

## **Vision Statement Quality and Organizational Performance in U.S. Hospitals**

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### **EXECUTIVE SUMMARY**

Vision statements are considered to be important for organizational transformation and business success. Developing a vision allows leaders to think about their hopes and aspirations for the organization's future. Ideally, all business decisions, plans, and activities should be directed toward fulfillment of the company's vision. This report advances the existing vision components framework and evaluates the relationship between quality of vision statements and organizational performance. Our goal was to assess whether a good vision statement helps managers improve organizational performance. To our knowledge, this is the first study of its kind in the U.S. healthcare environment. We examined the vision statements of 312 acute care hospitals for the quality of their structural components and ranked them accordingly. We also collected data pertaining to organizational performance to measure financial and growth-related performance. We used these to assess the correlation between vision statement quality and the percentage change in performance measures for the past 5 years. The study results showed a statistically significant positive correlation between vision statements and at least one of four performance measures for several geographic regions studied. A positive correlation was found between vision statements and one of the financial performance measures in 13 of the 17 states

studied; these correlation coefficients ranged from weak to strong. The correlation coefficient for 7 states (41%) was statistically significant. This study emphasizes the importance of creating an effective vision statement, assesses the components of strong vision statements, and highlights the relationship between vision statements and organizational performance.

## **INTRODUCTION**

The vision statement (or vision) commonly provides a concept of an organization's "destination". It also helps leaders create and communicate an effective road map for the organization (Duncan, & Ginter, 2012; Kaplan, 1991; Swayne,). Kantabutra (2008) described vision as a "mental model" or "conceptual representation" of an organization's future. Various definitions of vision exist; however, they all portray a future picture of the organization and stress the need for goals and strategies to be directed toward achievement of this envisioned future (Zukerman, 2000).

Bennis and Nanus (1985) reported that the lack of a clear vision is a major cause of declining effectiveness in many organizations. Multiple theorists have discussed the importance of organizational vision and its relationship to business performance; they propose that vision must be action oriented and innovative and take into consideration the organization's mission and values (Beckhard & Pritchard, 1992; Collins & Porras, 1996; Draft & Weick, 1984; Isenberg, 1987; Kouzes & Posner, 1987; Maccoby, 1981; Mintzberg, 1989; Slater, 1993; Timmon, Amollen, & Dingee, 1995).

According to Baum (1998), vision is an essential facet of strategic change, and organizations that create a future picture describe their vision as a proactive reaction to the changing needs of the environment. Despite vision's importance in organizational alignment and performance improvement, a limited number of empirical studies have actually examined the

relationship between a vision statement and organizational performance. Several authors (Bart & Hupfer, 2004; Bart & Tabone, 1999; Bart, Bontis, & Taggar, 2001) conducted studies of mission statements and their impact on organizational performance in the Canadian healthcare environment. However, to our knowledge, no empirical literature exists pertaining to organizational performance and vision statements in U.S. hospitals.

The purpose of this research is to examine the quality of vision statements in U.S. acute care hospitals and to assess their impact, if any, on organizational performance measures related to finance and growth.

## **BACKGROUND**

### **Vision and Mission Statements**

Although strategic management distinguishes between “vision” and “mission” statements, many companies use the terms interchangeably (Sufi & Lyons, 2003). A vision statement describes a desirable future state and long-term organizational goals. A mission statement serves as a backdrop for the company’s purpose and strategy; moreover, mission statements influence key priorities because they are formed on the basis of the organization’s core values and beliefs (Collins & Porras, 1991; Falsey, 1989; Ireland & Hitt, 1992; Williams, 2008). According to Sufi and Lyons (2003), mission statements include broad elements such as purpose, strategy, values, and behavioral standards. Organizational purpose, together with values, determines the philosophy or core ideology of an organization, which can be defined as a rich system of values and beliefs shared by its members that distinguish it from other organizations (Collins & Porras, 1996; Mintzberg & Quinn, 1996).

Collins and Porras (1996) proposed that vision statements must reflect the organization’s core ideology and envisioned future. They created a framework for successful vision creation.

Collins and Porras (1994) define the envisioned future as “Big, Hairy, Audacious Goals” (BHAGs) created by senior leaders that direct the organization’s efforts. They state that vision helps the organization preserve its core purpose and values while focusing on a progressive future.

### **Vision and Organizational Performance**

To measure performance, healthcare organizations use administrative, financial, process, and clinical outcome measures. The critical question facing healthcare leaders is how to prioritize these measures in today’s highly competitive healthcare environment (Erwin, 2009; Langabeer, 2008; Sicotte et.al., 1998). Li and Benton (1995) conducted a study of healthcare performance measures and concluded that service cost or financial performance and quality-related performance are most valued by leaders. Healthcare organizations’ performance cannot be based on as financial measures only. Although financial viability is important, it cannot come at the cost of quality (Sadeghi et al., 2013).

Several authors have shown that mission and vision shape behavior and can cultivate a high level of commitment, which eventually influences employees’ performance and contributes toward operational success (Collins & Porras, 1991; Daniel, 1992; Domm, 2001; Jing et al., 2014; Klemm, Sanderson, & Luffman, 1991; Lešnik, 2008; Mullane, 2002).

Jing and Avery (2014) used a multistakeholder and multimeasure approach to assess the relationship between vision communication and performance in 100 retail pharmacies in Australia. To obtain multiple perspectives, they performed face-to-face interviews with managers, employees, and customers. The authors evaluated the impact of vision communication on four organizational performance measures: financial assessments, employee and customer satisfaction, productivity, and staff retention. Jing and Avery (2014) concluded that a positive

correlation existed between vision communication and financial performance, staff productivity, and staff retention in small professional service firms. The managers who communicated the vision to staff outperformed their counterparts on various performance measures. This study provides insight regarding effective communication and its relationship to performance. However, major drawbacks of this study were that financial data were self-reported and the study samples were only from a large city.

The literature discussed earlier suggests that some indirect evidence exists showing a relationship between organizational vision and performance in some industries. However, the subject has not been explored to any great extent in healthcare (Bart & Baetz, 1998; Bart, Bontis, & Taggar, 2001; Kantabutra, 2006). Moreover, we did not find any study that assessed this relationship in the U.S. hospitals specifically. Therefore, we undertook this study to determine whether a direct correlation exists between vision statement quality in selected hospitals and organizational performance.

## **CONCEPTUAL MODEL OF VISION COMPONENTS**

We found Collins and Porras' (1996) vision framework to be the most compelling for the purpose of analyzing vision statements. According to these authors, a well-conceived vision consists of two major components: core ideology and envisioned future (i.e., BHAGs). They noted that the core ideology is static but envisioned future changes with time. Collin and Porras stated that organizations assess the environment to create an effective mission; however, they did not discuss the importance of continuously assessing the environment to allow re-creation of a compelling vision. Although an organization's mission rarely changes, its vision can change multiple times with growth and maturity and in response to changing environmental needs.

Our proposed vision creation model is different from Collins and Porras's vision components model. We added "environmental factors" because executives must continuously assess the environment in creating and re-creating vision statements (Figure 1). By scanning the environment continuously, healthcare leaders can attain a broad picture of the organization's internal and external environment.

The external analysis will help organizations understand the changing needs of the customer, community, and economy; governmental mandates; policies; and technical and scientific advancements locally, regionally, and globally. The internal analysis will provide a wider view of the current state of the organization and the needs of the employees. Figure 1 depicts our study model; we have augmented the Collins and Porras model by adding the environmental factor. We assess hospital vision statements based on our study model components, wherein vision statements that include goals to address long-term needs associated with patients, society, the community, government policy, technical advancement, or employees are scored higher than statements lacking a purposeful goal.

Figure 1: Vision Components Conceptual Model



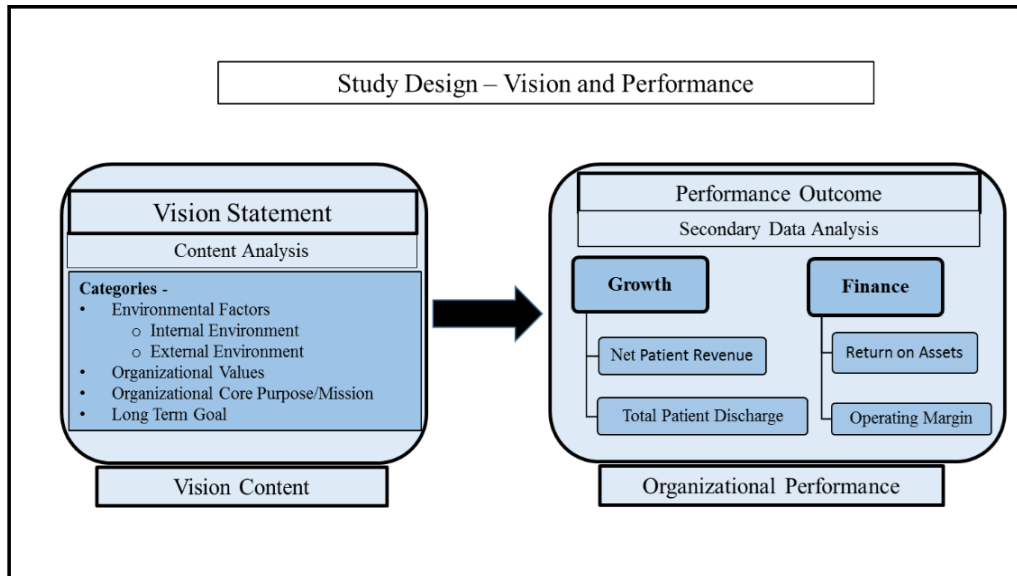
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## **METHODS**

### **Study Design**

The purpose of this study was to assess vision statements of selected acute care hospitals. We examined the vision statements for the presence of identified vision components and ranked them accordingly. We then assessed the relationship of the statements with growth and financial performance measures for the hospitals (Figure 2).

Figure 2: Study Design



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## Study Sample

The study sample consisted of acute care hospitals included in *U.S. News & World Report's* best hospitals listing for 2014–2015 (Olmsted, Geisen, Murphy, Bell, Morley, & Stanley, 2014). To be eligible for consideration, hospitals must be not-for-profit and should meet at least one of four suggested criteria: (1) teaching hospital, (2) affiliation with a medical school, (3) 200 or more beds, or (4) at least four of eight technologies regarded as highly important and advanced for effective patient care. Hospitals that were part of American Hospital Association (AHA) universe (AHA Data Viewer, 2015) were automatically considered for inclusion in the report (Olmsted et al., 2014). Along with strong eligibility criteria, the best hospitals report maintains strict ranking criteria. The hospitals are ranked on the basis of performance, which is measured in terms of structure, process, and outcome. The structural aspect includes hospital volume, technology, and other resources. Data related to structure are collected primarily from the AHA Annual Survey. Process is evaluated on the basis of the hospital's reputation for delivering consistently high-quality care. Indicators of patient safety are also assessed as part of this process



aspect. Finally, the outcome aspect of performance is based on patient survival/risk-adjusted mortality data. Further details of the *U.S. News & World Report's* ranking methodology are found in the report (Olmsted et al., 2014).

### ***Geographic Regions and Sample Size***

We chose the top 15 to 20 hospitals from each of 17 selected regions (i.e., states) from the best hospitals regional list. We gave higher priority to regions with more cities, which allowed us to better address diversity. We created a list of 317 hospitals, which provided a good representation of the highest-rated U.S. hospitals. We should point out that because of the data source, we were unable to address individual hospital characteristics in this study.

### **Data Collection**

One of us (R.G.) searched the hospitals' websites to locate the vision statement. We examined each hospital's vision statement for the presence of certain components. Well-structured statements were ranked higher than statements that merely restated the hospital's mission statement.

We collected performance-related data from the American Hospital Directory (AHD) (2015) database. According to its website, the AHD repository contains data pertaining to more than 6,000 hospitals across the United States. Sources of data include Medicare claims and hospital cost reports. We chose returns on assets and operating margins to assess financial performance and change in total patient revenue. We analyzed total patient discharge data for the percentage change in performance measures for 2009 to 2013 (5 years). We located data for 312 of the 317 hospitals and excluded from the study the five hospitals for which no data were available.

## **ANALYTICAL TECHNIQUES**

### **Evaluation of Vision Statements**

We evaluated vision statements for quality using a content analysis methodology. As discussed earlier, we based our model on the framework of Collins and Porras (1996).

We analyzed the vision statements for the presence of mission elements, values, long-term goals, and environmental factors. As noted earlier, an organization’s mission is its core purpose or identity. Hence, we created a list of common components in the mission statements of hospitals. We also created a list of common components of value statements for the acute care hospitals in our study. Environmental factors included geographic location, community, government regulations, and so forth (Figure 3).

Figure 3: Vision Statement Evaluation Criteria

<b>Evaluation Categories</b>			
<b>Mission Elements</b>	<b>Organizational Values</b>	<b>Goals</b>	<b>Environment Factors</b>
<ul style="list-style-type: none"> <li><b>Core Purpose</b></li> <li>○ Advance clinical research</li> <li>○ Education and training</li> <li>○ Healing</li> <li>○ Collaboration</li> <li>○ Improve health</li> <li>○ Eliminate Suffering</li> </ul>	<ul style="list-style-type: none"> <li>○ Excellence</li> <li>○ Compassion</li> <li>○ Diversity</li> <li>○ Innovative</li> <li>○ Accountability</li> </ul>	<ul style="list-style-type: none"> <li>○ Be the best, regionally</li> <li>○ Be on the first 20 list nationally</li> <li>○ Considered best amongst our customer</li> <li>○ Making cancer history</li> </ul>	<ul style="list-style-type: none"> <li>○ Customers’ need</li> <li>○ Societal need</li> <li>○ Community need</li> <li>○ Market (Competitors, Economy)</li> <li>○ Government Regulations</li> <li>○ Technical Advancement</li> <li>○ Geographic location</li> </ul>

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We ranked the vision statements according to the presence of the above-stated elements.

Table 1 shows the rankings, which range from 0 to 3.

Table 1: Vision Statement Ranking

Presence of Vision Components	Rating
Vision Not Present	0
Mission or Value Restated	1
Just a Goal Statement	1
Presence of Mission, Values, & Goals	2
Presence of Mission, Value, Environment Focused Goals	3
Presence of Mission, Value, Environmental Factor, & Goals	3

### Performance Measures

Li and Benton (1995) performed a detailed study of performance measurement criteria in healthcare organizations. They concluded that performance measurement consists of two dimensions: cost or financial status and quality. According to these authors, internal measures of cost and financial performance consist of utilization of resources and product efficiency; external measures include financial status and market share. Internal measures of quality include process quality and service quality, and external measures include customer-perceived quality and customer satisfaction. For our study, we assessed the change in total discharges (TDs) and in net patient revenue (NPR) as measures of utilization and growth. We also assessed product efficiency using data for operating margins and return on assets. Although many researchers have reported that market share is a good measure of organizational performance (Li & Benton, 1995; Sadeghi, 2013), we could not use market share because of the unavailability of any reliable data source.

Another reason for choosing operating margin and return on assets as performance measures is that earnings and profitability in not-for-profit healthcare settings are directly aligned with operational efficiency. We also conducted interviews with five CEOs of large, acute care hospitals. They suggested that net operating margin is a crucial performance measure for healthcare organizations. We did not assess hospitals on the basis of quality because the *U.S. News & World Report* best hospitals report ranked them on the basis of their high quality in comparison with other hospitals in the region.

Table 2: Vision Quality Rating

State	Number of Hospitals				Total
	Vision Rank "0"	Vision Rank "1"	Vision Rank "2"	Vision Rank "3"	
California	1	3	5	10	19
New York	2	2	2	13	19
Massachusetts	2	2	1	14	19
Texas	3	1	7	8	19
Florida	3	6	1	10	20
Ohio	2	2	6	10	20
Pennsylvania	3	2	3	12	20
Tennessee	2	2	4	11	19
North Carolina	0	4	4	12	20
Virginia	0	3	2	14	19
Connecticut	1	3	3	2	9
Michigan	3	1	7	9	20
Wisconsin	0	5	6	6	17
Colorado	1	5	6	5	17
Georgia	3	4	4	8	19
Illinois	1	1	4	15	21
Arizona	0	0	5	10	15
USA	27	46	70	169	312

## RESULTS

### Vision Statement Quality

As shown in Table 2, that 169 of 312 hospitals received a ranking of 3 (i.e., they contained all four vision components: mission, values, goal, and environmental factors). Seventy hospitals received a ranking of 2, 46 hospitals received a ranking of 1, and the remaining 27 hospitals received a ranking of 0 because they did not have any vision statements. Two independent raters further assessed the rankings for association using Spearman's rho. The correlation coefficient was 0.929, indicating very strong correlation, which validates the ranking. This was confirmed

by a very high correlation coefficient of 0.9623, with a  $p < .0001$  as determined by regression analysis.

The following are sample vision statements that received ratings of 1, 2, or 3:

- **Rating 1:** “To position ourselves among the top 10 of the nation's leading cancer centers”
- **Rating 1:** “Become one of the nation's preeminent healthcare organizations”
- **Rating 2:** “To be the first choice for our patients, physicians, employees and community”
- **Rating 2:** “The University of . . . will be nationally recognized for excellence in patient care, medical education, and biomedical research.”
- **Rating 3:** “We will continue to develop as a nationally recognized academic health science center. In collaboration with the community, we will provide excellence in education, research, and patient care programs. Our vision for the future includes a commitment to working with other providers to make comprehensive and advanced clinical services available to the public while emphasizing quality and service. We will be a leader in developing an innovative healthcare delivery system and educational consortium that respond to the needs of the community.”
- **Rating 3:** “We will provide quality and cost-effective healthcare for the Chippewa Valley and western Wisconsin region in partnership with others, while maintaining the tradition and values of the Hospital Sisters.”

### **Vision Statement and Performance**

We used Pearson correlation analysis method to determine the relationship between vision statements and financial performance measures, as well as growth measures. To assess the validity of results, regression analysis was performed (the regression analysis tables are available on request from the corresponding author). Table 3 shows the summary statistics for vision and various performance measures. Changes in operating margin were mixed across states. Although

total discharges decreased in most states, return on assets and net patient revenue increased in many. We found a positive correlation between vision statements and at least one financial performance measures in 13 of 17 states (Table 4). In addition, a statistically significant correlation was found between vision statements and at least one performance measure in 7 of 17 states. However, for the aggregated data in all 17 states, the results of our analysis show no correlation between the quality of vision statements and the assessed performance measures.

Table 3: Summary Statistics for Vision and Performance Measures

State	AVERAGE					STANDARD DEVIATION				
	Vision	Operating Margin	Return on Assets	Net Patient Revenue	Total Discharges	Vision	Operating Margin	Return on Assets	Net Patient Revenue	Total Discharges
California	2.26	%563.48	%43.27	%111.38	%1.81-	0.93	27.79	0.69	5.90	0.13
New York	2.37	%3.62-	%28.34	%32.30	%17.44-	1.07	1.31	0.13	1.16	0.19
Massachusetts	2.42	%175.54-	%12.62	%28.16	%6.42-	1.07	3.50	0.17	1.09	0.22
Texas	2.05	%14.70-	%7.51	%84.66	%3.54	1.08	1.24	0.38	2.52	0.24
Florida	1.90	%122.17	%9.12	%35.76	%9.91-	1.21	2.72	0.18	1.93	0.18
Ohio	2.20	%23.28-	%10.47	%92.16	%17.47-	1.01	15.41	0.14	4.58	0.09
Pennsylvania	2.20	%87.45-	%13.15	%48.30-	%16.12-	1.15	1.75	0.15	3.27	0.14
Tennessee	2.26	%56.20-	%2.09-	%415.05	%15.02	1.05	1.30	0.34	18.00	0.13
North Carolina	2.40	%39.30-	%18.39	%0.16	%10.81-	0.82	3.70	0.15	0.65	0.11
Virginia	2.58	%245.77	%17.41	%9.41	%0.46	0.77	7.32	0.15	1.49	0.13
Connecticut	1.67	%342.97-	%21.39	%54.17	%5.32-	1.00	9.84	0.23	1.54	0.13
Michigan	2.12	%1.11-	%9.50	%45.41	%13.24-	1.11	1.27	0.13	1.11	0.11
Wisconsin	2.06	%3.19	%179.94	%47.74	%11.16	0.83	0.91	6.51	1.17	0.15
Colorado	1.81	%25.50	%21.75	%0.17-	%3.17-	0.91	0.64	0.18	1.01	0.19
Georgia	1.89	%80.20-	%14.37	%1.98	%3.62-	1.15	1.57	0.31	1.21	0.17
Illinois	2.57	%196.01-	%5.26	%21.14	%10.52-	0.81	15.67	0.30	1.41	0.14
Arizona	2.67	%338.51-	%9.72	%61.02-	%10.21-	0.49	13.04	0.15	4.75	0.19
USA	2.22	%12.25	%23.81	%174.71	%8.50-	0.99	3.58	1.57	20.64	0.17

Table 4: Vision and Performance Combined Correlation

State	Financial Performance		Growth	
	Operating Margin	Return on Assets	Net Patient Revenue	Total Discharges
California	0.159	0.599 *	0.517 **	-0.344
New York	-0.314	0.205	0.323	0.019
Massachusetts	0.111	-0.106	0.251	0.278
Texas	-0.022	-0.194	0.207	0.409 ***
Florida	-0.101	0.002	-0.075	0.106
Ohio	0.001	0.082	-0.091	-0.298
Pennsylvania	0.117	-0.144	-0.056	-0.014
Tennessee	-0.270	-0.088	0.394 ***	0.422 ***
North Carolina	-0.096	0.483 **	-0.131	-0.224
Virginia	0.472 **	0.299	0.244	0.358
Connecticut	0.251	-0.507	0.385	0.427
Michigan	0.104	-0.041	0.245	0.288
Wisconsin	-0.028	-0.110	0.000	0.463 ***
Colorado	0.062	-0.029	-0.063	-0.135
Georgia	-0.158	-0.247	-0.323	0.582 *
Illinois	-0.165	0.076	-0.123	-0.049
Arizona	0.387	-0.203	0.154	-0.274
Aggregate Data	-0.026	0.009	-0.022	-0.004

- \*  $p < 0.01$
- \*\*  $p < 0.05$
- \*\*\*  $p < 0.1$



## **Vision Statement and Financial Performance**

Our analysis of calculated correlation coefficients for financial performance measures indicates a positive relationship for some states, however, these significant correlations were scattered. For operating margin performance measure, the correlation coefficients for Virginia were statistically significant ( $p < .05$ ) For the return on assets performance measure, significant positive correlation coefficients were obtained for North Carolina ( $p < .05$ ) and California ( $p < .05$ ).

## **Vision Statement and Growth**

Correlation coefficients for growth indicate a positive relationship for some states. For net patient revenue growth, the results for Tennessee show a positive, but marginally statistically significant relationship ( $p < .1$ ). However, regression analysis for California indicates a positive statistically significant correlation coefficient ( $p < .05$ ). A marginally significant positive correlation coefficient was found between vision and total discharges for Tennessee ( $p < .1$ ), Wisconsin ( $p < .1$ ), and Texas ( $p < .1$ ), and a highly significant positive relationship was shown for Georgia ( $p < .01$ ).

## **DISCUSSION**

The results of our study show a correlation between vision ranking and the selected performance parameters for at least one measure in 13 states; all of the correlations were in a positive direction. A statistically significant correlation was found between vision statements and at least one of the performance measures in 7 of the 17 states studied (Table 4). It is worth noting that all of the statistically significant correlations were positive. However, this relationship was not consistent for any specific performance measure; it was spread between all four measures in different states. Also, given the number of tests conducted, the low number of significant correlations constitutes only weak evidence that an association might exist between vision

statement quality and hospital performance. This is understandable as we were unable to collect information about who created the vision statement and whether it was communicated and implemented effectively.

Kantabutra (2006) found a positive but indirect correlation between vision content and vision alignment with employee satisfaction, customer satisfaction, and financial outcomes, suggesting that it is difficult to directly relate vision attributes and contents to performance measures. Jing and colleagues (2014) established a positive correlation between vision, vision communication, and financial performance, staff productivity, and staff retention in small professional service firms. They concluded that managers who communicated the vision to staff members outperformed their counterparts on various performance measures. Hence, to realistically assess the impact of vision on organizational performance, knowledge of how the organization has communicated its vision and has transformed vision into organizational goals and objectives is essential. Collins and Porras stated (1996) that an “alignment brings the vision to life, translating it from good intentions to concrete reality.”

Future studies should be conducted to assess the communication and implementation process in hospitals and how leadership perceived the impact on organizational performance measures. Communication also needs to galvanize employees to align their efforts with organizational goals and help realize the vision. According to Baum and Locke (1998), achieving high levels of employee involvement in this regard is challenging for any organization.

In addition to the issue of vision communication, it is possible that many healthcare organizations gave priority to quality improvement and implementing use of electronic healthcare records; consequently, growth and financial targets may have faltered during the past 5 years. Li and Benton (1995) suggested from a study that the healthcare organizations give

prime importance to providing highest-quality customer care, which they presume to be the path to future financial success. All of the organizations in this study were ranked best in quality in their regions; hence, we can infer that financial viability and service expansion were not their top priority, and they likely will reap the benefits of high quality in coming years.

Because the hospital specifications and selection criteria were based on criteria developed for the *U.S. News & World Report* best hospitals report (Olmstead et al., 2014), it was not possible for us to assess variability in terms of hospital characteristics, and such variability may have created a sample bias. The study sample consisted of a wide range of hospitals, and it is possible that we compared some small hospitals with large, well-established hospitals. Future research can consist of more in-depth case studies in which investigators are able to assess hospital characteristics and examine specific tools and practices implemented to improve performance.

Organizational performance is significantly affected by economic and social factors that may vary according to region, and such factors may have contributed to differences in performance. The data used for this study are from 2009 to 2013, a period of economic downturn, and this could have adversely affected organizational performance. Such external factors may have been strong enough to affect organizations with the highest-quality vision statements and most effective implementation.

Healthcare reform has resulted in some reduced payments to hospitals, which has had an effect on performance. Many hospitals have a larger share of Medicaid- and Medicare-enrolled patients than patients with private insurance, and the performance of such hospitals has been affected by new federal regulations. In addition, many states have not expanded Medicaid eligibility, yet uninsured individuals continue to seek care at hospitals. Thus, although costs have

not declined, the decrease in payments has resulted in reduced return on assets, total patient revenue, and an overall decline in margins (Pope, 2013).

## **STUDY LIMITATIONS**

Several studies have compared vision with performance in industries other than healthcare (Bart, 1998, 1999, 2000, 2004; Kantabutra, 2006). Baum and Locke (1998) pointed out that justifying study results is difficult until one has information related to vision communication. Some organizations may not use key performance indicators to monitor the effectiveness of vision communication, and the annual goals-setting process may not align performance indicators with vision. Further, organizations typically do not disclose this information to the public.

Finally, the distribution of vision quality rankings was somewhat skewed toward high scores. The restricted range of vision quality rankings reduced our power to detect associations between vision statement quality and hospital performance. As discussed earlier, the study also did not compare individual hospital characteristics or the major services provided. It is possible that these organizations varied significantly with regard to the quality of management, cost-effectiveness skills of the medical staff, proportion of different services provided, and so forth, which may have directly affected their financial performance. For example, tertiary services tend to have good margins with respect to costs and third-party payments. Another study limitation is that it considered only limited performance measures; with major changes in healthcare regulations, it is possible that hospitals may have changed their focus to improving quality-related factors.

## **CONCLUSION**

Overall, the results of our study indicate only marginal correlation between vision statements and organizational performance parameters. However, this correlation was in the positive direction for all statistically significant relationships. Although the results do not indicate a strong relationship, it is possible that the measures studied could have been affected by multiple internal or external factors, as noted in the Discussion section. Also, performance in some states was strong to begin with and, thus, the incremental improvement in performance was relatively small compared with the improvement in other states. The scope of the study also was limited to certain performance measures; perhaps these not-for-profit community-based hospitals focused on meeting the needs of the community rather than on financial performance. This emphasis can significantly affect strategies and priorities. Also, we did not examine the vision communication and implementation processes. Therefore, future studies should examine the process by which a hospital's vision statement is developed, communicated, and implemented.

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