

Mission statement effectiveness: investigating managers' sensemaking role

Enhanced
employee
performance
levels

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Abstract

Purpose – This study highlights the instrumental role of the mission statement as a tool used by managers to shape value congruence to achieve enhanced employee performance levels.

Design/methodology/approach – A variance-based structural equation modelling was used to analyse the data obtained from a sample of 123 managers working in private organisations in Malaysia.

Findings – The management sensemaking approach is useful in mission statement research. Managers' involvement in clarifying the mission statement to various firm stakeholders, especially employees, is the strongest predictor of value congruency between employees and the firm, leading to improved levels of employee behavioural performance. Managers can influence value congruency through two processes: (1) guiding and shaping employees' values and (2) adapting the mission statement's contents.

Research limitations/implications – Future studies can consider the impact of managerial role modelling on employees' value alignment with the firm in longitudinal studies. Other aspects of alignment offer further research opportunities, for example, HR policy alignment and alignment of marketing and operation strategies with the mission statement.

Practical implications – Managers should move beyond treating the mission statement as a management tool. Instead, it is a firm philosophy that reflects managers' words and deeds and exemplifies their philosophical ideals.

Originality/value – Despite three decades of research into the relationship between the mission statement and performance, the results have been mixed. Therefore, this study adopts a sensemaking approach to research the mission-performance relationship underpinned by the resource-based view (RBV) theory.

Keywords Mission statement, Sensemaking, Strategic alignment, Value congruence, Managerial role modelling

Paper type Research paper

Introduction

Although the literature on the strategic management of human resources is varied and extensive in empirical studies, attempts to measure the strategic contribution of managers "characteristically" concerning the organisation's human capital appear sparse. A mission statement is a formal written statement that captures the firm's fundamental, unique and enduring purpose (Alegre *et al.*, 2018). It usually contains three parts: a statement about the firm's current purpose, a statement about its desired future state and the strong values (Braun *et al.*, 2012; Breznik and Law Kris, 2019; Collis and Michael, 2008). Synonymous to the mission statement are terms like "vision", "core ideology", "corporate philosophy", "credo" and "our story" (Stallworth Williams, 2008). The mission statement targets all firm



stakeholders (Grünig and Kühn, 2015). Stakeholders include employees, customers, shareholders, the community and the country and its government (Pearce and David, 1987; Amato and Amato, 2002). It is widely held that the mission statement is the “critical starting point for almost every major strategic initiative” (Bartkus and Glassman, 2008). It provides a strategic framework for allocating organisational resources (Bartkus *et al.*, 2000), a sense of purpose, direction (Collins and Porras, 1996) and a sense of mission (Campbell and Yeung, 1991). It further serves as an essential communication tool for internal and external stakeholders (Bartkus *et al.*, 2000). These views underscore the mission statement’s importance as a widely adopted management tool (Rigby and Bilodeau, 2011). However, whether the mission statement effectively achieves what researchers claim is challenged by researchers (Salehi-Kordabadi *et al.*, 2020). Evidence on the mission-performance relationship has thus far been mixed (Alegre *et al.*, 2018) and even contradictory (Desmidt *et al.*, 2011). This study posits the premise that the mission statement, when correctly used, is a management strategic effective (Mullane John, 2002). Further, the mission statement’s correct use is more viable through the sensemaking approach, through which managers’ roles in the strategic alignment and role modelling can bridge the mission-performance research gap.

The strategic link between mission statements and organisational behaviour

Corporate mission statements are effective when organisational leaders clearly communicate them to staff (Greenberg and Baron, 1997). Mission statements act as carriers of culture, ideology and ethos (Swales and Rogers, 1995). From a corporate culture perspective, the managerial literature focuses on the notion of culture as “a set of norms and values that are widely shared and strongly held throughout the organisation” (O’reilly and Chatman, 1996, p. 166). To advance this definition further and in line with the aims of this study, Patel *et al.* (2015) found significant evidence that mission statements have a significant positive relationship with organisational performance. Therefore, and to some extent, the mission acts as cultural “glue” that permits an organisation to work as a collective unity (Alegre *et al.*, 2018) to achieve successful organisation performance (Hirota *et al.*, 2010) through employee behaviour (Bart Baetz and Mark, 1998; Lin, 2012).

The Malaysian context

Malaysia provides fertile ground as the focal location of this study to achieve developed nation status. First, Malaysia must promote economic development to private enterprises. In Malaysia, small to medium enterprises (SMEs) contribute 40% to Malaysia’s economic transformation process (Tahir *et al.*, 2018) and make up 95% of the total businesses in the country. However, research on leadership in Malaysia is not as extensive as in Western contexts. Despite efforts by scholars to develop an understanding of leadership practices in Malaysia, a review of the literature reveals that minimal effort has been made to examine leaders concerning the leadership behaviour adopted in SMEs (Mohd Sam *et al.*, 2012; Hashim and Zakaria, 2013). Leadership style is how a leader provides direction to his/her team to execute their tasks, how the leader motivates their subordinates and how the leader communicates and relates to their staff people (Gharibvand, 2012). This conceptualisation is fundamental in Malaysia; a multi-ethnic society comprises 65% indigenous Malays, 25% Chinese and 7% Indians and 3% of other minor ethnic groups (Haque, 2003). These findings suggest that with such a diverse ethnic workforce, directing employees towards a certain behaviour (e.g. working towards organisational performance goals according to the firm’s mission statement) may provide challenges for business leaders (Minai *et al.*, 2012). Since a firm’s staff members are an organisational resource employed to achieve organisational objectives and contribute to firm performance, we use a resource-based view (RBV) of the firm to further advance our understanding of the effectiveness of mission statements.

An Eastern perspective of mission statements

Given the diversity of leadership styles across different cultures, we expect to find firms from different national cultures placing a different emphasis in their mission statements suggesting different organisational approaches to achieving organisational performance. For instance, in a study of leading universities' mission statements, Bayrak (2020) found that European universities were more likely to use "research" in the wording of their mission statements than universities from Asia. Conversely, Asian based universities used "technology" in their mission statements more often than Western universities. Interestingly, both Eastern and Western universities frequently used "leader" or "leadership". In a similar study to that of Bayrak (2020), Ahman (2020) found that "becoming", "pre-eminent" and "technology" were among the most popular words used in vision statements in Indonesian universities. These findings indicate the emphasis placed by Eastern universities to guide their strategic direction.

Theoretical framework

The RBV of firms is the focal lens used in this study. The theoretical framework in this study is shown in Figure 1. Generally, RBV recognises strategic alignment forms as a source of competitive advantage (Schroeder et al., 1986; Amit and Belcourt, 1999; Hung, 2006; Sardana et al., 2016). The mission statement is the primary reference of espoused values in the firm. Thus, the strategic alignment of values is a source of competitive advantage (Barney and Clark, 2007). Based on the RBV, mission statement clarity in various aspects of the three components of purpose, vision and values can facilitate strategic alignment of values (Lahey and Nelson, 2020), contributing to the firm's competitive advantage.

Mission statement clarity and employee behavioural performance

Previous research shows that the mission statement's clarity is likely to influence employee behaviour (Campbell, 1989; Campbell and Yeung, 1991; Alegre et al., 2018). When the firm's

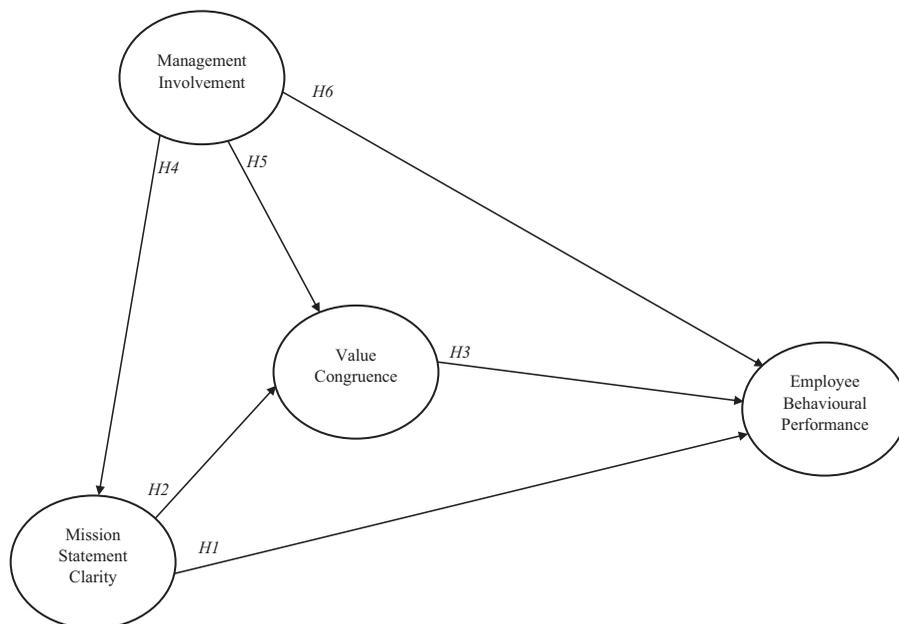


Figure 1.
Theoretical framework

mission statement clearly states its strategic objectives, its employees behave in a manner congruent towards achieving those objectives (Yilmaz and Ergun, 2008). Moreover, Bart (1997) identifies a lack of clarity in the mission statement as a likely reason why firms fail to achieve success. Similarly, Sattari *et al.* (2011) state that clarity of the mission statement regarding readability and understanding is vital for comprehension. They argued that only a straightforward and understandable mission statement would have “a chance of achieving the desired positive outcomes” (p. 282). Therefore, we posit.

H1. Mission statement clarity is positively related to employee behavioural performance.

Mission statement clarity affects value congruence

The concept of value congruence captures the essence of the strategic alignment of values in the firm. A firm has an influential culture when there is a high degree of value congruence between employees and the firm (Meglino *et al.*, 1989; O’reilly *et al.*, 1991; Kotter and Heskett, 2008; Posner, 2010). Employees are attracted to organisations that have values that fit with their own. The mission statement can promote such high-value congruence. This is because it can act as “the gel that binds organisations together”, inspiring employees (Ireland and Hirc, 1992) and promoting shared values, providing a standard of behaviour and improving commitment (Campbell and Yeung, 1991; Campbell *et al.*, 1992; Bart, 1997; Alegre *et al.*, 2018). Based on this empirical evidence, when a firm’s mission statement is clear about its purpose, like-minded people tend to be attracted to it.

H2. Mission statement clarity is positively related to value congruence.

Value congruence affects employee behavioural performance

Studies have shown that firms with high-value congruence experience a positive behavioural change in their employees (Denisi and Smith, 2014). Posner *et al.* (1985) find that value congruence is positively related to managers’ ethical behaviour. Furthermore, Edwards and Cable (2009) confirm that increasing value congruence improves employee attitudes and behaviours. People with high shared values tend to think similarly (Gardner *et al.*, 2009), behave similarly (Cameron and Quinn, 2011) and have similar attitudes (Meglino *et al.*, 1989). In line with previous research, we propose.

H3. Value congruence is positively related to employee behavioural performance.

Management involvement in sensemaking

Management involvement in sensemaking engages with employees in the firm where perception and meaning are shaped and aligned (Thiry, 2001; Ancona, 2012; Marshall, 2018). Less is made of this type of managerial sensemaking in clarifying the meaning of the mission statement and shaping the values and behaviours of employees. The adoption of this approach in studying the mission statement should prove fruitful given that effectiveness of management sensemaking in shaping value congruence is supported by research (Maitlis, 2005; Rolls *et al.*, 2008; Hoffman *et al.*, 2011). In mission statement research, management involvement is defined as the management’s involvement in implementing the mission statement for strategic alignment and strengthening organisational culture (Ralph *et al.*, 2014; Toh and Koon, 2017). Since mission statements are expected to evolve in tandem with the external environment (Koch *et al.*, 2014), managers are expected to lead this adaptation process.

First, the connection between clarification of mission statements and management participation is recognised in previous research (e.g. Senge, 1997; Collins and Porras, 2005; Kouzes and Posner, 2006; Dumitrascu and Feleaga, 2019) and validated recently (Rupprecht

et al., 2013). Second, in clarifying the values of the firm, the involvement of management has also been acknowledged. For example, managers send a strong signal to others when directly involved in implementing the mission statement (Mullane John, 2002). Senior management pays attention to, measures and controls how they influence others and embed beliefs, assumptions and values into their organisational culture (Ralph *et al.*, 2014). Furthermore, managers adopt the mission statement to be consistent with internal members' values (Seeber *et al.*, 2019). Third, in role modelling behaviours, managers set examples by their own behaviours for others to follow. This role modelling has been stressed in the academic literature (Hermalin, 1998), business studies (Kouzes and Posner, 2006), military scholarship (Keegan, 2011) and popular self-help books (Maxwell, 2007). By "deliberate role modelling, teaching, and coaching" (Schein, 2010), managers can influence others. Based on this evidence, the following three hypotheses are deduced:

H4. Management involvement is positively related to mission statement clarity.

H5. Management involvement is positively related to value congruence.

H6. Management involvement is positively related to employee behavioural performance.

Methods

Measurements of constructs were adopted from established studies. We used measures developed by Bart Christopher *et al.* (2001) to measure mission statement clarity O'Reilly and Chatman (1986) and Cable and Derue (2002) to measure value congruence, Bart Baetz and Mark (1998), Desmidt and Heene (2003) and Desmidt *et al.* (2011) to measure employee behavioural performance and Posner *et al.* (1985), Bart Baetz and Mark (1998) and Nowlin (2009) to measure management involvement. Face validity of the instrument was ensured by consulting three independent subject matter experts over the measuring items wording, validity and relevance in three separate face-to-face interviews, with each lasting 90 min on average. The improved survey instrument was also tested to confirm that the reliability requirement (>0.70) was met before data collection. A purposive sampling technique was employed to approach participants who were MBA students and held managerial roles in private sector organisations. Specifically, the participants would have more than two years of working experience accompanied with line management responsibilities. The final survey was self-administered through paper-and-pencil questionnaires as well as online. In addition to that, convenience sampling was conducted through social media and using an online version of the survey to solicit potential respondents who were managers who helped snowball sample more participants who were managers. G*power analysis (Faul *et al.*, 2007) was used to determine the minimum sample size of 76 based on the statistical power of 0.8 when a 3-predictor variable equation was used as a baseline. The survey was concluded with 123 completed responses, thus exceeding the minimum threshold.

Results

Data

Our study took place in Malaysia in 2018. It drew on a sample consisting of managers working in various organisations, covering various industrial sectors and organisational characteristics that would allow us to improve the sample's representative nature and enhance our results' external validity. The participants were approached through their HR departments, and the data were collected using an online survey. A hundred twenty-three responses were returned and used in data analysis. Our sample had an even spread of male (52%) and female (48%) managers with an overall average age of 34. More than half (59.3%) had up to 10 staff reporting to them. Almost all (above 98%) had a bachelor's degree or higher,

and more than half held middle and senior management positions (60.9%). Most of the respondents (66%) had worked in their respective companies for 2–10 years.

Common method variance analysis

Common method variance (CMV) is a critical issue for any study when data are gathered for all variables from the same respondents' types (Tehseen *et al.*, 2017). To detect this problem, we used two statistical methods, including the correlation matrix approach maximum collinearity assessment method proposed by Bagozzi *et al.* (1991) and Kock (2015), respectively. Inter-correlations were found less than 0.90 using a correlation matrix approach, negating the CMV as a concern. Likewise, in the maximum collinearity assessment method, all constructs' (variance inflation factor) VIF values were <3.3, suggesting no significant concerns for CMV.

These studies showed that this study's findings would be very reliable to draw meaningful implications due to non-significant CMV concerns. Since the PLS-SEM techniques are ideal for non-normal data sets (Mahmoud *et al.*, 2021b, c); thus, multivariate kurtosis and skewness were examined using the WebPower software (Webpower, 2015). Results revealed that data were not multivariate normal because of Mardia's multivariate skewness of 6.27 and kurtosis of 32.92. We used Smart PLS to analyse the data, which is ideal for analysing non-parametric data. The measurement and structural models were evaluated using Smart after conducting the CMV and non-parametric tests. The proposed steps by Hair *et al.* (2019) were followed in testing measurement and structural model assessments.

Evaluation of measurement model

The measurement model's evaluation includes analysing factor loadings, the reliability of variables, convergent and discriminating validities (Ringle *et al.*, 2020). First, variables' reliability was measured, examining indicators' reliability and composite reliability (Hair *et al.*, 2017). The measurement model's findings show the acceptable values of both the reliabilities, i.e. composite reliability and Cronbach's alpha (Hair *et al.*, 2017). Additionally, the rho A value was also appropriate. The variables' convergent validity was also tested by evaluating the outer loading values and average variance extracted values (AVE) (Hair *et al.*, 2017). The reliability and convergent validity scores for all of the constructs were above the respective threshold values of 0.70 and 0.50, as shown in Table 1.

Following the suggestion by Henseler *et al.* (2016) for the analysis of discriminant validity, this study used HTMT to measure similarity between latent variables. The discriminating validity evaluation aims to ensure that a reflective construct in the PLS path model has the best relationship with its own indicators concerning any other construct (Hair *et al.*, 2017). HTMT scores <0.90 suggest that discriminating validity is established between two reflective constructs. Table 2 shows that the model's discriminant validity is well established because of the low HTMT value of 0.90.

Evaluation of structural model

The structural model was examined according to the recommendations of Hair *et al.* (2019). The values of β and t -values, f^2 , VIF, R^2 and Q^2 , were analysed. To assess the structural model's collinearity problems, the VIF were evaluated. The VIF value of less than 5 indicates no collinearity issue among latent variables (Hair *et al.*, 2017). Likewise, the β values more than 0.2 usually give significant t -values. Table 3 illustrates the findings of the proposed hypotheses. H1 was not supported because of the non-significant t value for the relationship between mission statement clarity and employee behavioural performance ($\beta = 0.088$,

Constructs	Items	Loadings	Cronbach's alpha	rho_A	Composite reliability	Average variance extracted (AVE)	Enhanced employee performance levels
Employee behavioural performance	EBP1	0.847	0.948	0.95	0.956	0.707	
	EBP2	0.872					
	EBP3	0.825					
	EBP4	0.831					
	EBP5	0.813					
	EBP6	0.850					
	EBP7	0.789					
	EBP8	0.873					
	EBP9	0.865					
Management involvement	MI1	0.795	0.787	0.794	0.876	0.702	
	MI2	0.881					
	MI3	0.836					
Mission statement clarity	MSC1	0.726	0.792	0.796	0.857	0.547	
	MSC2	0.809					
	MSC3	0.751					
	MSC4	0.683					
	MSC5	0.722					
Value congruence	VC1	0.883	0.926	0.929	0.947	0.818	
	VC2	0.893					
	VC3	0.940					
	VC4	0.902					

Table 1.
Items' loadings, reliabilities and convergent validity

	1	2	3	
1. Employee behavioural performance				
2. Management involvement	0.778 (0.692, 0.859)			
3. Mission statement clarity	0.463 (0.307, 0.613)	0.500 (0.313, 0.688)		
4. Value congruence	0.647 (0.532, 0.746)	0.743 (0.631, 0.839)	0.566 (0.420, 0.689)	

Table 2.
HTMT

Hypothesis	Path	β	t	p	LL	UL	Decision	f^2
H1	Mission statement clarity → employee behavioural performance	0.088	1.334	0.091	-0.025	0.191	Not supported	0.012
H2	Mission statement clarity → value congruence	0.277	4.159	0.000	0.161	0.384	Supported	0.122
H3	Value congruence → employee behavioural performance	0.269	3.598	0.000	0.139	0.383	Supported	0.08
H4	Management involvement → mission statement clarity	0.397	4.264	0.000	0.225	0.533	Supported	0.187
H5	Management involvement → value congruence	0.526	8.393	0.000	0.417	0.622	Supported	0.439
H6	Management involvement → employee behavioural performance	0.471	6.979	0.000	0.358	0.579	Supported	0.270

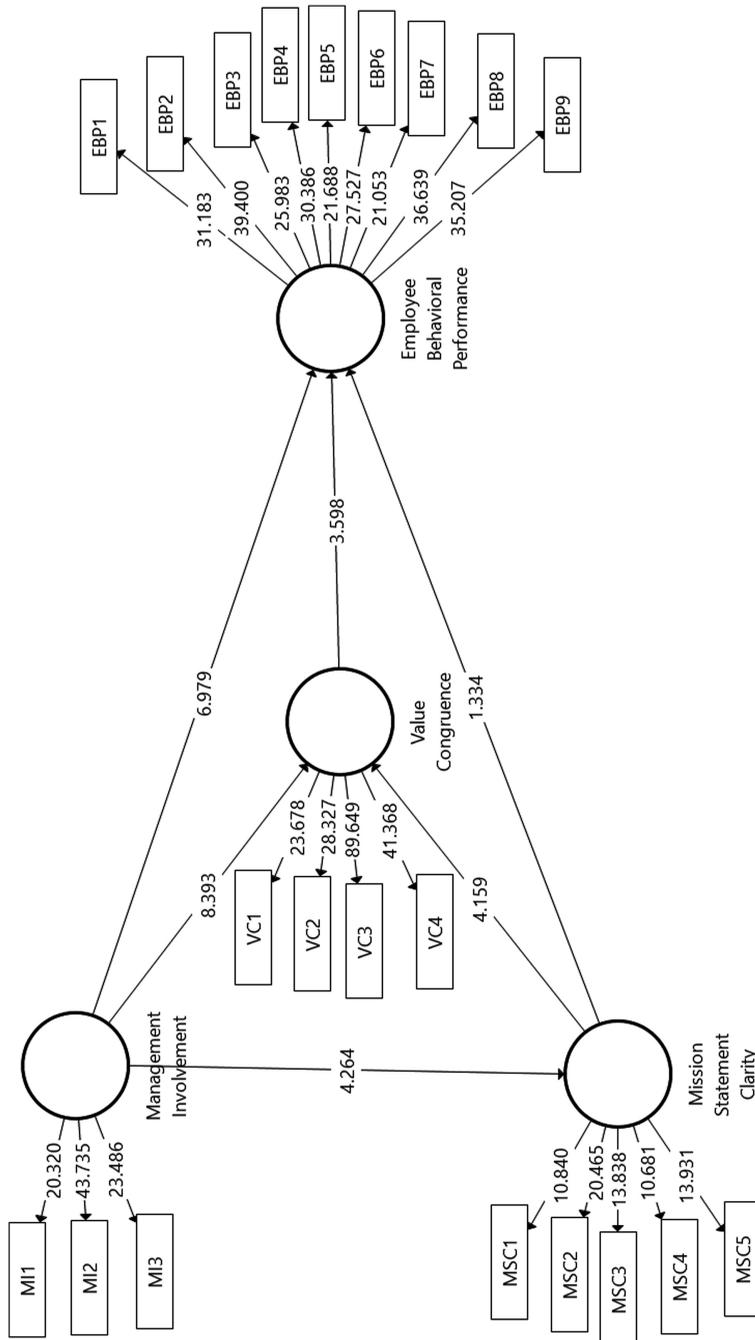
Table 3.
Results of hypothesis testing

$t = 1.334$). Conversely, H2 and H3 were supported due to the positive and significant relationship between mission statement clarity and value congruence ($\beta = 0.277, t = 4.159$) and between value congruence and employee behavioural performance ($\beta = 0.269, t = 3.598$). Likewise, H4 regarding the positive and significant relationship between management involvement and mission statement clarity was also supported with a β value of 0.397 and t value of 4.264. H5 and H6 were also supported due to the significant relationships of management involvement with mission statement clarity ($\beta = 0.526, t = 8.393$) and employee behavioural performance ($\beta = 0.471, t = 6.979$). The effect sizes f^2 values were also evaluated after testing the hypotheses to reveal the substantial impact of a specific construct on a particular endogenous construct. According to the guide of Cohen (2013), the effect sizes f^2 of 0.025 are considered small, whereas the values 0.150 and 0.35, respectively, indicate medium and high effect sizes. The f^2 effect sizes of management involvement for employee behavioural performance and mission statement clarity were 0.270 and 0.187, respectively, indicating their medium-size effects; thus, medium importance for these constructs. At the same time, the f^2 effect size of management involvement was 0.439 for value congruence showing a large effect size, thus, considerable importance. On the other hand, the f^2 effect size of mission statement clarity for employee behavioural performance and value congruence was found at 0.012 and 0.122, respectively, showing its small size effects, and thus, little importance for these constructs. Similarly, the f^2 effect size of value congruence for employee behavioural performance was 0.08 indicating a small effect size and little importance for this construct.

Regarding the indirect effects (see Table 4), value congruence was found to positively and significantly mediate the relationship between mission statement clarity and employee behavioural performance ($B = 0.075, SE = 0.028, t = 2.712$) and between management involvement and employee behavioural performance ($B = 0.142, SE = 0.044, t = 3.207$). However, the indirect effect of mission statement clarity on employee behavioural performance through management involvement was found non-significant ($B = 0.035, SE = 0.03, t = 1.157$). Moving forward, management involvement was found to indirectly and positively predict employee behavioural performance through the sequence: mission statement clarity \rightarrow value congruence ($B = 0.03, SE = 0.013, t = 2.225$). Finally, mission statement clarity positively and significantly mediated the relationship between management involvement and value congruence ($B = 0.11, SE = 0.028, t = 2.986$). Figure 2 shows the hypothesis testing results.

Path	<i>B</i>	SE	<i>t</i>	<i>p</i>	LL	UL	Decision
Mission statement clarity \rightarrow value congruence \rightarrow employee behavioural performance	0.075	0.028	2.712	0.003	0.035	0.125	Supported
Management involvement \rightarrow value congruence \rightarrow employee behavioural performance	0.142	0.044	3.207	0.001	0.073	0.217	Supported
Management involvement \rightarrow mission statement clarity \rightarrow employee behavioural performance	0.035	0.03	1.157	0.124	-0.006	0.09	Not supported
Management involvement \rightarrow mission statement clarity \rightarrow value congruence \rightarrow employee behavioural performance	0.03	0.013	2.225	0.013	0.013	0.056	Supported
Management involvement \rightarrow mission statement clarity \rightarrow value congruence	0.11	0.037	2.986	0.001	0.057	0.175	Supported

Table 4.
Indirect effects testing



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Figure 2.
Structure model
evaluation

The model's predictive accuracy determined by the coefficient of determination (R^2 value) was also examined. This coefficient of determination reflects the combined influence of all exogenous constructs. Cohen (2013) suggests the R^2 value of higher than 0 is always acceptable. Thus, since the R^2 values of employee behavioural performance (0.519), mission statement clarity (0.157) and value congruence (0.469) were above 0; therefore, our model is adequate predictive accuracy.

Eventually, blindfolding is a form of sample reuse. It allows measurement of Stone-Geisser's Q^2 value, which represents an evaluation criterion for the cross-validated predictive relevance of the PLS path model (Hair *et al.*, 2017). The Q^2 values of employee behavioural performance and value congruence were found as 0.335 and 0.357, respectively, indicating substantial predictive relevance of these constructs. Likewise, the Q^2 value of mission statement clarity was 0.079 showing medium predictive relevance for this variable. Since these Q^2 values were above 0, an excellent relevance for endogenous constructs was concluded. PLS analysis was also used to examine the predictive validity according to the proposed guide of Shmueli *et al.* (2019). Similarly, Q^2 values exceeding 0 of the respective predictors suggesting sufficient predictive evidence. As shown in Table 5, most of the PLS (root mean square error estimation (RMSE), MAE and MAPE) values were lower than respective LM values; hence, the PLS and LM Q^2 values were found above 0 that also show ample predictive evidence.

Discussion

The results of our study demonstrate the instrumental role of the mission statement as a tool used by managers in shaping value congruence to achieve enhanced employee performance levels. The statistical significance of the direct and indirect effects offers strong evidence for the sensemaking approach. The management sensemaking approach in this study involves studying managers' roles in their interactions with employees for the strategic alignment of values and role modelling of behaviours. Alegre *et al.* (2018) stress the need for micro-level research into the mission statement focussing on how it affects employee beliefs and behaviours. Both the model predictive accuracy and variable predictive relevance show that the management sensemaking approach is an essential endeavour in mission statement research for the firm level.

Furthermore, the results for H4 and H5 support the assumption that managers' involvement in clarifying the mission statement to various stakeholders of the firm, especially employees, is the strongest predictor of value congruency between employees and the firm, leading to improved levels of employee behavioural performance, as indicated by the finding for H3. This is not surprising as it has been suggested that a manager's influence on value congruency can be achieved through two processes. On the one hand (H5), it can be achieved through guiding and shaping employees' values by managers (Schein, 2010). On the other hand, our indirect effects testing shows that managers can adapt or modify the mission statement's value contents (Seeber *et al.*, 2019) to achieve a better fit. It is clear from the results that the first process's predictive power is much stronger than the second. This is consistent with studies that show the importance of the emotional bond in value congruence in mission statement research (Campbell *et al.*, 1992; Campbell and Yeung, 1991). Achieving value congruency is crucial because it is instrumental in predicting performance. While our results suggest that managers should not use the mission statement as a blunt tool, they further emphasise the need for building connections with employees instead.

Finally, the result for H2 shows that the mission statement by itself does have some independent utility internally as it is instrumental in predicting value congruence. Indirect effects testing suggests that it has a small indirect effect on employee behavioural performance through value congruence. This demonstrates that the mission statement's

Items	PLS			LM			Q^2_{predict}			PLS-LM	
	RMSE	MAE	MAPE	RMSE	MAE	MAPE	RMSE	MAE	MAPE	RMSE	MAE
EBP2	0.916	0.717	30.861	0.305	0.725	31.176	0.289	-0.008	-0.315		
EBP6	0.787	0.617	25.113	0.342	0.632	25.633	0.310	-0.015	-0.520		
EBP1	0.885	0.700	32.254	0.323	0.707	32.102	0.325	-0.007	0.152		
EBP4	0.783	0.634	23.721	0.371	0.633	23.245	0.373	0.001	0.476		
EBP7	0.986	0.781	34.782	0.294	0.798	35.384	0.260	-0.017	-0.602		
EBP3	0.859	0.671	26.850	0.265	0.682	27.448	0.224	-0.011	-0.598		
EBP5	0.820	0.635	26.652	0.232	0.646	27.196	0.210	-0.011	-0.544		
EBP8	0.787	0.605	25.364	0.368	0.619	25.789	0.347	-0.014	-0.425		
EBP9	0.838	0.656	28.958	0.329	0.659	28.784	0.329	-0.003	0.174		
MSC4	0.747	0.625	38.180	0.054	0.634	38.643	0.035	-0.009	-0.463		
MSC5	0.704	0.581	34.634	0.068	0.595	35.248	0.035	-0.014	-0.614		
MSC2	0.615	0.526	27.710	0.118	0.527	27.710	0.090	-0.001	0.000		
MSC3	0.659	0.576	30.685	0.054	0.589	31.441	0.022	-0.013	0.756		
MSC1	0.659	0.560	30.520	0.056	0.544	29.688	0.071	0.016	0.832		
VC4	1.350	1.073	38.814	0.312	1.092	39.418	0.288	-0.019	-0.604		
VC3	1.402	1.119	40.706	0.348	1.135	41.263	0.325	-0.016	-0.557		
VC2	1.344	1.051	37.342	0.357	1.064	36.519	0.358	-0.013	0.823		
VC1	1.476	1.120	46.794	0.270	1.143	47.822	0.246	-0.023	-1.028		

Table 5.
Indicators' prediction
summary

effects mediate the strategic alignment of values on employee behavioural performance. However, [Hypothesis 1](#) shows that the mission statement is not a magic wand and, on its own, will affect firm performance. Managerial intervention is needed to render the mission statement more efficacious.

Practical implications

This study suggests that managers should move beyond treating the mission statement as merely a management tool for strategic alignment. Instead, managers should utilise the mission statement as a living, communicative tool, a document that reflects managers' words and deeds and exemplifies the firm's philosophical ideals. This is because managers' actions and words are closely scrutinised by others such that any inconsistencies are quickly noticed ([Ford et al., 2006](#)). Although deliberate role modelling by managers is vital in this regard, it can be further claimed that the more powerful is the unpremeditated actions as the symbolic influence of inadvertent words and deeds by managers has a lasting impression on employees. Furthermore, such observations get retold and transmitted throughout the firm (and even shared on social media). Thus, we emphasise the importance and existence of a relationship between the human capital of the organisation (particularly the interplay amongst employees), its mission statement and therefore, organisational competitiveness and efficacy. These findings reveal the possibility for further research that links the "character investment" of managers, the mission statement and the organisation's human capital.

The mission statement itself needs to be continuously developed in terms of updating its contents to fine-tune it with changes in the external environment ([Koch et al., 2014](#)) while at the same time negotiating a fit with internal stakeholders. This balancing act requires dextrous managers to acquire a repertoire of competencies orientated towards internal change and external alignment ([Yukl, 2012](#)). Indicative, therefore, is the priority of managerial excellence in multiple aspects, as the conclusion of this study.

In summary, managerial responsibility for communicating an organisation's mission statements to staff, specifically how the mission statement provides the organisation's strategic direction, is an essential predictor of value congruency between a firm and its employees. Further, our finding that the value congruency between the firm and its employees positively affects employee behavioural performance leads us to conclude that clearly enunciated mission statements can affect an employee's performance in achieving the firm's strategic goals.

The findings of the study inform teaching practice in the managerial and organisational behaviour sciences. For instance, classroom scholars may wish to teach the important role of communicating the mission statement to new employees and, more importantly, linking employee performance to the firm's mission. In addition, classroom scholars specialising in communication studies programmes can emphasise how managerial sensemaking affects mission statement effectiveness—for example, sensemaking from a linguistic perspective. Alternatively, sensemaking from a firm's corporate culture perspective.

Limitations and future research

This study has several limitations. First, a cross-sectional research design was followed. Future studies can consider the impact of managerial role modelling on employees' value alignment with the firm in longitudinal studies, albeit several studies have indicated that longitudinal design's ability over cross-section in detecting causation has been exaggerated ([Spector, 2019](#); [Mahmoud et al., 2020, 2021a](#)).

Whilst our study surveyed managers in private sector companies, it is unfortunate that the study did not include questions measuring the business type (e.g. public sector, private

sector, voluntary sector and SMEs, etc.). Previous research (e.g. Weiss and Piderit, 1999; Jurisch *et al.*, 2013) shows that mission statements are not invariant across different types of organisations. Therefore, we acknowledge not considering the business type in our assessment as a limitation of this study. A future study replicating our model with business type and aim included as independent, control or moderating variables would be very interesting.

This study only focuses on value alignment. Other aspects of alignment offer further research opportunities, for example, HR policy alignment and alignment of marketing and operation strategies with the mission statement. The other limitation of this study is that it has considered only the perspective of managers. Other perspectives, particularly the perspective of employees, should be considered for comparison. Finally, subjective measures of employee behavioural performance were used to determine performance. Future studies should consider objective measures of performance as a comparison.

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