



STATE OF VISION DEVELOPMENT IN SLOVENIAN COMPANIES

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Abstract

Vision is a prerequisite for efficient strategic planning and the effectiveness of a company. If a company has no vision (i.e., it does not know where it is heading), then it cannot build on advantages, eliminate weaknesses, exploit opportunities and avoid threats. The term 'vision' is often used in scientific and professional literature, but it should be noted that different authors understand the term differently and often discuss it inadequately. Many questions regarding the nature of vision arise in practice and in theory, and I answer many of them in my article. I define vision, explain the reasons for its necessity and provide its characteristics and content. I define mission and explain the main difference between vision and mission. The majority of the article presents the results of empirical research on the state of vision setting in Slovenian companies. The article highlights the way in which these terms are understood by top managers.

Keywords: *vision, state of vision setting, strategic management*

1. INTRODUCTION

A company can operate effectively if it knows itself and the environment in which it operates, and knows what it wants to achieve. Company effectiveness depends on the governance, management and execution, as well as on decision-making processes and coordination. Strategic decision-making and management (this includes long-term planning, executing and controlling) have the biggest impact on the effectiveness of the company.

In scientific and professional literature, many authors mention company vision in connection with strategic planning (as one of the first steps), although it also occurs elsewhere. Strategic planning is an iterative process by which we determine goals and the ways for achieving said goals. The process of strategic planning is at the outset very indicative and within this process, creating a vision takes place as an initial setting of goals and ways towards goals; creating a vision is therefore one of the first steps. When we set goals and devise strategies for the fu-

ture, having a vision is extremely important. Vision is a prerequisite for efficient strategic planning and effectiveness of the company. The company needs to know what it wants to achieve. In practice, companies often do not know this. Many companies do not have a vision or is uncoordinated regarding its mission and strategies. Not uncommonly, companies can even have detailed goals without having a vision. If the company has no vision (it does not know where it is heading) it cannot build on advantages, eliminate weaknesses, exploit opportunities and avoid threats.

The term 'vision' is often used in scientific and professional literature, but it should be noted that different authors understand it differently and therefore often discuss it inadequately. Some (e.g., Abell, 1995; Bowman, 1994; Mickelthwait & Wooldridge, 2000; Thompson, 2001) blur the term vision with the term 'mission'; some (e.g., Aaker, 1988) perceive the term mission as being wider in scope and see vision as being a part of the mission. Others use various other terms like *purposes, beliefs, values, tasks, goals, strategies, philosophy,*

aims etc. (e.g., Stahl & Grigsby, 1992; Steiner, 1997), although it is evidently from the content that they talk about vision. In short, there is in no single model of management or planning a uniform understanding of the concept of vision. In terms of understanding the company's vision, even greater confusion occurs when we look at the work of psychologists, philosophers, sociologists and others who are not primarily involved in the managing of companies. It should be emphasized that all this confusion happens in areas that deal professionally (scientifically) with the above concepts; in practice, confusion is even bigger.

Many questions regarding vision arise in practice and in theory. Only some of them are listed below. What is a vision? Does a vision differ from a concept such as mission? Can vision be equated with mission because it is only one term treated differently by different authors? Do authors refer to different words depending on what they want to emphasize? What contains the vision or from what is it composed? Is a vision a part of strategic management or not? Do large companies more often have a vision than small companies? Do large companies create a vision in a formalized form in contrast with smaller companies, where the vision might exist mostly in the head of a manager and not in written form? Do companies with ISO standards mostly have a formalized vision and vice versa, do companies with a vision have ISO standards? Is the vision an important document for the company? Are companies familiar with the relevant elements of the vision and include these in the vision? Do companies distinguish between the concepts of vision and mission? Do companies change or update their vision often enough? To what extent is the vision-creating process within companies an intuitive process and is it efficient? Are employees involved in creating a vision or is it created by management, or perhaps only by the top manager? Is the management of the company identified with the formal vision of the company or has the management created a vision simply because it is a modern trend to have a vision? Do employees know about the vision and is the vision being pursued by company management the same as the officially created vision, or the one communicated to employees (and others)? Do companies create a vision for the entire

company or also for individual units? Do companies create a vision themselves or they create it with the cooperation of outside consultants?

The author has conducted a doctoral research (Toman, 2013) on vision in the theoretical and empirical way. In the theoretical part he has tried to show different views on vision and similar documents in strategic planning and crisis management and determine the logic understanding of vision and connected phenomena. The second part was the empirical research of Slovenian companies. This research and above all some of its findings are presented in the article. The approach is based on fourteen research questions proposed to be examined.

2. UNDERSTANDING OF VISION

In scientific and professional literature, there are many different definitions of vision. Rozman, Kovač and Koletnik (1993) understand under 'company vision' the internal image of the possible and desired position of the company. For Nanus (1992) the vision is the real, credible and attractive future of the company. Khatri, Templer and Budhwar (2012) define vision as realistic and useful ideas or goals that are beneficial in the long run for the benefit of the company's followers and the system of which they are part. Kotter and Cohen (2003) consider that vision shows the final state to where plans and strategies will deliver the company. On the basis of the examined scientific and professional literature, as well as on logical thinking, I have created a new definition of vision. The company's **vision** is image of desired and possible state of the company in the future, which causes creative tension, triggers the process of unifying employees with the company and motivates employees for achieving it, and is the basis for a more detailed definition of goals and ways to achieve goals. The company's vision is created on the base of the perceptions of the environment and with the help of imagination.

Although there are many **reasons** for defining the vision, with most of them being related to each other, I believe that the main reasons for defining company vision are the following: it influences company effectiveness, directs its development, coordi-

nates and ensures uniformity in the company (and therefore functioning of employees with the same goals), creates novelties and motivates and inspires for the changes and novelties to take place.

Many researchers have described a range of different vision characteristics. These characteristics also depend on the situation of the individual company and its environment, which will dictate which vision characteristics are more desirable. Nevertheless, I believe that every vision must have at least most of the following **characteristics**: attractiveness, orientation, provocation, stimulation, meaningfulness, brevity, clarity, simplicity, uniqueness, imaginativeness and feasibility.

The vision should define the business (effectiveness of business and business functions) while addressing the following **elements**: the width of the business, the competitive arena, technology, human resources, socio-economic goals or concerns for the survival the company, advantages of the business and a concern regarding company image. When it is appropriate and possible to capture the essence of the vision in a short sentence or slogan, the vision may also include a slogan (in this case, it usually features at the beginning of vision); however, this is not absolutely necessary.

There is also the question of **how far in the future** the vision should reach. Five, ten or more years? It is more important to pay attention to this question: when the vision is achieved. And most importantly to create a new vision till then. In addition to maturity of vision, it is also important to note the **validation** of the vision. Continuous validation of the vision is a necessary process that can be affected by various factors. The company could verify the validity of the vision once a year, perhaps at the same time, when updating the strategic plan.

Because there is much uncertainty in both theory and practice concerning vision on one hand and company mission on the other, let us firstly define 'mission'. The **mission** of the company is a relatively durable and unique purpose (of existence), which determines the type of business and the focus of its development according to the values and expectations of stakeholders, and is the basis of a more detailed definition of company goals and ways to achieve them (Toman, 2013). I think there are

enough significant differences between vision and mission. The biggest difference between these two concepts is in the meaning of the central issue to which they provide answers. The mission is the answer to the question of why a company exists, while vision is the answer to the question of what the company wants to achieve in the future.

3. PREVIOUS RESEARCH ON VISION

There is no empirical research on the state of vision setting in Slovenian companies (except Toman, 2013); therefore, I have quoted below two empirical studies that are comparable to a limited extent with my own research, or their findings can be viewed as interesting in terms of vision.

Larwood, Falbe, Kriger and Miesing (1995) carried out research on 'the content and structure of company visions'. In my opinion, this research is not about the content and elements of the vision but more about the characteristics or properties of vision (long-term, strategic, tactical, accepted, centered, flexible, etc.). Based on the results, the researchers concluded that a good proportion of top managers felt comfortable with the concept of vision. The research also showed no differences with respect to the characteristics of company visions in terms of industry and size.

Baum, Locke and Kirkpatrick (1998) investigated the relationship between the properties, content and communication of the vision on one hand and the growth of the company as an indicator of the company's results on the other. The research took into account the seven vision characteristics researchers recognized as being essential to the vision if it should affect the company's results. These characteristics are brevity, clarity, generality, challenge, orientation to the future, stability and the ability to inspire. The researchers found that not only are the characteristics and content of the vision relevant, but it is also important to *have* a vision as opposed to being without one.

Kantabutra (2008) conducted a review of the theoretical and empirical literature on vision and found the modesty of studies focusing on vision astounding, considering the critical nature of vision in

leadership. Kantabutra also believes that despite the obvious importance of having a vision, it is still not being defined in a generally acceptable way. This is critical, because vision is defined differently by various empirical studies. Research on vision is generally focused on aspects of development, expression, communication and enforcement; however, very little is known about what constitutes an effective vision. Kantabutra concludes that the literature suggests two components of vision as being important, namely its characteristics and content; however, unlike the vision's characteristics, there may be no standard for the vision's content, because vision content is strategic and depends on the type of business involved; moreover, it is also specific with respect to the competitive environment.

4. EMPIRICAL RESEARCH ON VISION SETTING IN SLOVENIAN COMPANIES

4.1 Empirical research and research method

Through empirical research I analyzed the state of vision setting in Slovenian companies and answered fourteen research questions. Do large companies more often have a vision than small companies? Do large companies create a vision in a formalized form in contrast with smaller companies, where the vision might exist mostly in the head of a manager and not in written form? Do companies with ISO standards mostly have a formalized vision and vice versa, do companies with a vision have ISO standards? Is the vision an important document for the company? Are companies familiar with the relevant elements of the vision and include these in the vision? Do companies distinguish between the concepts of vision and mission? Do companies change or update their vision often enough? To what extent is the vision-creating process within companies an intuitive process and is it efficient? Are employees involved in creating a vision or is it created by management, or perhaps only by the top manager? Is the management of the company identified with the formal vision of the company or has the management created a vision simply because it is a modern trend to have a vision? Do employees know about the vision and is the vision being pursued by company management the same as the officially created vision, or the one communicated to

employees (and others)? Do companies create a vision for the entire company or also for individual units? Do companies create a vision themselves or they create it with the cooperation of outside consultants?

Statistical population was all small, medium and large companies in Slovenia in 2011, which represented 2,397 small, 740 medium and 695 large companies. The size of the entire population was therefore 3,832 companies. A sample consisted of 1,143 companies or 30% of all companies in the population. In the sample were 659 small companies, or 27% of all small companies from the population, 250 medium companies or 34% of all medium companies from the population and 234 large companies, or 34% of all large companies from the population. Of the 1,143 companies in the sample, 362 answered the questionnaire, which represented 31.7% of the companies from the sample, or 9.4% of companies from the entire population. With a stratified random sampling within strata, I included to the sample at least a quarter of companies of a certain size within a given business. With such a sample I provided a random sampling and at the same time also steady representation of the companies in the sample, in terms of business, as well as size.

Information that was specific to my research was obtained directly from the data source (i.e., from the units of the sample – top managers of the companies) with the help of a questionnaire. Filling in the questionnaire took place during the period June to August 2012. Through the questionnaire, companies provided answers concerning their views on company vision. On the basis of questions about vision preparation, changing the vision, reasons for creating a vision, vision content, the role of vision in a crisis and presentation of the company, I was able to determine the state of vision setting in Slovenian companies. There were 78 questions in the questionnaire. Some questions were dichotomous, some had multiple choice answers, but mostly, they were questions using a five-point Likert scale for providing answers. I checked the reliability of the questionnaire with reliability analysis and Cronbach's alpha test. Due to the content of empirical research, I decided to acquire information by using a combination of email and online survey. For doing so, I relied on a professional program (service) called SurveyMonkey.

I performed statistical analysis of the data with the software package SPSS 21. For empirical research, I used the following statistical analysis (methods): descriptive statistics, normality test (for the appropriate selection of further statistical analysis), independent samples t-test, ANOVA and posterior analysis, bivariate linear correlation, Crosstabs procedure and contingency (including a Chi-square test and Kendall's test) and principal component analysis (PCA).

I used PCA to create a variable-named vision index. From the questionnaire, I chose variables that made up the vision index and were included in the PCA reduction. I included those variables that I thought would yield greater effectiveness for the company, if they would be implemented or strongly expressed by managers. Using the PCA method, we received from eleven variables three principal components, which I named (1) *Role of the vision as a solution for overcoming the crisis*; (2) *Vision: motivation, unity and effectiveness*; (3) *Effective leadership and my vision*. In the process, I captured 66.4% of the variability of eleven variables, which is above the desired limit of 60% of the total variance explained. In addition, the weighting factors were very strong and represented the three principal components well. New variables, which I created using the method of PCA, measured the specific aspects of vision. To evaluate the impact of the overall vision, I calculated the vision index from the values of the principal components (as a weighted arithmetic mean of the principal components).

4.2 Discussion

The results of the statistical analysis for individual questions or fourteen research questions are presented below.

4.2.1 *Large companies have a vision more often than small ones*

The proportion of companies with a vision was the biggest amongst large companies, but the differences in terms of size were small (small companies 94.7%, medium-sized companies 93.3% and large companies 98.5%). A common proportion of companies with a vision was 95%; as such, hardly differs

from the individual groups. However, in general, the proportion of companies with a vision (in writing or just in the manager's head) was very large, as a vast majority of companies (95%) had a vision. Statistically significant correlation between two variables (company size, the presence of vision) was tested using a chi-square test. The results showed that there was no statistically significant correlation between company size and the presence of vision (yes or no).

The research question was checked also by analyzing the differences between arithmetic means, where the dependent variable was the vision index and its principal components (*Role of the vision as a solution for overcoming the crisis*, *Vision: motivation, unity and effectiveness* and *Effective leadership and my vision*). The independent variable was company size (small, medium and large). Statistically significant difference was detected in the principal component, *Effective leadership and my vision*; therefore, for this variable a post-hoc test was performed, which showed statistically significant differences between small and large companies. Therefore, there were differences between small, medium and large companies; according to company size, expression of the principle component, *Effective leadership and my vision*, increased; however, there was only statistically significant differences between small and large companies. The research question that large companies have a vision more often than small companies was therefore partially confirmed.

4.2.2 *Large companies mostly have a formal vision, while in smaller ones, vision mostly exists only in the manager's head and not in written form*

The proportion of companies with a vision in written form was the biggest in large companies (98.3%); medium-sized companies had a slightly smaller percentage (82.0%), with the smallest percentage in small companies (70.1%). The difference between large and small companies was quite big, amounting to 19.2 percentage points. In general, the proportion of companies with a vision in written form was relatively big, since the vast majority of companies (76.7%) had vision in written form. Sta-

tistically significant correlation between two variables (company size, the presence of vision in written form) was tested using a chi-square test. The results showed that there was a statistically significant correlation between company size and the presence of vision in a written form. This means that the presence of vision in a written form varied according to the company size. We therefore performed a Kendall test, for which Kendall's coefficient was weak and negative (-0.177). This meant that, along with company size, the proportion of companies with a vision in a written form also increased. This confirmed that large companies mostly had a formal vision in writing, while in smaller companies, the vision often existed only in the top manager's head and not in written form.

4.2.3 Companies with standard ISO have a vision and companies with a vision have standard ISO

Although the arithmetic mean (degree of agreement ranges from 1 to 5) was 3.1, 69.3% of companies partly agreed, agreed, or strongly agreed that a vision is required by standard ISO and/or standards like it.

Among the companies that had a vision (in writing or in the manager's head), approximately half (51.7%) of them had a standard ISO and/or standards like it and approximately half (49.3%) did not. However, the proportion of companies with a vision was much larger than the proportion of companies without a vision, regardless of whether a company had standard ISO and/or standards like it or not. The ratio between companies without a vision (in writing or in the manager's head) was otherwise heavily in favor of companies that did not have standard ISO and/or standards like it (64.3%). However, the absolute number of these companies was too small to draw any conclusions. Therefore, we can conclude that companies with standard ISO and/or standards like it had a vision. However, it is also true that a vision was present in companies that did not have standard ISO and/or standards like it. However, we cannot claim that companies with a vision necessarily have ISO standards. Statistically significant correlation between two variables (the presence of standard ISO and/or standards like it

and the presence of vision) was tested using a chi-square test. The results showed that between the presence of ISO standards and/or standards like it and the presence of vision, there was no statistically significant correlation.

The research question was also checked using an independent samples t-test, where the dependent variable was the vision index and its principal components. The independent variable was the presence of ISO standards and/or standards like it (thus, companies with or without it). Based on the t-test, it was found that both vision index and its three principal components did not differ statistically, depending on whether the company had ISO standards and/or standards like it or not.

4.2.4 Vision is an important document for the company

The arithmetic mean of agreement with the statement *Vision is one of the most important documents of the company* was 3.6. Additionally, 92.5% of top managers partly agreed, agreed or strongly agreed that the vision was one of the most important documents of the company. The proportion of those who agreed or strongly agreed was 56.4%. That the vision was not one of the most important documents in the company was considered as being the case by 7.5% of respondents.

In order to prove this research question, we considered the statistical indicators of eleven arguments or variables, which I used with the help of the PCA method to create the three principal components of the vision index. This represents an important set of variables, which in some way determine the existence of the vision. From Table 1 it is evident that in all eleven arguments, the values were greater than 3 and on three occasions, even more than 4 (the maximum was 4.16). Because the elements that constituted the principal components of the vision index were strong, we can conclude that the vision is an important document for the company.

The results supported the research question that the vision is an important document for the company.

Table 1: Statistical indicators or variables of the vision index.

Variables	N	Mean	Standard deviation
Communicating of vision is crucial for overcoming the crisis.	287	3.34	0.871
The vision contributed to solving problems or overcoming the crisis.	288	3.35	0.821
Vision shows people the way out of the crisis.	289	3.59	0.821
Vision affects the uniformity of employees.	306	3.60	0.893
Vision motivates employees at work.	305	3.70	0.830
Vision is understood as an important part of finding a solution to the crisis.	289	3.74	0.845
Vision gives us hope for the possibility of finding a solution.	287	3.84	0.760
The motivational power of vision in the crisis is particularly important.	289	3.96	0.704
Vision affects the company's effectiveness.	304	4.03	0.777
Effective leadership is not possible without a vision.	305	4.13	0.826
The vision is consistent with my vision of the company.	305	4.16	0.660

4.2.5 Visions of Slovenian companies don't include all the elements that I believe are necessary

Based on the data obtained, I created Table 2, which lists all the elements regarding the question about vision content (what a vision should contain). The elements (or components) are listed in order of the size of the mean (5 = strongly agree). The nine elements written in bold font are those that in my opinion should be included in the vision.

From Table 2 it can be seen that among nine elements that top managers largely believe should be included in the vision, six elements are similar to those in my own set of elements. These elements are goals, values, image, markets, strengths and human resources. Based on the frequency distribution, I would like to highlight the element goals (only 2.3% of top managers believe that goals do not belong in the vision). In the first nine elements, top managers also include strategies, mission and opportunities. I do not see strategies as a basic element of the vision; they may to some extent appear in the vision, where in addition to the basic elements, we can also suggest including the ways in which we will achieve the vision. Unlike top managers I do not see mission as part of the vision. I believe that vision should not contain a mission, as these are entirely separate documents. Moreover, this result confirms my assessment that many top

Table 2: Vision elements (arranged from the highest to the lowest assessment).

Vision elements	Mean
Goals	4.19
Values	3.94
Strategies	3.87
Image	3.82
Markets	3.71
Strengths	3.71
Mission	3.71
Human resources	3.68
Opportunities	3.68
Slogan	3.51
Products	3.46
Technologies	3.40
Threats	3.30
Weaknesses	3.28
Profit	3.15
Income	3.13
Competition	3.08
Costs	3.05
Something other than so far indicated.	2.89
Successes of the past	2.88

managers do not differentiate between vision and mission. Top managers also believe that the vision should include opportunities. To some extent I agree with this, however it should not be in a direct form. Rather, opportunities should be taken into account in the process of creating the vision and are thus indirectly included in the vision. If we wish to explicitly emphasize opportunities, they could also be included in the vision. I consider slogan, products and technologies as the vision elements; top managers do not see them as the most necessary vision elements but nevertheless rated them relatively high (3.40 to 3.51). Top managers see past successes as the least necessary vision element, although I believe it is still evaluated relatively high (2.88).

A large part of the elements that I consider as vision elements top managers also see as integral parts of the vision. However, there is a significant difference between the opinion of top managers and my opinion in the understanding of mission in relation to vision. This and the relatively high score of the lowest evaluated vision elements, shows to some extent the lack of understanding of the vision concept.

A large part of the elements that in my opinion belong to the vision, top managers also believe should be included in the vision. Nevertheless, some of "my" elements were not evaluated highest by top managers, while other elements were; however, according to Toman (2013), the mission does not belong to the vision. This confirms the research question that the visions of Slovenian companies do not include all the elements that I believe is necessary for having a strong vision.

4.2.6 Many Slovenian companies do not distinguish between the terms vision and mission

Based on answers to a direct question or agreements with the argument *Vision is a completely different document than the company's mission*, I received a direct answer and thus confirmation of the research question. The arithmetic mean of 2.88 and frequency distribution shows that about half of the top managers agreed with argument *Vision is a completely different document than the company's mission*, while half of them did not agree. 41.3% of

top managers disagreed or strongly disagreed with the argument.

65.4% of top managers agreed or strongly agreed that the vision should include the mission. If I add to them those who partly agreed with this argument, the proportion increased to 87.7%. Thus, only 12.3% of top managers did not see mission as an element or part of the vision.

Otherwise, the research question that in many Slovenian companies do not distinguish between the terms vision and mission has been largely endorsed with results from research question five (*Visions of Slovenian companies don't include all the elements that I believe are necessary*), because top managers included mission among the first nine vision elements. The mission is even in high fifth place (3.71), together with markets and opportunities. Thus, the mere fact that top managers see the mission as a vision component or element confirms that the understanding of these two concepts is not satisfactory. Vision should not contain the mission, because they are entirely separate documents and different concepts.

The frequency distribution of the mission as a vision element with regards to the opinion of top managers about the argument that *Vision is a completely different document than the company's mission* showed the following result. More managers agreed with the argument that *Vision is a completely different document than the company's mission* and fewer thought that *Vision should include the mission*. This is logical and indirectly confirms the consistency of respondents in answering the questionnaire, and also shows that some of the respondents did distinguish between these two concepts.

Additionally, I examined the correlation between the arguments *Vision is a completely different document than the company's mission* and *Vision should include the mission*, which showed weak and negative correlation (Pearson correlation coefficient -0.177) between them. This correlation is statistically significant. Since the answers were correlated inversely proportional, this means that those top managers who agreed with the argument *Vision is a completely different document than the company's mission* did not agree with the argument *Vision should include the mission*, and vice versa.

The results confirm the research question that in many Slovenian companies there is little distinction made between the terms vision and mission.

4.2.7 Slovenian companies do not change their vision often or every few years, or they do not update the vision every year at strategic planning

The data showed that 83.8% of companies thought that the vision was a part of the strategic plan and 76.5% of companies had the process of changing or updating their vision linked to other processes (e.g., strategic planning).

Among the companies where changing or updating the vision was linked to other processes (e.g., strategic planning), 89.2% had vision as part of the strategic plan. It is also interesting that for about half of the companies in which vision was not part of strategic planning did change or update vision linked to other processes (e.g., strategic planning).

Statistically significant correlation between two variables (*vision is a part of the strategic plan, changing or updating of the vision is linked to other processes (e.g., strategic planning)*) was tested with a chi-square test. The results showed that between *vision is a part of the strategic plan* and *changing or updating of the vision is linked to other processes (e.g., strategic planning)* there was a statistically significant correlation. This meant that if vision was part of the strategic plan, then changing or updating of the vision was linked to other processes (e.g., strategic planning). As a result, we performed a Kendall test, where Kendall's coefficient was weak (0.265).

The data showed that 34.7% of the companies did not change their vision, but updated it constantly. Among those that changed their vision, the majority (34.1%) changed it from two to five years. The vision was changed in five to ten years by 12.2% of the companies and annually by 10.0% of the companies. Irregular or when necessary change the vision occurred in 6.1% of the companies. Some (2.3%) of the companies apparently changed their vision several times a year. Companies that changed vision most appropriately were those in groups of two to five and changed their vision every five to ten

years, which together represented 46.3% of companies. When we added to them the companies that continually updated their vision (34.7%), we gained a total of 81.0% of the companies.

Most companies (32.7%) updated their vision every two to five years. The proportion of companies that updated their vision less frequently than once a year was 39.8%; when we added to them those companies that updated their vision infrequently (if necessary), the total was 61.5%. Some companies updated their vision several times per year (9.7%). Companies that updated their vision at the most appropriate time period (which may also coincide with strategic planning) comprised 28.8% of companies. This was to some extent contrary to the opinion of 83.8% of top managers stating that vision was a part of strategic planning.

Based on the results found, we cannot confirm the first part of the research question that Slovenian companies do not change their vision often or every few years; however, we can confirm the second part of the research question, i.e., that companies do not update their vision every year at strategic planning.

4.2.8 Creation of vision is in most Slovenian companies an intuitive process

Despite the fact that 76.5% of companies had the process of changing or updating their vision linked to other processes (e.g., strategic planning), the results showed that only 16.6% of the companies had formalized the vision creating process. On the other hand, 83.4% of the companies had not formalized the vision creating process.

The data showed that 46.1% of top managers agreed or strongly agreed that in the vision creating process, the focus was on imagination (intuition). On the other hand, 15.3% of top managers disagreed or strongly disagreed with this. A large percentage (38.6%) of top managers also partly agreed that in the vision creating process, the focus is on imagination (intuition).

It is interesting that 53.9% of top managers agreed or strongly agreed that in the vision creating process, the focus was on rationality (procedures, prescribed steps). On the other hand, 16.4% of top managers disagreed or strongly disagreed with this.

A large percentage (29.7%) of top managers partly agreed that in the vision creating process, the focus is on rationality (procedures, prescribed steps).

I also calculated the matrix of correlation coefficients between the arguments *in the vision creating process there is a focus on imagination (intuition)* and *in the vision creating process there is a focus on rationality (procedures, prescribed steps)*. The results showed that between these two arguments, there was no statistically significant correlation, although one might expect a negative link (more focus on imagination means less focus on rationality and vice versa). Therefore, this result may indicate that top managers did not understand the questions asked (or the questions were too imprecise), or that creation of the vision requires imagination *and* rationality.

The results confirmed the research question that the creation of a vision in Slovenian companies was an intuitive process; however, at the same time, these results raise additional questions or provide additional answers. Although top managers mostly did not have a formalized vision creating process (this confirms the research question of intuitive process) and in the vision creating process placed a focus on imagination (intuition), at the same time, they also focused on rationality (procedures, prescribed steps). This duality or simultaneity of both imagination and rationality was to some degree confirmed by the matrix of correlation coefficients, which did not show a statistically significant correlation. The results indicated that imagination and rationality are not excluded in the vision creating process, nor are they correlated, but are independent and both necessary in the vision creating process.

4.2.9 Creation of vision is an inefficient process in Slovenian companies

The arithmetic mean of the argument *in our company the vision creating process is efficient* was 3.53. Additionally, 53.7% of the top managers agreed or strongly agreed that the vision creating process in their company was efficient. The proportion of those who partly agreed was 38.1%. That the vision creating process was not efficient was a consideration of 8.2% of companies.

Because 83.4% of the companies did not have a formalized vision creating process and at the same time thought that they had an efficient vision creating process, we generated a supplementary question, i.e., *Does this mean that companies with a less formalized vision creating process are more efficient in creating their vision?* In order to prove this research question and answer this final question, we looked at the contingency data and employed a chi-square test and Kendall's test.

Contingency data showed that 76.6% of companies among those with a formalized vision creating process agreed or strongly agreed that the vision creating process in their company was efficient. Among companies without a formalized vision creating process, 48.8% agreed or strongly agreed that the vision creating process in their company was efficient.

A statistically significant correlation between two variables (*in our company the vision creating process is efficient* and *the vision creating process is formalized*) was tested using a chi-square test. The results showed that between the arguments *in our company the vision creating process is efficient* and *the vision creating process is formalized*, there was a statistically significant correlation. Thus, we performed a Kendall test, where Kendall's coefficient was weak and negative (-0.202). This meant that the more formalized the vision creating process, the more efficient the vision creating process will be.

Based on the above results we cannot confirm the research question that creation of vision in Slovenian companies is an inefficient process. Some indirect signs of inefficiency might include no differentiation between terms or concepts of vision and mission, etc. However, the results of this research confirmed that companies with a formalized vision creating process had more efficient vision creating processes.

4.2.10 Employees do not create a vision

In 62.8% of companies, top managers believed that employees participated in the vision creating process. In 87.6% of companies, company management (e.g., the board of directors) participated in the vision creating process.

The results therefore do not support the research question that employees do not assist in creating company vision, although in 37.2% of companies, this had been the case. For definitive assessment of this research question, further research is needed (What exactly did respondents understand under the term *participation*? What exactly did respondents understand under the term *employees*? Did they mean all employees, most of them or just some of them?).

4.2.11 Top management of the company is not identified with the formal vision of the company (management has a vision simply because it is a modern trend to have a vision)

The arithmetic mean of the argument *Vision is consistent with my vision of the company* was 4.12. Additionally, 83.8% of the top managers agreed or strongly agreed that the vision was consistent with their vision of the company. Only 1.3% of top managers disagreed.

In the following section, I present some of the results in respect to arguments that may assist to prove this research question, namely *Written vision is a necessary evil*, *It is appropriate to have a written vision*, *Vision is required by the owners* and *Vision is required by standard ISO and/or standards like it*. The arithmetic mean of the argument *Written vision is necessary evil* was 2.37, while frequency distribution showed that 64.1% of top managers did not view a written vision as a necessary evil. Written vision as a necessary evil was perceived by 16.8% of top managers. The arithmetic mean of the argument *It is appropriate to have a written vision* was 3.86, while frequency distribution showed that 66.7% of top managers agreed or strongly agreed that it is appropriate to have a written vision. The opposite view represented 12.3% of top managers. The arithmetic mean of the argument *Vision is required by the owners* was 3.31, while frequency distribution showed that 50.0% of top managers agreed or strongly agreed that vision was required by the owners of the company. The opposite view represented 27.3% of top managers. The arithmetic mean of the argument *Vision is required by standard ISO and/or standards like it* was 3.10, while frequency distribution showed

that 39.87% of top managers agreed or strongly agreed that vision was required by standard ISO and/or standards like it. The opposite view represented 30.7% of top managers.

Based on the above results, we can conclude that management strongly identified with the formal vision of the company, did not view it as a necessary evil and had it because it was appropriate to have a vision and because company owners required it.

4.2.12 Employees do not know what the vision is or the vision pursued by the management of the company is different from the written one or that communicated to employees (and others)

The arithmetic mean of the argument *Employees know the vision* was 3.81. Additionally, 68.7% of top managers agreed or strongly agreed that employees knew what the vision of the company was. Only 4.1% of top managers disagreed.

The data showed that 38.6% of companies did not publish their vision because they understood it as a secret. On the other hand, 61.4% of companies did not view vision as being a secret.

The proportion of companies where employees knew what the vision was and in which the vision was published were almost the same. It is also reasonable to take into account other results (62.8% of companies top managers believed that employees participated in the vision creating process and 83.8% of the top managers agreed or strongly agreed that the vision was consistent with their own vision of the company). Based on these results, the research question cannot be confirmed; however, we can argue that employees mostly knew what the company's vision was and that the vision pursued by the management was mostly the same as the written one or the one communicated to employees (and others).

4.2.13 Slovenian companies create the vision for the whole company and not for individual units

The arithmetic mean of the argument *Vision refers to the whole company* was 4.15. Additionally, 89.2% of the top managers agreed or strongly

agreed that vision referred to the entire company. Only 0.7% of top managers disagreed. Therefore, we can conclude that Slovenian companies create their vision for the company as a whole and not for individual units.

4.2.14 Vision of Slovenian companies is not being created with the help of external consultants

The data showed that 90.1% of companies created their vision without the help of a consulting firm. Therefore, we can conclude that the vision of Slovenian companies is not being created with the help of external consultants.

5. CONCLUSION

What then is the state of vision setting in Slovenian companies? There are some indications that large companies more often have a vision than smaller ones. Large companies mostly have a formal vision, while in smaller companies, vision often exist only in the top manager's head and not in written form. Companies with standard ISO and/or standards like it have a vision; however, it is also true that companies that do not have standard ISO and/or standards like it have a vision. Vision is an important document for Slovenian companies. The vision of Slovenian companies does not include all

the necessary elements. In many Slovenian companies, no distinction is made between the terms vision and mission. Slovenian companies do change and update their vision, but companies do not update the vision every year at strategic planning. The vision creating process in Slovenian companies is an intuitive process. The results show that imagination and rationality do not exclude themselves in the vision creating process, nor are they correlated; rather, they are independent and both necessary in the vision creating process. Results do not confirm that creation of vision in Slovenian companies is an inefficient process. Regarding inefficiency, some indirect signs, such as no differentiation between terms or concepts of vision and mission can be highlighted. However, companies with a formalized vision creating process have more efficient vision creating process. Employees participate in the creating vision process, although further research about this is needed. Top managers feel themselves strongly identified with the formal vision of the company, does not understand it as a necessary evil, have it because it is appropriate to have a vision and because the company owners require it. Employees mostly know the vision and the vision pursued by management is mostly the same as the written one or the one communicated to employees (and others). Slovenian companies create vision for the whole company and not for individual units. The vision of Slovenian companies is also not being created with the help of external consultants.

EXTENDED SUMMARY / IZVLEČEK

Vizija je nujno potreben pogoj za učinkovito strateško planiranje in uspešnost podjetja. Če podjetje nima vizije (ne ve, kam gre), potem ne more graditi na prednostih, odpravljati slabosti, izkoriščati priložnosti in se izogibati nevarnostim. V znanstveni in strokovni literaturi je pojem vizija velikokrat uporabljen, vendar je treba poudariti, da ga različni avtorji razumejo različno in ga velikokrat obravnavajo pomanjkljivo. V teoriji in praksi se tako pojavlja veliko vprašanj v povezavi z vizijo in na mnoga odgovorim v prispevku. Najprej opredelim vizijo, razloge zanjo, njene značilnosti in vsebino. Opredelim tudi poslanstvo in pojasnim glavno razliko med vizijo in poslanstvom. Največji del prispevka predstavljajo rezultate empirične raziskave o stanju vizije v slovenskih podjetjih.

Kakšno je torej stanje vizije v slovenskih podjetjih? Velika podjetja imajo pogosteje vizijo kot majhna. Velika podjetja imajo večinoma tudi formalno vizijo, manjša največkrat samo v glavi najvišjega ravnatelja in ne v pisni obliki. Podjetja s standardom ISO in/ali njemu podobnimi standardi imajo vizijo. Vendar je tudi res, da imajo vizijo tudi podjetja, ki nimajo standarda ISO in/ali njemu podobnih

standardov. Vizija je za slovenska podjetja pomemben dokument. Vizija slovenskih podjetij ne vključuje vseh potrebnih elementov oziroma sestavin. V mnogih slovenskih podjetjih ne ločijo med pojma vizija in poslanstvo. Slovenska podjetja vizijo posodablajo in menjajo, vendar je ne ažurirajo vsako leto ob strateškem planiranju. Ustvarjanje vizije v slovenskih podjetjih je predvsem intuitiven proces. Rezultati nakazujejo, da se pri pripravi vizije domišljija in racionalnost ne izključujeta niti nista povezani med sabo, ampak sta neodvisni in obe potrebni pri pripravi vizije. Rezultati ne potrjujejo, da je ustvarjanje vizije v slovenskih podjetjih neučinkovit proces, vendar na neučinkovitost lahko kažejo posredni znaki, kot so recimo nerazlikovanje med vizijo in poslanstvom ipd. Podjetja s formaliziranim procesom priprave vizije imajo učinkovitejši proces priprave vizije. Dobljeni rezultati ne govorijo v prid temu, da zaposleni ne ustvarjajo vizije, čeprav je takih podjetij več kot tretjina. Ravnateljstvo podjetja je poistoveteno s formalno vizijo (ne razume jo kot nujno zlo, a jo ima, ker se jo spodobi imeti in ker jo zahtevajo lastniki podjetja). Zaposleni večinoma poznajo vizijo oziroma je vizija, ki jo zasleduje ravnateljstvo podjetja, večinoma enaka napisani viziji oziroma tisti, ki se sporoča zaposlenim (oziroma drugim ...). Slovenska podjetja vizijo pripravijo za celotno podjetje in ne po posameznih enotah. Vizija slovenskih podjetij ne nastaja s pomočjo zunanjih svetovalcev.

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