

Chapter 5

Building Capacity by Managing a Mission

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ABSTRACT

This chapter contains explanations on how a mission can be used and managed to build capacity within an organization. It investigates and defines the meaning of capacity building by analyzing its elements and purpose. In addition, the chapter describes the leadership style for building capacity through a mission and provides an explanation and description of three phases in building capacity for an organization. The intention of the chapter is to present the rationale for mission statements as a strategy and the anchor for capacity building. The research reveals that an organization's mission statement is an effective tool only if it has an inspiring purpose that is understood by the whole community. This means that simply having a statement is not sufficient to fully incorporate a mission. Rather, the mission statement needs to be properly managed to ensure that the whole community of an organization feels or senses the words expressed in the statement in its daily life at work.

INTRODUCTION

The importance for an institution of building capacity lies in the challenging and unpredictable business environment (Grant, 2002). Griffin, Neal and Parker (2007) explain that in a competitive and changing environment the tasks become more unpredictable, and require adaptive and proactive behavior on the part of community members in a successful organization. Ireland and Hitt (1992) point out that changing events and complex environmental challenges require organizations to sharpen their focus, and use their resources wisely to be successful in the future. Consequently, building capacity in a challenging environment requires a penetrating understanding of customer needs, competitive forces and the organization's strengths, and weaknesses (Grant, 2002), in which effective resource allocation occurs and adaptive and proactive behaviors are fostered. By building capacity, a sense of shared expectation and a powerful drive for progress is established that enables change (Collins & Porras, 1994). Mission statements are advocated (see Bart, 1997a; Bart, 1997b; Bartkus, Glassman, & McAfee, 2000; Campbell and

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Yeung, 1991; Collins & Porras, 1991; Drucker, 1993; Vogt, 1994; Welch & Welch, 2005) to support this activity, since they communicate direction and purpose. ‘Purpose’ refers to reasons that are beyond making money. Its role is to guide and inspire (Collins & Porras, 1994), and also in guiding the resource allocation process in a manner that produces consistency and focus (Bart, 1997b).

The chapter compares three different research approaches on mission statements where [1] the focus was on the process of creating such statements (for example Baetz & Bart, 1998; Davies & Glaister, 1997; Ireland & Hitt, 1992), [2] the elements that should be included and defined in missions (for example Campbell & Yeung, 1991; Collins & Porras, 1991; Davis, Ruhe, Lee & Rajadhyaksha, 2007; King, Case & Premo, 2011; Klemm, Sanderson & Luffman, 1991), and [3] investigations of whether mission statements can be linked to innovation, productivity or any other form of higher performance (for example Bart and Baetz, 1998; Bart, 1998a; Bart, 2004; Desmidt, Prinzie, & Decramer, 2011). The intention is to provide leaders and scholars with insight into the following issues: under what conditions, to what degree, and in what ways a mission statement can be incorporated to build capacity. The practical implication of this research can help in drawing conclusions about how the mission can contribute to creating a directed and focused community that can cope with the challenges of the external business environment.

CAPACITY BUILDING

What exactly is capacity building? According to Gooding (1996) “capacity building means an increased ability to do something: set a goal and accomplish it; assess a need and develop a strategy to reach it; develop a vision and organize around it; or any number of other important activities” (p. 41). It is different from improvement or development, since in order to build capacity we need not just to make something better, but to drive it towards the maximum it can be. For instance, referring to the capacity of institutions, one needs to think of the maximum level at which that organization can perform. This definition suggests that capacity building consists of two broad areas: the building of physical capacity, such as adding more guest- or meeting-rooms to a hotel; and building inspirational capacity within humans by enhancing their cognitive and emotional capabilities. In the context of this chapter, we focus on the latter which is about the development of people, since we are talking about human beings who are the ‘resource’ that can learn and improve. On this subject, Peter Drucker stated that “management is about human beings and its task is to make people capable of joint performance, to make their strengths effective and their weakness irrelevant” (as cited in Haas Edersheim, 2007, p. 157). One of the major management problems that prevent capacity building is that the workforce has not been permitted to use their capabilities fully, or have not been enabled to see the relationship between what they are doing and what others are doing (Schein, 1994).

Management within organizations needs to understand the working environment and its influences on the company as well as its own internal strengths and weaknesses. By understanding the environment and its capabilities, management can drive an organization to develop, foster survival, and growth. Capacity building is about developing in its personnel the kind of flexibility and adaptability needed if an organization is not only to survive but to prosper in the face of a changing environment (Schein, 1994). By focusing on building capacity, employees will feel more confidence to perform on their job because the whole community integrates and forms a professional culture by means of sharing, developing meanings and communicating values and beliefs. Consequently, building capacity requires that

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