Volume 25, Number 4

# Shared Vision In Customer And Staff Satisfaction: Relationships And Their Consequences

Sooksan Kantabutra, Mahidol University, Thailand Gayle C. Avery, Macquarie Graduate School of Management, Australia

#### **ABSTRACT**

Little research has been conducted into the relationship between customer and staff satisfaction, and the attributes and content of visions that leaders and followers share. This study examined relationships between shared visions characterized by brevity, clarity, challenge, stability, abstractness, future orientation, and ability to inspire, and containing reference to customer and staff satisfaction, and outcomes of customer and staff satisfaction in Australian retail stores. Overall customer and staff satisfaction, and stores with a vision were associated with one another. Associations were also found between shared visions characterized by the attributes and containing the reference, and enhanced customer and staff satisfaction.

#### INTRODUCTION

n a fast-changing world, what kind of leadership is needed for organizations to survive and remain competitive? To many writers, leadership with vision as a core component is the answer. Promulgating a vision is frequently seen as one of the essential tasks that top organizational leaders perform (Pearson, 1989; Phillips & Hunt, 1992). Management scholars often assert that vision needs to be shared by organizational members to influence organizational outcomes (e.g. Saskin, 1988; Senge, 1990; Reardon, 1991). However, relatively little research in Australia has been published on the relationship between the attributes and content of visions shared between leaders and followers, and outcomes such as customer and staff satisfaction. This paper investigates relationships between shared vision attributes and content, and customer and staff satisfaction in small Australian retail stores.

Although vision is widely considered important to leadership, strategy implementation, human resource management, and change (e.g. Bass, 1985; Doz & Prahalad, 1987; Kotter, 1990; Hunt, 1991; House & Shamir, 1993; Collins & Porras, 1994; House & Aditya, 1997; Conger & Kanungo, 1998; Howell & Shamir, 2005), the concept of vision is still not defined in a generally agreed-upon manner. Definitions range from vision being a form of leadership in which a visionary leader changes an organizational culture (Sashkin, 1988; Hunt, 1991); vision as an organization's image of the future (Jacobs & Jaques, 1990; Collins & Lazier, 1992); vision as related to follower self-concepts, especially in driving the content of the vision (e.g. Howell & Shamir, 2005); to vision being the force that moulds meaning for people in an organization (Manasse, 1986).

Much confusion exists over whether terms such as mission, goals, strategy, and organizational philosophy differ from vision. In practice, the concepts are blended, as a study that requested copies of mission statements from a number of organizations showed (Baetz & Bart, 1996). The researchers received documents with a variety of titles, including mission, vision, values, beliefs, principles, and strategic intent/ direction.

Avoiding the definitional issue altogether (e.g. is vision part of culture change, follower self-concepts, the force that moulds meaning for people in an organization, or an organization's image of the future?), Baum, Locke and Kirkpatrick (1998) chose to define the term as whatever each individual leader considers to be a vision, arguing that it is the leader's actual vision that guides his/her choices and actions. This approach was adopted for this

research for three reasons. First, leaders develop a vision in their own way, whether derived rationally, or intuitively and subjectively (Nanus, 1992). Second, visionary leadership can vary from leader to leader in both the leader's style, the content of the leader's vision, and the context in which it occurs (Westley & Mintzberg, 1989), making it hard to prescribe a single definition. Third, leaders use various techniques alone or in combination to induce followers to act, ranging from legitimate authority, modeling, goal-setting, rewarding and punishing, organizational restructuring, team-building, to communicating a vision (Locke et al., 1991). This makes it difficult to identify the effects of the vision alone. Adopting what individual leaders regard as a vision thus offers a pragmatic way around many of the problems in defining vision. This approach generates a lack of consistency in the construct, but this was not regarded as a problem in the present study because it aims at investigating the hypothesized association between a shared vision-in-use and specific outcomes. Whatever is shared as a vision is of interest here.

Shared vision has been studied as a set of shared beliefs. Few previous studies in Australia have investigated relationships between the similarity of vision attributes and content in the personal visions of leader and followers, and related the degree of similarity to customer and staff satisfaction. The present study examines the relationships between the components of shared vision, and customer and staff satisfaction outcomes in small Australian retail stores. Three groups of research variables (customer and staff satisfaction, and shared vision) are discussed and four sets of hypotheses derived. Methodology used for testing the hypotheses is described, and then the results are presented and discussed. Finally, the paper concludes with implications for human resource management professionals.

# RESEARCH VARIABLES AND HYPOTHESES

<u>Customer and Staff Satisfaction Outcomes</u>: Customer and employee satisfaction were adopted as two organizational outcomes for measurement in this study. One reason is that both are responsive to leaders' behavior within a short time frame, unlike financial performance measures that are influenced by current competitive factors and past business decisions. It must be noted that customer and staff satisfaction are not regarded here as exhaustively explaining overall organizational performance because (a) a close link between staff satisfaction and performance has not been established in previous studies (e.g. Vroom, 1964; Locke, 1976; Iaffaldano & Muchinsky, 1985; Brayfield & Crockett, 1955); and (b) limits to customer satisfaction as a performance indicator exist (e.g. Heskett et al., 1994; Passikoff, 1997).

Another reason for choosing staff satisfaction is because research shows that it is related to vision-based leadership. Applied studies have shown that a supervisor's leadership style is related to the job satisfaction of subordinates, with staff being more satisfied under visionary leadership than under other leadership styles (Bass, 1985). Second, where managers serve as immediate supervisors, the type and quality of leadership they provide can influence staff satisfaction, either positively or negatively (Oliver, 1998). Oliver (1998) concluded that the more satisfied workers were with their jobs, the better the company as a whole was likely to perform in terms of profitability and productivity. The way employees were managed and developed accounted for 19% of the variation in profitability between companies, and 18% of the variation in productivity (Oliver, 1998). Although studies on direct relationships between staff satisfaction and productivity have not been consistent (e.g. Davidson & Worrell, 1990; Page & Wiseman, 1993), and the relationships that have been uncovered tend to vary between firms in different countries (Adam, Corbett & Rho, 1994), staff satisfaction is still considered relevant in the present study that investigates whether a common agreement on the importance of customers and staff between store managers and staff has any impact on staff satisfaction. The rationale for this is that improvements in product quality and customer service can only be achieved when the workforce is committed and satisfied (Osterman, 1995; Vallario, 1997; Topolosky 2000).

Staff satisfaction is also mentioned as being closely related to customer satisfaction, another measure of organizational outcomes. Numerous publications suggest that staff satisfaction leads to satisfied customers (e.g. Hausfeld et al., 1994; Faye & Diane, 1995; Atchison, 1999), simply because customer satisfaction or dissatisfaction develops when a customer comes in contact with an employee of a company (Evans & Lindsay, 1996). Since the delivery of service occurs during the interaction between employees and customers, the attitudes and behavior of employees in contact with customers can influence customer perceptions of the service. Recent research in

marketing found that satisfied staff had a positive impact on customer satisfaction (e.g. Bernhardt et al., 2000; Homburg & Stock, 2005; Kantsperger & Kunz, 2005).

Based on the literature, it was expected that the more a store manager and his/her staff share a vision, the higher staff and thus customer satisfaction will be. Given findings by Kantabutra & Avery (2006) that a) retail stores with visions have higher overall staff and customer satisfaction ratings than those without a vision, and b) effective visions are characterized by seven attributes (Baum et al., 1998), it was hypothesized that there is a significant association between vision attributes and staff and customer satisfaction imageries in shared visions, and customer and staff satisfaction outcomes. A logical extension is to see if there is any effect of shared visions on these outcomes, which is the topic of the present paper. Essence of shared vision is discussed in detail below.

A shared vision is defined in the present study as the similarity in vision attributes and content of staff and customer satisfaction imageries between leader and follower visions. The rationales behind adopting vision attributes and content are discussed in detail below. Both staff and customer satisfaction variables are operationally defined in terms of measures used elsewhere in the literature. Staff satisfaction is defined as the degree to which a staff member is satisfied with his/her job as measured by pay, fringe benefits, autonomy, task requirements, staff policies, interaction, professional status, guidance, co-workers, recognition, and career advancement (Slavitt et al., 1986). Customer satisfaction is the degree to which customers rate themselves as satisfied with overall store services measured by staff availability, friendliness, decoration, presentation of goods, cleanliness, quality of goods, richness of choice, waiting time for checkout, payment methods, price labeling, special offers and sales, shopping hours, prices, and shelf/rack layout (Hackl et al., 2000).

Essence of Shared Vision: A vision shared between leader and followers has been widely regarded as a key to high performance (e.g. Bass, 1985; Senge, 1990; Reardon, 1991; House & Aditya, 1997; Howell & Shamir, 2005). Endorsing this view, Sashkin (1988) and Sims & Lorenzi (1992) suggested that effective visions should be integrated with the visions of others in an organization. Senge (1990) additionally emphasised the importance of a shared vision claiming that: (a) when people truly share a vision, they are connected, bound together by a common aspiration to carry out a common goal; (b) personal visions derive their power from an individual's deep caring for the vision; and (c) one of the reasons people seek to build a shared vision is their desire to be connected in an important undertaking. A new science view (Drath, 2001) that effective leadership requires an alignment between leader and followers also reinforces the importance of the aligning and sharing of visions held by organizational members.

Hallinger & Heck (2002) pointed out that an organizational mission or shared vision exists when personal visions of a critical mass of people cohere in a common sense of purpose within a community. It is the moral character of a mission that reaches into the hearts of people and engages them to act on behalf of something beyond their own immediate self-interest (Bass, 1985; Conger & Kanungo, 1998). The power of a mission or shared vision lies in the motivational force of engaging in a shared quest to accomplish something special, not just reach a productivity target (Bass, 1985; House & Shamir, 1993; Shamir et al., 1993; Conger & Kanungo, 1998; Hallinger & Heck, 2002).

Shared visions have been studied in terms of organizational mission. Research on successful business organizations indicates the importance of a clear organizational mission (Deal & Kennedy, 1982; Bass, 1985; Bennis & Nanus, 1985; Drucker, 1995; Kotter, 1996). Overall, it can be expected that successful organizations will have a coherent set of values that are known to members of the organization and its environment, and a shared mission or vision (Collins & Porras, 1996; Hallinger & Heck, 2002).

Before a vision can be shared, the vision must exist. Therefore, the following hypotheses were developed and tested accordingly. Since the literature consistently points out the positive effects of vision on organizational outcomes, positive associations between stores with a vision, using customer and staff satisfaction as outcomes, were tested. The following two null hypotheses were tested against specific directional alternative hypotheses, viz:

 $\mathbf{H}_{01}$ : Customer satisfaction and stores with a vision are independent.

 $\mathbf{H}_{11}$ : Customer satisfaction is higher in stores with a vision.

 $\mathbf{H}_{02}$ : Staff satisfaction and stores with a vision are independent.

 $\mathbf{H}_{12}$ : Staff satisfaction is higher in stores with a vision.

<u>Components of Shared Vision</u>: The literature identifies two essential components of a vision: Vision attributes and content. In a shared vision, attributes and content should be common, because both reflect a common future between leader and followers who interpret the shared vision in their own ways and act within their roles and responsibilities to turn the shared vision into reality.

In terms of vision attributes, scholars disagree about the qualities necessary for a vision to affect organizational outcomes. Views include that an effective vision is inspiring, abstract, brief, stable, and motivating (Locke et al., 1991); strategic and well-communicated (Conger, 1989); long-term and focused (Kouzes & Posner, 1987; Jacobs & Jaques, 1990); and inspirational, widely accepted, and integrated with visions of others (Sashkin, 1988; Sims & Lorenzi, 1992). Common views include that an effective vision should be clear, because the degree of clarity or precision in the vision statement influences how well it is understood and accepted (Sashkin, 1988; Jacobs & Jaques, 1990; Locke et al., 1991; Nanus, 1992; Sims & Lorenzi, 1992); inspiring and challenging to energise employees around a value system; and clear so that the vision can be communicated effectively (Sashkin, 1988; Locke et al., 1991; Sims & Lorenzi, 1992). Nanus (1992) suggested that effective visions should be understood and should direct effort.

From the different qualities proposed for visions, seven commonalities have been identified for use in this paper. They are *brevity* (Locke et al., 1991; Baum et al., 1998; Kantabutra & Avery, 2002); *clarity* (Sashkin, 1988; Jacobs & Jaques, 1990; Locke et al., 1991; Nanus, 1992; Sims & Lorenzi, 1992; Baum et al., 1998; Williams-Brinkley, 1999; Kantabutra & Avery, 2002); *future orientation* (Senge, 1990; Locke et al., 1991; Lipton, 1996; Kotter, 1997; Baum et al., 1998; Jacobs & Jaques, 1990; Williams-Brinkley, 1999; Kantabutra & Avery, 2002); *stability* (Locke et al., 1991; Baum et al., 1998; Kantabutra & Avery, 2002); *challenge* (Sashkin, 1988; Locke et al., 1991; Baum et al., 1992; Baum et al., 1998; Kantabutra & Avery, 2002); *abstractness* (Locke et al., 1991; Baum et al., 1998; Kantabutra & Avery, 2002); and *desirability to inspire* (Sashkin, 1988; Locke et al., 1991; Sims & Lorenzi, 1992; Baum et al., 1998; Williams-Brinkley, 1999; Kantabutra & Avery, 2002).

Building on prior work by Baum et al. (1998), Kantabutra (2003) proposed a vision theory explaining how the above seven vision attributes need to interact with each other to significantly affect overall organizational performance through staff satisfaction. According to Kantabutra (2003), a brief vision alone will not significantly affect overall performance, because what needs to be done may not be clear to staff (e.g. Pace & Faules, 1989; Conrad, 1990), or it may not challenge staff to do their best (Conger & Kanungo, 1987; Collins & Porras, 1996). A clear vision alone will not significantly affect staff satisfaction if the vision is too long, making it difficult for a manager to communicate it frequently and massively (e.g. Kotter, 1995; Yukl, 1998). A vision may also not be abstract, thus making it difficult to form an effective group (Messick & Mackie, 1989) to carry out the vision. Moreover, abstractness reflects stability in the vision, because it implies no drastic change over time (e.g. Tichy & Devanna, 1986; Gabarro, 1987). An unstable vision can suggest to the staff a lack of managerial integrity and commitment to the vision (Kouzes & Posner, 1987; Parikh & Neubauer, 1993), likely to affect staff satisfaction negatively. A brief, clear, abstract, challenging, and stable vision will not draw staff commitment in working toward the vision unless it is inspiring or desirable (Morden, 1997). In addition, when a vision is not inspiring or desirable, it is difficult to share (Parikh & Neubauer, 1993), and sharing a vision is hypothesized to be critical to organizational performance. An inspiring vision that is only clear, brief, abstract, challenging, and stable will have no power to attract commitment from the staff because it does not offer a view of a better future (Nanus, 1992). Without a better future picture, staff cannot be drawn from where they presently are to work toward the vision (Senge, 1990). Thus, combining all seven vision attributes is expected to influence a vision's effectiveness (Kantabutra, 2003).

As for vision content, there is no common agreement in the literature, and many leaders have difficulty explaining how they arrived at the content of their vision (Nanus, 1992). Westley & Mintzberg (1989) stated that the strategic content of a vision may focus on products, services, markets, organizations, or even ideals. A successful strategic vision appears to take into account industry, customers, and an organization's specific competitive environment in identifying an innovative competitive position in the industry (Pearson, 1989), ideally differentiating the content across visionary organizations (Collins & Porras, 1994).

Empirically, Andrews, Boyne & Walker (2006) draw from their study of 119 English local authorities to suggest that measures of strategy content must be included in valid theoretical and empirical models of organizational performance in the public sector, because strategy content affects organizational performance. In a public school setting, Kantabutra (2005a) argued that vision content should contain reference to teacher and student satisfaction, student achievement, and efficiency as they are key performance determinants for public schools. On the other hand, a vision should contain reference to corporate sustainability for a corporation to succeed in the long run (Kantabutra, 2005b). More specifically, the vision content should contain reference to imageries about moderation, reasonableness, the need for "self-immunity" mechanisms, knowledge, and morality to be able to sustain a business (Kantabutra, 2006). In the entrepreneurship context, growth is a key content focus (e.g. Bird, 1992; Gartner, Bird & Starr, 1992), because an entrepreneur's leading role is to create jobs and expand their markets to primarily maximize their own economic benefit (Kuratko & Welsch, 1994; Timmons et al., 1990). Overall, Rafferty and Griffin (2004) suggest that visions do not always positively affect follower attitudes, and that one should distinguish between "strong" and "weak" visions as well as vision content to determine a vision's effectiveness.

Customer and staff satisfaction imageries were adopted as vision content in this study. Given that (a) vision content is asserted in the literature to positively influence organizational outcomes, and (b) customer and staff satisfaction are two organizational outcomes, it was expected that the more retail store managers envisaged satisfying customers and staff, the higher the customer and staff satisfaction would be.

The following hypotheses were developed and tested accordingly. Since the literature consistently points out the positive effects of shared vision on organizational outcomes, positive correlations between shared vision, and customer and staff satisfaction were expected. The following two null hypotheses were tested against specific directional alternative hypotheses, viz:

- $\mathbf{H}_{03}$ : There is no correlation between similarity in vision attributes and content of staff visions and their store manager's vision, and customer satisfaction.
- $\mathbf{H}_{13}$ : There is a positive correlation between similarity in vision attributes and content of staff visions and their store manager's vision, and customer satisfaction.
- $\mathbf{H}_{04}$ : There is no correlation between similarity in vision attributes and content of staff visions and their store manager's vision, and staff satisfaction.
- $\mathbf{H}_{14}$ : There is a positive correlation between similarity in vision attributes and content of staff visions and their store manager's vision, and staff satisfaction.

# **METHODOLOGY**

<u>Populations</u>: The population from which samples were drawn was apparel stores in 19 major shopping malls. The major shopping malls were chosen because they geographically represented the population of the entire Sydney metropolitan's major shopping areas. In choosing, three shopping malls directories were consulted. Small shopping malls with one staff member were eliminated. All apparel stores in these malls were approached to participate in the study, both branch and independent stores. Apparel stores refer to stores that sell brand-new, finished clothing products for individual use. Clothing products include blazers, pants, jeans, chinos, shorts, shirts, polos, tees, sweaters, outerwear, underwear, sleepwear, and skirts, but exclude shoes and accessories. Further, all stores were required to have their own identity, that is, be within a clearly-defined store area confined by walls, and with the store manager able to arrange/decorate/organise his/her store the way he/she wishes.

Three sub-populations in the present study are store managers, staff, and customers. Each of the sub-population groups is defined as follows. *Store managers* are defined as full-time store leaders who manage their stores. These store managers are individuals who are normally stationed at their stores daily. The research team was only interested in full-time store managers so that the study could reflect the one store manager's vision at each location. *Staff* refers to employees who work under the store managers. The research team was interested in full-time, part-time, and casual staff, because they all work under the same store manager, and hence under his/her vision. *Customers* comprised the set of individuals who visited the stores under the store managers' management,

and actually bought a product or service during the researcher's visit. Browsers were not defined as customers in this study.

Procedure: A face-to-face questionnaire for store manager, staff, and customer respondents was adopted because it offered the opportunity to raise response rates to higher levels than alternative non-face-to-face approaches, such as mailing surveys. It is also often very useful in the case, as here, where sensitive and complex questions need to be asked (Hussey & Hussey, 1997). Separate questionnaires were used to collect data from store manager, staff, and customer respondents, using items on a 9-point-scale. The Store Manager questionnaire, adapted from Baum et al. (1998), asked whether the store manager had a personal vision for his/her store. If the answer was yes, he/she was asked to write his/her vision statement down in a space provided. The Staff questionnaire, also adapted from Baum et al. (1998), asked whether an employee had a personal vision for his/her store. If the answer was yes, he/she was asked to write his/her personal vision statement down in a space provided. In addition, the Staff questionnaire included staff satisfaction items adopted from Slavitt et al. (1986). The Customer questionnaire contained items regarding customer satisfaction based on items developed by Hackl et al. (2000). Both staff and customer satisfaction scales indicated reliability values exceeding, or very close to, 0.8 (Fornell & Larcker, 1981).

<u>Sample</u>: Table 1 below shows total numbers and percentages of stores approached, and participating and declining stores. All stores within 19 major shopping centres were approached and 111 stores (70%) agreed to participate, with 48 stores (30%) declining. From the participating stores, store managers, and up to three staff and three customers present at the time of the researcher's visit, were interviewed. Refusal rates for the staff and customer respondents were 56% and 36% respectively.

Table 2 shows years with store on average for both store managers and staff, while Table 3 shows staff characteristics. Store managers had been with the stores for  $3.39 \pm 1.72$  years on average. Stores averaged  $6.29 \pm 3.59$  staff members in total, including  $2.34 \pm 1.20$  full-time,  $2.47 \pm 1.50$  part-time, and  $4.35 \pm 2.71$  causal staff members. Staff members consisted of full-time (30% of respondents), part-time (23%), and casual (47%) respectively, and had worked in their stores for an average of  $2.64 \pm 1.44$  years, which is considered sufficient time to be influenced by the manager's vision. Overall,  $81 \pm 1.73\%$  store managers reported having a vision for their store.

**Table-1: Store Sampling Summary** 

Store Sampling Summary				
Total Stores	Participating Stores	Declining Stores		
159	111 (70%)	48 (30%)		

Table-2: Years With Store On Average

Years with Stores on Average		
Store Managers	Staff	
3.39(±1.72)	2.64(±1.44)	

**Table-3: Staff Characteristics** 

Staff Characteristics					
Averaged Staff Members Per Store	Full-time	Part-time	Casual		
6.29(±3.59)	2.34(±1.20)	2.47(±1.5)	4.35(±2.71)		
Percentage of Total Respondents	30%	23%	47%		

Chi-square, considered appropriate for assessing significance of a relationship between categorical variables (Hussey & Hussey, 1997), was used to test null Hypotheses 1-2 for the strength of associations between the variables of stores with a vision, and customer and staff satisfaction. Similarly, correlation was determined appropriate to test null Hypotheses 3-4 for the strength of associations between the attributes and content of shared visions, and customer and staff satisfaction (Hussey & Hussey, 1997). Null Hypotheses 1-4 were tested at the 5%

significance level, a more stringent criterion than the 10% significance level typically used to test directional hypotheses.

<u>Vision Rating:</u> The shared vision value was determined from the vision statements given by managers and their staff. The vision statements were rated on a five-point scale by three trained independent raters, using the definitions below that were derived from the prototypical vision statements used to evaluate CEO vision statements in a previous US study of start-up firms (Baum, 1996: 193). A score of five indicates the highest degree of presence of a vision attribute or content imagery in a vision statement, while a score of zero indicates the absence of a vision attribute or content imagery. Definitions used for the seven attributes and the two content categories follow.

Brevity is defined as the extent to which a vision statement contains between 11-22 words. Clarity is indicated by the extent to which a vision statement directly points at a prime goal to be achieved within a clearly-indicated timeframe. Abstractness reflects the extent to which a vision statement is not a one-time, specific goal that can be met, then discarded. Challenge is defined as the extent to which a vision statement motivates members to try their best to achieve a desirable outcome. Future orientation refers to the extent to which a vision statement indicates (a) the long-term perspective of the organization, and (b) the future environment in which it functions. Stability is defined as the extent to which a vision statement is unlikely to require change due to market or technology changes, but is likely to stand over time. Desirability or ability to inspire reflects the extent to which a vision statement represents a future picture of an organization that appears worth working toward for the followers.

Staff satisfaction imagery is defined as the extent to which a vision statement aims at increasing staff satisfaction. Customer satisfaction imagery is defined as the extent to which a vision statement aims at increasing customer satisfaction. Two zero scores were given to a vision statement that contained no reference to either customers or staff.

<u>Calculating Shared Vision Value</u>: The shared vision value is a score that indicates how similar the personal visions reported by staff were to the vision reported by their store manager, in terms of the seven vision attributes and two vision content components. The vision rating process described above yielded seven attributes and two imagery scores for each vision from each store manager and staff members.

Of the 81 stores with a vision, 43 (53%) had one staff member who reported having his/her own vision. These personal vision scores were used in the shared vision calculation. In eight (9.9%) stores reporting a vision, two or more staff members provided a personal vision. In stores where multiple visions were found, staff vision scores were averaged to find a representative vision score for the shared vision calculation. Although some staff members claimed to have no personal vision, this does not mean that they shared their store manager's vision either. Therefore, data from staff members without a personal vision were excluded from the shared vision calculation.

After each of the nine averaged staff vision scores was calculated, the nine store manager vision scores and the nine staff vision scores were correlated for each store, adopting the approach used by Kantabutra (2003). Each of the resulting correlation values in turn formed a shared vision score for its respective store, indicating the strength of association between store manager and staff vision attributes and content.

Table 4 shows two shared vision values and their respective store manager and staff vision statements as an example. For Store 1, the shared vision value of 0.63 indicates more similarity between store manager and staff visions, in terms of the seven attributes and content of customer and staff satisfaction imageries than that of 0.36 for Store 2.

One may argue that this calculated shared vision value has been removed a long way from its original data, namely an open-ended response on a vision statement. From here, it was transformed using 1-5 ratings of vision attributes and content, averaged across stores, and correlated with the store manager's and staff's vision attribute and content scores. However, validity and reliability were addressed in the primary vision rating process -- interrater reliability was 0.98, indicating sufficient reliability (Fornell & Larcker 1981), and all vision scales indicated reliability values exceeding 0.8, a guideline for acceptable reliability (Fornell & Larcker 1981). The shared vision score was considered reliable and useful for the purposes of this study.

Table-4: Sample Shared Vision Statements & Values

No.	Vision Statements		Share Vision Values
1	Store Manager	To create an open, warm, and friendly environment where people are not pressured, but can enjoy themselves whilst maintaining a professional service approach.	
	Staff 1	To see the store to remain pretty much as it is but of course, always polishing and updating our customer service skills.	0.63
	Staff 2	To see the store thrive on both visiting international and local customers and increasing target markets with continuous new stock.	0.03
	Staff 3	To provide great customer service without harassing the customers.	
	Store Manager	To continue to grow, to achieve budget to have a good working environment.	
2	Staff 1	To maintain a high level of customer service and consistently meet store budgets. To give feed back to appropriate people in order to ensure merchandise in store reflects our target audience.	0.36
	Staff 2	Always room for improvement.	

#### **FINDINGS**

The averaged total vision attributes score was 12.9 ( $\pm 9.23$ ), while the averaged vision content score was 1.4 ( $\pm 2.08$ ). The averaged customer and staff satisfaction scores were 95 ( $\pm 15.35$ ) and 75.7 ( $\pm 15.03$ ) respectively.

In testing null Hypotheses 1 and 2, chi-squared results indicated that overall customer and staff satisfaction, and stores with a vision were significantly associated with one another ( $\chi^2 = 34.72$  and 15.69 respectively at p < 0.05). Therefore, null Hypotheses 1 and 2 were rejected.

Null Hypotheses 3 and 4 were also rejected because of significant, positive correlations found between the shared vision scores, and customer and staff satisfaction (see Table 5). The *r* value between shared vision and customer satisfaction was 0.385, while the *r* value between shared vision and staff satisfaction was 0.351.

**Table-5: Correlations Matrix** 

#### Correlations

		TCUS_SAT	Shared Vision	TSTF_SAT
TCUS_SAT	Pearson Correlation	1	.385*	.517*
	Sig. (2-tailed)		.015	.000
	N	111	39	111
Shared Vision	Pearson Correlation	.385*	1	.351*
	Sig. (2-tailed)	.015		.028
	N	39	39	39
TSTF_SAT	Pearson Correlation	.517*	.351*	1
	Sig. (2-tailed)	.000	.028	
	N	111	39	111

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

# DISCUSSION

The relatively large standard deviations suggest considerable variability in the attributes and content of the visions from participating stores. Inspection of the actual visions provided supports this. The averaged customer and staff satisfaction scores were 95 ( $\pm 15.35$ ) and 75.7 ( $\pm 15.03$ ) respectively. The large variability in the content of visions in this present study lends weight to the ideas of Westley & Mitzberg (1989) that the strategic content of visions can focus on diverse aspects of a business.

The results from testing Hypotheses 1 and 2 indicate that having a vision is associated with enhanced staff and customer satisfaction compared with not having a vision, consistent with many views in the literature that vision is critical to organizational outcomes (e.g. Doz & Prahalad, 1987; Kotter, 1990; Hunt, 1991; Collins & Porras, 1994).

Additionally, given difficulty in defining a vision, the above results lend support to predictions that having a vision relates to better staff and customer outcomes. Inspection of individual vision statements reinforces Westley & Mintzberg's view (1989) that vision content varies from leader to leader.

The results from testing Hypotheses 3 and 4 indicate significant, positive correlations between the shared vision scores, and customer and staff satisfaction, endorsing the view that a shared vision between a leader and followers is a key to organizational outcomes. This also implies an association between shared vision and performance outcomes to the extent that customer and staff satisfaction reflect performance. Since customer and employee satisfaction are frequently considered as critical to overall organizational performance, the views of scholars (e.g. Bass, 1985; Senge, 1990; Reardon, 1991; House & Aditya, 1997; Howell & Shamir, 2005) who regard a vision shared between leader and followers as a key to high performance are also supported.

In particular, the views of Sashkin (1988) and Sims & Lorenzi (1992), who suggested that effective visions should be integrated with the visions of others, and the proposition that effective leadership requires an alignment between leader and followers gain support (Drath, 2001; Avery, 2004). Also endorsed is the view that shared vision exists when personal visions of a critical mass of people cohere in a common sense of purpose within a community (Hallinger & Heck, 2002). Clearly in the present study, a store manager and his/her staff can cohere in a common sense of purpose within a store. It is possibly this moral character of a shared vision that engages employees to act on behalf of something beyond their own immediate self-interest (Bass, 1985; Conger & Kanungo, 1998). In terms of the shared vision attributes, Kantabutra (2003)'s proposed theory of vision also gains support from this study because shared visions characterized by brevity, clarity, future orientation, stability, challenge, abstractness, and desirability or ability to inspire were related to positive customer and staff satisfaction outcomes.

The literature on vision-based leadership primarily emphasises the role of a leader in making organizations successful (House & Aditya, 1997; Conger, 1999; Howell & Shamir, 2005). The role of followers has generally not been emphasised with some exceptions (e.g. Dvir & Shamir, 2003; Howell & Shamir, 2005), possibly because the unity focusing around one single leader has long been assumed. This traditional concept is being challenged by the present significant follower-related findings regarding shared visions. The similarity between staff personal visions and their store manager's vision in this study emphasises the critical role that followers play in enhancing organizational performance, arguably via customer and staff satisfaction, and reinforces the need for an alignment between leader and followers (e.g. Drath, 2001; Howell & Shamir, 2005).

Since the similarity between a store manager's vision and his/her staff members' visions was significantly correlated with both customer and staff satisfaction in this study, future research may explore the possible role of a shared vision in the process of developing and sustaining a culture in which vision and values permeate, possibly replacing the single guiding vision. The findings from future research might have wide managerial implications in developing organizations in increasingly complex environments.

The present study's results suggest that a similarity between the personal visions of staff members and that of their manager is associated with enhanced customer and staff satisfaction. However, how a store manager's vision becomes widely shared by his/her staff is still unanswered, particularly when visions are sometimes developed and

proclaimed by the leader, and, at other times, emerge from organizational members (Avery, 2004). One possibility stems from Howell & Shamir (2005), who propose that followers of visionary leaders develop various kinds of relationships with those leaders. Visions are likely to be effective in "socialized relationships", in which followers bring a clear set of values and sense of self to the relationship, and take an active role in determining the values the leader espouses. The relationship with the manager provides these constructive followers with a means of expressing their important values as part of a group. Future researchers might test Howell & Shamir's hypothesis (2005) and otherwise explore the issue of how visions become shared further, to identify ways of developing a shared vision among organizational members. The relatively low r values suggest that there might be more to share between leader and follower in the vision than just the seven vision characteristics and customer and staff satisfaction imageries in the content. This indicates yet another area for future research.

It must be noted that the present study has a limitation in that it did not ask staff members who reported having no personal vision about whether they shared their store manager's vision. If they had fully shared their store manager's vision, their personal vision scores would have matched their store manager's. Therefore, the role of shared vision may have been underestimated in the present study. In conducting a similar study, future researchers need to address this issue in their data collection instruments.

Another limitation of this study is that the relative importance of shared vision attributes and content could not be determined. A shared vision score could not be separated for shared attributes and shared content, because there was insufficient variety in the reported vision content data. This does not meet the normality requirement for a correlation technique. However, this relative importance needs to be investigated since Kantabutra (2003) found that the seven vision attributes were more important to organizational performance than vision content of customer and staff satisfaction imageries in Australian retail stores. Therefore, future research may address this issue by soliciting more variety in the imagery.

One possibility for future research is to conduct a similar study across different cultures. For example, in a culture where people are not self-directed, one may expect a shared vision between a store manager and staff not to have any impact on organizational performance outcomes, because employees do not take any initiative to turn the vision into reality.

### CONCLUSION

Many assertions about the association between leader and followers sharing a vision, and performance outcomes are supported by the findings from this present study, as is the enhanced association between espousing a vision and organizational outcomes. Findings suggest that the similarity in seven vision attributes and vision content of staff and customer satisfaction imageries between leader and follower visions is important to improved staff and customer satisfaction.

The focus of this paper has been on small retail stores, but given the consistency of findings with the wider published literature, these practical implications should also provide a starting point for human resource professionals outside the retail industry. The results significantly enhance the understanding of shared vision in the Australian context. First, managers should be allowed to define their visions in their own ways, because vision defined in this way was found to associate with staff and customer satisfaction. Clearly, visions in individual sections of larger organizations will need to balance consistency with the vision of the overall enterprise with creating a vision shared by the members of that section. A training program on vision development could equip managers to create effective visions, given the findings that customer and staff satisfaction are positively related to managers having a vision. Other findings from the correlation analysis suggest that staff whose personal visions are similar to their manager's in terms of the seven attributes and content of customer and staff satisfaction imageries should be recruited, promoted, and retained. They are more likely to be satisfied working in that context, which in turn is likely to bring about higher customer satisfaction. For existing organizations with existing staff, managers should be trained in how to communicate their vision so that shared vision can be developed. Staff should also be trained about the importance of shared vision, and how to develop one of their own that is similar to their manager's vision.

# REFERENCES

- 1. Adam, E.E. Jr., Corbett, L.M., & Rho, B.H. (1994) Quality improvement practices in Korea, New Zealand, and the USA, *International Journal of Quality & Reliability Management*, 11(7), 6-18.
- 2. Andrews, R., Boyne, G.A., & Walker, R.M. (2006) Strategy content and organizational performance: An empirical analysis, *Public Administration Review*, 66(1), 52-63.
- 3. Atchison, T. (1999) The myths of employee satisfaction, *Healthcare Executive*, March/April, 19-23.
- 4. Avery, G.C. (2004) Understanding Leadership: Paradigms and Cases. London: Sage.
- 5. Baetz, M.C., & Bart, C.K. (1996) Developing mission statements which work, *Long Range Planning*, 29, 526-533.
- 6. Bass, B.M. (1985) Leadership and Performance beyond Expectations. New York: Free Press.
- 7. Baum, J.R. (1996) The relations of traits, competencies, vision, motivation, and strategy to venture growth, Doctoral dissertation, University of Maryland UMI, Ann Arbor, Michigan, 9526175.
- 8. Baum, I.R., Locke, E.A., & Kirkpatrick, S.A. (1998) A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial firms, *Journal of Applied Psychology*, 83, 43-54.
- 9. Bennis, W.G., & Nanus, B. (1985) *Leaders: The Strategies for Taking Charge*. New York: Harper and Row.
- 10. Bernhardt, K.L., Donthu, N., & Kennett, P.A. (2000) A longitudinal analysis of satisfaction and profitability, *Journal of Business Research*, 47(2), 161-171
- 11. Bird, B. (1992) The operation of intentions in time: The emergence of the new venture, *Entrepreneurship Theory and Practice*, 17, 11-20.
- 12. Brayfield, A.H., & Crockett, W.H. (1955) Employee attitudes and employee performance, *Psychological Bulletin*, 52(5), 396-424.
- 13. Collins, J.C., & Lazier, W.C. (1992) Beyond Entrepreneurship. Englewood Cliffs, NJ: Prentice Hall.
- 14. Collins, J.C., & Porras, J.I. (1994) Built to Last: Successful Habits of Visionary Companies. London: Century.
- 15. Collins, J.C., & Porras, J.I. (1996) Built to Last (older ed.). London: Century.
- 16. Conger, J.A. (1989) *The Charismatic Leader: Beyond the Mystique of Exceptional Leadership.* San Francisco: Jossey-Bass.
- 17. Conger, J.A. (1999) Charismatic and transformational leadership in organizations: An insider's perspective on these developing streams of research, *Leadership Quarterly*, 10(2), 145-169.
- 18. Conger, J.A., & Kanungo, R.N. (1987) Toward a behavioral theory of charismatic leadership in organizational settings, *Academy of Management Review*, 12, 637-647.
- 19. Conger, J.A., & Kanungo, R.N. (1998) *Charismatic Leadership in Organizations*. Thousand Oaks, CA: Sage.
- 20. Conrad, C. (1990) *Strategic Organizational Communication: An Integrated Perspective*. Orlando, FL: Harcourt Brace Jovanovich College Publishers.
- 21. Davidson, W.N., & Worrell, D.L. (1990) A comparison and test of the use of accounting and stock market data in relating corporate social responsibility to financial performance, *Arkon Business and Economic Review*, 21(3), 7-20.
- 22. Deal, T.E., & Kennedy, A.A. (1988) Corporate Cultures. London: Penguin.
- 23. Doz, Y.L., & Prahalad, C.K. (1987) A process model of strategic redirection in large complex firms: The case of multinational corporations, in Pettgrew, A. (Ed), *The Management of Strategic Change*. Oxford, England: Basil Blackwell.
- 24. Drath, W.H. (2001) The Deep Blue Sea: Rethinking the Source of Leadership. San Francisco: Jossey-Bass.
- 25. Drucker, P.E. (1954) The Practice of Management. New York: Harper and Row.
- 26. Dvir, T., & Shamir, B. (2003) Follower developmental characteristics as predicting transformational leadership: A longitudinal study, *Leadership Quarterly*, 14, 327-344.
- 27. Evans, J.R., & Lindsay, W.M. (1996) The Management and Control of Quality. MN: West.
- 28. Faye, M., & Dianne, R.L. (1995) Transformational leadership and job satisfaction, *Nursing Management*, 26(9), 64JJ-64NN.
- 29. Fornell, C., & Larcker, D. (1981) Evaluating structural equation models with unobservable variables and measurement error, *Journal of Marketing Research*, 18, 39-50.

- 30. Gabarro, J.J. (1987) The Dynamics of Taking Charge. Boston, MA: Harvard Business School Press.
- 31. Gartner, W.B., Bird, B.J., & Starr, J. (1992) Acting as if: differentiating entrepreneurial from organizational behavior, *Entrepreneurship Theory and Practice*, 16, 13-30.
- 32. Hackl, P., Scharitzer, D., & Zuba, R. (2000) Customer satisfaction in the Austrian food retail market, *Total Quality Management*, 11(7), S999-S1006.
- 33. Hallinger, P., & Heck, R. (2002) What do you call people with visions? The role of vision, mission and goals in school leadership and improvement, in Leithwood, K., Hallinger, P., & Colleagues (Eds.), *The Handbook of Educational Leadership and Administration* (2<sup>nd</sup> edition). Dordrecht: Kluwer.
- 34. Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser, W.E., & Schlesinger, L.A. (1994) Putting the service-profit chain to work, *Harvard Business Review*, March-April, 164-175.
- 35. Hausfeld, J., Gibbons, K., Holtmeier, A., Knight, M., Schulte, C., Stadtmiller, T., & Yeary, K. (1994) Self-staffing: Improving care and staff satisfaction, *Nursing Management*, 25(10), 74.
- 36. Homburg, C., & Stock, R.M. (2005) Exploring the conditions under which sales person work satisfaction can lead to customer satisfaction, *Psychology & Marketing*, 22(5), 393-420.
- 37. House, R.J., & Aditya, R.N. (1997) The social scientific study of leadership: Quo vadis?, *Journal of Management*, 23(3), 409-473.
- 38. House, R.J., & Shamir, B. (1993) Towards the integration of transformational, charismatic and visionary theories, in Avman, M.M. & Avman, R. (Eds.), *Leadership Theory and Research*. San Diego, CA: Academic Press.
- 39. Howell, J.M., & Shamir, B. (2005) The role of followers in the charismatic leadership process: Relationships and their consequences, *Academy of Management Review*, 30(1), 96-112.
- 40. Hunt, J.G. (1991) *Leadership: A New Synthesis*. Newbury Park, CA: Sage.
- 41. Hussey, J., & Hussey, R. (1997) *Business Research: A Practical Guide for Undergraduate and Postgraduate Students*. London: Macmillan.
- 42. Iaffaldano, M.T., & Muchinsky, P.M. (1985) Job satisfaction and job performance: A meta-analysis, *Psychological Bulletin*, 97(2), 251-273.
- 43. Jacobs, T.O., & Jaques, E. (1990) Military executive leadership, in Clark, K.E. & Clark M.B. (Eds.), *Measures of Leadership*. West Orange, NJ: Leadership Library of America.
- 44. Kantabutra, S. (2003) An empirical examination of relationships between vision components, and customer and staff satisfaction in retail apparel stores in Sydney, Australia, Unpublished PhD thesis, Macquarie Graduate School of Management, Sydney, Australia.
- 45. Kantabutra, S. (2005a) Improving public school performance through vision-based leadership, *Asia Pacific Education Review*, 6(2), 122-134.
- 46. Kantabutra, S. (2005b) Leadership for sustainable organizations: A proposed model, *Sasin Journal of Management*, 11(1), 59-72.
- 47. Kantabutra, S. (2006) Relating vision-based leadership to sustainable business performance: A Thai perspective, *Kravis Leadership Institute's Leadership Review*, 6(Spring), 37-53.
- 48. Kantabutra, S., & Avery, G.C. (2002) Proposed model for investigating relationships between vision components and business unit performance, *Journal of the Australian and New Zealand Academy of Management*, 8(2), 22-39.
- 49. Kantabutra, S., & Avery, G.C. (2006) Follower effects in the visionary leadership process, *Journal of Economics and Business Research*, 4(5), 57-66.
- 50. Kantsperger, R., & Kunz, W.H. (2005) Managing overall service quality in customer care center, *International Journal of Service Industry Management*, 16(2), 135-151.
- 51. Kotter, J.P. (1990) A Force for Change: How Leadership Differs from Management. New York: Free Press.
- 52. Kotter, J.P. (1995) Why transformation efforts fail?, Harvard Business Review, March-April, 59-67.
- 53. Kotter, J.P. (1996) Leading Change. Boston, MA: Harvard Business School Press.
- 54. Kotter, J.P. (1997) Leading by Vision and Strategy, Executive Excellence, 14(10), 15-16.
- 55. Kouzes, J.M., & Posner, B.Z. (1987) *The Leadership Challenge: How to Get Extraordinary Things Done in Organizations*. San Francisco: Jossey-Bass.
- 56. Kuratko, D.F., & Welsch, W.P. (1994) *Entrepreneurial Strategy: Text and Cases*. Fort Worth, TX: Dryden Press.
- 57. Lipton, M. (1996) Demystifying the development of an organizational vision, *Sloan Management Review*, 37(4), 83-91.

- 58. Locke, E.A. (1976) The nature and causes of job satisfaction, in Dunnette, M.D. (Ed.), *Handbook of Industrial and Organizational Psychology* (1297-1349). Chicago, IL: Rand McNally.
- 59. Locke, E.A., Kirkpatrick, S., Wheeler, J.K., Schneider, J., Niles, K., Goldstein, H., Welsh, H, & Chah, D.O. (1991) *The Essence of Leadership*. New York: Lexington Books.
- 60. Manasse, A.L. (1986) Vision and leadership: Paying attention to intention, *Peabody Journal of Education*, 63(1), 150-173.
- 61. Messick, D., & Mackie, D. (1989) Intergroup Relations, Annual Review of Psychology, 40, 45-81.
- 62. Morden, T. (1997) Leadership as vision, *Management Decision*, 35(9), 668-676.
- 63. Nanus, B. (1992) Visionary Leadership: Creating A Compelling Sense of Direction for Your Organization. San Francisco: Jossey-Bass.
- 64. Oliver, J. (1998) Invest in people and improve profitability and productivity, *Management Today*, March, 90-91.
- 65. Osterman, P. (1995) Work/family programs and the employment relationship, *Administrative Science Quarterly*, 40(4), 681-700.
- 66. Pace, R.W., & Faules, D.F. (1989) *Organizational Communication* (2<sup>nd</sup> ed.). New Jersey: Prentice Hall.
- 67. Page, N.R.,& Wiseman, R.L. (1993) Supervisory behavior and work satisfaction in the United States, Mexico, and Spain, *Journal of Business Communications*, 30(2), 161-180.
- 68. Parikh, J. & Neubauer, F. (1993) Corporate visioning, in Hussey D.E. (Ed.), *International Review of Strategic Management*. Chichester: Wiley.
- 69. Passikoff, R. (1997) The limits of customer satisfaction, *Brandweek*, 38(9), 17.
- 70. Pearson, A.E. (1989) Six basics for general managers, *Harvard Business Review*, 67(4), 94-101.
- 71. Phillips, R.L., & Hunt, J.G. (1992) Strategic leadership: An introduction, in Phillips, R.L. & Hunt, J.G. (Eds), *Strategic Leadership: A Multiorganizational-level Perspective*. Westport, CT: Quarum.
- 72. Rafferty, A.E., & Griffin, M.G. (2004) Dimensions of transformational leadership: Conceptual and empirical extensions, *Leadership Quarterly*, 15, 329-354.
- 73. Reardon, K.K. (1991) Persuasion in Practice. Newbury Park, CA: Sage.
- 74. Sashkin, M. (1988) The visionary leader, in Conger, J.A. & Kanungo, R.N. (Eds.), *Charismatic Leadership: The Elusive Factor in Organizational Effectiveness*. San Francisco: Jossey-Bass.
- 75. Senge, P.M. (1990) *The Fifth Discipline: The Art and Practice of the Learning Organization*. New York: Currency Doubleday.
- 76. Shamir, B., House, R.J., & Arthur, M.B. (1993) The motivational effects of charismatic leadership: A self-concept based theory, *Organization Science*, 4(4), 577-594.
- 77. Sims, H.P., Jr., & Lorenzi, P. (1992) *The New Leadership Paradigm: Social Learning and Cognition in Organizations*. Newbury Park, CA: Sage.
- 78. Slavitt, D., Stamps, P., Piedmont, E., & Hasse, A. (1986) *Index of Work Satisfaction*. MI: University of Michigan Press.
- 79. Tichy, N.M., & Devanna, M.A. (1986) *The Transformational Leader*. New York: John Wiley & Sons.
- 80. Timmons, J.A., Smollen, L.E., & Dingee, A.L.M., Jr. (1990) *New Venture Creation: Entrepreneurship in the 1990s*. Homewood, IL: Irwin.
- 81. Topolosky, P.S. (2000) Linking Employee Satisfaction to Business Results. New York: Garland.
- 82. Vallario, M. (1997) Work life programs, Compensation & Benefits Management, 13(3), 25-30.
- 83. Vroom, V.H. (1964) Work and Motivation. New York: Wiley.
- 84. Westley, F., & Mintzberg, H. (1989) Visionary leadership and strategic management, *Strategic Management Journal*, 10, 17-32.
- 85. Williams-Brinkley, R. (1999) Excellence in patient care demands a clear vision in action, *Health Care Strategic Management*, 17(1), 18-19.
- 86. Yukl, G.A. (1998) *Leadership in Organizations* (4<sup>th</sup> ed.). New Jersey: Prentice Hall.

# **NOTES**