

Chapter 8

Vision Setting: How Leadership Communication Empowers Workers and Teams



Andrew Breen

Abstract The modern corporation—inspired by the success of digital technology companies—aspires toward a flatter structure empowering less senior members with influence and decision making over their direction. Vision has always been important in successful organizations. It unites and gives purpose to the workforce. More traditional, hierarchical, tops-down organizations had only the top management layers to align for strategic decision making. From that, they dictated the tasks, processes and goals for the rest of the organization to follow keeping the organization aligned. Decision making is now pushed out to the edges. Modern firms value intellectual property built by knowledge workers with powerful technology tools. Research and development is critical to remaining competitive. Creativity is stifled by rigid direction and processes. Thus, workers are empowered to build the future of the company. However, uncoordinated work can lead to scattershot product development. A vision—and leaderships ability to effectively communicate it—are critical in today’s fast moving economy. Several techniques for communicating vision in a modern company are discussed.

8.1 Introduction

The digital technology revolution—from the 1990s through today—was built not on the backs of large organizations of laborers like their industrial predecessors, but on the iterative output of small creative product development teams seeking solutions to problems while tolerating high failure rates. These modern organizations have developed new philosophies and approaches to organizational design. They are flatter in nature—fewer layers, larger span of control—facilitating bottoms up decision making around common goals with lightly managed knowledge workers. In its most extreme, decentralized, loosely connected networks of people that do not

A. Breen (✉)
523 E. 14th St. Apt 5A, New York, NY 10009, USA
e-mail: abreen@stern.nyu.edu

have a formal organization employing them (e.g. open source software, Kickstarter projects, Uber drivers) required new ways of setting and reinforcing the purpose and nature of work. How could that happen?

Digital technology brings powerful tools enabling small teams of advanced workers leverage to have a disproportionate impact as compared to workers historically. Prior to the 1980s, scaling an operation required large groups of controlled workers. Tools were primitive and generally only to make the worker more efficient and reduce errors. However with digital technology, coupled with mass and instantaneous distribution via the Internet, worker output achieved an unprecedented pace, impact and scale. Highly educated, creative workers were massively empowered. Their early leaders knew it because they rose from these ranks with a disdain for traditional top down management and “pay your dues” organizational ascendance. In these modern digital firms, hierarchies with inaccessible leaders who only communicated commands through memos were not accepted. Intimate and informal communication drove the agenda. Flat organizations with wider span of control—the average number of direct reports a manager has—did not inhibit the creative, problem solving process due to micro-management. The power equation was flipped with those at the lower levels harboring power in their knowledge of tool utilization and instantaneous data to measure their impact. A key power center of the 20th century leader, data, was now democratized and available to all. These businesses suddenly worried more about finding skilled human resources than capital (Gaybrick 2018). Today, all businesses are digital businesses. It is difficult to identify any industry which does not require some digital presence if not wholesale adoption just to compete. Modern, digital-centric organizations are young, unbounded by tradition and loosely organized. To be successful, they need new methods to organize workers to accomplish their mission: a culture of innovation and clear communication of their vision.

8.2 The Criticality of Vision Setting in a Modern Organization

As we’ve discussed, modern organizations who employ highly skilled workers with powerful technology tools need to empower them to unlock their creativity to the benefit of the organization. The required culture manifests as less dictation of tasks and more setting of expected outcomes and guardrails to operate within. However, without a vision, even well articulated goals and guardrails can lead to uncoordinated work and fruitless pursuits. Vision setting is the north star.

Research and development (R&D) within an organization is distinctly not operational task work. This deep work requires regular episodes of non-linear creative thinking and problem solving. Let’s look at an example of where it worked and then went awry: Facebook. Facebook scaled quickly once it achieved product-market fit with 100 million active users by 2008, just four years after its founding, to become the world’s largest social network. Its founder and CEO, Mark Zuckerberg internally

promoted the saying “move fast and break things”. This charge was meant to inspire his product development teams to try new things and not worry about potential negative consequences that traditional corporate risk management would have forbidden. That, along with its mission to “make the world more open and connected” did not form a proper vision but had enough of a purpose and method to set the goals—yet without any indication of guardrails.

Growth continued unabated in this way until Facebook began facing increased scrutiny around people manipulating and harming others through the platform. Unfortunately, the “world” that was to be more open and connected included those who had less positive intentions who abused the platform which was moving too fast to bother to add the necessary checks and balances. As Facebook matured into a global public company with a large workforce, advertiser and user base, that mantra became an operational liability. This forced Zuckerberg to drop “move fast and break things” in 2014 replacing it with the more sanguine “move fast with stable infrastructure” (Statt 2014). Subsequently, with the revelation of election tampering and an influence campaign from data leakage by Cambridge Analytica in 2016 (Granville 2018) as well as reports on the negative mental health effects caused by social media (Pantic 2014), Zuckerberg refined the mission to “bring the world closer together” (Heath 2017). This refinement gives further clarity toward building positive interactions and stemming the negative ones that got Facebook in this position. Notably, Facebook still lacks a publicly articulated vision which defines the point of arrival for what they are going to do to support this mission. Could that portend further challenges on the platform?

Without a clear vision, even the most well-meaning team members are left to use their own compass to decide if their work meets with the new standard. With a network of 10s of thousands of employees, Facebook is challenged in pursuing their mission without a well articulated vision to guide the strategies and tactics (goals and tasks) of their products (and people). As was reported in late 2018 with the leak of its internal moderator guidelines and practices, it struggles to implement a system to properly handle questionable content across geographies (Fisher 2018).

Through this example we can see how a mission is important to establish purpose for why an organization exists, but a vision is necessary to guide its activities. A great vision clearly sets the agenda for both operational as well as R&D teams and is reinforced not only through executive edicts but also in the tools used to manage the business.

8.3 Creating a Vision

Before discussing how to create a vision, we need to define what a vision is. Let’s start with defining what a vision is not. A vision is not an organization’s mission statement. The Business Dictionary defines a mission statement as:

A written declaration of an organization's core purpose and focus that normally remains unchanged over time. Properly crafted mission statements (1) serve as filters to separate what is important from what is not, (2) clearly state which markets will be served and how, and (3) communicate a sense of intended direction to the entire organization.

Unpacking that statement, we see a few key differences between mission and vision. First, a mission statement transcends time. It should be defined early in the organization's existence and be immutable unless the organization materially changes its purpose. Second, it serves as the purpose of the organization. Without a purpose—and making a profit is not a purpose, it's an outcome—why would an organization exist?

The definition goes on to state:

A mission is different from a vision in that the former is the cause and the latter is the effect; a mission is something to be accomplished whereas a vision is something to be pursued for that accomplishment.

This gives clarity around a mission defining the why or purpose or cause for the organization. The vision serves the mission in defining the effect or outcomes sought. In having an outcome, a vision can be achieved. In that sense, while a mission should be static, a vision can and should be dynamic changing as pursuits are achieved or deemed infeasible. In addition, a vision should easily translate into and be reconcilable against goals whereas a mission is a litmus test of sorts, testing whether an activity should or should not be pursued.

The test for a vision statement can be defined as:

1. Defines what is being pursued to achieve the mission but not the mission itself
2. Clearly articulates the outcomes (both customer and business) sought during the period that is far enough out that a clear path cannot be drawn today
3. Establishes a high-level method by which it will be pursued
4. Defines a specific customer with an identified need.

For Facebook, with a mission of “bring the world closer together”, a vision statement might look like:

In twelve months, Facebook will become the trusted place where any person can come and engage in meaningful dialog and learnings about others where they control and have confidence in how they and their data is represented as well as knowing that the best content will rise through a collaborative filter of people and machine ensuring hate and misinformation is suppressed.

This vision statement serves the mission while establishing the customer and organizational outcomes—whereby individual goals can be established—as well as a method by which it will be pursued. It is not prescriptive as that will be handled in the array of strategies that can be formed in service of it.

Historically and under a 20th century management style, executive leadership, often with the help of management consultants, would go about defining the mission and vision for an organization. When done well, that process and resulting artifact served its purpose in a tops-down management culture where the principal goal

was to ensure alignment with middle managers driving the work of laborers. Lower level team members were not expected nor encouraged to exercise judgement nor work in creative pursuits—simply produce the product or service of the company. Even middle management was not incentivized nor expected to act outside the stated operational goals of the company. Thus, a tops-down approach served its purpose as only executive management held the information and responsibility to define the organization’s mission, vision and goals.

Would this be true for our new, tech-centric, creative and flat organizations? Likely not. As discussed, creativity is thwarted by micro-management dictating task work. Tasks are undertaken to achieve a goal. In a modern, digital organization, the teams are asked to lay out their team strategies and tactics (individual goals and tasks) as they have the best information and knowledge to do it.

Since strategy is defined to serve a vision, if team members, especially those involved in creative problem solving, are not involved in the creation of the mission and vision, will they feel empowered by the goals and tasks outlined for them (even if they are allowed to define those tasks)? Not likely. Management should only set the process for establishing mission, vision, goals and tasks and go about facilitating it further. Taking that further, modern organizations also allow their network, customers and partners, to contribute to the vision of the company. One example of this is Tesla. They use direct communication and a two-way dialog to prioritize features via Twitter. The result is an unrivaled brand loyalty to such a point that the company, facing a delivery crunch with the Model 3, asked their customers to come help new customers get their new vehicles. Thousands showed up one weekend in California for this purpose (Roberts 2018).

As modern digital companies do, this process should be iterated upon but at cadences which balance the consistency needed versus the flexibility desired in a fast-paced dynamic environment which has more and more unknowns each day.

Mission: purpose or why the organization exists, its cause	Generally immutable unless the organization notably changes
Vision: what the organization does to achieve the mission, the point-of-arrival	Reviewed and updated annually or as the vision is achieved or deemed infeasible
Strategy: how the organization is going achieve the vision	Set and reviewed quarterly and revised based on market learnings
Tactics: activities which execute the strategy	Daily to weekly review as the team learns through testing the offering

A vision is a miniature narrative that the team will return to guide micro-decision making. The difference between an idea and a vision is that a vision has others bought in and believing it. An idea gains followers through a clear articulation of the problem and its importance; a connection to the problem through experience or observation; and conviction in that pursuit of its solution is worth the time, effort and investment (personally, professionally and financially).

To that end, what better way to get others in your organization—especially the creative problem solvers who will be tasked with experimenting and executing toward

it—than having them co-create the vision. By giving them a substantial voice and participation in the process, management makes them an owner of it.

An exercise to co-create a vision:

1. Since you already have a mission, clearly articulate this in a written document to all members of the organization while announcing the vision co-creation process and a date for an all-hands meeting to discuss it.
2. Identify a committee of non-participants to review responses and form it into a narrative for review by the leadership team. Make sure there are representatives from multiple organizational functions and levels. Identify a chair to ensure the process progresses on schedule but clearly establish that all will have an equal voice in the deliberations. Decisions will be by consensus.
3. In the all hands, clearly define what a vision is versus a mission providing examples from other organizations (good and bad); answer clarifying questions. Identify the review committee and let them set the parameters and scope of their work.
4. Ask that any and all non-committee team members who want to participate to fill out a their thoughts on a questionnaire over the following weeks as they have a chance to reflect on it.
5. Publish the questionnaire with the following questions:
 - a. Who, what, etc. from above.
6. Incentivize the team members not only by their ability to dictate this but that the most influential contributors will get a chance to stand up in front of the next all-hands to lay out the vision (social recognition is important to creatives).
7. Present the resulting narrative in written form to the wider team member base and offer a fully transparent commentary period on an internal discussion forum.
8. Refine the vision based on the commentary and circulate to the team members before the follow-up all-hands.
9. Have the follow-up all-hands where leadership introduces the new vision, the committee briefs on the process and participants who most substantially contributed to the resulting vision present it.
10. Lay out the next steps to how goals are going to be set based off the vision from there.

This process may seem laborious and bureaucratic but with well-defined guidelines and scope, the process will engage and empower team members allowing new perspectives and data to “bubble up” to leadership. This vision then serves as the charge for the organization providing clarity of objective. Subsequent planning, budgeting and hiring can be reconciled against it. The team then plans out the tactics to get there understanding that it will be winding—especially in more risky, unknown pursuits. As Jeff Bezos of Amazon says: “We are stubborn on vision. We are flexible on details” (Masnick). Amazon considers all new product proposals in the form of its future press release being written in a memo. This longer form vision serves the same purpose and has become endemic in the Amazon culture.

8.4 Communicating the Vision

Great organizations have clarity of purpose with supporting vision and strategy to achieve it. While we’ve established the relationship between mission and vision, we must discuss the relationship between vision and strategy. Where vision is what outcome we’re going to achieve to service the mission, the strategy is the “how” or plan for achieving the vision. Visions are still high level statements and do not prescribe how it’s going to be achieved. Strategic pillars define what the plan ultimately revolves around. Often stated in 2–5 (most commonly 3) short activities, they should be clear and easily memorable. These pillars then become not only the way to evaluate plan activities but also an effective way to communicate the vision on a more recurring and intimate basis.

Using our Facebook example, their strategic pillars could be:

Eliminate all false information from the platform including identifying and removing the offending users	Allow for complete control of how a given user’s data is used (or not)	Provide complete transparency as to the data we have relating to each user
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Once a vision has been established, it’s important to communicate and regularly reinforce it. This is especially true for new team members who join the organization. However, while pillars are important, they can lose their impact over time. Reinforcement, conventionally, would have been done through all-hands meetings, leadership memos and other management artifacts. In successful small companies, communication of the vision is clear and able to be regularly reinforced because the leaders having regular direct contact with those building and operating the business. This is critical in the case of a startup before the company has found product-market fit as information flows in both directions to ensure everyone understands the learnings and the strategy is adjusted rapidly.

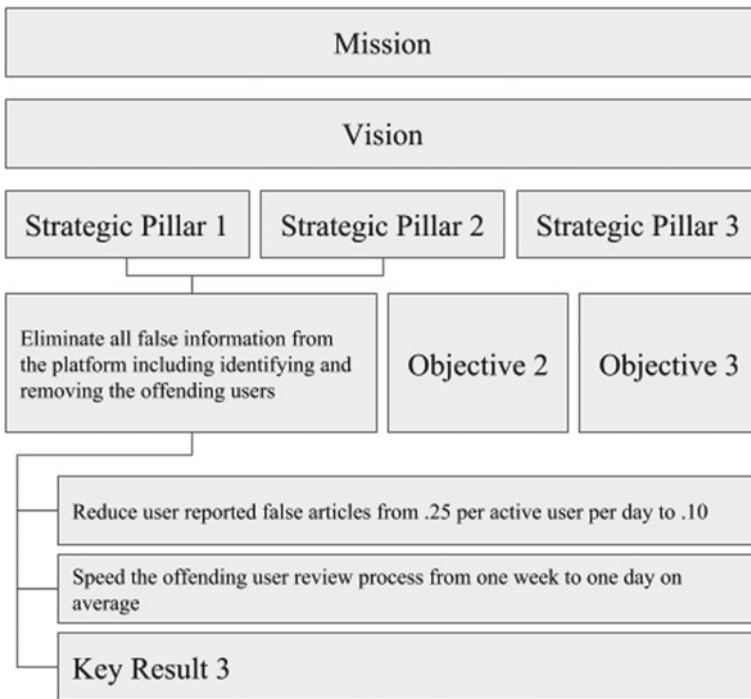
This intimate communication impacts the work of all team members. The vision and strategy is connected to their daily work. This also reinforces the purpose of the organization and helps maintain engaged employees. Engaged team members are more loyal, hardworking and their organizations yield better results (Engagement). One method popular in digital companies to connect to daily tasks to vision is Objectives and Key Results (OKRs). First modernized and used by Intel with Silicon Valley venture capitalist John Doerr, they were popularized by Google and are popular today in many digital companies (Wodtke 2016).

A key tenant of OKRs is that they are cascaded down from the leader(s) of an organization in the form objectives formed from the strategy—strategic pillars in the best cases. All subordinate OKRs are stated in their connection to their leaders’. OKRs were not the first to employ this cascading goal system. However, there are unique aspects of OKRs that make them distinct and more effective than most conventional goal systems which suffer from being set almost as a rite of annual passage in organizations and ignored until end of year performance reviews. To that

end, they are often ambiguously defined, readily manipulated to ensure successful outcome and not reconciled against the organization’s vision.

OKRs are set by the individuals, not their leaders (the leaders establish their OKRs which their subordinates use to establish and reconcile theirs). They must be specific and measurable. Typically, they are set and reviewed on a quarterly basis where the objective might not change but the key results do. Key results are activities to achieve an outcome toward the objective and typically should not take longer than a quarter to assess. At the end of the period, OKRs are assessed first by their owners and affirmed by the leader. The assessments are not on a more traditional binary scale but rated between 0 and 100. Since they are specific and objective, they can be partially achieved. Because of that, team members are encouraged to enter stretch goals. Most organizations expect that, across 3–7 quarterly OKRs, a team member might achieve a 60–70. If the measurement gets much higher, they might be purposely setting low goals. If they are too low they might set too many stretch goals or their might be a performance issue. Since most creative technical work is done in small groups, teams can share OKRs which is why they are popular in digital R&D teams.

Continuing our Facebook example, an OKR might look like:

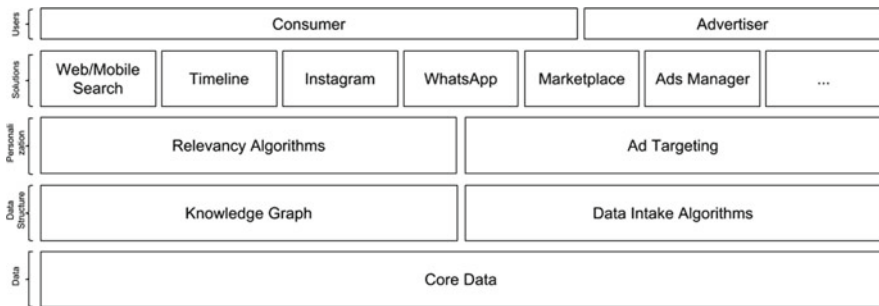


Another technique for communicating vision on a more intimate level connected to team work is through a “Markitecture”. Markitectures were first utilized by enterprise technology sales people in the 1990s (Schmidt 2015) to communicate complex technical products to their customers. They were appealing because they were visual,

organized and logically laid out. Since they were often selling to engineers, they looked like engineering architecture diagrams albeit with less purity and accuracy.

Used internally, these diagrams can convey how a team’s work connects with other teams and the bigger picture company vision. In addition, new ideas can be reconciled against the established Markitecture for the organization. If something fits, it can lead to re-use of internal assets. If it does not, it at least raises the right strategic question as to whether the organization should do this work and do it within the parameters of the current organization versus another vehicle (e.g. spin-out or startup).

Facebook’s markitecture might look like:



If high-functioning, the organization can use this to have the right level of discussion as to whether new ideas align with its vision. Vision communication can be challenging and needs reiteration. Simplicity and clarity are the key elements of visions that stand their many tests during their lifecycle.

8.5 Leading with Vision

Leaders galvanize their workforce through vision. The military maxim “taking of the hill” is more achievable when team members have complete clarity around mission objective and decision making ability around the tactics to achieve it given learnings and the operational situation on the ground.

However, traditional corporate structures tend to overvalue leadership. In an earlier era where information flowed up and decisions down this provided operational control and consistency. Managers spent years within the firm not only learning its products, markets and strategy but how to navigate the organization itself given the large complex hierarchies. As discussed, digital-centric companies are flat with decision making and empowerment pushed down. In this setting, managers have two primary roles: clearing any impediments in execution and setting and ensuring the plans reflect the vision and strategy guiding when learnings need to alter them. In addition, leaders and institutions are looked at more skeptically. “CEOs are trusted by seventeen percent of people now.” says Richard Edelman, president and CEO

of Edelman, a public relations firm. In Edelman's annual Trust Barometer report, the average employee is 3x more credible than a CEO as a source of information (Groysberg and Slind 2012). That's because, as discussed, the average employee actually has access to more detailed and immediate information on organizational and product performance. Thus, trust becomes the currency for leaders to establish along with respect for employees. Trust allows employees to contribute and speak out when vision or strategy clashes with their organizational view. There is no stronger example of this in a modern digital company than the employee protests that Google faced in the revelation of sexual harassment by a former executive. As uncomfortable as it was for leadership, because they had established a culture of openness and trust, they allowed employees to express their discomfort. Time will tell but this episode—and the changes Google made due to it—likely won them more employee engagement and loyalty (Wakabayashi et al. 2018). No employee should feel distrust or out of touch with the company vision nor their ability to manage their responsibilities toward achieving it.

Vision is not only critical at inception of a new product or business but also during its build-out and ongoing operations. Vision defines the outcomes sought in service of a mission. This is critical during research and development of a new initiative as the team needs room to discover new information which might have them pivot from the original idea. As long as the vision remains focused on outcomes—solving a problem for a specific user group—the team has the room to innovate. If they ultimately determine there is no problem or reasonable solution to that problem that is the time to review and change the vision.

For ongoing operations, vision provides an important stabilizing force for everything from marketing communications to customer support to product and service enhancements. In making micro-decisions in supporting their product, workers can reference vision and feel empowered to take the right action for the customer. There are two ways leaders use vision to establish culture in digital companies:

Culture staging

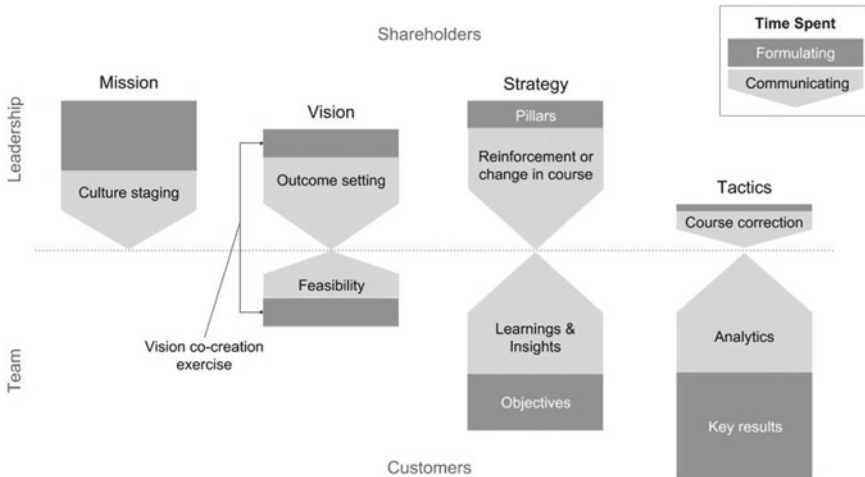
Jeff Bezos famously celebrates Amazon's "failures" (Kim 2016). While not truly celebrating what has not worked, Amazon values quickly learning what will not work so as not to waste time, effort or money on it. Bezos sets a cultural tone as a leader conveying that any employee can think creatively and take risks not only without retribution but to celebration. This empowers the workforce and gives it confidence. A self-fulfilling cycle.

Outcome setting

Elon Musk has been relentless in keeping his employees focused on a bigger picture vision even in light of a large number of internal (Model 3 production ramp) and external (short sellers, etc.) challenges in building Tesla. These issues can often distract a workforce. Musk has a unique ability to lay out what appears to be an impossible vision while keeping focused on the outcome and benefit they will achieve.

8.6 Conclusions

Vision is the outcome that the employees rally around. Vision is what the team reconciles new information and challenges against. Vision is what ultimately allows for a group of people—even a loosely connected and organized one—to execute a plan. Effective communication of it is reinforced through multiple layers and opportunities to convey it. Vision is constituted through its relationship to overall team mission and the strategy and tactics to execute it.



Bringing all the tools and techniques discussed herein together, we can see that vision communication must be regularly reinforced and affirmed with a bi-directional communication stream where the team is regularly seeking to support or refute its foundational hypotheses. Strategy and tactics provide the framework not only for execution but also for insights to arise and change the course. In their communication, both leaders and the team should never be so committed to disallow this upward propagation. Ideas are simply hypotheses to support or refute not a marker of any individual’s contribution to the organization. Leaders must open up to this approach which runs counter to traditional management thinking but will support a culture of innovation.

In thinking about your own leadership communications, is there a connection of the tactics to a strategic pillar? Are the results of key performance indicators (KPIs) tied to a hypothesis that is being tested? Can the team easily recall the strategic pillars? Is there a process whereby insights from customers regularly—say quarterly—challenge the current strategy? Successful organizations are confident in their answers to these key questions.

Modern knowledge workers want to understand the purpose of their work. Talent without purpose will not be productive; they will either be paralyzed, disinterested

or pursue their own interests. Providing constant, credible and transparent feedback framed through vision connects their work to a well-articulated mission for the organization.

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Andrew Breen was most recently SVP of Digital for Argo Group (NYSE: ARGO), a multi-billion dollar commercial underwriter where he led the company's transition to a digital business and oversees Argo Ventures, their early stage investment fund. He leverages his 25 years in tech startups and large, regulated businesses to disrupt businesses through a product-centric tech approach. Andrew is formerly the VP of Product for American Express's Enterprise Digital division and has done eight tech startups across multiple industries including one that was sold to Palm where he started the wireless services division as part of the Treo smartphone initiative. Andrew is an adjunct professor at NYU's Stern School of Business and Courant Institute where he teaches a graduate course in technology product management and innovation. Andrew is a co-author of the 2017 book *Strategy and Communication for Innovation*.