The impact of mission on firm innovativeness

Christopher K. Bart

Director, Innovation Research Centre, Michael G. DeGroote School of Business, McMaster University , Hamilton, Ontario, Canada, L8S-4M4

Abstract: What impact, if any, does a firm's formal mission statement have on its innovativeness? Over the years, the mission statement has been regarded as one of the cornerstone documents of the large, modern corporation. It has especially been seen as essential in terms of providing two major benefits: (1) better staff motivation and control regarding common organizational objectives; and (2) a more focused allocation of resources.

Yet little is known empirically about the relationship between company mission and those management practices that contribute to a firm's innovativeness.

In the current study, we identified 15 management practices which have been cited as being important for fostering innovation. We then surveyed 75 firms to determine:

(a) the degree to which the 15 selected innovativeness practices were followed;

(b) the degree to which these innovativeness practices were specified in the organization's formal mission statement; and

(c) the relationships among formal mission, the 15 innovativeness practices and new product sales.

Our results demonstrated that many of the 15 management practices identified as fostering innovation were widely used by the companies in our sample. These practices, in turn, were found to have a strong impact on new product sales. Interestingly, these practices were generally not well-articulated within the firms' mission statements. Nevertheless, we found a powerful and positive relationship between 'mission statement content' and the degree to which our 15 innovativeness practices were employed. The relationship between mission and new product sales, on the other hand, proved to be much more indirect.

1 Introduction

Innovation is essential to the long term success of almost every organization. In a world where cost reduction has its limits and technological efficiencies can be rapidly copied, having an organization capable of continuously re-inventing its products, services and internal processes represents one of the few (and unique) sources for achieving a

'sustainable competitive advantage'.

Unfortunately, the innovation track record of most major North American and European companies is disappointing. Failure rates are high and employees are both disillusioned and frustrated with their firm's inability to innovate – despite the abundance of good ideas.

It is generally agreed today, however, that the ability to secure high quantities of successful new products ultimately lies within the organization itself [1, 2, 3, 4, 5]. Over the years, numerous writers have attempted to identify and define the 'key success factors' for innovation. The results of their efforts can typically be summarized as a set of behaviors – or management practices and processes [4, 5, 6, 7,8, 9, 10].

It all sounds so easy. And yet, experience has shown that trying to re-create these innovation-inducing behaviors and practices within stagnant organizations is very difficult. Thus, simply knowing about them is not enough.

What, then, is it that creates and drives these important behaviors in the first place? To where should a manager turn – nay, begin – if s/he were seeking to create an organizational innovation utopia. We believe that part of the answer lies in an area that has traditionally been neglected or ignored in most studies and commentaries on organizational innovativeness – the mission statement.

2   Mission: the missing link

In its most basic form, the mission statement is a formal written document intended to capture an organization's unique purpose and practices [11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25]. An organization's mission statement should answer some 'really fundamental questions', such as: why do we exist? what are we here for? what are we trying to accomplish? Because of this, many writers have expressed the view that the mission statement should be the 'starting point' for effective strategic management.

How mission statements differ from traditional goal statements and objectives is in their lack of quantitative specificity (i.e. there are no measurements or metrics stated in mission statements), their lack of timeframe (i.e. mission statements are intended to be enduring and long-lasting) and their passionate language (i.e. the mission's language is usually pretty emotionally-charged and/or value-laden to connote the notion of 'how we want to do things around here!').

Over the years, the importance and impact of having a mission statement has been cited by many previous researchers in terms of both (a) motivating and controlling employees toward common organizational objectives; and (b) guiding the resource allocation process in a more focused manner.

For instance, as early as 1979, George Steiner [26] was arguing about the behavioral impact of mission statements when he wrote:

> "Mission statements are not designed to express concrete ends, but rather to
> provide motivation, general direction, an image, a tone and a philosophy to
> guide the enterprise." (p. 160).

In a similar vein – albeit twelve years later – Campbell and Yeung [15] claim that mission statements define the firm's purpose and set the 'behavior standards' for organizational members.

As a consequence, there is, today, a fairly large body of research which generally supports the notion of linkage between mission and organizational member behavior [1,

27, 28, 29, 30, 31, 32, 33, 34, 35, 36]. For example, it is generally accepted that growth missions require manager behaviors characterized by creativity, flexibility and quick decision making. Firms pursuing profit-optimizing or cost reduction missions, on the other hand, typically require behaviors from their employees characterized by efficiency and productivity [1].

It therefore follows that if innovation is a critical strategic issue or practice for an organization – which many claim it should be – one would naturally expect it to be somehow reflected in the firm's mission.

Yet, surprisingly, the relationship between mission statements and those behaviors that contribute to a firm's innovativeness is a topic that has not been previously investigated specifically. As a consequence, we do not know the degree to which those management practices which others have identified as contributing to an innovative company environment are somehow the product of – or even connected to – the firm's formal mission statement. We also do not know the relationship between a firm's formally stated mission and its new product performance (e.g. sales).

3   The research questions

Given both the importance of innovation to organizational survival and the pervasiveness of mission statements in general, we decided that it was time to address this issue directly. Consequently, a major empirical research study was launched to determine the linkage between mission, company innovativeness behaviors/practices and new product performance. The research was designed to answer several specific questions:

*   To what extent are selected innovativeness practices/behaviors followed within firms?;

*   To what extent are these innovativeness practices/behaviors specified in an organization's formal mission statement?; and

*   What are the relationships – if any – among formal mission, the innovativeness practices/behaviors and new product performance?

4   How the research was conducted

Sample selection and size

The current study involved a survey of 75 senior managers (CEO's and presidents) from some of Canada's largest industrial and advanced technology companies.

Unfortunately, both the method of sample selection (judgmental) and the small sample size restrict any claims that might be made about the representativeness of the findings. Nevertheless, the findings from the firms in our sample were expected to reflect some of the practices found within many of Canada's leading and highly innovative companies.

Operationalizing innovativeness behaviors/practices

For this study, innovativeness practices/behaviors were operationalized in terms of 15 dimensions. These practices were recently cited by Deutschman (10) as important contributors to performance in high tech firms. They have also been cited in both the academic and practitioner literature over the years and include:

- (P1) Seeking out and delighting difficult customers;

- (P2) Striving constantly to build customer loyalty;

- (P3) Promoting the cannibalization of one's own products within the firm;

- (P4) Using small teams to organize work around projects;

- (P5) Willing to make critical technological decisions significantly ahead of the competition;

- (P6) Accepting constant re-organization as a way-of-life;

- (P7) Undertaking cooperative ventures with one's rivals/competitors (i.e. 'coopetition');

- (P8) Fostering an 'egalitarian' culture;

- (P9) Striving to sell unique and highly differentiated products/services;

- (P10) Promoting the use of electronic communication to aid communication throughout the firm;

- (P11) Placing an extraordinary emphasis on recruiting the 'right' people;

- (P12) Sharing key strategic information with all employees;

- (P13) Glorifying, honouring and celebrating the people who create new products and services;

- (P14) Helping employees become world-renowned experts in their fields; and

- (P15) Granting employees time to learn/self-renew through sabbaticals.

Generally speaking, the more a manager reported that each of these practices was followed within his/her organization, the more innovative – or 'pro-innovation' – the firm was expected to be.

New product performance defined

A firm's new product output was defined in terms of the firm's self-reported 'percentage of current year (1994) sales attributed to new products introduced within the past five years'.

Data collection

Utilizing the list of innovativeness behaviors/practices listed above, a questionnaire was developed which measured both (a) the extent to which the practices were followed in the sample of firms and (b) the degree to which those practices were listed/described in the firms' mission statements. (Although it is recognized that the degree to which the innovativeness behaviors/practices are actually followed may vary significantly from

managers' perceptions, exploring such differences has been left to another study.)

The innovativeness behavioral variables were then measured by asking each manager to indicate, on a 10 point scale, the extent to which each practice described the situation in his/her firm (low = 0; high = 9). The managers were also asked to indicate, using a three point scale, the degree to which those practices were written into their firm's formal mission statement (0 = not at all; 1 = somewhat; 2 = clearly specified).

In total, data was obtained on those management practices/behaviors which contributed to innovation as they applied to 75 firms.

Data analysis

The frequency with which each innovativeness practice/behavior was mentioned in the mission statement was tabulated. The nature and the degree of the relationship between each innovativeness practice/behavior and the content of the mission statement was then determined using a one-way analysis of variance. Finally, we analyzed the relationship between mission content and new product performance (i.e. sales) using a series of *t*-tests for independent means.

5   The findings

Innovation practice usage

Table 1 shows some of the key statistics for the 15 innovativeness behaviors/practices in our sample of firms. This Table suggests that most of the innovativeness behaviors were practiced to a fairly high extent. The reported usage means and medians were at least '6' (out of 9) or higher for 12 of the 15 behaviors. The only behaviors which were less frequently practiced were: P3 (promoting cannibalization of our own products); P7 (undertaking cooperative ventures with rivals); and P15 (granting sabbaticals to employees).

Innovativeness behaviors/practices and new product sales

In launching this research project, it was assumed from our literature review that the innovativeness practices/behaviors selected were highly positively correlated with new product output. In other words, the more the innovativeness behaviors were practiced, the greater the percentage of new product sales – measured over a five year period. Table 2 presents the results of our analysis which tested this assumption.

As the *t*-test results demonstrate, 'high usage' of our innovativeness behaviors was found – for half of the practices (i.e. P1, P4, P8, P9, P11, P12, P14) – to result in a positive significant difference in the percentage of new product sales when compared to 'low usage' situations. In one case (P2 – attempting to build customer loyalty), 'low usage' of the practice was found to result in a negative significant difference. And for the remaining behaviors, no significant differences in the percentage of new product sales was identified.

Table 1   Innovativeness behaviors/practices: key statistics

	Innovativeness behaviors/practices	*Mean usage*	*Median usage*
P1	Seek out customers difficult to satisfy	5.6	6.0
P2	Attempt to build customer loyalty	7.8	8.0
P3	Promote 'cannibalization' of our products	3.7	4.0
P4	Organize work around 'projects'	6.3	6.0
P5	Make critical technological decisions significantly ahead of competition	6.3	7.0
P6	Accept 'constant re-organization' as a way of life	6.4	7.0
P7	Undertake cooperative ventures with rivals	3.8	3.0
P8	Foster 'egalitarian culture'	6.2	7.0
P9	Seek to sell 'unique' products	6.1	7.0
P10	Use electronic communication	6.1	7.0
P11	Put extraordinary emphasis on recruiting 'the right people'	7.0	7.0
P12	Strategic information spread throughout the ranks	6.2	7.0
P13	Glorify, honour and celebrate the people who create new products/services	5.6	6.0
P14	Help employees become world-renowned experts	5.2	6.0
P15	Grant sabbaticals	1.9	2.0

Legend: '0' = Behavior/practice used 'not at all'; '9' = Behavior/practice used 'to the greatest extent'

Innovativeness behaviors/practices and the mission statement

Table 3 presents the key statistics concerning the content of the mission statements in our sample of firms. This Table shows that the degree to which our innovativeness behaviors/practices were mentioned in the mission statements was not very high. In fact, in most cases, the median mention score was '2' – indicating that the innovativeness behavior/practice was mentioned only 'somewhat' in most organizations' mission statements. Whereas, the median of '3' (indicating that the innovativeness behavior/practice was 'clearly specified' in the mission statement) occurred in only one instance (i.e., P2 – attempting to build customer loyalty).

The frequencies in Table 3 reinforce the notion of 'low mention in the mission statement' even further. In particular, 10 of the 15 innovativeness behaviors/practices were found to be mentioned 'not at all' in at least 30 percent of the firms in our sample.

Table 2   Innovativeness behaviors/practices and new product sales %

	Innovativeness behaviors/practices	*New product sales (expressed as a percentage of total sales)*		*t*-test significance
		Low behavior/practice use (0-5)	High behavior/practice use (6-9)	
P1	Seek out customers difficult to satisfy	10.8	32.0	***
P2	Attempt to build customer loyalty	55.0	22.0	*
P3	Promote 'cannibalization' of our products	21.3	28.0	n.s.
P4	Organize work around 'projects'	11.1	30.5	***
P5	Make critical technological decisions significantly ahead of competition	21.2	24.5	n.s.
P6	Accept 'constant re-organization' as a way of life	18.7	25.9	n.s.
P7	Undertake cooperative ventures with rivals	21.8	27.4	n.s.
P8	Foster 'egalitarian culture'	15.1	27.8	**
P9	Seek to sell 'unique' products	14.8	28.4	*
P10	Use electronic communication	18.7	25.9	n.s.
P11	Put extraordinary emphasis on recruiting 'the right people'	13.2	26.2	**
P12	Strategic information spread throughout the ranks	8.6	28.6	****
P13	Glorify, honour and celebrate the people who create new products/services	18.4	26.9	n.s.
P14	Help employees become world-renowned experts	14.8	31.8	**
P15	Grant Sabbaticals	23.6	22.5	n.s.

Legend: (*) = significant at 0.10; (**) = significant at 0.05; (***) = significant at 0.01;
(***) = significant at 0.001; n.s. = not significant

Table 3   Mission statement contents

	Mission statement content categories	Frequency % of mission mention			Mission mention Score	
		None	Some-what	Clear mention	Mean	Median
P1	Seek out customers difficult to satisfy	49	35	16	1.7	2.0
P2	Attempt to build customer loyalty	9	29	62	2.5	3.0
P3	Promote 'cannibalization' of our products	76	14	9	1.3	1.0
P4	Organize work around 'projects'	37	39	23	1.9	2.0
P5	Make critical technological decisions significantly ahead of competition	21	39	40	2.2	2.0
P6	Accept 'constant re-organization' as a way of life	32	39	29	2.0	2.0
P7	Undertake cooperative ventures with rivals	72	17	11	1.4	1.0
P8	Foster 'egalitarian culture'	33	44	23	1.9	2.0
P9	Seek to sell 'unique' products	28	27	45	2.2	2.0
P10	Use electronic communication	56	31	13	1.6	1.0
P11	Put extraordinary emphasis on recruiting 'the right people'	29	43	28	2.0	2.0
P12	Strategic information spread throughout the ranks	24	52	24	2.0	2.0
P13	Glorify, honour and celebrate the people who create new products/services	44	43	13	1.7	2.0
P14	Help employees become world-renowned experts	48	40	12	1.6	2.0
P15	Grant sabbaticals	88	12	–	1.1	1.0

Legend: (1) = no mention in mission statement; (2) = mentioned somewhat in mission statement; (3) = clearly specified in the mission statement.

Our subsequent analysis of the relationship between the 'content of a firm's formal mission statement' and the 'extent to which the innovativeness behaviors were practiced' is presented in Table 4. The major finding here is that there is a powerful, positive and pervasive association between these two organizational dimensions. Table 4 shows that there is a significant difference in 'the degree to which innovativeness behaviors are exercised' between (a) mission statements that 'clearly specify' the innovativeness behavior/practice desired and (b) those where it is mentioned 'not at all'.

The analysis also shows that there are several instances (i.e. P1, P3, P5, P7, P14, P15) in which even just mentioning the innovativeness practice 'somewhat' in the mission statement is associated with significantly higher levels of the behavior. Nevertheless, the mission's impact in these latter instances does not appear to be as pervasive (or as wide-

ranging) as when the behavior/practice is 'clearly specified'.

Table 4   Mission statement content and innovativeness behaviors/practice use

	Innovativeness behaviors/practices	*Innovativeness behavior mean score under different mission statement conditions*			*One way Anova significance (.05)*		
		No mission mention (a)	Mission mention 'somewhat' (b)	Clear mission mention (c)	(a) vs. (b)	(a) vs. (c)	(b) vs. (c)
P1	Seek out customers difficult to satisfy	4.6	6.2	7.1	*	*	
P2	Attempt to build customer loyalty	7.6	7.3	8.1			*
P3	Promote 'cannibalization' of our products	2.8	5.9	7.8	*	*	
P4	Organize work around 'projects'	5.6	6.2	7.5		*	
P5	Make critical technological decisions significantly ahead of competition	4.4	5.9	7.6	*	*	*
P6	Accept 'constant re-organization' as a way of life	6.3	5.7	7.3		*	
P7	Undertake cooperative ventures with rivals	2.9	5.3	7.4	*	*	
P8	Foster 'egalitarian culture'	5.2	6.2	7.9		*	*
P9	Seek to sell 'unique' products	4.9	5.2	7.4		*	
P10	Use electronic communication	5.7	5.9	7.9			
P11	Put extraordinary emphasis on recruiting 'the right people'	6.3	6.7	8.1		*	*
P12	Strategic information spread throughout the ranks	5.2	6.3	7.2		*	
P13	Glorify, honour and celebrate the people who create new products/services	4.8	5.9	7.5		*	
P14	Help employees become world-renowned experts	3.9	6.2	7.2	*	*	
P15	Grant Sabbaticals	1.8	3.2		*(1)	n/a	n/a

Legend: (1) significant on a two-tail *t*-test; n/a = not applicable due to no cases in one of the categories.

Mission statement content and new product sales

The results of our analysis comparing the content of the firms' mission statements with their rate of new product sales is displayed in Table 5. This analysis suggests that there is a fairly low level of association between the degree to which a mission statement mentions a particular innovativeness behavior/practice and new product sales. Indeed, a significant difference in new product sales between firms with mission statements that (a) mention an innovation practice and (b) those that mention it 'not at all' was found in only three instances: P1 – seeking out customers difficult to satisfy; P3 – promoting the cannibalization of our own products; and P5 – making critical technological decisions significantly ahead of the competition.

Table 5   Mission statement content and new product sales %

	Mission statement content categories	New product sales (expressed as a percentage of total sales)		t-test significance
		No mission mention	Some mission mention	
P1	Seek out customers difficult to satisfy	13.2	29.7	**
P2	Attempt to build customer loyalty	0.00	22.3	n/a
P3	Promote 'cannibalization' of our products	24.9	14.0	*
P4	Organize work around 'projects'	19.1	23.5	n.s.
P5	Make critical technological decisions significantly ahead of competition	7.6	25.3	***
P6	Accept 'constant re-organization' as a way of life	18.1	23.4	n.s.
P7	Undertake cooperative ventures with rivals	22.9	18.9	n.s.
P8	Foster 'egalitarian culture'	18.6	23.4	n.s.
P9	Seek to sell 'unique' products	14.4	23.9	n.s.
P10	Use electronic communication	24.7	17.3	n.s.
P11	Put extraordinary emphasis on recruiting 'the right people'	15.6	24.2	n.s.
P12	Strategic information spread throughout the ranks	20.1	22.2	n.s.
P13	Glorify, honour and celebrate the people who create new products/services	23.3	20.9	n.s.
P14	Help employees become world-renowned experts	18.9	24.3	n.s.
P15	Grant Sabbaticals	22.0	20.	n.s.

Legend: (*) = significant at 0.10; (**) = significant at 0.05; (***) = significant at 0.01; n.s. = not significant; n/a = t-test not calculated due to a limited number of cases reported in one of the mission mention categories.

6   Discussion and conclusions

A review of the findings and analyses presented above suggest the following four major observations:

1   Many of the innovativeness practices/behaviors appear to be widely used among Canadian firms. But some are clearly used more often than others.

Our analysis showed that 12 of the 15 innovativeness behaviors were practiced to a large extent in our sample of 75 firms. There are two possible explanations for this. On the one hand, much has been written over the past twenty years on many of these behaviors and so, naturally, firms are much more aware of them and trying to incorporate them into their organizations.

On the other hand, there is the possibility of bias on the part of managers reporting the degree to which those innovativeness behaviors are practiced. After all, probably no manager wants his organization (or himself, for that matter) to appear backward or behind-the-times. So, there may be a tendency on the part of managers to report somewhat slightly higher levels of the behavior/practice than exists in reality.

At the same time, it was not surprising to find that managers reported such low usage rates for three of the behaviors: P3 – promoting cannibalization; P7 – undertaking cooperative ventures with rivals; and P15 – granting sabbaticals. Each of these behaviors/practices represents a fairly major departure from what many might consider the status quo in most organizations today. Consequently, it is in attempting to adopt these behaviors where one would expect to find the greatest resistance to change. For example, 'cannibalization' involves rejecting a 'current winner'. As one manager expressed it: "It's like setting out to kill your happy, well-adjusted, successful, anxious-to-please child! Who wants to do that?" Similarly, undertaking cooperative ventures with rivals seems, as one executive wrote:

> "to scare the hell out of me! I've just learned to trust my own employees and now, I'm being told to trust my enemy?"

Finally, granting sabbaticals may be just too radical a step for most organizations. After all, one need only observe the abuses which occur within the university system to understand the hesitation – if not, downright fear – that most managers in for-profit organizations might feel.

2   Varying the levels of some innovativeness behaviors/practices appears to influence new product sales more than others.

Table 2 identified many innovativeness behaviors in which significant differences in the percentage of new product sales were found between 'high' and 'low' usage levels of that behavior (i.e., P1, P2, P4, P8, P9, P11, P12, P14). However, Table 2 also showed many innovativeness behaviors in which fairly high levels of new product sales appeared to occur regardless of the level of the behavior exercised (i.e., P3, P5, P6, P7, P10, P13, P15). These findings, therefore, suggest that varying the level of some innovativeness practices appears to be more important than others in terms of their impact on new product sales.

Since this is the first study which has attempted to examine a sizeable number of the innovativeness behaviors at one time, perhaps doing so, has 'teased out' a 'rough'

pecking-order in the manner with which managers should encourage/adopt certain types of behaviors. The findings clearly suggest that seeking to achieve high levels of practice for some of the innovativeness behaviors will yield positive and significant benefits. (And failure to encourage and foster those behaviors will result in significant performance penalties.) For other innovativeness behaviors, however, the level of practice does not appear to make a significant difference on performance – which, interestingly was found to be quite high. In this latter situation, it is especially fascinating to contemplate the possible reasons why there should NOT be any differences in new product sales with varying levels of the innovativeness behaviors. For example, what possible reasons could exist for not observing significant differences in new product sales between 'high' versus 'low' cannibalization situations? Moreover, why do the rates of new product sales, regardless of the behavior/practice level, always appear to be so high? Unfortunately, obtaining the answers to questions such as these will have to be left to another study.

3   A powerful, positive and pervasive relationship exists between the content of a firm's mission statement and its innovativeness behaviors/practices.

This observation represents one of the major and most significant findings from the current study. Specifically, in our analysis from Table 4, it was found that "clearly specifying" a particular innovativeness behavior in the mission statement was almost always associated with a significantly higher level of the behaviour's usage. Similar results were also obtained when the behavior was only specified 'somewhat' in the mission statement. However, in this latter instance, the impact was not as pervasive.

These results support the general opinion and conclusion of many earlier writings which have argued that the primary purpose and importance of the mission statement is to guide and influence employee behavior. Our results, however, confirm that this general proposition now holds in the specific case of innovation-inducing behaviors. Thus, if managers wish to encourage selected innovativeness behaviors among their employees, the present research suggests that those behaviors should be written down and that the first place to write them is in the context of the mission statement.

This is not to say that there are not other organizational levers which general managers might rely upon in order to create the behaviors that we observed. One need only consider the strategy implementation literature for many ideas, models, frameworks and suggestions. However, to the extent that all employee behaviors are to be 'purposeful', as opposed to whimsical or random, they should be incorporated into what is considered by many to be the 'first step' in the strategic management process – the mission statement. And given, especially, all the problems and complaints usually expressed about changing employee behavior, the results of this study indicate clearly that there is a strong linkage between mission and behavioral outcomes which wise managers should not ignore.

4   The direct impact of a firm's mission statement on new product sales appears to be weak. However, the indirect impact appears to be quite strong.

Our findings from Table 5 showed that only in a few isolated instances was there a significant difference in the rate of new product sales between "firms that mentioned" and "firms that did not mention" a particular innovativeness behavior/practice in their mission statements. From this, we concluded that the mission statements in our sample of firms did not appear to have much of a direct impact on – or relationship with – new product sales in our sample of firms.

However, our results also suggest that the relationship between a firm's mission statement and new product output appears to be much more indirect. In this sense, the mission statement should be viewed as being a much more sophisticated organizational variable than previously considered. Recall, specifically, how we found an extremely strong relationship between the content of a firm's mission statement and the degree to which selected innovativeness behaviors were practiced in our firms. We also found a fairly strong relationship between the innovativeness behaviors practiced and the firms' new product sales. Yet, the relationship between mission and new product sales was virtually non-existent.

These observations, however, are consistent with both earlier theory and research which suggest (a) that it is the *behavior* of firm members which causes and contributes to performance outcomes [1, 31] and (b) that it is other organizational levers (e.g. mission, strategy, environment, structure etc.) which are the primary drivers of those behaviors (*op. cit.*).

Thus, it is a major finding and conclusion of this present study that the impact of mission on firm innovativeness appears to be an extremely powerful one – although the impact on new product performance outcomes appears to be indirect.

Some final thoughts

It is hoped that the insights and findings obtained from this study will provide some guidelines to practicing managers on the effective use of mission statements in the management of innovation. Too often, managers approach the creation of their company's mission statement with careless abandon – or even sometimes, disgust. The result, in such instances, is a mission statement that is comprised of either 'motherhood' drivel or meaningless generalities. The present study has shown however, that the mission statement is a powerful tool that can be used to set the tone and direction for *specific* types of behaviors and practices. And it is important to choose those behaviors and practices wisely, because it is they which, in turn, lead ultimately to the *specific* performance outcomes desired.

Acknowledgement

References

1 Bart, C. K. (1986) 'Product strategy and formal structure', *Strategic Management Journal*, 7, 4, July–August, pp. 293–311.

2 Bart, C. K. (1991) 'Controlling new products in large diversified firms: A presidential perspective', *Journal of Product Innovation Management*, pp. 4–17.

3 Basadur, M.S. (1992) *The first technical manual for the Basadur creative problem solving profile,* Centre for Research in Applied creativity, McMaster University, Hamilton, Ontario, Canada, October.

4   Cooper, R.G. (1990) 'Stage-gate systems: A new tool for managing new products,' *Business Horizons*, Vol. 33, No. 3, May–June, pp. 44–54.

5   Cooper, R.G. and Kleinschmidt, E.J. (1987) 'New Products: What separates winners from losers?' *Journal of Product Innovation Management*, September, pp. 169–184.

6   Souder, W.E. (1987) *Managing new product innovations*, Lexington, MA, Lexington Books.

7   Kamm, J.B. (1987) *An integrative approach to managing innovation*, Lexington, Ma, Lexington Books.

8   Quinn, J.B. (1979) 'Technological innovation, entrepreneurship and strategy,' *Sloan Management Review*, Vol. 20, No. 3, pp. 19–30.

9   Quinn, J.B. (1985) 'Managing innovation: controlled chaos.' *Harvard Business Review*, May–June, pp. 2–21.

10   Deutschman, A. (1994) 'The managing wisdom of high-tech superstars', *Fortune*, 17 October, pp. 197–206.

11   Byars, L.L. (1984) *Strategic Management: Planning and implementation*, Harper and Row, New York.

12   Byars, L.L. (1987) 'Organizational philosophy and mission statements', *Planning Review*, 15, 4, pp. 32–36.

13   Campbell, A. (1989) 'Does your organization need a mission?', *Leadership and Organization Development*, 3.

14   Campbell, A. (1993) 'The power of mission: Aligning strategy and culture', *Planning Review*, Special Issue.

15   Campbell, A. and Yeung, S. (1991) 'Creating a sense of mission', *Long Range Planning*, 24, 4, pp. 10–20.

16   David, F.R. (1989) 'How companies define their mission', *Long Range Planning*, 22, 1, pp. 90–97.

17   David, F.R. (1993) *Strategic Management, Fourth edition*, Macmillan, New York.

18   Germain, R. and Cooper, M.B. (1990) 'How a customer mission statement affects company performance,' *Industrial Marketing Management*, 19.

19   Ireland, R.D. and Hitt, M.A. (1992) 'Mission statements: Importance, challenge and recommendations for development', *Business Horizons*, May–June.

20   Klemm, M., Sanderson, S. and Luffman, G. (1991) 'Mission statements: Selling corporate values to employees', *Long Range Planning*, Vol. 24, No. 3, pp. 73–78.

21   McGinnis, V.J. (1981) 'The mission statement: A key step in strategic planning', *Business*, November–December, pp. 39–43.

22   Medley, G.J. (1992) 'WWF UK creates a new mission', *Long Range Planning*, 25, April, pp. 63–68.

23   Pearce, J.A. (1982) 'The company mission as a strategic tool', *Sloan Management Review*, Spring, pp. 15–24.

24   Pearce, J.A. and David, F.R. (1987) 'Corporate mission statements: The bottom line', *Management Executive*, 1, 2, pp. 109–116.

25   Want, J.H. (1986) 'Corporate mission', *Management Review*, August, pp. 46–50.

26   Steiner, G.A. (1979) *Strategic Planning: What every manager must know*. New York, The Free Press.

27   Bower, J.L. (1970) *Managing the resource allocation process: A study of corporate planning and investment*, Graduate School of Business Administration, Harvard University, Boston, MA.

28   Burns, T. and Stalker, G.M. (1961) *The management of innovation*, London, Tavistock.

29   Carruthers, J. K. and Lott, G. B. (1990) *Mission review: Foundation for strategic planning*, Prentice Hall, New Jersey.

30   Duncan, R. (1976) 'The ambidextrous organization: Designing dual structures for innovation' in Kilmann, R.H., Pondy L.R. and Slevin, D.P. (Eds.), *The management of organizational design*, Vol. 1, New York, North–Holland, pp. 176–188.

31   Galbraith, J.R. and Kazanjian, R.K.,*Strategy implementation: Structure, systems and process*, Second edition, St. Paul, MN, West Publishing.

32   Lawrence, P. and Lorsch, J. (1967) *Organization and environment: Managing differentiation and integration.* Harvard University.

33   Newman, W.H. (1971) 'Strategy and management structure.' *Journal of Business Policy*, Vol. 2, No. 1, pp. 56–66.

34   Rumelt, R.P. (1974) *Strategy structure and economic performance*, Harvard University.

35   Thompson, J. (1967) *Organizations in Action*, New York, Mc Graw-Hill.

36   Wrigley, L. (1970) *Divisional autonomy and diversification.* Unpublished doctoral dissertation, Harvard University.