

The Concepts of Vision, Mission and Fusion  
in the Strategic Planning

By:  
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*"In Iran, on the verge of the Third Five-Year Plan,  
the best development strategy is to identify a  
strategy for a long-range plan"*

**ABSTRACT**

Today, most of the third world countries are caught in the struggle of transformation of certain aspects of technological and developmental innovations to facilitate the fundamental shifts within institutions or organizations. Opportunities are available to create improvement on a large scale, to transform the traditional structures and cultural mindsets to a new organizational form with subtle forces that enable changes easily. But paradoxically, no matter how many consultants are hired by directors or managers, or how hard they push changes onto people below of the system, movement is exasperatingly slow.

To solve the problem of "resistance to change", in the process of formulaion of a strategic planning, I propose the application of a new conceptual foundation for leadership/management fusion in organizations/corporation which is consistent with the sciences and systems approach is proposed. When this happens, people self-organize, changing themselves and their systems to keep up with changing environments. Changes then occurs without either top-down forces or bottom-up resistance -- to make every person a leader, or some one who will initiate change and take responsibility for its implementation; and, when large

numbers of employees are thus empowered, they create a firestorm of improvement that sweeps away resistance.

This paper takes the idea into four parts: part one, will cover the general characteristics of a strategic and long-term planning. Part two and three, will entail this massive shift in organizational form for needed changes, such as structural, cultural, leadership and other changes that may come to the regeneration of a vision, mission,... Part four, will carry and explain this fusion process with deeper vision, mission, communication, integrity,...

### I. Characteristic of long-range planning

How should people behave in society? Work, home, social life, is a constant stream of decisions. All of us are strategists, whether we like it or not. It is better to be a good strategist than a bad one. To improve your skills, you should discover and use effective strategies. The science of strategic thinking is called "game theory." It has already provided many useful insights for practical strategies. Business and corporations must use good competitive strategies to survive (Dixit & Nalebuff, 1991)<sup>(1)</sup>. The research of Pearce & David (1987), suggests some interesting tentative data on organizations that engage in strategic planning, out perform those that do not<sup>(2)</sup>.

Strategies or a strategic plan, simply is a plan, program to organize the life and work or a way to manage resources. In business terms: would you lend money to someone who has no plan for using or returning it, or would you rather buy into a well-thought-out program for getting or building profits? A good strategic plan or program at least helps you to allocate resources efficiently and avoid mistakes (Rice, 1990)<sup>(3)</sup>.

The process of any purposeful future oriented decision making or management starts with planning. The process of a corporate management is comprised of planning, organizing, staffing, motivating and controlling. If planning is not appropriate, then the whole process and the following processes are not effective. The organization has four subsystems, as the

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1. Dixit, Avinash K. & Nalebuff Barry J., (1991), *Thinking Strategically: The Competitive Edge in Business, Politics, and everyday life*, W. W. Norton & Company (International best seller).

2. Pearce, J. A. & David, F. (1987), *Corporate Mission Statements: The bottom line*, *Academy of Management Executive*, 1, pp. 109-116.

3. Rice Craig S., (1990), *Strategic Planning : For the Small Business, Situations, Weapons, Objectives & Tactics*, Adams Meadia Corporation.

table (1) shows, namely, (1) organizational goals, objectives and philosophies, (2) service or product market strategies, (3) resource allocation or structure and (4) operations. These four subsystems become the subjects of planning. The area of long-range planning is mostly focused on the first three, the subject of short-range planning are mostly concentrated on operations. Operations are based on the strategy and the structure, so long-range planning is a plan based on the premises of the short-range planning. This means that long-range planning is construct on the premises of the daily or monthly operations. Excellent Japanese companies such as Canon, Bridgestone (tire manufac-turing), Hitachi and Eisai (pharmaceutical products) have been constantly using long-range planning for more than twenty years (Kono, 1992)<sup>(1)</sup>.

**Table (1) - Subjects of long - range planning**

Change			
Subject	(1) Innovation	(2) Improvement	(3) Maintenance or repetition
(a) Goals	Large change of business philosophy	Change of business philosoph	Business creed
(b) Product-market strategy	New product development Vertical integration Multinational management	Competive strategy Recruitment of personnel and training	Wage and salary system Maintennce of facilities
(c) Structure	New capital investment Acquisition of other companies Agreement and joint ventures	Improvement of facilities Improvement of rules and standards	Rules and standards for production and sales
(d) Operation			Material purchasing plan production plan Sales plan Profit plan
A ... Long - range strategy		} Long - range plan	F ... Administrative plan
B ... Medium - range plan			G ... Budgeting

1. Toyohiro Kono, *Long-range Planning of Japanese Corporations*, Walter de Gruyter. Berlin, New York 1992, Page 3. (De Gruyter studies in Organization; 37, *International Management, Organization and Policy Analysis*).



The subject of a long-range plans are corporate strategy and structure. As the Table (1) conceptually indicates, the long-range plan can be divided into two parts: a long-range strategy and a medium-range plan. The long-range strategy [A] stipulates any major changes in the long-range objectives, services or product-market strategy and the structure of the company. The medium-range plan [B] covers the improvement of these areas. Plans [F] and [G] are not parts of the long-range plan, they are created after the long-range plan. The administrative plan [F], contains the rules and policies which govern repetitive production/services and marketing activities. Budgeting [G], states decisions on the quantity and timing of services/production and marketing, and on the enhancement of welfare, productivity and profitability.

Different types of planning are implemented at different levels of systems, in terms of space, location or geographical areas (such as local, city, province, regional, national, international), in terms of time (such as short-, medium-, long-range), in terms of different aspects of systems (such as social, economics, political, environmental, ...), and so on. The highest level and the most comprehensive view of planning, is strategic planning, which is a process by which goals/objectives are set up; and the guiding members of an organization envision its desired future and/or develop the necessary procedures and operations to achieve the future -- its end settings. This vision of the "future state" of the organization provides both a "direction" in which the organization should move and the energy/resources to begin the move. So, the envision process of the strategic planning is different form long-range planning or problem solving process (which is almost fixed in a specific process for a specific period and may involve sophisticated quantitative methods, techniques, probability, forecasting). Since organizational environments are constantly changing -- long-range planning is also a risk calculation, to assess the risk that you must take by gaining a better understanding of the parameters involved in the decision to solve a problem. Experts on these environments agree that the pace of these changes is exponentially increasing. Meaning that, by the time that you have solved a problem, other side effects of the problem have been created changes so fast that the solution is no longer valid or suitable.

The long-range plan is a prerequisite for the administrative plan and the short-range plan. If there is no long-range plan, the budget will be built based either on the implicit strategy of some managers/directors, which is not well thought out or it might be based on the past experiences and it might thus be conservative.

Long-range plan builds a formal, written and comprehensive plans. The

subject of the long-range plan are goals/objectives and philosophies; service/product-market strategies and key resource structures. Innovation in these three areas is necessary for the conformation to adapt to changes for the competition, restructuring, new production ..., in the environment. The analytical approach of plan formulation, starts with goal setting, information or data collection, idea generations, evaluation, resource allocation and implementation. But strategic decision making and approach for strategy formulation is different -- incremental. It is not conducted just like the solving of simultaneous equations. It is conducted on a piece-meal basis. There are two reasons for this. There is uncertainty and risk taking in the environment, and it is hard to make concrete decisions beforehand, it is better to proceed after some experimentation. Another reason is that, the minds of people do not change easily, it is better to spend appropriate time in letting them understand the needs of new strategy (Quinn, 1980)<sup>(1)</sup>. Mintzberg explains and illustrates three modes of decision-making: entrepreneurial, adaptive and planning mode in strategic managerial work (Mintzberg, 1973)<sup>(2)</sup>.

Miles and Snow state four types of strategy formulation: defenders, prospectors, analyzer and reactor. They state that if there is consistency with the internal subsystems, each of the first three can have high performance (Miles & Snow, 1978)<sup>(3)</sup>. Allison shows also similar typologies in strategic decision making process (Allison, 1971)<sup>(4)</sup>.

Thus, the subject of long-range planning is corporate strategies, although not all corporate strategies are planning in a long-range. Sometimes strategic decisions also can be taken without formal long-range planning. For example, several surveys in Japan show that the majority of large corporations have long-range plans. A survey in 1989 on long-range planning practices of 249 companies in Japan showed that about 25% of new strategic idea are presented in the process of long-range planning, but that 75% of new strategic ideas are suggested outside of the process of long-range planning. And a survey by Ministry of International Trade and Industry -- MITI, on a variety of Management practices shows that in 1983,

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1. Quinn, J.B., (1980), *Strategies for Change; Logical Incrementalism*, Richard Irwin, Ill.

2. Mintzberg, H., (1973), *The Nature of Managerial work*, Harper and POW, New York.

3. Miles, R. E., and snow, C.C., (1978), *organizational Strategy, Structure, and process*, Mcgrow-Hill, New York.

4. Allison, G.T., (1971), *Essence of decision; Explaining the Cuban Missile Crisis*, Little Brown, Boston.



69% companies (out of 480 manufacturing companies) and in 1986, 75% companies (out of 598 manufacturing companies) have long-range plans. The ten year average was about 70%, and the overall performances measured by growth rate and return on total investment of the companies prevail that companies which had long-range plans were better than those which did not have long-range plan. The differences were statistically significant at 5% risk every year. Many companies in Japan also have had the long-range plans for many years. According to a survey of 249 corporations with long-range plans for more than 10 years, 21% had had then for more than 5 years and 22% have had for less than 5 years (Kono, 1992)<sup>(1)</sup>. It should emphasized that strategic planning or long-range planning can be viewed as one of the tools or can have the effect of changing the corporate culture, mindset and vision.

In general, strategic planning has comprehensive long-range, tactical and operational type of planning which depends on the nature of an organization and the scope of its problem, that need to create a following three-tiered strategic planning process to encourage a longer, or a shorter vision:

- Comprehensive view or strategic planning is a long-range view of a corporation (about 10-15 years), including a vision of alternative futures or scenarios. It should seek to identify key issues or pick up weak/strong signals in the environment.
- Tactical planning is a main issue of management, or a mid-range planning process (about 3-7 years), that would serve as the connective issues between the short and long-range planning.
- Operational planning is a short-range planning process (about one year), to articulate current changes in markets and competitive position. This should be an explicit planning activity rather than a "site of the plan" management function. It should focus on identifying root causes of current changes and issues that correspond or conflict with the medium or long-range issues.

The basic components of the long-range plan is comprised of four parts: basic goals/objects, service/product-market strategy, structure and outline of

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1. MITI, (1973-80), *Keiei Ryoku Hyoka, Measurement of corporate capability*, MITI, Tokyo, 1986.  
MITI, *Keiei Ryoku Hyoka, Evaluation of Management Capability*, Ministry of International Trade and Industry, Tokyo, 1987, in

Kono, Toyohiro, (1992), *long - range Planning of Japanese Corporations*, Walter de Gruyter & Co.

operations. These four components are developed into group of decisions and Table (2) is a simplified model of a long-range plan. It is comprised of premises, long-range strategy and medium-range plans. Then, the short-range plan follows.

The long-range strategy starts with (a) the long-term vision, (b) long-term

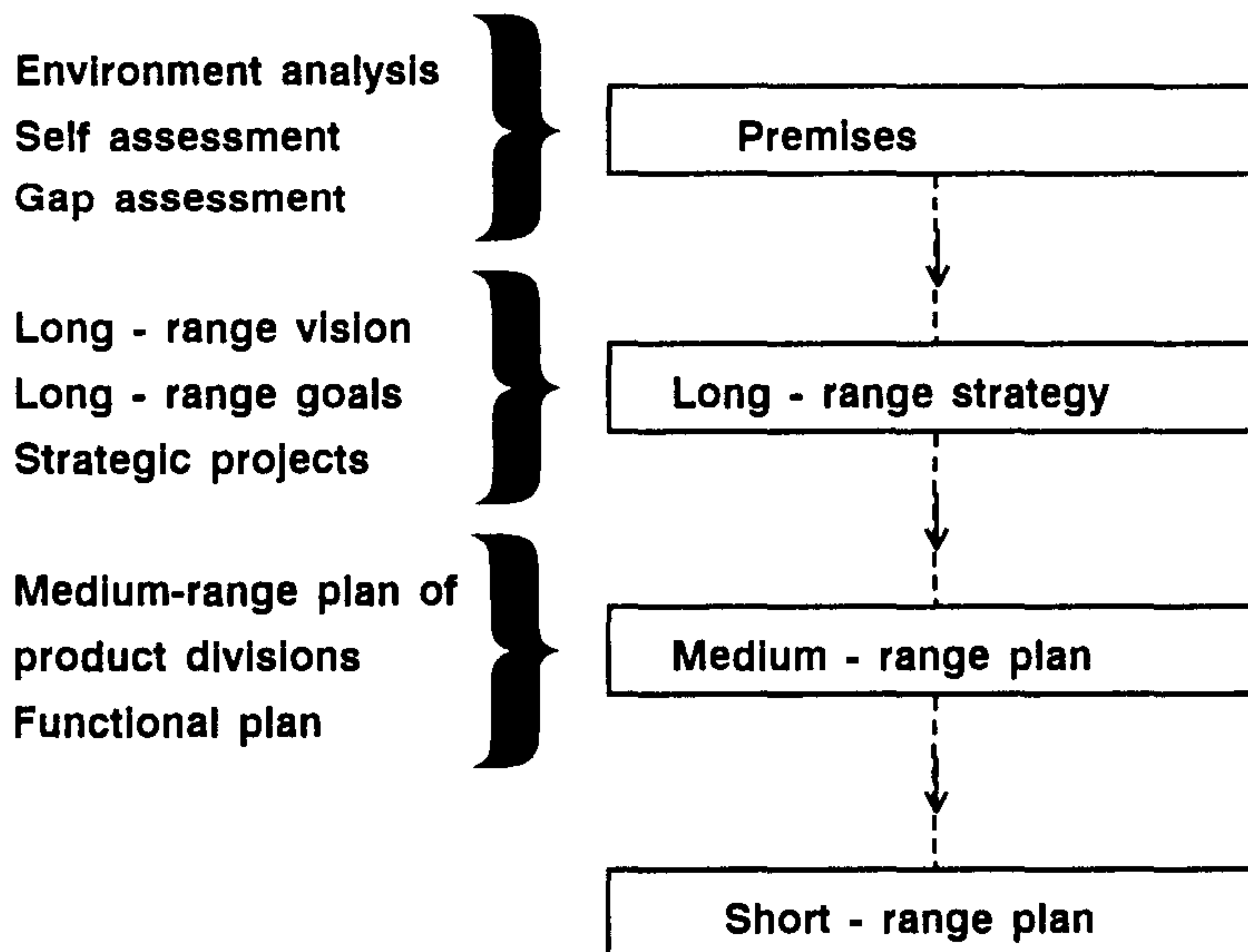


Table (2) - A simplified system of a long-range plan

goals/objectives and (c) the long-term strategic projects. The long-term visions state the change of scope of business or the change of domain, such as, a change in product-mix to words "the image products." The long-term goals/objectives state the future scale of business, such as to attain "sales of 100 billion yen by the year 2010." The strategic projects state important key projects, such as establishment of a new research institute or any investment for new manufacture center, in a growth pole. The long-range strategy is mostly planned by the corporate planning office and the top management.

Strategic management has emerged as the most modern form of planning in organizations and has become an essential tool for organizations to learn and develop if they wish to forge a state of excellence and respond constructively to rapid changing world. This is the main conclusion of the World Bank's survey of the experience of 90 organizations, which directly



interviewed strategic planning managers and selected executives and consulting firms (Hanna, 1985)<sup>(1)</sup>.

## II. Applying strategic Planning Process means, "Creating a desired future" in practice:

Many public or private, profit or non-profit organizations want to use strategic planning but they do not know how to do it, or where to begin the process. You can define the terms "strategy" and "strategic planning" in various ways: Chandler defined strategy as "... the determination of basic long-range goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals"<sup>(2)</sup>. Or, as an organizational plan of action that is intended to move an organization toward the achievement of its shorter term goals and, ultimately, toward the achievement of its fundamental purposes -- goals and mission<sup>(3)</sup>.

Strategies as "plans" are common in most organizations, however. Strategy formulation -- the process of planning strategies -- is often divided into three levels: corporate, business, and functional. Drucker defined strategic planning as "... the continuous process of making present entrepreneurial (risk-taking) decisions systematically and with the greatest knowledge of their futurity; organizing the efforts needed to carry out these decisions; and measuring the results of these decisions against the expectations through organized, systematic feedbacks"<sup>(4)</sup>. These definitions refer to major action programs that are used by organizations to achieve their mission and goals.

Strategic Planning is concerned with "What shall be done", whereas tactical/operational planning are concerned with "How to get the job done." Both tactical/operational planning are concerned with the setting of specific, measurable goals through objectives, or milestones to be achieved by

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1. Hanna, Nagy, (1985), *Strategic Planning and Management: A Review of Recent Experience*. World Bank Working Paper, No. 751, Washington, DC: International Bank for Reconstruction and Development.

2. Chandler, Alfred D. Jr., (1962), *Strategy and Structure: Chapters in the History of the Industrial Enterprise*, Cambridge, Mass., the MIT Press, P.13.

3. Harrison, Jeffrey S. & St. John, Caron H., (1998), *Strategic Management of Organizations and Stakeholders: Concepts & Cases*, South-Western College Publishing Co., P. 9.

4. Drucker, Peter F., (1974), *Management: Tasks, Responsibilities, Practices*, New York, Harper & POW, Publishes, P.125.

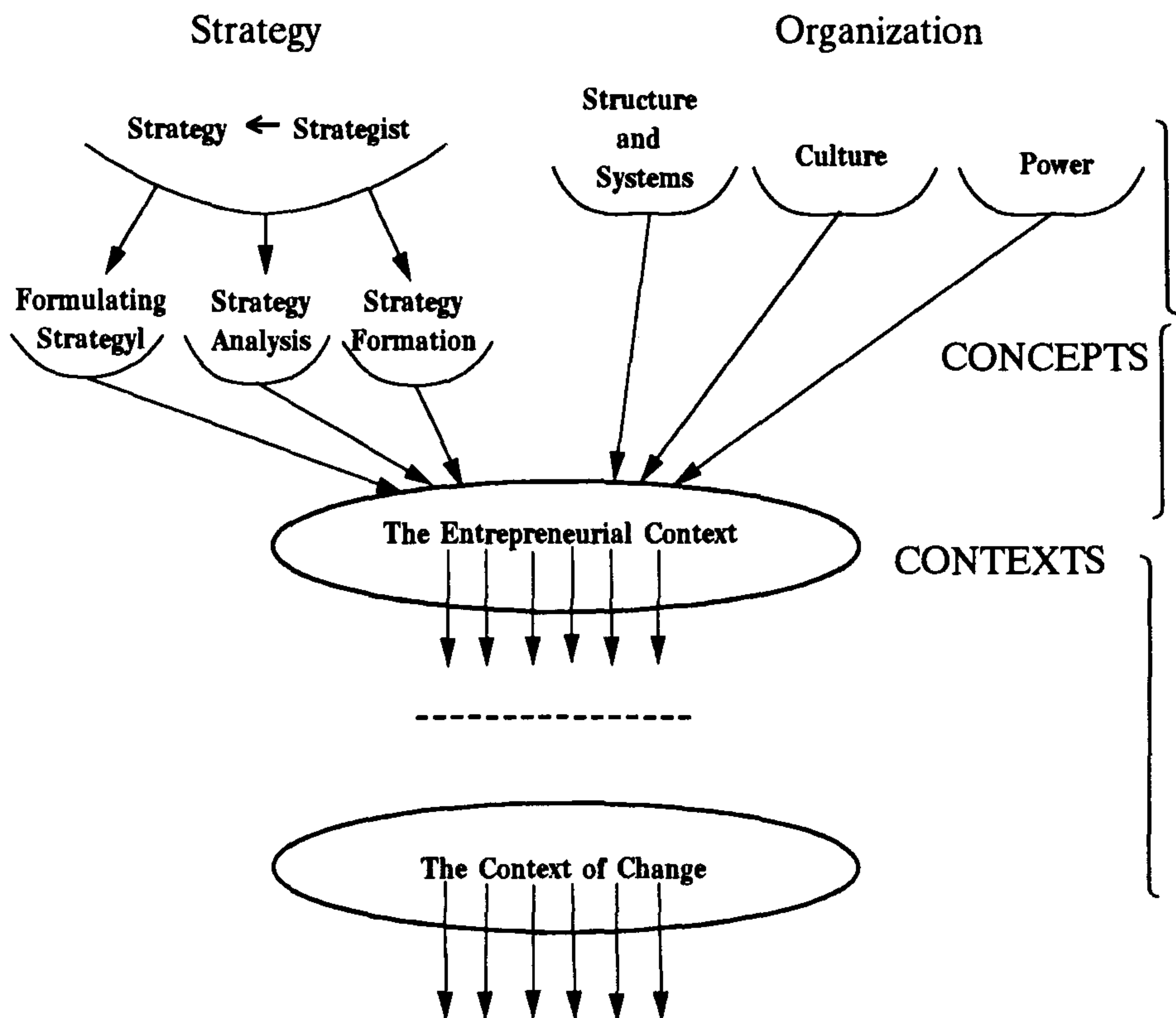


divisions, departments, work groups, and individuals within an organization, typically in a shorter and more specific time frame.

1● Where are you going?

Without a clear sense of direction -- without a mission statement, clarity about the scope of operations, and a set of specific objectives and goals -- an organization would look like the following adrift:

Figure (1) - Strategy process theme diagram



Mr A: Which way should I go?

Mr B: That depends where you are going.

Mr A: I don't know, where I'm going!

Mr B: Then, it doesn't matter which way you go.

This is saying that "if you do not know where you are going, it does not

make any difference what road or direction you take to get there." The important implications of this question for management is knowing where they want to go or else strategic planning is a waste of time. To determine where a company or an organization is going, management must develop: (a)- a corporate mission, (b)- a scope of operations and (c)- specific goals and objectives.

### 2● What is the environment?

In answering this question the organization is forced to take a hard, objective look at itself, its external environment, its stakeholders, its competitors, the threats and opportunities that these pose. Furthermore, the organization must measure the gap between its goals/objectives and its capacity to attain those goals/objectives. In other words, before determining the strategies necessary to achieve the goals/objectives, it is necessary to analyze the internal and external environments within which the company operates. In other words, the purpose of this analysis is to provide information about a company's strength, weakness, potential threats, and opportunities.

### 3● How do you get there?

Figure (2) presents a model that can enable the organization to reach its goals and how do the organizations resources need to be allocated to make these model works?

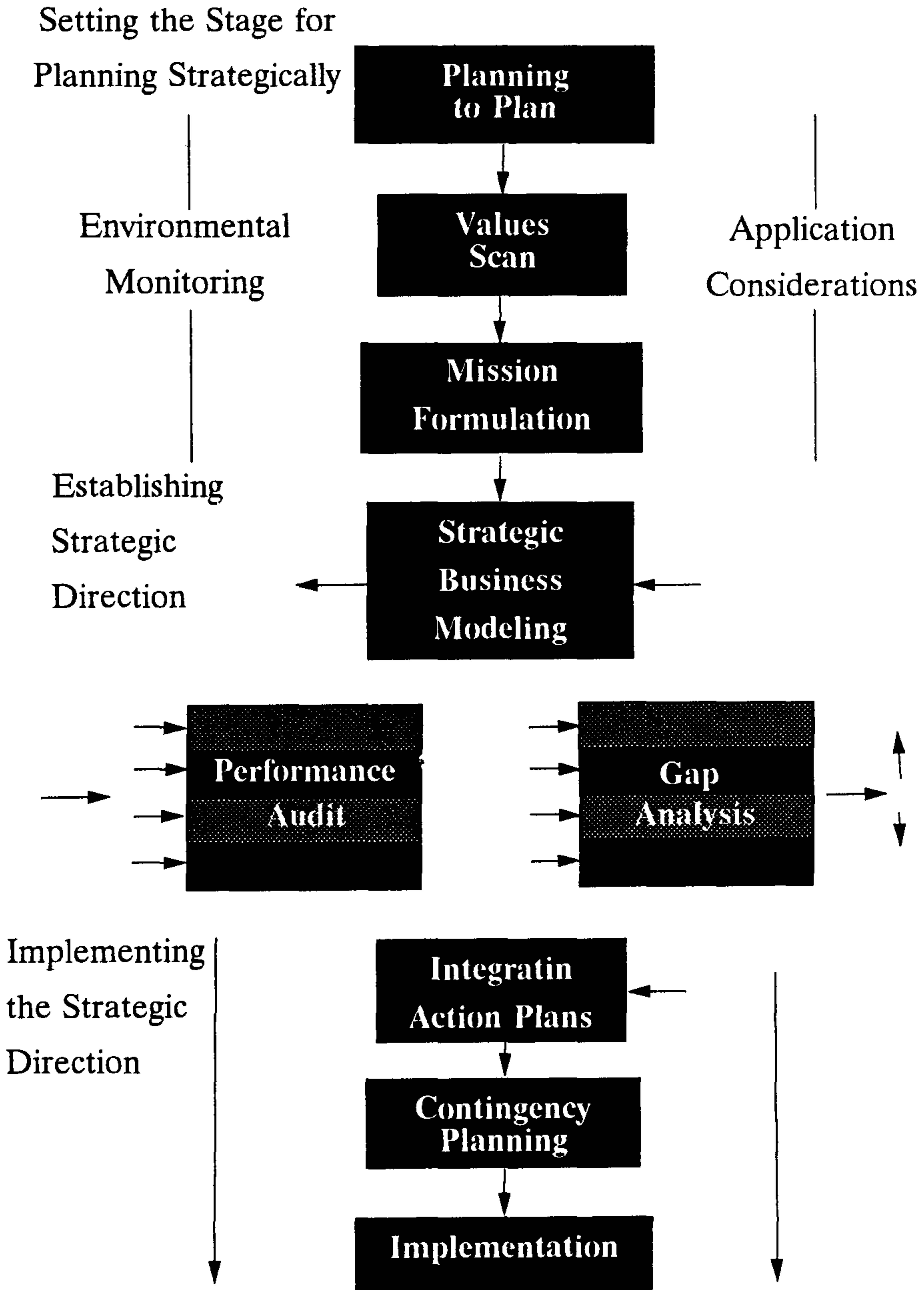
This is a model especially useful for medium and small sized organizations of government agencies and not-for-profit organizations, as it is for business and industrial organizations. The model involves nine sequential phases which starts with "planning a plan", with a process of answering a host of questions and making a number of decisions, all of which are critically important to the eventual success or future of the entire planning process. This must occur prior to the initiation of any actual planning process. The necessary component of an effective planning process is "down-board thinking." Not only should a planning team decide on its immediate moves, but it should also look down board and consider the sequence of these moves in the light of how the stakeholder, competitors and environmental factors will respond (Goodstein, Nolan & Pfeiffer, 1992)<sup>(1)</sup>.

Once at the strategic level, the mission and the scope are established, it is necessary to determine more tangible or specific goals and objectives. For example, to say that the objective is to improve the quality of health care within reasonable rate, raises immediately questions about what is meant by

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1. Goodstein, Leonard D., Nolan, Timothy M. & Pfeiffer J. William, *Applied Strategic Planning: A Comprehensive Guide*, Pfeiffer & Company, 1992, PP. 7-11.





**Figure (2) - The Applied Strategic Planning Model**  
 (Source: Goodstein, Nolan & Pfeiffer, 1992)

"improve quality" and what is considered a reasonable rate. This type of problem can be avoided by stating explicit objectives such as those addressed on the following pages. However, not all corporate or organizational goals such as social, economical, environmental, political or those dealing with constituents (customers, employees, suppliers, etc.) can be easily measured in terms of dollars or ratios, and may have to be stated in general terms. But quantifying the objectives is a necessary step toward achieving a challenging goal.

### III- The need for a framework to visualize the desired future

If we look at the literature on organizational strategy and planning -- future oriented decision making, we find numerous terms for "vision" that sometimes are used synonymously, sometimes have partially overlapping meanings, and sometimes are intended to be totally distinct from each other. But whatever the differences over semantics, I believe that just like driving a car at night with lights turned on, in any organization, we first need, a vision to guide us. It might be difficult to get hands on what exactly "vision" is, you might have heard lots of statements like mission, purpose, strategic intent, values, -- which organizations respond to the need for vision by creating something typically called a "mission statement." While this is a step in the right direction, most mission statements are ineffective as a compelling, guiding force. In fact, most "statements" be they called: vision, mission, purpose, philosophy, credo, or the company way -- are of little value, if they don't have the intended effect.

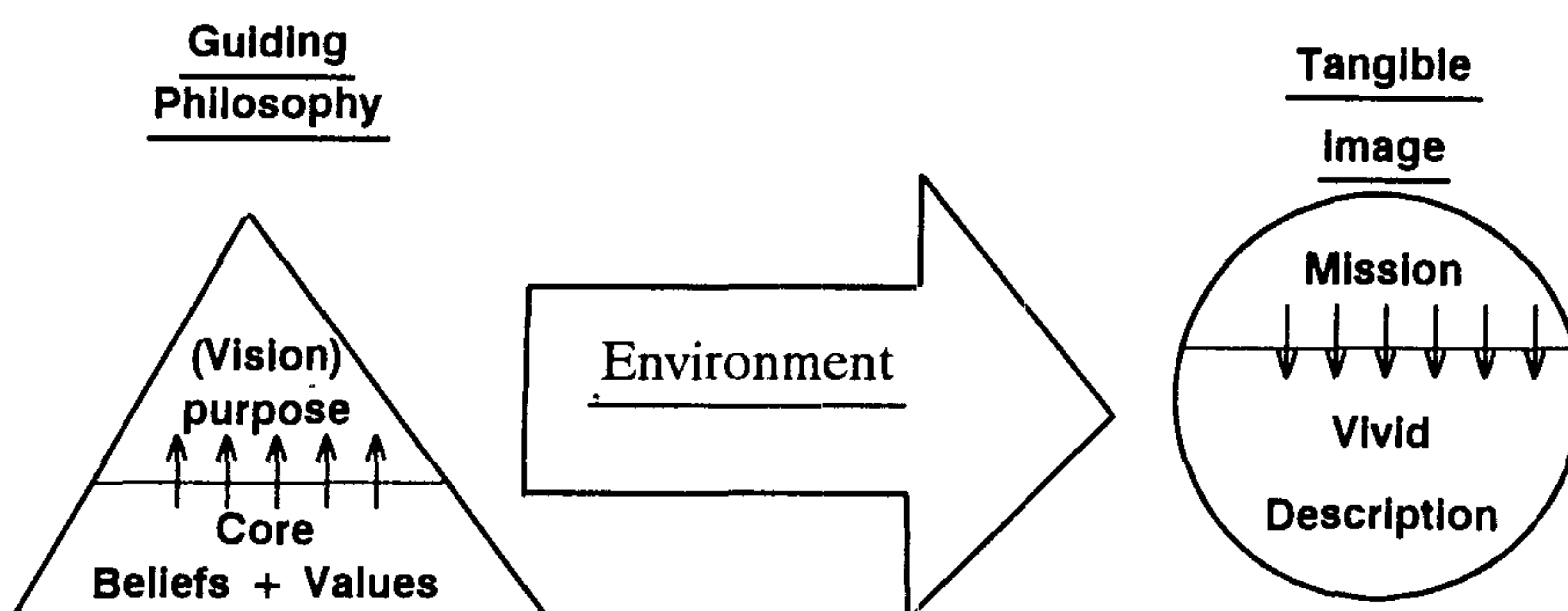


Figure (3) - Overview of the framework and various components of an organizational vision



A typical example of statements as Figure (3) shows, consists of two major components -- a "guiding philosophy" that in the content of expected future environments, leading to a "tangible image." It is by defining this sort of guiding philosophy and tangible image that we begin to see how the commonly used terms are related to each other yet distinct<sup>(1)</sup>.

The "guiding philosophy" is where vision begins. It then, permeates decisions, policies, actions of organization throughout all phases of the organization's evaluation; it is a philosophy of life and efficient way to work; it is a system of fundamental motivating assumptions, principles, values, and tenets. Although the "guiding philosophy" may come from the early leaders who originally shaped the organization and who imprinted the organization with their own personal philosophies of life and business, or may come from higher levels of a hierarchical system, but as a shaping force, serves as an organization's genetic code."

"Purpose" is an outgrowth of the organization's core values and beliefs that should be articulated succinctly in one or two sentences. A statement of purpose should quickly and clearly convey how the organization fills basic human needs in a broad, fundamental, inspirational, and enduring statement.

"Tangible image", consists of a mission which clearly focuses the efforts of the organization and a vivid description through which is made more alive and engaging -- something real -- a picture of the future -- sometimes dreams, hopes and aspirations. Whereas guiding philosophy resides in the back ground, ever present and "in the woodwork", tangible image is in the foreground, focusing people's attention on specific objectives or goals.

"Vivid description" represents a vibrant, engaging, and specific description of what it will be like when the mission is achieved. It should provoke emotion and generate excitement and transform the mission from words into pictures. It's a way of conveying the mission so that people carry around a clear, compelling image in their heads. A vivid description brings the mission to life -- "painting a picture with your words".

"Mission" is a clear and compelling goal that serves to unify an organization's efforts. An effective mission must stretch and challenge the organization, yet be achievable. It translates the abstractness of philosophy into a tangible, energizing, highly focused goal that draws the organization forward. It is crisp, clear, engaging -- it reaches out and grabs people in the gut. People "get it" right away; it requires little or no explanation. A mission

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1. Collins, James . & Porvas, Jerry I., *Organization Vision and Visionary Organizations*, California Management Review, Fall 1991, PP. 30-52.

should have a finish line and a specific time frame for its achievement.

There are many competing ideologies and approaches to achieve quality. The belief in the benefits of Total Quality Management -- TQM has been enshrined in the Malcolm Baldrige Award<sup>(1)</sup>. Noting that, quality does not mean the absence of defects, but the presence of "value", a process orientation with a cross functional scope, and management by fact, employee empowerment, relationship management, and the use of teams.

A survey in one of Wharton's School executive education courses<sup>(2)</sup> has identified a shift in the view of leadership held by executives. When participants are asked to identify the quality they admire most in their heroes, decisiveness used to be the most frequently cited quality, but now the most admired quality is vision. So the crucial to a successful visionary leadership or the most characteristic of vision and visionary leadership among others are:

- **Anticipating the future**
- **Aligning core competencies of the organization**
- **Involving key players**
- **Linking the vision to operations**
- **Creating discomfort**
  - Risk taking
  - Stretching
  - Change
- **Demonstrating a willingness to partially self-destruct when necessary to facilitate program**
- **Creating power shifts**

Participants also identified the following characteristics of an effective corporate "vision".

- **Simple, clear, and measurable, but stating broad goals rather than specific objectives.**
- **Communicates a "can do" attitude**
- **Presents a goal or dream that pushes the organization to higher**

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1. Malcolm Baldrige, (1997), *National Quality Award, Criteria for Performance Excellence, Application Forms & Instructions* (E-mail: oqp@nist.gov and <http://www.quality.nist.gov/>).

2- *Pace Setting 21st Century Enterprises: A Glimpse of what might Emerge*, by J. Wind, R. Holland and A.P. West Jr with R. Gunther, SEI Center for Advanced studies in Management, The Wharton School of University of Philadelphia, PA, 1993, pp.15-16.



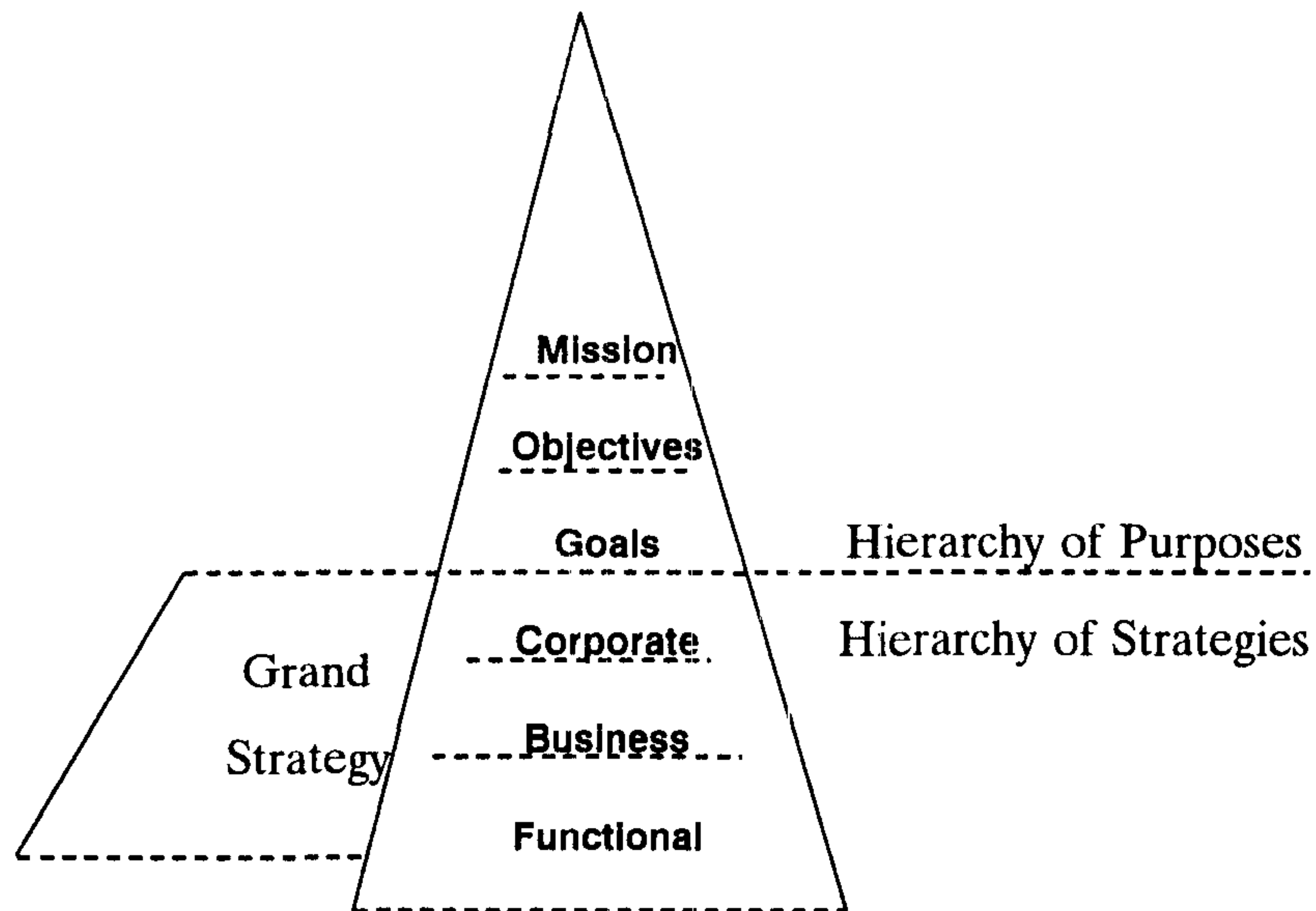
**achievements**

- **Credible and achievable: A stretch (going to the moon) or incremental (by milestones)**
- **Distinctive to the organization**
- **Easily communicated to all stakeholders, from top management to the lowest - ranking employees.**
- **Fulfills goals of the firm maximizing profits,) but also ties into aspirations of employees (being the best, for example)**
- **Allows others to contribute to it**
- **Generates pride**
- **Must have a champion, usually leader of the firm.**
- **Persistent over time, but renewable**

Developing the vision is only part of the challenge. It must be carried to all parts of the organization and implementation. What are the key ingredients for success in implementation? Workshop participants identified the following requirements for implementation a vision:

- **Be consistent and persistent**
- **Develop a strategy and process to carry out the vision**
- **Identify resources needed to carry out the vision**
- **Provide training needed by employees to carry out the vision**
- **Identify likely resistance and develop strategies to overcome it**
- **Develop self-correcting system to test rightness of the vision**
- **Act according to the vision**

As shown in Figure (3), the guiding philosophy of an organization become operationalized in the tangible image, where it becomes so taking the organization's expected future environment into account. In this sense, environment serves a moderating role in the translation of purpose into mission. By its very nature, guiding philosophy is generated relatively free of current environment conditions -- it comes from within people. Mission, on the other hand, will be affected by the environment. They are affected by timing, space, magnitude, trends, technology and internal/external factors. Setting a mission requires an intuitive sense for the boundaries -- controlling environments. Finally, mission should not be limited by constraints of strategic analysis. Mission setting should be proactive, not reactive. Strategy is subservient to mission and strategic analysis should be done after -- not during -- the mission-setting process.



**Figure (4) – Hierarchical levels of purposes and strategies**

However, planning is a managerial activity that should be deeply rooted in the unique characteristic of a firm, its culture, people, organizational structure, the nature of its business, and their environment. Therefore, we should outline/ formulate a general methodology as a broad general framework and a simple guideline or very pragmatic way to implement the concepts and ideas pertaining to corporate planning<sup>(1)</sup>.

As Figure (4) shows, in order to identify and formulate the environmental assumptions of strategic importance, complex systems should be segmented/ partitioned to a sets of similar topics, groups, sub-areas or subsystems, in order to be able to be covered by each sub unit known as a Strategic Business Units (SBU -- Corporat, Business and Functional). A mission should be further defined in terms of objectives established for each of several key results areas. Objectives are less specific than goals. Objectives further define goals.

#### **IV. Mission Formulation**

One of the most important and, often, one of the most difficult aspects of the strategic planning process is the development of a mission statement,

*1. Hax & Majluf, (1991), Methodology for the Development of a Strategic Plan, PP. 332-395.*



that is, a brief, a clear statement of the reasons for an organization's existence; the purpose(s) or function(s) it desires to fulfill, its primary customer base, and the primary methods that through which it intends to fulfill their purpose.

The mission statement provides the context for the formulation of specific lines of business in which the organization will engage and the strategies by which the organization will operate; it sets the arena in which the organization will compete; and it determines how resources will be allocated by the organization and what the general pattern of growing and direction will be for the future. The mission statement must be congruent with the desired organizational values that the planning team developed during the values scan. Any attempt to develop a mission statement without congruence with desired organizational values will likely meet with considerable resistance, especially if the planning team has done its job in disseminating these desired values throughout the organization and secured the necessary buy-in. The mission statement address the organization's fundamental reason for being and specific the functional role that the organization is going to play in its environment. A mission statement should clearly indicate the scope and direction of the organization's activities and, to the extent that is feasible, should provide a template for decision making by people at all levels in the organization. An effective mission statement will prevent people in the organization from developing and proposing many plans and projects that will not be accepted by top management, because they will be able to see that such plans or projects are not within the scope of the mission statement<sup>(1)</sup>.

As Figure (5) shows, in formulating its mission statements, the organization must answer four primary questions:

1- What function(s) does the organization perform? (or what involves dealing the needs that the organization is attempting to fill.) Thinking about what needs the organization is attempting to fill for customers or clients should make the organization more sensitive to a clear initial identification of those needs and a continual monitoring of those needs. As those needs change, need-conscious organizations are more likely to develop new goals and services to meet the emerging needs of their customers and clients and are less likely to experience obsolescence and decline.

2- For whom does the organization perform this function? Identifying "who" means which market or segment of the market the organization is

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1. Goodstein, Leonard D., Nolan, Timothy M. & Pfeiffer J. William, (1992), *Applied Strategic Planning, A Comprehensive Guide*, Pfeiffer & company, San Diego, PP. 169-178.

attempting to serve. No organization, regardless of size, is large enough to meet the needs of all possible customers or clients.

Mission formulation requires a clear identification of what portion or segment of the total potential customer's base the organization has as its primary market. The process of sorting out an organization's actual and potential target is called market segmentation. Market can be segmented: by geography, age, wealth, ethnicity, and a variety of other factors.

3- How does the organization go about filling this function? The third question addressed by the mission statement should be concerned with how the organization will attempt to achieve its goals, for example, what technologies will be used by the organization in meeting the needs identified in its market. The "how" may involve a marketing strategy, such as becoming the low-cost producer, providing innovative products, or providing the most reliable products; it may involve a distribution strategy, such as providing no appointment dental or medical services in shopping centers, adding regional warehouses, or offering electronic shopping through computers; it may involve direct-mail marketing, door-to-door selling, or telemarketing; or it may involve any of a variety of processes through which the organization can develop, produce, market, and deliver products and or services to a defined group of consumers or clients.

4- Why does this organization exist? The question of why an organization performs the functions that it does -- the existential question -- frequently is an important one for both profit-oriented and not-for-profit organizations.

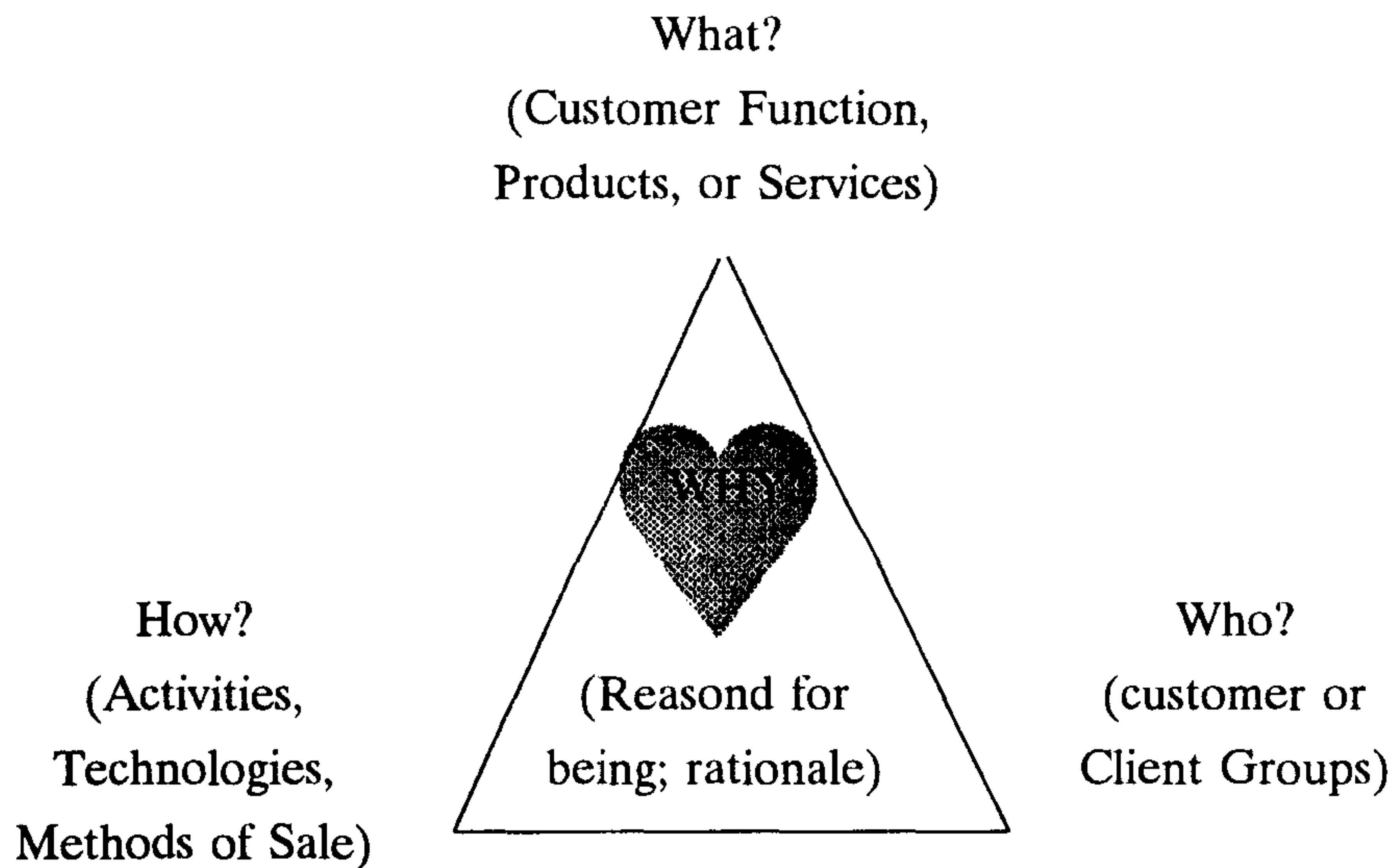
The reason for being, appears as the "heart" in the diagram of the triangular relationship of the what, who, and how question. The "why" statement enables the organization to place what it does in a societal context and provide a more meaningful focus for its activities.

Once an overall mission statement has been developed by an organization, mission statements that are more specific and concrete should be developed for significant units or segments of the organization.

Those parts of the organization that are large enough and autonomous enough to function relatively independent (i.e. The Strategic Business Units-SBU) will ordinarily profit by developing their own unit mission statements. Thus in a large organization, units with highly differentiated functions -- such as the marketing group or the service, department need their own mission statements, as would each operating company, separate plant, regional office, clinic school, and so on, of the organization.

It is critical to know that formulating a mission is a process. To determine a desired future -- what products or services to provide, for whom these products or services are intended and how they will be produced and





**Figure (5) - Four basic elements of the organizational mission**

distributed, all based on the organization's distinctive competencies. Nevertheless the future is a constant moving target and therefore the organization's mission statement need to be revisited on a regular basis and modified when appropriate.

As the environment in which the organization operates changes and as the distinctive competencies of the organization change, the mission statement may have to be changed to reflect how the organization desires to reposition itself to account for these changes. Finally, do not forget that the best of strategies, poorly implemented, is of little value. A flawed strategy -- no matter how brilliant the leadership, no matter how effective the implementation -- is doomed to failure. A sound strategy, implemented without error, wins every time<sup>(1)</sup>.

## V. The need for a broad view of change -- Fusion

It would seem that practically every manager or directive is thinking about, participating in, or leading organizational change, but the failure and the frustration that occur when managers or directors attempt to initiate change, even in circumstances where there are confluent interests in

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1. Picken, Joseph C., & Dess, Gregory G., (1997), *Mission Critical: The 7 Strategic Traps that Derail Even the Smartest Companies*, IRWIN Professional Publishing Co., P.225.

improvement. Organizations too often struggle and fail at change. Thousands of programs focusing on restructuring, reengineering, quality improvement, technology, empowerment, incentive systems,... all have fallen short of their promise and left skepticism and alienation in their wake.

Daft and Lengel (1998), address this problem and believe that management's understanding of change is too narrow<sup>(1)</sup>. First, managers limit themselves by relying on objective and rational systems for change. Organization charts, control systems, work flows, job descriptions, strategy, and incentive programs are tangible and obvious targets of change. However, focusing on objective systems overlooks the resources for change that exist within people. Second, managers limit themselves by assuming a we - they mentality; they often see themselves as separate from the people and systems to be changed.

To solve the problem of resistance to change Daft and Lengel, propose a new kind of approach -- from fission to fusion leadership, which is designed to help managers or directors and organization transcend conventional thinking and break out of the constraints of traditional hierarchies, which is consistent with the ideas of Margaret Wheatly and others (Wheatly and Kellner-Rogers, 1997)<sup>(2)</sup>.

To distinguish between the conventional and the new approach we use physics science to define the fission and fusion<sup>(3)</sup>. Fission is our metaphor

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1. Richard L. Daft & Robert H. Lengel, *Fusion Leadership, Unlocking the Subtle Forces that Change people and Organizations*, Berrett - Koehler Publishers, Inc., San Francisco, 1998.

2. For an overview of this new science approach, see:

Margaret J. Wheatley, *Leadership and the new Science: Learning about Organization from an Orderly Universe* (San Francisco: Berrett - Koehler, 1994);

Margaret J. Wheatly and Myron Kellner-Rogers, *A Simple Way* (San Francisco: Berrett - Koehler, 1996);

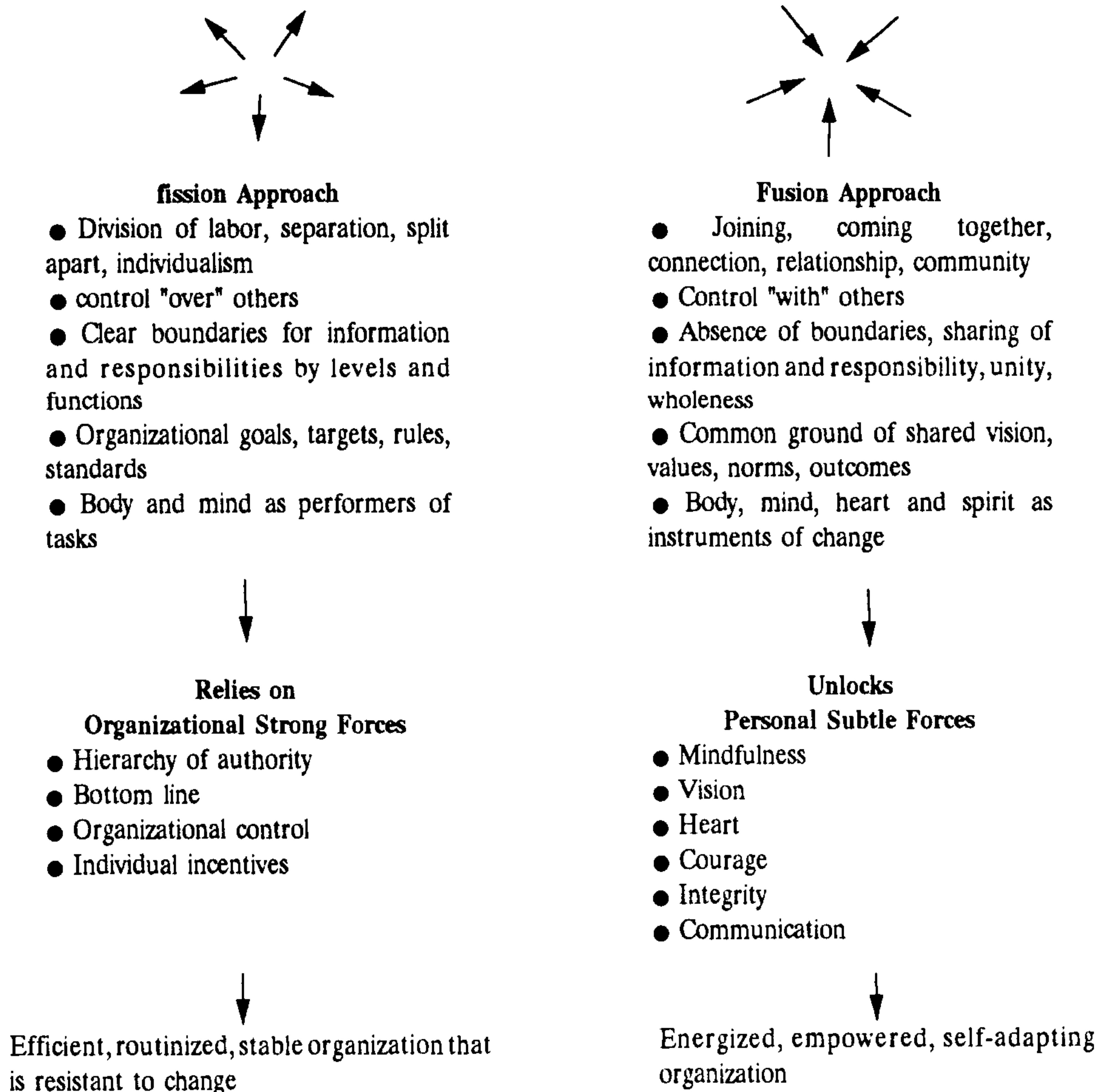
Jeffrey Goldstein, *the Unshackled Organization* (Portland, Ore.: Productivity press, 1994);

Ralph D. Stacey, *Complexity and Creativity in Organization* (San Francisco: Berrett - Koehler, 1996);

and Richard L. Daft & Robert H. Lengel, *Fusion Leadership, Unlocking the Subtle Forces that Change people and Organizations*, Berrett - Koehler Publishers, Inc., San Francisco, 1998.

3. A fact about the life -- **Fusion In Stars**: Can you imagine the universe without stars, and the stars without fusion? Without fusion, we would have no stars shining and the universe would reside in total darkness -- Thanks to Gravity, we do. Fusion reactions are the primary energy source of stars and the mechanism for the nucleo-synthesis of the light elements. The synthesis of helium from hydrogen is the main source of energy emitted by normal stars, such as the Sun. The stages of stellar





**Figure (6) – How is Fusion different from Fission?**

*evolution are the result of compositional changes over very long period. Stars are created from dust clouds by the help of an initial kinetic disturbance. the cloud stars condensing into clumps of gas as a result of inhomogeneity of cloud in some places and ofcourse gravity. The condensation creates huge balls of gas that eat up as much gas as available in the vicinity. This process of absorbing the available particles keeps going until the core of the gas ball reaches enough high densities and temperatures to start nuclear fusion processes. It is the the level that mass -- the star starts giving off energy via fusion processes.*

Source:

Internetwysiwyg: //fusionmain.main.4/http://www.g...m/CapeCanaveral/Hangar/6008/sfusion.html

for the style of management that has evolved over the last century. The process of fission, exemplified in the atomic bomb, creates energy by splitting the nucleus of the atom. It demands vigilant control because of dangerous toxic waste, so the release of fission energy is typically associated with layers of control systems. As atomic energy was harnessed for non-military application, its impressive power had to be carefully managed. Mass production and scientific management have been based on division of labor, individual accountability, and formal authority and control.

Organization maintain rigid boundaries between individuals and department, which compete with one another for resources, promotions, and salary of budget increases. Managers compete with each other and see themselves as separate from workers, and vice versa. Layers of hierarchy and authority are used for control. The work of a fission - based organization is efficient and controlled because it harnesses strong organization forces. In this type of structure, managers and staff experience pressure from those above them in hierarchy, from bottom - line goals, and from control systems that direct individual behavior to meet the need of the organization. They are motivated by self-interest to accept such control. The machine - like organization runs with little emotion, capitalizing on rational analysis and self-interest. This is a powerful system, which efficiently directs people into desired roles, jobs and behavior. The drawbacks to this approach are the limitation it places on ingenuity and creativity, and organizational inertia with respect to rapid change. These are serious deficiencies in today's turbulent world, but they can be addressed by resource to the concept of fusion (See Figure (6) for the differences between fission and fusion).

In physics, fusion is opposite of fission. Rather than splitting atoms apart, fusion joins together atomic nuclei -- a difficult operation, because each atom has a positive charge that repels others. This obstacle is overcome by the removal of an atoms' boundary electrons and the generation of pressure. When fusion occurs, it produces five times the energy of fission. Even more remarkable, one gram of fusion material produces the same amount of energy on eight ton of coal and oil, with virtually no waste.

Fusion too, is a metaphor for a certain style of management. Fusion is about joining, coming together, creating connections and partnerships. It is about reducing barriers by encouraging conversation, information sharing and joint responsibility across boundaries. Fusion is achieving a sense of unity coming to perceive others as part of the same whole rather than as separate. It is seeing similarities rather than differences. Fusion implies common ground and sense of community based on what people share -- vision, norms and outcomes. For example, for an individual, fusion means not splitting off



or ignoring essential parts of one's self. Each individual can be whole, bringing body, mind, heart, and spirit to the system. Fusion strives for wholeness in both individual and organization. To illustrate fusion with a simple exercise, each person is asked to draw a picture of his/her vision for the corporate. The working group of executives are then assigned to teams and asked to explain these pictures to each other. Each team is asked to develop a single picture that all team members are willing to accept. To reduce the images to the underlying essence, team members seek to understand each other at a deeper level, where they will form the common ground for the new collective image. Through dialogue, participants modify their visions in response to what they hear from others. The team vision that emerges is different from any of the individual visions, yet it reflects the deeper needs of each member. Separate images have disappeared. The team vision co-evolves via a process of fusion that integrates the voices and hopes of everyone. As the boundaries that initially separated the participants disappear, a commitment to the vision and to organizational change grows rapidly. This taste of true fusion shows executives, the incredible motivating power of creating a shared vision from their deepest hopes and dreams for the corporation.

A fusion approach can counteract many of the strong pressures that trigger resistance in managements and employees. The power of fusion is that it can release a set of subtle forces from within individuals that have far-reaching impact on organizational empowerment and change.

Finally, as the organization successfully embraces change, the leader by the watching feedbacks, takes time to reward individuals for their struggle and prepare them for the next battle. When things don't work, feedback helps the people face the reality of failure and begin the struggle for improvement again. The research findings that support a fusion approach to change are summarized in the following Table (1)<sup>(1)</sup>.

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1. Richard L. Daft & Robert H. Lengel, (1998), P.63; P.244, and P.108.

*Personal Fusion = Knowledge \* Will \* Action*

*Organizational Fusion = Microcosm \* Connection \* Dissatisfaction \* Vision \* Action*

**Table (3) - Attitudes to individual change**

Conventional Strong - Force View	Fusion Leader Subtle View
Failure or crisis signifies bad management	Failure or crisis awakens people to action
Control is good	People hate to be controlled
Change is needed to fix and the problems they create	Change happens when people are emotionally involved in the process
People change when forced to do so	People change to further their personal dream
People are supposed to change	People change when cared about by a mentor or coach
Change must be planned	change is the outcome of experiment and risk taking
People prefer the easy, familiar path	People are at their best when challenged by difficulty
Leaders cause organizations to change	Leaders modify conditions that prevent change

**VI. Conclusion:**

A simple model of strategic planning process is a typical sequence of activities begins with:

- (1)- analysis of the broad and operating environment of the organization,
- (2)- the organization itself, followed by the establishment of strategic direction, reflected in missions, visions, and/or long-range term goals,
- (3)- formulation of specific strategies,
- (4)- implementation of those strategies, and
- (5)- development of control systems to ensure that they are both successfully carried out.

Although, this article does not cover all activities, but emphasises the main concepts of strategic planning, vision, mission, and the transitional state to accomplish easily the process. Meaning, the process of transformation of people and organization through self-inquiry and social



science technologies such as dialogue, future research, which redefine the relationship between individuals and organization.

Since I could not cover comprehensively the required phases of a strategic plan, I present the following list which is the sequence of seven steps to adopt for a strategic planning process:

- 1- Vision of the firm: mission of the firm, business segmentation horizontal and vertical integration, firm (corporate) philosophy, special strategic issues (managerial infrastructure, corporate culture, and managerial of key personel).
- 2- Strategic posture and planning guidelines: corporate strategic thrusts, planning challenges at corporate, business, and functional levels, and corporate performance objectives.
- 3- the mission of the business: business scope, ways to compete, and identification of product-market segments.
- 4- Formulation of business strategy and broad action programs.
- 5- Formulation of functional strategy: participation of business planning, concurrent or nonconcurrent to business strategy proposals, broad action programs.
- 6- Consolidation of business and functional strategies, portfolio management, and assignment of resource allocation priorities.
- 7- Definition and evaluation of specific programs at business level, functional level, performance measurements for management control, budgeting and operational funds.

While there clearly is an output -- products or services that emerges from the mission formulation phase of applied strategic planning (i.e., the mision statement itself), it is critical to keep in mind that formulation a mission for an organization is a process (and part of a process). A competent mission formulation is an organization's best attempt to determine its desired future -- what product or services it desires to provide, for whom these immediate products or services intended, and how these products or services will be produced and distributed all based on the organization's distinctive competencies and specific characteristics.

Here I saw that the problems faced by corporates or institutions would not be solved with new science concepts alone. A book such as Margaret Wheatley's *Leadership and the new sciences* provided a powerful lens through which to understand today's organizations, but equally important are ideas about individuality and personal growth. These ideas are explored in books such as David Whyte's *The Heart Aroused: poetry and the preservation of the soul In Corporate America* and Stephen Covey's *The Seven Habits of Highly Effective People*. It is the fusion of these two

elements -- the system and person, the exterior world and the interior world -- that makes a company unstoppable. Indeed, they need each other: the self-organizing, empowering company needs whole people who are growing and want to contribute their best to the fast changing organization.

So that, not only organizational structure and systems need to change, but also the people giving and receiving empowerment. A self-adapting organization asks more from every person. A mindset shift away from separation and toward fusion must occur everyone, whether leader, manager, director or follower. This is a different paradigm from the conventional management thinking that relies on separation of individuals by department, division, and level.

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