Vision, Mission, and Ethics in Organizations

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Businesses today must constantly strive to adapt in an increasingly competitive environment. In a constantly evolving business world, it is the core ideals and objectives of businesses that guide their strategic decision-making and help them remain stable. This applies to new businesses too, which need to establish their guiding principles early on, because proceeding with insufficient experience and learning could prevent businesses and their leaders from reaching their goals. These ideals and principles are stated as mission and vision statements—both of which are essential for the success of any business.

What Are Mission and Vision Statements?

A mission statement defines a company's purpose and fundamental objectives. It communicates an organization's reason for existence, and how it aims to serve its key stakeholders.

A vision statement, on the other hand, is a concise and precise statement that presents a futuristic view of the organization's mission: what the company hopes to become and the target it aims to reach.

What Purpose Do Mission and Vision Statements Serve?

Every business comes into existence to serve a purpose. Mission and vision statements are representative of that purpose. A study conducted by Bain & Company established that 90% of 500 firms surveyed had mission and vision statements to describe the nature of their business. Moreover, the firms that developed mission and vision statements showed better performance than firms that did not (Bart & Baetz, 1998).

Vision and mission statements essentially help organizational leaders to:

- Communicate their organization's purpose to its stakeholders;

- Keep the stakeholders informed about strategy development; and

- Create measurable goals and objectives that gauge future outcomes of their business strategy (Dias & Shah, 2009).

Therefore, it is no surprise that mission and vision statements are considered to be fundamental elements in creating a company's identity.

Key Elements of Mission and Vision Statements

Since a mission statement is crucial for a company's growth, it should include the following:

- What the firm's aim(s) is

- Who the firm's stakeholders are

- How the stakeholders are provided with value through specialized products and services

- What the firm's key purpose is

Google's mission statement, for example, "To organize the world's information and make it universally accessible and useful" (Millard, n.d.) includes most of these details. Likewise, vision statements have general principles that need to be considered in order to make them reasonable. For example:

- The customer base must be defined in order to determine the target audience.

- Customers' needs must be mentioned in order to persuade them to opt for the product or service offered.

- The product or service must be well described to provide the customers with an idea of what the company offers.

- Company's values must be included to ensure that customers perceive the right things about the company (Ebben, 2005).

These elements of a mission and vision are key for management to connect with clients, employees, and stakeholders, and to achieve financial gain. Along with financial goals, however, businesses also have ethical responsibilities. While mission and vision statements help fulfill financial goals, codes of conduct ensure that businesses and their stakeholders function in an acceptable manner.

Code of Ethics/Code of Conduct

Maintaining a code of ethics can help a business attain positive results and make sound decisions. A business environment that encourages and maintains strong values is usually a productive workplace. A code of ethics, also known as a code of conduct, clarifies "an organization's mission, values, and principles, linking them with standards of professional conduct. It includes details about how employees are to treat each other and clients, how managers should treat their subordinates, and what is expected from contractors and vendors. In addition, it includes the duties of top management toward the whole organization and the organization's social responsibilities.

A sound code of ethics will include the following:

- Values: It is highly essential for a business to delineate values such as trustworthiness, respect, accountability, and objectivity to enable transparency.

- Principles: Business principles like customer–organization relationship and company–stakeholder relationship that support business values must be included in order to clearly establish the standards that employees must adhere to.

- Management support: Managerial support methods, such as open-door policies, can be included in the code of ethics for a general understanding of the working of the business.

- Personal Responsibility: It is important to list out personal responsibilities of an individual toward the company through the code of ethics.

- Compliance: Any laws and regulations may be included in order to make employees and stakeholders aware of the repercussions of unethical conduct (Sullivan, n.d.).

Violation of ethics can get companies in trouble with consumers, organizations, or government bodies. This in turn may adversely affect the image of the company.

Role of a Company's Leadership in Promoting Mission, Vision, and Ethics

Top-level managers of a business develop a vision and mission to maintain a strategic framework throughout their organization and ensure consistency in performance and expectations. It is, however, not enough for these managers to create statements and codes. They must set good examples by acting in accordance with their mission and vision statements and their code of ethics. Organizational leaders must promote their vision and mission by letting employees know how they can contribute toward the larger goals of the organization and treating issues raised by employees as suggestions and areas to improve (Spiro, 2010). They must condemn decisions and actions that violate their business's mission, vision, and code of ethics, even if such actions promise greater economic rewards. A failure of a firm's leaders to promote

the principles it stands for is likely to leave the firm without a purpose and result in a conflict of interest between its employees, management, and stakeholders.

Conclusion

The Business environment for existing and upstart organizations today is incredibly competitive and constantly evolving. Developing a mission, vision, and code of ethics that is supported and promoted by leadership with the core ideals of an organization is what drives strategic decision-making and helps an organization remain competitive.

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