

King Saud University
College of Business Administration
Department of Health Administration - Masters` Program

*HHA 518 – Strategic Management in Healthcare
Organizations*

Second Semester 1441/ 1442

Mohammed S. Alnaif, Ph.D.

E-mail: alnaif@ksu.edu.sa

Stakeholders, Values, Mission, and Vision

Learning Objectives

- Understand who organizational **stakeholders** are and **their importance** in creating the Organization's strategic intent;
- Comprehend that **strategic intent** consists of three components: **mission, vision, and values**;
- Know the importance of **values** to a Organization and how they can be identified; and
- Recognize the differences between **mission** and **vision** statements and be able to describe how they are created.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- Organizations are created to efficiently and effectively accomplish some aim or output for a group(s) of **stakeholders**.
- **Outputs** might be the production of cars or prescription drugs or the provision of community benefits or healthcare services, to name a few.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Stakeholders** are individuals and groups that have some investment in an organization and/or obtain some benefit from it.
- **Ultimately**, organizations exist for the benefit of their stakeholders.

Stakeholders, Values, Mission, and Vision

Philosophy About Stakeholders

- **Stakeholders are constituents with vested interest in the affairs and actions of the HSO.** They are individuals, groups, or organizations affected by the HSO and who may seek to influence it.
- **A well-thought-out and implemented philosophy about stakeholders is prerequisite to an HSO's strategic planning,** resource allocation and utilization, customer service, and ability to cope with the external environment.

Stakeholders, Values, Mission, and Vision

Philosophy About Stakeholders

- **Fottler and co-workers** classify stakeholders into three groups.
- **Internal stakeholders** “operate entirely within the bounds of organization and typically include management and professional and nonprofessional staff.”
- **Interface stakeholders** “function both internally and externally to the organization” and include medical staff, the governing body, and stockholders in the case of for-profit HSOs.

Stakeholders, Values, Mission, and Vision

Philosophy About Stakeholders

- **Fottler and co-workers** classify stakeholders into three groups.
- **External stakeholders** such as suppliers, patients, and third-party payors, including government, provide resources. The HSO needs them to survive.
- **Other external stakeholders** are competitors, special-interest groups local communities, labor organizations, and regulatory and accrediting agencies.

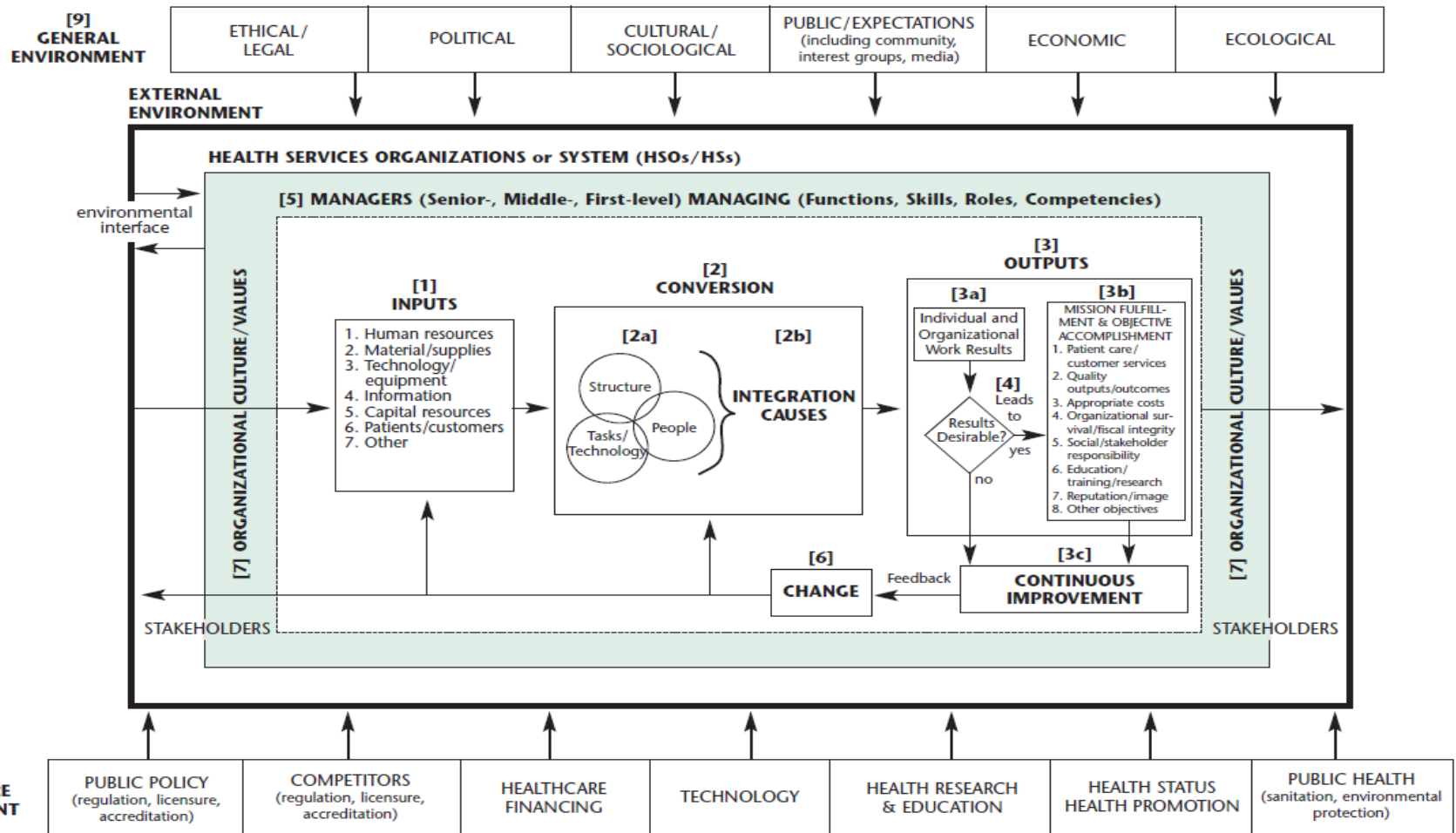


Figure 5.7. Management model for HSOs/HSs.

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Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Health Services Organizations (HSOs) must assess stakeholders** to determine which are relevant, which are a potential threat, and which have the potential to cooperate.
- **Such assessment suggests appropriate HSO behavior toward them**, ranging from ignoring to negotiating to co-opting and cooperating, and also suggests which of the conflicting priorities, needs demands and pressures they present should be addressed by the HSO.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Balancing the demands of multiple stakeholders** with different interests is a major challenge.
- **Levey and Hill** suggest that the need for HSO managers to balance demands can pose “moral dilemmas arising from responsibilities to patients, governing boards, professional staff, and community.
- **It is the CEO’s responsibility to balance demands** based on the HSO’s cultural beliefs and values. Balancing maintains ethical values and social responsibility and prevents inappropriate demands made by single-interest stakeholders from predominating.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- *Stakeholder analysis* is based on the belief that there is a reciprocal relationship between an organization and certain other organizations, groups, and individuals.
- **They are referred to as stakeholders:** that is, organizations, groups, and individuals that have an interest or “stake” in the success of the organization.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Integration and an understanding of key stakeholders** are important in all organizations but can be especially critical in public organizations, many of which are healthcare providers.
- **Neglecting to attend to the interests of key stakeholders** has been found to contribute significantly to poor implementation of strategic decisions and subsequent failure.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **An organization must consider both its stakeholders' needs and the support it requires when formulating and implementing its strategies.**
- **If the organization fails to consider one or both of these interests, stakeholders may withdraw their contributions, and the organization may incur serious negative consequences as a result.**
- **For example, key governmental entities might refuse to grant crucial approvals, investors may withdraw critical capital funds, or customers may seek services and products from other organizations.**

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- Stakeholders may be categorized as **internal**, **interface**, and **external**.
- **Internal stakeholders** are those who operate primarily within the bounds of the organization, such as managers and other employees.
- **Interface stakeholders** are those who function both internally and externally, such as the medical staff and the corporate officers of the parent company.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **External stakeholders** operate outside the organization and include such entities as **suppliers, third-party payers, competitors, regulatory agencies**, the media, the local community, and so on.
- **Such stakeholders** have been referred to as the “organization ecosystem” – organizations that affect and are affected by the creation and delivery of the organization’s product or service.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Part of stakeholder analysis** is to systematically identify the organizations with which their future is most closely intertwined and determine the dependencies that are most critical.
- **Some of these stakeholders are** almost always powerful or influential; others are influential regarding only certain issues; still others have little influence or power.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **If the stakeholders** can be identified and evaluated, then the “forces” affecting the organization may be specified.
- **The needs and wants of** these constituencies may dramatically affect the strategy of an organization.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Stakeholders can impact** the strategic management process by demanding to participate or certain groups might be invited to participate (physicians, directors from a community-based board of directors, and so on).
- **Some stakeholders** (patients, employees, insurance companies) may not be a direct part of strategic management but their interests are clearly considered as part of the scanning process.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Management usually** relies on its collective judgment to provide an accurate assessment of the relative power of the important stakeholders.
- It can be a critical error not to understand **how the stakeholders perceive** their own power and how they would contribute to the strategy formulation process.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Despite the recent emphasis** in health care on developing a customer orientation, patients did not believe they had much influence; nor did any other group rate them as possessing very high influence.
- **A patient may complain to a physician about** some aspect of a hospital experience and expect some action; however, the physician will probably feel relatively unable to cause any change.

Stakeholders, Values, Mission, and Vision

Stakeholders and organizational Purpose

- **Because those who feel they have power in an organization are more likely to support its mission and strategic plan, it is no wonder that leaders have to be diligent in involving the medical community.**

Stakeholders, Values, Mission, and Vision

Strategic Intent\ Directional Strategies

- **Strategic intent is a key gauge of an organization's relationship with its stakeholders.**
- **It identifies stakeholders most important to the organization and the benefits they are to receive.**
- **It also should be a statement of commitment to stakeholders and the basis on which the organization defines its successes and failures.**

Stakeholders, Values, Mission, and Vision

Strategic Intent\ Directional Strategies

- **Strategic intent should aim to fulfill the organization's mission and should express the organization's and stakeholders' values.**
- **It defines what an organization does, how the organization accomplishes it, and what the desired outcomes are.**

Stakeholders, Values, Mission, and Vision

Strategic Intent

- **Strategic intent informs** all of an organization's decisions about its future.
- **Organizations that are unclear on their strategic intent** or base their activities on multiple strategic intents set conflicting priorities, waste resources, suffer from indecision, and frustrate their workforce.

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Strategic Intent

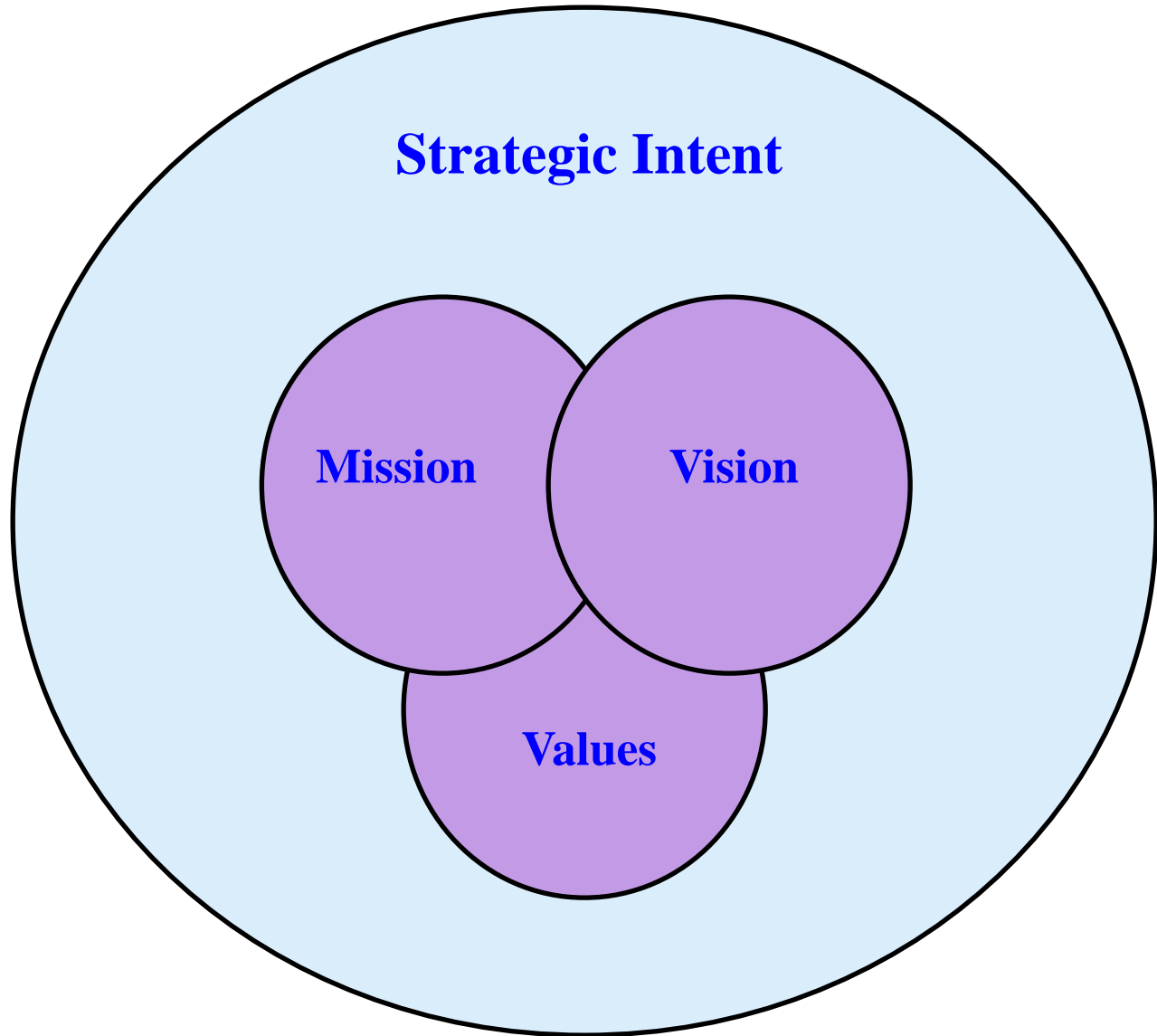
- **Strategic intent should be realistic and unambiguous and directly reflect the beliefs and desires of senior managers.**
- **A statement meeting these criteria often is difficult to establish.** Even if an organization has taken the time to craft a written document defining its strategic intent, it may not be tied to the organization's actions .

Stakeholders, Values, Mission, and Vision

Strategic Intent

- As illustrated in Exhibit 6.2, strategic intent is composed of the values, mission, and vision of an organization.
- Although in practice these terms sometimes are used interchangeably—especially mission and vision—they have different definitions and purposes.
- Strategy texts commonly order these terms as mission, vision, and values; however, values are the foundation of the mission and vision and therefore should precede them.

EXHIBIT 6.2 Relationship Between Strategic Intent and Mission, Vision, and Values



Stakeholders, Values, Mission, and Vision

Strategic Intent

- **Mission, vision, values, and strategic goals** are appropriately called directional strategies because they guide strategists when they make key organizational decisions.
- The *mission* attempts to capture the organization's distinctive purpose or reason for being.

Stakeholders, Values, Mission, and Vision

Strategic Intent

- The *vision* creates a mental image of what the managers, employees, physicians, patients, and other stakeholders want the organization to be when it is accomplishing its purpose or mission. It is the organization's hope for the future.
- *Values* are the principles that are held dear by members of the organization.

Stakeholders, Values, Mission, and Vision

Strategic Intent

- **Values** indicate how the organization should act; they define acceptable and unacceptable behavior.
- **These are guiding principles** the managers and employees will not compromise while they are in the process of achieving the mission and pursuing the vision and strategic goals.

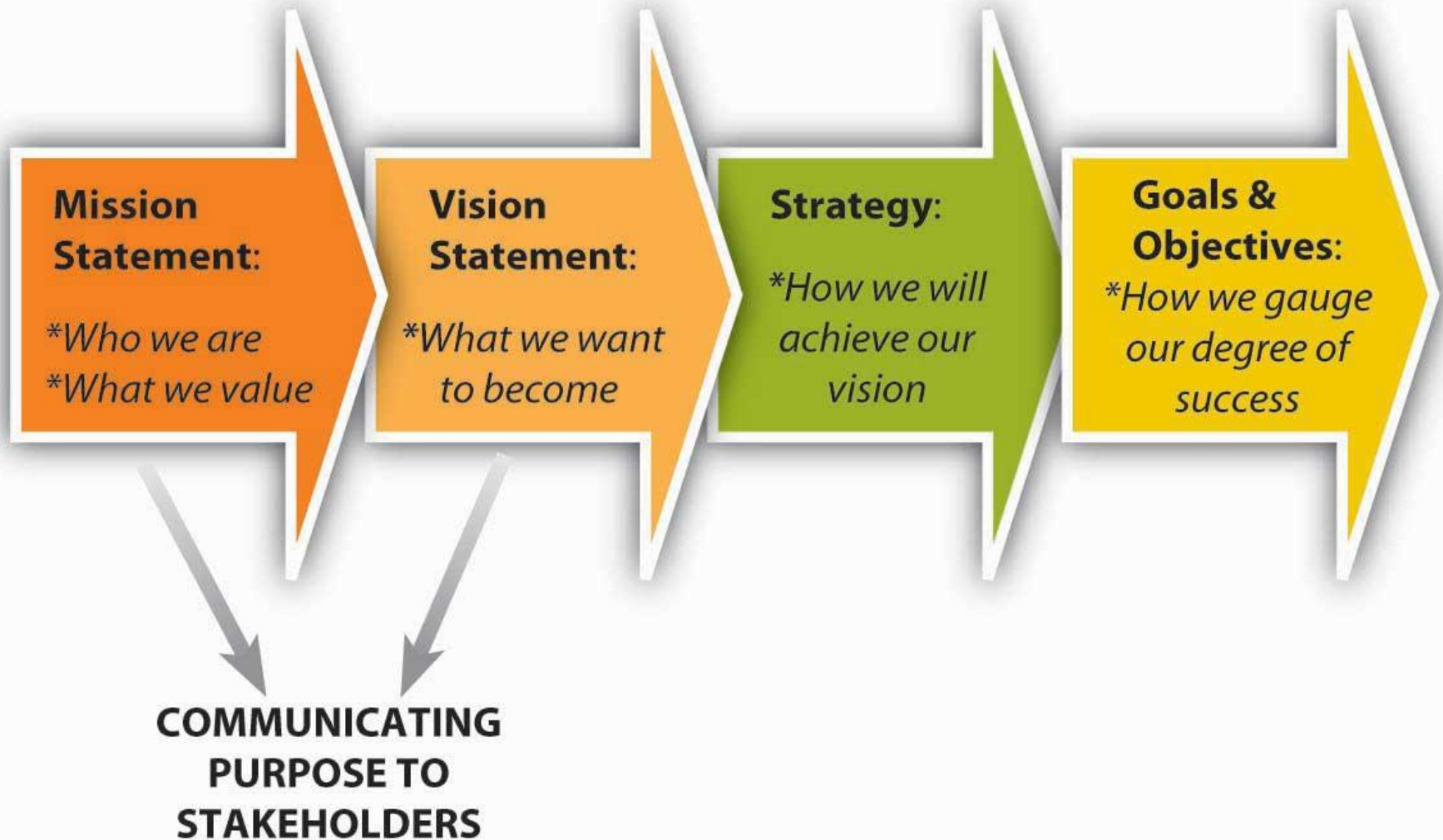
Stakeholders, Values, Mission, and Vision

Strategic Intent

- **Mission** reflects these values by expressing the organization's standards and purpose.
- **Vision** provides direction by depicting the organization's desired future state.
- **Values, mission, and vision** are interrelated and, if properly crafted, enable employees to understand and articulate the **organization's core strategy and priorities**.

Stakeholders, Values, Mission, and Vision

Strategic Intent



Stakeholders, Values, Mission, and Vision

Strategic Intent

- **For organizations to prosper long term, they must be driven by their mission and vision and be committed to practicing a set of values.**
- **Values need to be incorporated into all organizational operations and processes, including hiring, performance review, promotion, reward, and dismissal.**

Stakeholders, Values, Mission, and Vision

Strategic Intent

- **Organizations create problems** for themselves when they espouse wonderful-sounding values, missions, and visions and then act contrarily to these dictates.
- **They find themselves at odds** with their stakeholders and may face civil and criminal penalties.

Stakeholders, Values, Mission, and Vision

Values

- As stated earlier, **values** are the foundation of an organization's mission and vision.
- They **express the ethics** that guide an organization's actions and processes.
- **Values** should be the final metric by which an organization determines whether it has succeeded or failed.

Stakeholders, Values, Mission, and Vision

Values

- If an organization achieves its goals or benchmarks, especially financial ones, but does so by violating its values, it has failed.
- Likewise, if an organization with a culture and embedded values that promote innovation makes an honest but unprofitable investment or a written strategy is not achieved because of changing market conditions, it still could be deemed a success.

Stakeholders, Values, Mission, and Vision

Values

- Most often, discussions of organizational values relate to ethical behavior and socially responsible decision making.
- Ethical and social responsibility values are extremely important, not just to a single hospital, HMO, or long-term care facility, but to all citizens.

Stakeholders, Values, Mission, and Vision

Values

- There are, however, **other values** that are very specific to a particular organization and the conduct that has either **characterized its members' behavior** in the past or the behavior to which members collectively aspire in the future.
- **Total quality management or continuous improvement is in this sense a value**, as is entrepreneurial spirit, teamwork, innovation, and so on.

Stakeholders, Values, Mission, and Vision

Values

- **It is important that managers, employees, and key stakeholders understand the values that are expected to drive an organization.**
- **Core values, beliefs, and philosophy** seem to be clear during the early stages of an organization's development but become less clear as the organization matures.
- **Values should create the ethical environment in which all employees function.**

Stakeholders, Values, Mission, and Vision

Values

- If adhered to appropriately, **values can be essential** principles guiding all of an organization's actions and the basis of its culture.
- **They should inform organizational decisions** and be used to resolve conflicts.
- **For values to function as a guide**, all internal stakeholders should be aware of them, accept them, and integrate them daily into their organizational decisions and actions.

Stakeholders, Values, Mission, and Vision

Values

- **The values of Healthcare organization begin with a statement of the organization's core belief in its employees and expand into the core values of the organization.**

Stakeholders, Values, Mission, and Vision

Core Belief:

- **Patients and residents are the center of our work.**
- **Our employees are the vital link between Genesis Healthcare and our patients and residents.**
- **They are the service we provide, the product we deliver – they are our most valuable resource.**
- **Achievement of our vision comes only through the talents and extraordinary dedication employees bring with them every day of the year.**

Stakeholders, Values, Mission, and Vision

Core Values:

- *Care & Compassion* for every life we touch.
- *Respect & Appreciation* for each other.
- *Teamwork & Enjoyment* in working together.
- *Focus & Discipline* on improving the quality of care.
- *Creativity & Innovation* to develop effective solutions.
- *Honesty & Integrity* in all dealings.

Stakeholders, Values, Mission, and Vision

How should Values Be established?

- **Values should be based on the core beliefs and expectations of key shareholders.**
- **The following guidelines describe one method for understanding and establishing an organization's values.**
 - **Obtain key stakeholders' expectations for the organization.**
 - **Identify common values among stakeholders.** Emphasis should be placed on values that distinguish the organization from its competitors.
 - **Values should be visible and tangible to employees.**
 - **Values should be memorable.**
 - **Values should be expressed in terms that stakeholders understand and can remember.**

Stakeholders, Values, Mission, and Vision

Mission

- **An organization's mission** is an enduring statement of purpose that distinguishes it from other organizations and identifies the scope of its operations in terms of products and markets.
- **An organization's mission should be the foundation of its strategic direction and reflect its values.**
- **The mission indicates which stakeholders are most important, and its fulfillment is the basis for judging an organization's success.**

Stakeholders, Values, Mission, and Vision

Mission

- **In the hierarchy of goals (end results and organizational plans to accomplish them), the mission captures the organization's distinctive character.**
- **Although a well-conceived mission is general, it is more concrete than vision.**
- **An organizational mission is not an expression of hope. On the contrary, it is an attempt to capture the essence of the organizational purpose and commit it to writing.**
- **Amedisys**, a provider of home health nursing services, states that its purpose is to “**assist patients in maintaining and improving their quality of life.**” This is the company's purpose— the reason it exists.

Stakeholders, Values, Mission, and Vision

Mission

- A **mission** can keep management focused on meeting the needs of key stakeholders, thereby reducing the risk of losing their support.
- The **mission** should be a guide to establishing goals, performance measures, and structures aimed at creating value for stakeholders.

Stakeholders, Values, Mission, and Vision

Mission

- The **mission** should address the organization's reason for being (what the organization does), why it does what it does, and for whom it does it.
- As a direct outgrowth of the organization's **values**, the **mission guides leaders** to make ethical choices and allocate resources appropriately.
- It is the **foundation on which to base** the answer to the question **Are we doing the right things for the right reasons?**

Stakeholders, Values, Mission, and Vision

Mission

- **The primary purpose of mission statements is to communicate measurable, definable, and actionable objectives to internal and external stakeholders.**
- **Missions should motivate employees and give them a worthwhile purpose.**
- **A mission becomes meaningful only when it begins to affect the behavior and actions of stakeholders.**

Stakeholders, Values, Mission, and Vision

Mission

- **Key components of a mission statement** include a definition of the organization's product or service, the organization's standards and values, and the population or key stakeholders the organization serves.
- **The mission also sets boundaries beyond which the company does not venture.** Some missions target a specific customer base.
- **For example**, an organization may state in its mission that it serves a special demographic segment (e.g., women or children) or a particular region.

Stakeholders, Values, Mission, and Vision

Mission

- The purpose of the mission statement is to describe the organization's competitive advantage: what the organization does differently or better than others.
- The mission statements of organizations in an industry often are too similar—"long on lofty ideals and objectives" and lacking elements that distinguish them from their competitors.

Stakeholders, Values, Mission, and Vision

Mission

- **In healthcare, common mission statements include such wording as “providing world-class services” and “setting the community’s quality standards.”**
- **This lack of difference is frequently reflected in public relations materials that focus on the soft, caring aspect of healthcare employees.**

Stakeholders, Values, Mission, and Vision

Mission

- **One organization proclaims “we care,”** and then a competitor puts up a bigger billboard stating that it cares more.
- **Subsequently,** another competitor’s marketing states that it cares the most—and so on.
- **Most organizations over time tend to imitate their competitors** and copy their structures, policies, and practices.

Stakeholders, Values, Mission, and Vision

Mission

- This “isomorphism” (*being of identical or similar form, shape, or structure*) suggests that, especially in industries where goals are ambiguous and great uncertainty exists, they may do so in response to external pressures from laws, accreditation rules, and professional associations.

Stakeholders, Values, Mission, and Vision

Mission

Although the content of successful companies' missions varies, generally missions should contain

- The services or products offered,
- The values and standards that distinguish the organization, and
- The market(s) in which the organization operates.

Stakeholders, Values, Mission, and Vision

Mission

- The experience of **King Faisal Specialist (KFS)** Hospital related in **Exhibit 6.5** demonstrates the development of a meaningful, distinctive mission statement.
- **KFS** had to determine what its actual purpose was and what functions existed to support that purpose.
- Instead of embracing multiple purposes, the hospital determined that its primary reason for existence was the provision of specialized medical services.
- Education and research were important but only secondary to **KFS's** focus—patient services.

Stakeholders, Values, Mission, and Vision

Mission\ Exhibit 6.5

KFS Hospital, a 936-bed tertiary facility focused primarily on highly sophisticated and complicated cases, was affiliated with a medical school and had many residents but did not provide education. The hospital had developed a research center that was semi-autonomous and had studied a number of different topics. **KFS's mission stated**, “*The KFS Hospital will provide medical services of highly specialized nature and promote medical research and education programs, including postgraduate education training, as well as contribute to the prevention of disease.*”

Stakeholders, Values, Mission, and Vision

Mission\ Exhibit 6.5

To facilitate its planning process, **the hospital hired a consultant**. Subsequently, KFS's top managers held a **meeting to discuss the hospital's mission** statement and determine whether it should be changed. The consultant identified four main purposes for the existence of the hospital in the mission statement:

- Provision of **highly specialized (tertiary and quaternary)** services. Quaternary care is considered to be an extension of tertiary care. It is even more specialized and highly unusual.
- **Promotion of medical research**
- **Promotion of educational programs**, including postgraduate training
- **Prevention of disease**

Stakeholders, Values, Mission, and Vision

Mission\ Exhibit 6.5

Discussion ensued regarding the actual importance of these four areas at KFS Hospital. The meeting attendees finally agreed that the real purpose of the hospital was to serve as the referral center for tertiary and quaternary services in Saudi Arabia and that the other three reasons were secondary to this focus. One person pointed out that the hospital provided few prevention services. Following extensive comments and wordsmithing, the group agreed on the following mission statement: **The KFS Hospital exists to provide the highest quality, specialized healthcare through an integrated education and research setting.**

Stakeholders, Values, Mission, and Vision

Mission\ **Exhibit 6.5**

This statement clarified that the real purpose of the hospital was the provision of specialized healthcare and that the research and educational programs were engaged to help provide the specialized patient services and therefore should be directly tied to a process to increase the sophistication and competence of the provision of highly specialized healthcare.

Stakeholders, Values, Mission, and Vision

Mission

Compare this mission statement to that of **Novartis**, a for-profit global pharmaceutical company:

- *We want to discover, develop and successfully market innovative products to prevent and cure diseases, to ease suffering and to enhance the quality of life.*
- *We also want to provide a shareholder return that reflects outstanding performance and to adequately reward those who invest ideas and work in our company.*

This statement balances quality and profits and accurately captures the company's purpose.

Stakeholders, Values, Mission, and Vision

Mission

- Although **missions** are enduring, this should not imply that the **mission** will never, or should never, change.
- **New technologies, demographic trends, and so on** might be very good reasons to rethink the mission of an organization.
- **For example**, a number of hospitals have incorporated the desire to be an “independent provider of health care” in their statement of mission.

Stakeholders, Values, Mission, and Vision

Mission

- **In today's managed care oriented health care environment that aspect of mission may need to be revisited.**
- **In some markets, alignment with managed care organizations might become a necessity for survival and the mission statement should not stand in the way.**

Stakeholders, Values, Mission, and Vision

Mission

Mission statements should be reviewed periodically to evaluate their effectiveness and relevance and ensure that organizations' actions are in line with their missions. The following questions can help organizations identify aspects that are missing or in need of modification. Does the mission:

- 1. Define the organization's products/services and the markets in which it competes?**
- 2. Communicate where the company is and where it is going?**
- 3. Define and express concern for its key stakeholders?**

Stakeholders, Values, Mission, and Vision

Mission

Does the mission:

- 4. Motivate employees and reflect actual daily practice?**
- 5. Discuss the organization's commitment to economic objectives of prosperity, growth, and profitability?**
- 6. Incorporate the organization's basic beliefs, values, aspirations, and philosophical priorities?**
- 7. Indicate the competence or competitive advantage that distinguishes the organization from its competitors?**
- 8. Suggest the level and nature of the organization's social commitment?**

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- The third part of an organization's strategic intent is its **vision**.
- While some organizations combine their **vision** and **mission**, the two have different purposes.
- The **vision** describes the organization's desired future state—what it wishes to become—while the **mission** describes the organization's existing purpose and practices.
- A clearly articulated, widely held **vision** can highly motivate employees.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- Leaders should understand and use the **vision** to craft goals and strategic actions.
- **It should be intricately tied to employees'** work so that they feel proud and excited to be part of a design much bigger than themselves.
- **The vision also should challenge** and stretch the organization's capabilities and image of itself and set a time horizon of at least five to ten years.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Visions are created through a visualization process** in which leaders imagine what the organization should be.
- **Good vision statements** ground and direct an organization and give shape to its future and are especially helpful during turbulent times of change.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Effective visions possess** four important attributes: idealism, uniqueness, future orientation, and imagery.
- **Visions are about ideals**, standards, and desired future states.
- **The focus on ideals** encourages everyone in the organization to think about possibilities.
- **Vision communicates** what the organization could be if everyone worked diligently to realize the potential.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- Health care organizations need leaders who are **forward looking**.
- **Effective visions** are statements of destination that provide a compass heading to where the organization's leadership collectively wants to go.
- **Finally, visions** are built on images of the future. When people are asked to describe a desirable place or thing they almost always do so in terms of images. Rarely do they focus on tangible outcomes. Images motivate people to pursue the seemingly impossible.

EXHIBIT 6.6 Who Has the Vision?

A man was passing by a work site where bricklayers were building a wall. It was still too early in the construction process to see what they were building. The man stopped and asked, "What are you doing?" One worker answered, "I am laying bricks." The man continued on his walk and then stopped to talk to a second worker further along the construction site. Again, the man asked, "What are you doing?" The second worker responded, "I am building a tall, strong wall." The man thanked the second worker and continued walking. Near the end of the work site, the man stopped a third time to ask another worker the same question. The third worker faced the man and stated, "I am building a Mosque for the glory of Allah."

Whose response captured the essence of a vision, and how do you think it influenced the quality of his work

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- As described in **Exhibit 6.6**, employees who understand the real purpose and vision of their organization and believe they are working toward a meaningful end will be more fully committed to their jobs.
- **Stressing financial returns and profits alone will not inspire this level of motivation.**

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Vision statements** can be even more important in not-for-profit organizations. Without a primary bottom-line focus, not-for-profits can use an effective vision as a guide to meeting the challenges of their environment.
- A **concise vision written in clear language** can provide specific, meaningful ideas to congeal an organization's goals and direction

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- Like missions, visions should be relatively short and written in understandable language.
- Employees should be able to easily remember the statement's key components.
- Poor vision statements often include bland, generic phrases, interweave goals and objectives, and speculate on the unknown.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **For example**, one hospital in the US Northwest embarked on a five-year project to change its culture and dramatically lowers its costs. The vision, set by the CEO, was “Welcome to a journey of change.” Employees were confused and seemed cynical about the vision. It was unclear about the hospital’s desired outcomes and did not motivate employees as the CEO had hoped.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Visions should be specific enough** that someone not familiar with the organization would still be able to identify the industry to which it belongs.
- **For example**, one company's vision—"First for customers, first for employees, and first for shareholders"—is so nonspecific that it could be from any industry. As a result, it was of little benefit to the company.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **In contrast, the vision of Life Point Hospitals,** a national for-profit healthcare system, is clear and concise and identifies the industry:
 - ❖ We want every hospital to be a place where:
 - ❖ **Patients** choose to come for healthcare,
 - ❖ **Physicians** want to practice, and
 - ❖ **Employees** want to work.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- The job of building a vision for an organization is frequently referred to as pathfinding. When the leader of a healthcare organization functions as a pathfinder, the focus is on the long run.
- The goal of the pathfinder is to provide a vision, find the paths the organization should pursue, and provide a clearly marked trail for those who will follow.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Pathfinders have an ability to create a natural energy for changing reality by “holding a picture of what might be that is more important to people than what is.”**
- **Strategic leaders are the key to establishing a vision for an organization.**
- **A vision led organization is guided by a philosophy to which leaders are committed but that has not yet become obvious in the daily life of the organization.**

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- The *vision led approach* hopes for higher levels of performance that are inspiring although they cannot yet be achieved.
- The role of the strategic leader, however, is more than pathfinding. As Barnard noted, because executives are responsible for inculcating the purpose into every employee, the leader must also be the *keeper of the vision* – a cheerleader who holds on to the vision even when others lose hope.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- A primary role of management under this approach is to clarify goals and priorities and to ensure that they are understood and accepted by employees.
- Employees want to believe that what they are doing is important, and nothing convinces employees of the importance of their jobs more than a leader who keeps the inspirational vision before them (especially when things are not going well).

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- A leader's vision is related to the perceived strengths and weaknesses of the organization.
- The current reality is heavily determined by the organization's present internal capacity and how this capacity relates to its aspirations.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- The challenge to reconcile vision with internal capacity is illustrated by Senge's integrative principle of creative tension.
- Creative tension comes into play when leaders develop a view of where they want to be in the future (vision) and tell the truth about where they are now or understand the current reality.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Organizations deal with this creative tension in different ways.** If the organization has been successful in the past, it may be aggressive about the future and raise its current aspirations in pursuit of the vision.
- **If it has experienced failure, limited success,** or merely has a cautious philosophy, management may choose instead to revise and reduce the vision to bring it more in line with current reality.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

- **Leaders have visions;** organizations gain and lose competitive advantage based on how the vision fits the environment and the strategic capability of the organization to capitalize on opportunities.
- **However, developing a vision is “messy work,”** and for this reason it is necessary to examine more closely what organizational vision actually means.

Stakeholders, Values, Mission, and Vision

Vision: Hope for the Future

Vision statements should:

- **Describe** an organization's big picture and project its future,
- **Be grounded** in sound knowledge of the business,
- **Be concrete** and as specific as practical,
- **Contrast** the present and the future,
- **Stretch** the imaginations and creative energies of people in the organization,
- **Have a sense of significance**, and matter.

Vision Statement of Coventry Health Care

We intend to revolutionize the health care industry in our markets through innovation, technology, quality performance, and commitment to our customers and constituents. Our aim is to offer products and services that will responsibly improve the quality of life for all we serve. We will conduct our business affairs in an ethical and financially prudent manner through employee development, involvement and empowerment, while demonstrating compassion to our members and setting the standard for all others to achieve.

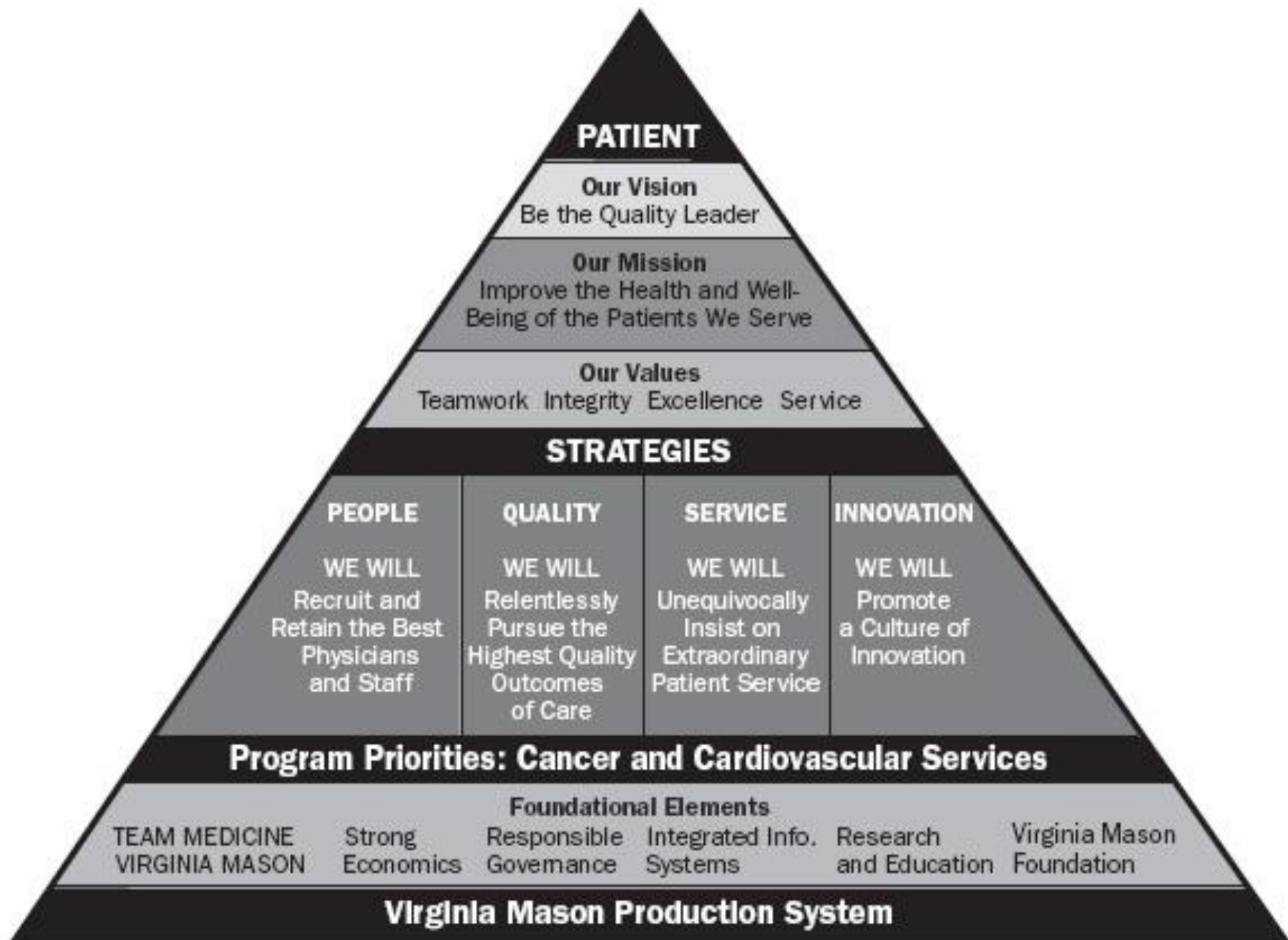
Source: Coventry Health Care.



Vision Statement of Advanced Medical Optics

Advanced Medical Optics is a leader and trusted partner in helping the world achieve the best possible vision. We are dedicated to delivering innovative technologies that provide eye care professionals and patients with superior technology and the highest quality products and services.

We will create *The Future in Sight*TM.



Stakeholders, Values, Mission, and Vision

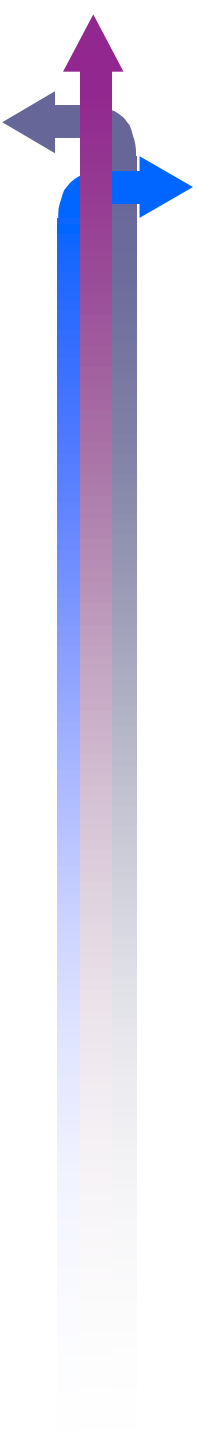
Conclusion

- **Organizations are created for the benefit of their stakeholders. At the same time, stakeholders support and invest in organizations.**
- **Many different groups of stakeholders exist, and some are more important to an organization than others. Key stakeholders should be highly involved in the creation and implementation of an organization's strategic intent.**
- **Strategic intent consists of values, missions, and visions.**

Stakeholders, Values, Mission, and Vision

Conclusion

- **Values guide** an organization's decisions and actions. They state what is and is not acceptable and are the foundation of the organization's culture.
- **Missions describe** what a company does, why, and for whom.
- **Vision statements** point to a future state the organization seeks to emulate. To be effective, mission and vision statements must be credible and clear.



THANK YOU