White, 1989). Such downplay seem to neglect reality as Hurst et.al argued that setting new business ventures turnaround and new strategies are the products of creative inventory management rather than detailed planning.

Notwithstanding the process leading to the emergency of vision, from strategic management perspectives, corporate vision creates a picture of a company's destination and provides a rational for going there (Thompson, Gamble and Strickland, 2004) -Somewhat of a roadmap of a company's future. Essentially, corporate vision represents the dreams, wild aspirations of the company as may be stated by the top executives or founders of the organisation.

Corporate vision is the desired future state of the organisation; an aspiration around which a strategist might seek to focus the attention and energies of the organisation (Johnson, et.al, 2006). And, in the words of Bennis and Nanus (1997) strategic decision makers or founders must first have developed a mental picture, a mental image, of a possible and desirable future state of the organisation. They emphasised that the critical point is that a vision articulates a view of a realistic, credible, attractive future for the organisation; a condition that is better in some ways than what now exists. Corporate vision delineates management aspirations for the business, providing a panoramic view of where are we going and why?

Consequently, the vision statement should be a necessity and a useful management tool for giving an organisation a

About- Abolaji Joachim

Department of Business Studies, Covenant University, P.M.B 1023  
Ota, Ogun State, Nigeria E-mail: (abijoac@yahoo.com)

sense of future direction for a viable corporation. A future direction that becomes real when the vision statement is implanted in the minds of organisations members (Thompson, et.al, 2004) and then translated into concrete mission or purpose for the organisation.

This demands the communication of corporate vision to decision makers and top level managers. It is only on this ground that they can be emotionally committed to making the vision a reality. The awareness of why, where and how the organisation and its competitors will be competing in the future creates a vivid image that provokes emotion and enthusiasm (Lynch, 2006; Thompson, et.al, 2004). Visions, in our considered opinion, indicate aspirations and the mission statements indicate tasks to be accomplished and their pursuits are in terms of specific corporate objectives, strategies and operating policies anchored in production and operations management capabilities

A corporate vision is the corporate future picture. It is a challenging and imaginative picture of the future roles and objectives of an organisation, sometimes, significantly going beyond its current environment and competitive position (Lynch, 2006). It may, therefore, be a highly desired possibilities that may not be attainable. It is an inspirational resonance of desires, values and possibilities which overlap (Wootton and Horne, 1997). Bennis and Nanus (1997) however argued that there are compelling reasons for organisations to develop strategic visions. It is argued that visions provide desirable challenge for employees and stimulate organisations mission positively. In addition, it is suggested that exploration of new development areas outside existing boundaries and resources are often the product of a vision that requires careful explorations and development.

Hamel and Prahalad (1994) have suggested that the relevance and appropriateness of a corporate vision statement can be judged on five criteria: foresight, breath, uniqueness, consensus and action ability. Reasoned considerations of these variables should help a visionless organisation to develop one. And, in the opinion of Lynch visions can lead to a purpose or engineer a change of purpose

### III. THE CONCEPT OF MISSION

Strategic decision makers need to determine the basic goals, characteristics and philosophies that key-in into the corporate vision. The purpose of the mission statement is to set the organisational context within which strategic decisions are made to provide the firm with a strategic focus and direction in the realisation of the stated or implied vision. According to Pearce II (1982) corporate mission is the fundamental unique purpose that set a firm apart from others of its type and that identifies the scope of its operations in product and market terms.

The mission statement distinguishes a corporate entity by defining the roles that the organisation is to play in the society. That is, the particular need(s) of the society for which the organisation exists to serve. Thus, the mission statement defines the basic reasons for the existence of the organisation. And, as suggested by Kazmi (1996) it serves to link the organisation to the society. Therefore, a formal

mission statement answers the question of any venture such that any discerning outsider can come to term with what business the business entity is in and what are the reasons for its being. A clear definition of corporate mission and purpose is, therefore, essential for effectively establishing objectives and strategy formulation. That is, the corporate mission is a foundation for corporate priorities, strategies, ideas and assignment

### IV. DEVELOPING MISSION STATEMENT

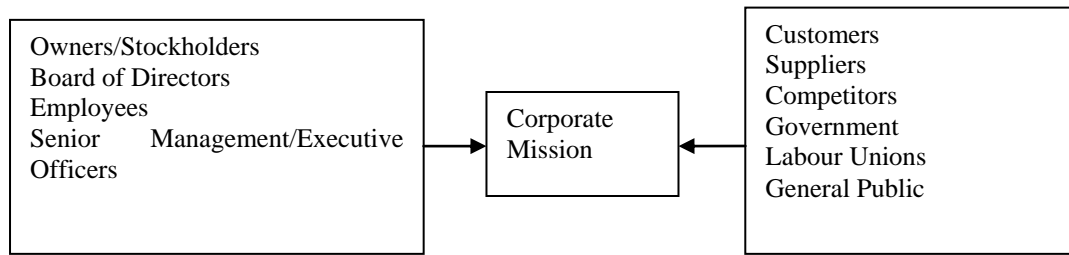
It has been suggested that clearly defined missions are essential for the well-being of an institution (Drucker, 1973). Indeed, extant literature suggested that institution without clear goals may be subject to both external and internal pressure than institutions with clearly defined missions and goals (Perrow, 1970). The importance of corporate mission statement notwithstanding Pearce and David (1987) posit that no empirical research has been published as guide to corporate mission statement development. However, from the examinations of corporate mission statements available evidences indicates common attributes of the mission statement. From the works of Pearce (1981); Pearce and David (1987) the mission statement describes corporate purpose, customers, products or services, market niche, area of operations, business philosophy and basic operative mechanisms.

In addition, the corporate self concept, desired public image and core technologies to be adopted are key component of the corporate mission statement. The unsatisfied needs of customers must be anticipated and incorporated into the corporate mission. Blunt perceptual ability in specifying key component of the corporate mission in such manner that incorporates customers' future needs can be inhibitive- an inhibiting factor in adapting to changing external environment (Fjortoft and Smart, 1994). The case of the US rail road is a classical example. Railroads defined their industry wrongly and became product-oriented instead of customer-oriented, that is, they were railroads-oriented instead of transportation-oriented (Levit, 1960). This constrained railroads ability to respond to the market through managerial inventiveness and skill which could have secured growth for the enterprise. The lesson drawn from the rail road experience is the need not to focus on a product or service.

The escape route in developing a meaningful mission statement is a focus on the utility of the company's product to customers. However, there is the need to avoid "pious platitude" as it is suggested that most corporate missions are abstract and consist of pious platitudes often formulating necessities as objectives (Ackoff, 1987). A well developed corporate mission must differentiate the company from other of its type and relevant to all the relevant stake holders. The relevance of the mission to claimant is the extent of the incorporation of their interests in the firm's

Mission

must be recognized and acknowledge in the process of developing a meaningful and enduring mission statement



Adapted "The Company Mission as a Strategic Tool" Pearce  
II, J.A. Sloans Management Review Spring 1982

#### V. CORPORATE VISION AND MISSION

Admittedly, a number of corporations took their vision and mission statements to mean the same thing while some have both a written mission and vision statement. It is important in this context, however, to understand the difference between the corporate mission and their visions. Vision in one breath is the future picture of the organisation while the mission statement describes the role that the organisation chooses to adopt based on current situation. Indeed, the mission statement clearly answers the question what is the corporate business?" the vision statement answers the question "what the corporate entity want to be"

The concept of vision and mission is clearly distinguished in the advertised slogan of a Nigerian bank: "Twenty years ago we have a vision, Today, we have a mission" This advertised slogan aptly demonstrates the relationship between corporate vision and mission. Vision is a backdrop for the development of purpose. Vision should naturally bring about a sense of purpose and mission.

According to Wootton, et.al (1997) vision should inform the mission statement and be embedded in it. Visions, they insisted, must be realistic in the light other facets of the mission. Consequently, we can discern or infer from the mission statement the future business aspirations, expected changes in company's business and the direction the business is heading

#### VI. PRODUCTION AND OPERATIONS MANAGEMENT

Production and Operations management lies at the heart of organisations efforts to actualise the mission statement. Corporate visions and missions remain abstract pious platitudes until it is linked to societal needs and resources are assembled, deployed and utilised to deliver the mission in product and service format. Production and operations activities are concerned with the conversion of input resources into finished products and services (Banjoko, 2002). Put differently, developing the mission statement in product and service terms.

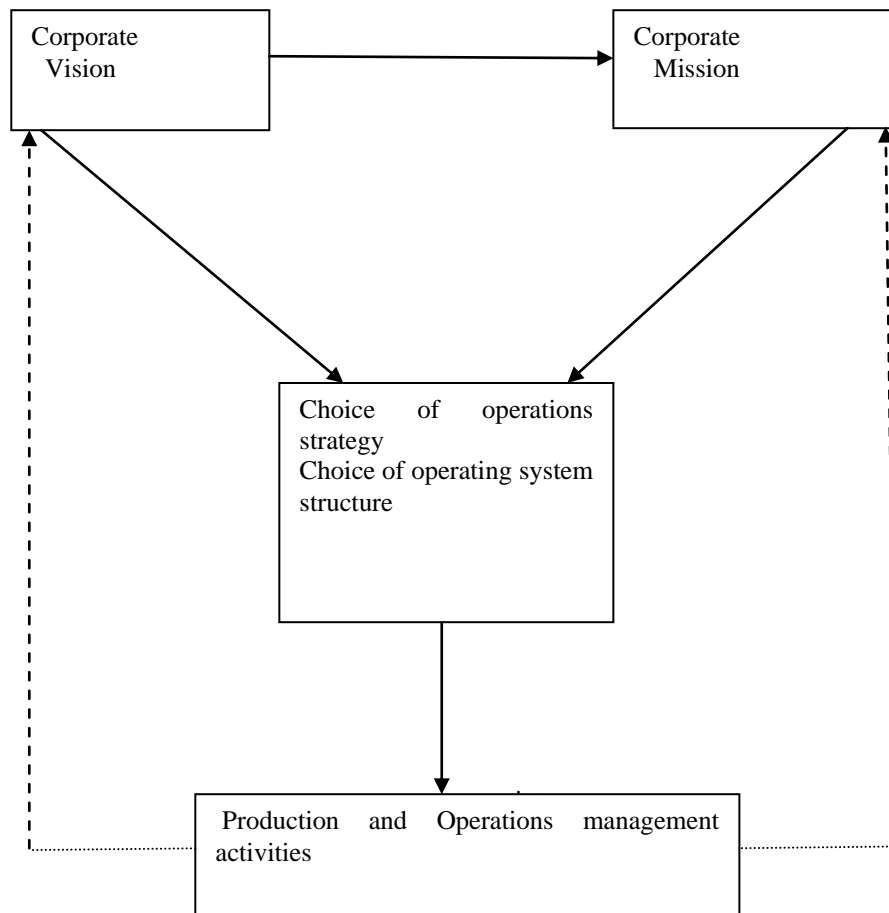
Production and operations management is concerned with all aspect of the management of physical operations, manufacturing, and services. The scope of production and

management extends not only to the refinement of control techniques or development of operations procedures but also to the effective selection, application and management of technologies. Essentially, production and operations management provides a link between operating decisions, policies and corporate mission as well as prescribe decisions and policies that could be adapted to maximise corporate competitiveness. Skinner (1985) argued that operations could become a formidable competitive weapon if allowed to play strategic role in the organisation

Indeed, one of the most difficult and important functions of production and operations management is that of relating corporate mission and objectives to the operating characteristics of the production process. Slack et.al (2004) argued that there are five operational performance objectives: cost, quality, speed, flexibility and dependability, for example, all these must be translated to operational characteristics of the production and operation system. The specifications of excellency in output in the mission statement demands, for example, determination of permissible percentage of defective in process output, product reliability, warrantees offered or in the service industry in terms of service time, waiting time, permissible number of customers complaints, among others.

Mission statements indicate the core technologies the organisation is to adopt. However, production and operations management influences the design of the production system for the delivery of the mission. The intervention measures are obtained through such means as product and process design, capacity determination, facilities location and layout, work design and measurement, among others.

Maximization of organisational competitiveness in the market is for most organisational a strategic component of the mission statement. The beginning point for such endeavour seem to be that production and operations management specifies and develop the general and engineering specifications for the output of the production process in form that places the organisational above competitors. In addition, determination of the organisations desired output rate (capacity determination) must address both current and future demand. Current operational capacities and development of capacities in future is an important operational device for organisational competitiveness



### Modified and Adapted from Wootton, S and Horne T(1997) Strategic Planning : the Nine Step Programme

The interlocking nature of corporate mission and production and operations management can be depicted as below. Visions can lead to mission or engineering of missions while the mission statement sets the framework for production and operations activities through the design of operations strategy. Operations strategies represent the company's long-range plan for the production of the company's goods and services (Gaither, 1996). It is a road map specifying how the firm will employ its production capabilities to support mission accomplishment (Davis, Aquilano and Chase, 2003). Production and operations management through provision of information on existing operating system structure, objectives, and strategies and implications of goods or services and demand characteristics of goods or services being considered do influence corporate mission.

#### VII. MISSION STATEMENT AND PRODUCTION AND OPERATIONS MANAGEMENT

Implementations of the corporate mission statement demand the acquisition, mobilisation of resources and the creation of structures and processes. Three key elements of the mission statement, at least, have implications for operations and production management: the company's

basic product or service, primary market and core technologies for service and product delivery. Primary market to be served will indicate the nature and predictability of demand and the subsequent system structure that is feasible. In addition, operations and production emphasis is influenced by the broader corporate mission statement, for example, production emphasis and pursuit of customers' service and quality products is consistent with the specifications of mission statement. From the foregoing the company's mission statement provides the framework for operations and production management. Operation and production strategies are the means for translation of mission statement into concrete products consistent with the values and beliefs encapsulated in the mission defined. Operations and production strategies are themselves derivatives of overall operating strategies which are detailed statements of means to achieve objectives (Pearce II, 1981). Operating strategies, which are derivatives of corporate mission, specify how operations and production can achieve organisational goals within the framework of corporate mission defined.

The requirement of the company mission and vision statement will significantly influence production systems current and projected capabilities. According to Wild (1999) the mission statement declarations on the nature of goods or services to be provided, nature of market to be served and manner of service influences operations and production management choice of structure, choice of objective and production strategies.

#### VIII. SYNTHESIS AND CONCLUSIONS

From the foregoing, it is clear that corporate vision, mission and production and operations management are closely related. Organisations must have an imaginative future picture of the roles of its production and operating system consistent with the overall vision for the organisation. Harnessing resources, exploring and development the operating system in line of future compelling situations is a necessity for remain competitive.

Production and operations management achievement of operations objectives must make major contributions to the fulfilment of the organisation's mission and the pursuit of its vision. Corporate mission statement provides the framework for production and operations activities, notwithstanding, production and operations management influences strategic direction through provision of information on operating structure, objectives and strategies. This implication of this is the possibilities of re-defining corporate mission and vision through creative development and explorations of the potentials of the company's operating system

#### IX. REFERENCES

- 1) Ackoff, R.L (1987) Mission Statements, *Planning Review* July- August
- 2) Banjoko, S.A (2002) *Production and Operations Management*, Lagos: Pumark Nig Limited
- 3) Bennis, W and Nanus, B (1997) *Leaders: The Strategies for taking Change*, New York: Harper and Row
- 4) Davis, M.M; Aquilano, N.J and Chase, R.B (2003) *Fundamentals of Operations Management*, New York: McGraw-Hill Company
- 5) Drucker, P (1973) *Management Tasks, Responsibilities, Practices*, New York: Harper and Row
- 6) Fjortoff, N and Smart, J. C (1994) Enhancing Organisational Effectiveness: The Importance of Culture Type and Mission Agreement, *Higher Education*, 27(4):429-44
- 7) Gaither, N (1996) *Production and Operations Management*, 7<sup>th</sup> edition, Belmont CA: Wadsworth Publishing Company
- 8) Hamel, G and Prahalad, C.K (1994) *Competing for the Future*. Boston, Mass: Harvard Business School Press
- 9) Johnson, G; Scholes, K and Whittington, R (2006) *Exploring Corporate Strategy*, 7<sup>th</sup> ed. Essex: Pearson Education Limited
- 10) Kazmi, A (1996) *Business Policy*, 7<sup>th</sup> ed, New Delhi: Tata McGraw Hill Publishing Company Ltd
- 11) Levitt, T (1960) Marketing Myopia, *Harvard Business Review*, July- Aug
- 12) Lynch, R (2006) *Corporate Strategy*, 4<sup>th</sup> ed, Essex: Pearson Education Limited
- 13) Pearce II, J. A and David, F (1987) Corporate Mission Statements: The Bottom Line, *Academy of Management Executive*. 1(2)
- 14) Pearce II, J.A (1981) An Executive- Level Perspective of the Strategic Management Process. *California Management Review*, XXIV (1). Fall
- 15) Pearce II, J.A (1982) The Company Mission as a Strategic Tool, *Sloan Management Review*, Spring
- 16) Perrow, C (1970) *Organisational Analysis: A Sociological View*, Belmont CA: Wadsworth
- 17) Slack, N; Chamber, S and Johnston R (2004) *Operations Management*, 4<sup>th</sup> edition, Harlow: Pearson Educational
- 18) Skinner, W (1985) *Manufacturing: The Formidable Competitive Weapon*, New York: John Wiley
- 19) Thompson, A.A; Gamble, J.E and Strickland, A.J (2004) *Strategy: Winning in the Marketplace Core concepts, analytical tools and Cases* Irwin; McGraw Hill
- 20) Wild, R (1999) *Production and Operations Management: Text and Cases*, 5th edition London: Cassel Educational
- 21) Wootton, S and Horne, T (1997) *Strategic Planning: the Nine Step Programme*, London: Kogan Page Limited
- 22) London: Kogan Page Limited