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The role of vision in organizational readiness for change and growth

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Abstract

Purpose – The purpose of this paper is to use path analysis to test a model that posits that vision will have both direct relationships with organizational growth and indirect relationships to organizational growth through the mediating effects of organizational readiness for change.

Design/methodology/approach – The population of the study consisted of 104 fully or partially employed business students from a higher education institution located in Southern California. The data were gathered by questionnaires and analyzed by path analysis to test the hypothesized model.

Findings – The results suggested that perceived readiness for change mediates the relationship between vision attributes and organizational growth. Also, there was a direct impact of vision content (VC) on organizational growth. Perceived readiness for change did not mediate the relationship between VC and organizational growth or the relationship between vision communication and organizational growth.

Practical implications – The study makes contributions to both theory and practice. From a theoretical point of view, examining the relationship between organizational vision and perceived organizational readiness for change enriches the understanding of the organizational change process, and in turn enhances organizational performance and growth. In addition, the authors add to existing knowledge by empirically investigating the important role that vision and employees' readiness for change play in organizational success.

Originality/value – Despite many scholars emphasizing the significance of a vision on organizational readiness for change and organizational growth, there is little empirical research that substantiates this assumption. Therefore, this empirical study appears to be the first to explore the idea.

Keywords Organizational performance, Organizational growth, Organizational change, Leadership and change and growth, Leadership and readiness for change, Mediating role of readiness for change, Vision and organizational growth, Organizational vision

Paper type Research paper

1. Introduction

Organizations today face an increasingly dynamic environment laden with unwavering, phenomenal and unpredictable change. Drucker (1999) noted, "Everybody has accepted by now that change is unavoidable" and "change is the norm" (p. 73). Despite organizations' considerable investment into change efforts, most organizational change initiatives fail to meet their strategic objectives (Kotter, 1995, 1996; Weiner *et al.*, 2008). The successful implementation of organizational change greatly depends on how the individuals within the organizations react to the change (Rafferty *et al.*, 2013). Jones *et al.* (2005) argue that while many factors lead to

the failure of organizational change, "few are so critical as employees' attitudes towards the change event" (p. 362).

Readiness for change is defined as the process of altering the cognitions of employees in order to facilitate organizational change (Elias, 2009). Armenakis *et al.* (1993) argue, "readiness for change may act to preempt the likelihood of resistance to change, increasing the potential for change efforts to be more effective" (p. 682). Studies show that change readiness is the precursor for employees to either engage or resist change initiatives (e.g. Elias, 2009). However, little empirical research has focussed on this phenomenon (Eby *et al.*, 2000; Elias, 2009; Shah, 2010). Given the importance of employee readiness for organizational change, it is important to investigate further predictors of readiness to change.

Armenakis *et al.* (1993) noted that the first necessary course of action for creating readiness for change in an organization is to articulate a clear message for change. Communication becomes "a significant factor in helping employees understand both the need for change, and the personal effects of the proposed change" (Goodman and Truss, 2004, p. 217). Organizational members who are considered change-ready hold positive attitudes, beliefs, and sound understanding of the change and why it is important to the organization (Madsen *et al.*, 2006). In the leadership literature, this is a process of creating an appealing vision of a future state of affairs, and fostering confidence that this future state can be achieved (Kotter, 1995). Vision is perceived as an inspiring, motivating, and guiding force that defines the direction for change and inspires organizational members' efforts toward overcoming reluctance to embrace it (Parish *et al.*, 2008; Whelan-Barry *et al.*, 2003). Research shows that articulation and communication of a vision is critical for organizations to successfully cope with change (Baum *et al.*, 1998). There is a lack of systematic and empirical studies regarding the relationship between vision and organizational readiness for change. Given that leaders initiate and drive change (Kotter, 1995), it is imperative that future research examines whether organizational vision has an impact on organizational readiness for change (hereafter organizational RFC). Henceforth, the purpose of this study is to investigate the relationship between vision and perceived organizational RFC.

Organizations utilizing effective vision-driven change strategies can earn and sustain above average profits and competitive advantage (e.g. Kantabutra and Avery, 2010). A study by Chen (2007) showed that a higher level of organizational RFC resulted in improved business management performance. In their review of literature, Pettigrew *et al.* (2001) encouraged the examination of the direct influence of organizational change on performance because, "in very few empirical studies do researchers seek to link change capacity and action to organizational performance" (p. 701). Consequently, we will also examine the relationship between organizational RFC and organizational growth. According to Baum *et al.* (2001), organizational growth is a crucial measure for organizational success.

The study makes contributions to both theory and practice. From a theoretical point of view, examining the relationship between organizational vision and perceived organizational RFC enriches the understanding of the organizational change process, and in turn enhances the ability to initiate and manage change. In addition, we add to existing knowledge by empirically investigating the important role that employees' RFC plays in organizational performance.

2. Organizational vision

Organizational vision is defined in many different ways in the literature. Vision has been described as the essence of work (Tvorik and McGivern, 1997), an all-encompassing

concept that includes organizational values and guiding philosophies that are engaging
and inspiring (Collins and Porras, 1991), an idealized future goal (Kirkpatrick and Locke,
1996; Kotter, 1995), an idea (James and Lahti, 2011), and a set of core values and essential
tasks (Frese *et al.*, 2003), among others. Vision emphasizes change, an idealized future
state (James and Lahti, 2011), and has a longer time span than strategies (James and
Lahti, 2011). Grounding the organization's vision in ideals and values helps leaders
convince followers to pursue the future organizational state, and encourages individual
and organizational performance (Slack *et al.*, 2010).

Efforts by leaders to gather the organizational members' support for change
generally begin with the creation of a vision (Awamleh and Gardner, 1999). Visions
are generally high reaching; they typically challenge the existing norms, convey the
expectation of superior performance and give followers the confidence that they can
attain the vision (Awamleh and Gardner, 1999). For the purpose of this study,
organizational vision is defined as the ideal that represented or reflected the shared
vision to which the organization should aspire (House and Shamir, 1993). The literature
suggests three components of vision: attributes, content, and communication (Baum
et al., 2001; Hickman, 2010).

2.1 Vision attributes (VAs)

Baum *et al.* (1988, 2001) and Kantabutra (2009) used seven VAs to assess organizational
vision. These attributes included brevity, clarity, abstractness, challenge, future
orientation, stability, and desirability (Baum *et al.*, 1998). Brevity is the extent to which
a vision statement includes 11-22 words; clarity is the extent to which a vision
emphasizes a primary goal to be achieved in a clearly determined time frame;
abstractness refers to the fact that the vision reflects an idea the organization strives to
achieve; challenge is the extent to which the vision motivates organization members to
provide superior performance; future orientation is the extent to which a vision is
forward looking; stability refers to the likelihood that the vision will not be affected by
market and technology changes and desirability is the extent to which a vision
specifies a goal and how that goal can benefit members (Kantabutra, 2009).

2.2 VC

There are as many components of vision statements as there are organizations, since
vision statements focus on what a given organization is trying to achieve. A successful
vision takes into account industry, customers, and an organization's specific
competitive environment in identifying an innovative competitive position in the
industry (Pearson, 1989). According to O'Brien and Meadows (2003, p. 494), vision
statements tend to include the following three elements: goal orientation, how the firm
plans to do business, and the type of environment organizational members will be
working in.

A vision statement was also found to impact attitudes and performance of
organizational members. Kirkpatrick and Locke (1996) showed that a vision for high-
quality output positively affected some followers' attitudes, but had a weaker effect on
performance quality. Thus, changes routed in a clear vision should motivate members
to follow that vision. It is also important that organizational members perceive the
change to be appropriate (Armenakis *et al.*, 1999). Appropriateness focusses on
the possibility that individuals may accept a vision while disagreeing that a specific
change is suitable to support that vision (Cole *et al.*, 2006).

2.3 Vision communication (VCM)

Most leadership theories emphasize the importance of communicating a vision by delivering appropriate messages, soliciting feedback, creating readiness for change along with a sense of urgency, and motivating recipients to act (Galvin *et al.*, 2010). Research shows that if a vision is not shared by the entire organization, cynicism, and apathy toward the statements are the common result (Ledford *et al.*, 1995). Unless the vision is properly communicated, it is not likely to be successfully implemented nor will it affect the change sought by organization executives (Bass, 1985). According to Kantabutra (2003), the seven VAs facilitate the leader's communication of the vision to the followers. In this study, VCM is defined as the degree to which a leader communicates his/her vision through any or all of spoken, written, and technology-mediated channels.

3. Readiness for change

Although resistance is often considered a natural response to change, many scholars suggest that RFC decreases resistance to change and improves the likelihood of successful change implementation (Armenakis and Harris, 2002; Eby *et al.*, 2000). The most cited definition referring to organizational RFC is that from Armenakis *et al.* (1993): "beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization's capacity to successfully undertake those changes" (p. 681). Weiner *et al.* (2008, p. 381) define organizational RFC as "the extent to which organizational members are psychologically and behaviourally prepared to implement organizational change." Organizational RFC is viewed as a perception-based construct and is represented by aggregating individual attitudes and cognitions regarding organizational change (Whelan-Barry *et al.*, 2003). Cole *et al.* (2006, p. 1) noted, "Organizational change begins with the individual, as resistance or support are ultimately individual decisions and behaviors." Cole *et al.* further suggest it is not only the organization as a whole that must change, but also individual members. Therefore, the coordinated change of many individuals in organizations is often critical for the change effort to produce visible results (Weiner *et al.*, 2008). In the words of Schneider *et al.* (1996) "If people do not change, there is no organizational change" (p. 7). Therefore, individual readiness for change is an important element for effecting organizational change successfully (Elias, 2009). This is consistent with Choi and Ruona (2011) who observed that employees are not passive receivers of organizational change; rather, they actively engage in the process and react to it. In fact, several studies describe RFC as the extent to which individuals hold positive views about the need for organizational change as well as the extent to which individuals perceive that change will positively impact them and the organization as a whole (e.g. Eby *et al.*, 2000; Jones *et al.*, 2005).

According to Kotter (1996), many organizational change efforts fail or are rendered unsustainable because organizational leaders fail to create sufficient readiness for change. While the concept of RFC has drawn significant attention from researchers, theoretical developments in this area remain limited (Bouckenooghe, 2008). The creation and communication of a vision is a critical component of many organizational change models (Kotter, 1995; McAdam, 2003). Armenakis *et al.* (1999) argue that the vision creates core sentiments in individuals that they then use to guide decisions about their level of support for the change initiative.

4. Organizational growth

The topic of organizational growth as a focus of entrepreneurship scholarship has attracted considerable attention. Organizational growth is referred to as a dynamic

measure of change over time (Weinzimmer *et al.*, 1998). Literature shows that organizational growth is one of the most crucial indicators of overall organizational performance (Baum *et al.*, 2001; Richard *et al.*, 2009; Schein, 1985). Furrer *et al.* (2008) reviewed over 2,000 articles on strategic management in the *Academy of Management Journal*, the *Academy of Management Review*, *Administrative Science Quarterly* and the *Strategic Management Journal*, published between 1980 and 2005, and found that over one-third of the articles were concerned with organizational performance. In most studies, performance is treated as an aggregate organizational-level outcome or a dependent variable (Richard *et al.*, 2009). A meta-analysis by Capon *et al.* (1990) shows that researchers use various measures and methods for analyzing growth in organizations, such as employment, market share, physical output, profits, and sales. There seems to be an emerging consensus that if only one indicator is to be chosen as a measure of organizational growth, the most preferred measure should be sales (Delmar *et al.*, 2003). Sales growth is considered a significant performance measure particularly for new business organizations, as growth in sales indicates market acceptance of the organization's products or services. In addition, profitability (Delmar *et al.*, 2003), competitiveness (Jang and Park, 2011), and employment (Hoogstra and van Dijk, 2004) measures are also widely used in empirical growth research.

5. Linking readiness for change to vision and organizational growth
A number of studies support the pivotal role of a leader's vision in attaining greater organizational growth (Agha *et al.,* 2012; Baum *et al.,* 1998; Calantone *et al.*, 2002; Kantabutra, 2009; Kirkpatrick and Locke, 1996; McGivern and Tvorik, 1998). However, empirical investigation of the relationship between organizational change and organizational performance, a missing area that is important to enhance organizational effectiveness for both scholars and practicing managers, has remained largely unexplored (Kantabutra, 2009; Pettigrew *et al.*, 2001). In order to optimize organizational performance and growth, organizations must be adept at planning, implementing and managing change on an ongoing basis (Liozu *et al.*, 2014; Wischnevsky and Damanpour, 2006; Yonnedi, 2010). Geroski emphasizes that organizational growth and survival depend on an organization's capacity to link changes in its strategy choices to the changing environment. This implies that in the context of a dynamic business environment, organizations aspiring growth must be ready for change. Organizational RFC is defined by Eby *et al.* (2000) as the extent to which individual employees perceive that the organization has the capacity to effect successful change. However, there is a lack of empirical research of change as a function of the combined effects of organizational performance and vision (Boeker, 1997). In this respect, the present study proposes the mediating role of readiness for change in the relationship between vision, as measured by its components, and organizational growth. Accordingly, the following hypotheses are proposed:

H1. Perceived organizational RFC mediates the relationship between VAs and organizational growth.

H2. Perceived organizational RFC mediates the relationship between VC and organizational growth.

H3. Perceived organizational RFC mediates the relationship between VCM and organizational growth.

6. Methodology

6.1 Participants

The sample for the study consists of a group of 200 non-traditional undergraduate and graduate business students from a small college in Southern California. Since the purpose of this study was to investigate the mediation effect of perceived RFC on the relationship between vision and organizational growth, we required the participants had at least four years of working experience, organizations they worked for had written vision statements, and they had experienced an organizational change at work. In all, 200 questionnaires were distributed and 139 were completed and returned for a response rate of 69.5 percent. In all, 35 of the 139 participants did not meet the above criteria and were excluded from this study. As a result, a total of 104 participants were included in the final sample for data analysis. On average, students in this program are 31-years old, with six years of work experience. At the time the study was conducted, all but one participant was employed, among which 45 percent were employed full time and 37.8 percent worked at the supervisory level or above.

Structural equation modeling (SEM) is a large sample technique (Kelloway, 2015). For example, a sample size of 100-200 is required for models with latent variables (Marsh *et al.*, 1988). As a general guideline for calculating the power for structural equation models, the ratio of sample size to estimated parameters between 5:1 and 10:1 is commonly used (Bentler and Chou, 1987). As a result, a sample of 70-140 is needed for this study as 14 parameters were estimated in the statistical models. However, large sample size of 200-350 may be preferred based on power analysis calculators.

6.2 Measures

The 44-item survey instrument consisted of three independent sections. The first section was a cover letter that gave respondents information about the purpose of the study and guaranteed confidentiality of the answers. This section also included demographic questions on characteristics of the respondents such as gender, age, education, job responsibility, and level of employment.

VAs, VC, VCMs, and organizational growth were measured using a scale developed by Baum *et al.* (1998). The scale has 19 statements and a five-point Likert scale (strongly disagree to strongly agree). VAs measures the seven attributes (brevity, clarity, abstractness, challenge, future orientation, stability, and desirability or ability to inspire) that Baum *et al.* (1998) suggested for the vision to be effective. For example, the questions to measure VAs for clarity was "Is/was its meaning clear and easily understandable?" VC measures the extent to which the contents of a vision involves an organization's high growth of profits, sales, employment, facilities, market share, financial strength, or product offerings. One of the items to measure VC was "Does/did it refer to high growth in profits?" VCM was measured on one item, as vision is generally communicated through a written vision statement. Organizational growth instrument measured to what extent the vision statement has a positive impact on organization's sales, employment and profit. One of the items used to measured organizational growth, "Do you believe the vision statement has had/had a positive impact on sales." Perceived RFC was measured by the 18-item scale by Dunham *et al.* (1989). One of the questions used to measure RFC was "Change usually helps improve unsatisfactory situations at work."

6.3 Data analysis

Descriptive statistical analysis was used to present the main characteristics of the sample. Data analysis was conducted in two phases. First, all scales were subjected to

reliability analysis. Second, Pearson's correlation of organizational vision (VAs and VCs), perceived RFC, and organizational growth was used to test the magnitude and direction of relationships of the variables. Three hypotheses were tested using nested models (Judd and Kenny, 1981; Holmbeck, 1997) in AMOS. AMOS is component of SPSS that is designed to perform SEM. Traditionally, the four-causal-steps model proposed by Baron and Kenny was the most popular model to test the mediation effect because of its simplicity and easy interpretation. However, that model has been scrutinized for several reasons including low statistical power, the imposed requirements of all statistically significant paths, and no confidence interval (CI) available for indirect effect (Hayes, 2009). In contrast, the nested model method applied in this study takes advantage of SEM by comparing the nested models with different parameter constrains in order to detect the mediation effect, which can help avoid the limitations in the Baron and Kenny model (Judd and Kenny, 1981; Preacher and Hayes, 2008).

6.4 Results

6.4.1 Descriptive statistics, reliability, and Pearson's correlations. The descriptive statistics, displayed in Table I, provide a demographic summary of the participants on

Demographic variables	Frequency (n)	Percentage
Gender		
Male	61	58.7
Female	43	41.3
Age group		
Under 21	10	9.6
21-30	61	58.7
31-40	14	13.5
41-50	6	5.8
50 and older	13	12.5
Education		
High school	56	53.8
2-year college	9	8.7
4-year college	17	16.3
Graduate school and over	22	21.2
Job responsibility		
General management	12	11.5
Operations/production	26	25.0
Administration, logistics, or financial/accounting	14	13.5
Human resources	1	1.0
Marketing/sales	46	44.2
Technical/R&D	5	4.8
Level of employment		
Senior management	4	3.8
Middle management	17	16.3
Supervisory	18	17.3
Non-management technical/professional	8	7.7
Non-management hourly employee	56	53.8
Volunteer	1	1.0
Note: $n = 104$		

Table I.
Demographic
information of
participants

the study. The descriptive statistics, reliability, coefficients, and correlation coefficients of each variable can be seen in Table II. Reliability analyses were conducted by applying Cronbach's α. Cronbach's α coefficient in all cases was over 0.7, the criterion usually considered to identify strict internal consistency (Hair *et al.*, 1998).

Using a Pearson product moment correlation, correlations were tested using $p < 0.05$ criterions. In some cases the correlations were significant at $p < 0.01$, and where this was the case, it is noted in the table. The result of Pearson's correlation showed that VAs have significant positive relationship with VC and RFC. In addition, relationships between VAs, VCs and RFC are significantly positive with organizational growth.

6.4.2. Testing hypotheses. Path analysis was run to test the mediation effect through perceived organizational RFC on organizational growth. The initial model is a saturated model in which all the independent variables including VAs, vision connection, and VCM were linked to organizational growth directly and through perceived organizational RFC. Figure 1 demonstrates the mediation model. In order to test the mediation effect through perceived RFC, the model was constrained as follows:

- Step1: test for complete mediation. In this step, two nested models: the model in which c' (the direct effect of the vision variables on organizational growth) was constrained to 0 and the model with c' included were compared with each other. If the comparison resulted in no significant change in model fit, then there was a full mediation effect. Otherwise, there was not a full mediation effect.

- Step 2: test for partial mediation. In this step, c' was constrained to c (the total effect of vision variables on organizational growth). If a significant decrease in model fit occurred and c' (the direct effect of the vision variables on organizational growth) is less than c (the total effect of vision variables on organizational growth), and then the partial mediation effect was confirmed. In other words, the indirect effect (the product of a and b) was confirmed. Otherwise, there was not a partial mediation effect.

Variable	M	SD	α	1	2	3	4
1. Vision attributes	3.83	0.68	0.81		0.457**	0.225*	0.542*
2. Vision contents	3.28	1.03	0.91			0.062	0.553**
3. Readiness for change	3.82	0.50	0.84				0.322**
4. Organizational growth	3.56	0.92	0.85				

Notes: $n = 104$. *M*, mean; SD, standard deviation. *,**Correlation is significant at the 0.05 and 0.01 levels (two-tailed)

Table II.
Descriptive statistics, reliability, and Pearson's correlations

Figure 1.
Mediation model between vision and growth with Perceived RFC as the mediator
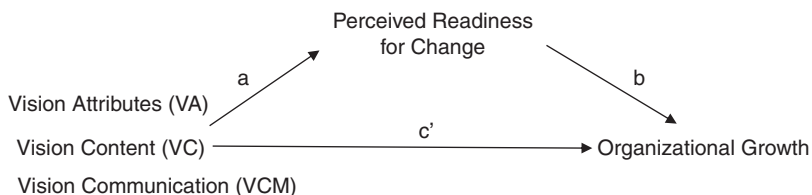
Both steps were tested for the three vision variables and the results are shown in Table III. For the significant indirect effect, a bootstrapping method was used to confirm the effect and estimate the CI since such method does not assume normal distribution of the indirect effect and it can produce more accurate results (Shrout and Bolger, 2002).

There was a partial mediation effect through Perceived RFC between VAs and organizational growth. In step 1 when path c' was constrained to 0, it resulted in a significant decrease in model fit ($\chi^2 = 30.833$, df $= 1$, $p < 0.001$). Therefore, there was not a complete mediation model from VAs to organizational growth through perceived RFC; in step 2 when path c' (the direct effect of the vision variables on organizational growth) was constrained to equal c (the total effect of vision variables on organizational growth), it resulted in a significant decrease in model fit as well ($\chi^2 = 7.413$, df $= 1$, $p = 0.006$). Also, c' (0.28) is smaller than c (0.36). That means there was a partial mediation effect through perceived RFC between these two variables. Therefore, *H1* that perceived organizational RFC mediates the relationship between VAs and organizational growth was supported. When using bootstrapping method estimating the indirect effect (the product of a and b), the 90 percent CI was between 0.018 and 0.128. Therefore, the indirect effect was significantly different from 0. Thus, a significant indirect effect was confirmed using the bootstrapping method as well.

For VC, neither full mediation effect nor partial mediation effect through Perceived RFC between it and organizational growth was identified. In step1 when path c' (the direct effect of the vision variables on organizational growth) was constrained to 0, it resulted in a significant decrease in model fit ($\chi^2 = 39.365$, df $= 1$, $p < 0.001$). Therefore, there was not a complete mediation model from VC to organizational growth through perceived RFC; in step 2 when path c' (the direct effect of the vision variables on organizational growth) was constrained to equal c (the total effect of vision variables on organizational growth), it resulted in a non-significant decrease in model fit as well ($\chi^2 = 1.245$, df $= 1$, $p = 0.265$). That means there was no partial mediation effect through Perceived RFC between these two variables either. Therefore, *H2* that Perceived Organizational RFC mediates the relationship between VC and organizational growth was not supported.

Similarly, neither full mediation effect nor partial mediation effect through Perceived RFC between VCM and organizational growth was identified. Because there was no direct effect of VCM on organizational growth ($\beta = 0.162$, $p = 0.100$), step 1 was not tested. In step 2 when path c' (the direct effect of the vision variables on organizational

Model	χ^2	df	p
Vision attributes			
Step1-VA	30.833	1	0.000
Step2-VA	7.413	1	0.006
Vision content			
Step1-VC	39.365	1	0.000
Step2-VC	1.245	1	0.265
Vision			
Step1-VCM	–	–	–
Step2-VCM	1.161	1	0.281

Table III. Comparison of fit indexes for nested models of the mediation effect through perceived organizational readiness for change on organizational growth

growth) was constrained to equal c (the total effect of vision variables on organizational growth), it resulted in a non-significant decrease in model fit as well ($\chi^2 = 1.161$, df = 1, $p = 0.281$). That means there was no partial mediation effect through Perceived RFC between these two variables either. Therefore, *H3* that Perceived Organizational RFC mediates the relationship between VCM and organizational growth was not supported either (Table IV).

Based on the mediation effect results, the selected model only preserved the direct links from VAs and VC to organizational growth and the indirect link through perceived organizational RFC of VAs on organizational growth. The model fit data showed this model fitted the data really well. For example, the χ^2 result showed that the selected model was preferable because it was more parsimonious than the initial model while fitting the data well. Also, the CFI value was close to 1 and the RMSEA value was less than 0.05. They both suggested a good fit of the model to the data. The AIC and BIC values were also lower than the initial model. Therefore, the selected model was chosen to represent the relationship between the vision variables and organizational growth.

The selected path model confirmed the partial mediation relationship through perceived organizational RFC from VAs on organizational growth. Figure 2 includes all the standardized paths for the model and Table V contains the standardized direct, indirect, and total effects of this model. Using the criteria set by Keith, VAs had a large direct effect on organizational growth and also it had a small indirect effect through perceived organizational RFC with a total effect of 0.36 on organizational growth.

7. Discussion

This research was intended primarily to explore the mediation effect of perceived RFC on the relationship between organizational vision and growth. The findings support previous findings by Baum *et al.* (1998) that the vision directly impacted venture growth. Path analysis results suggest that perceived RFC is found to be a partial mediator between VAs (measured by brevity, clarity, abstractness, challenge, future orientation, stability, and desirability) and organizational growth. Significant positive correlation is found among VC, VCM, and VAs. Consequently, VAs are very important in conveying both VC and VCM in working their way through perceived RFC and organizational growth. Kotter (1995) and others (e.g. Rusly *et al.*, 2012) suggested that linking the vision and RFC could enhance employees' involvement in and contribution to performance outcomes. This finding also supports other research of this nature (e.g. Baum *et al.*, 1998; Kantabutra, 2003) that the seven VAs directly affect overall organizational performance. However, how each VA creates an impact on organizational growth is still largely unexplored. This indicates an area for future research.

Table IV.
Comparison of fit indexes for alternative models of the indirect effect through perceived organizational readiness for change on organizational growth

Model	χ^2	df	p	CFI	RMSEA	AIC	BIC
Initial	0	0		1.000	0.301	30.000	69.666
Selected	3.128	3	0.372	0.999	0.020	27.128	58.861
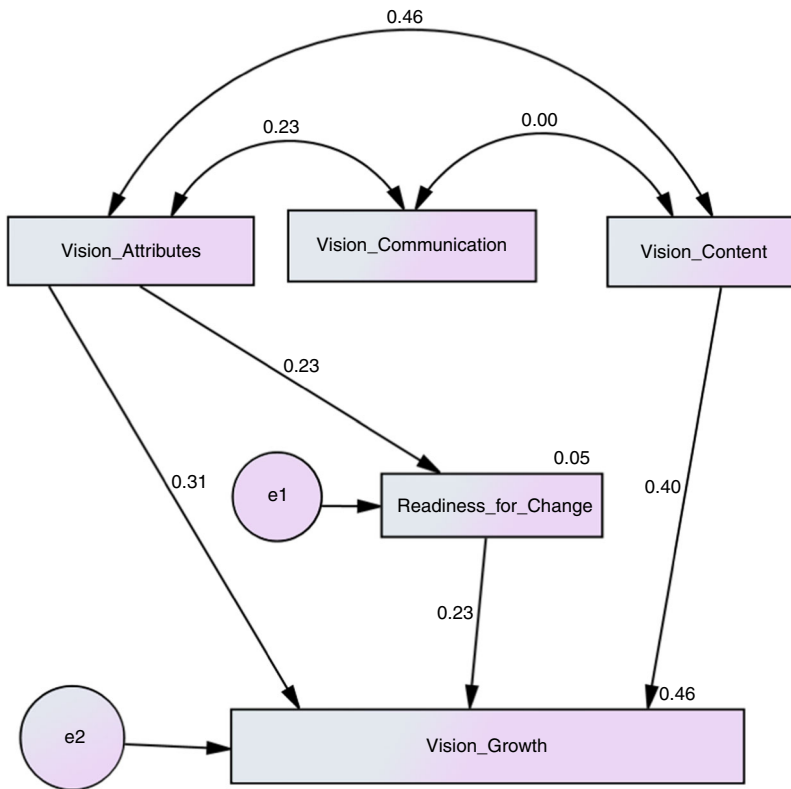
Figure 2.
Path model testing
the mediation effect
of perceived ORC
between VA and
organizational
growth

Table V.
Standardized direct,
indirect, and total
effects of vision
attributes, vision
content, and perceived
organizational
readiness for change
on organizational
growth

Variable	Direct effect	Indirect effect	Total effect
Vision attributes	0.31	0.05	0.36
Vision content	0.40		0.40
Readiness for change	0.23		0.23

Somewhat surprisingly, the hypothesized relationship between VCM, RFC, and
organizational growth was not supported. This finding contradicts many prior studies
that found that VCM is key to successful implementation of a vision (Bass, 1985; Baum
et al., 1998; Kantabutra, 2003; Kotter, 1995). The divergence of the present study's
results from past results may have stemmed from the fact that VCM variable in this
study includes only written communication (vision statement), although
communication styles may vary across organizations and cultures (Sosik and Sandi,
2007). For example, Kouzes and Posner (1987) note a vision must be communicated to
others, both through written statements and personal communication. According to
Sullivan (1988), leader oral communication would motivate and elicit commitment

from employees to achieve desirable outcomes at all organizational levels. Similarly, Kantabutra (2009) posits that personal or spoken communication is widely regarded as a critical VCM channel. A useful direction for future research would be to examine how leaders communicate effective strategic vision using a more diverse sample from various industries, as Westley and Mintzberg (1989) note, "How the vision is communicated becomes as important as what is communicated" (p. 19).

The hypothesis that the relationship between VC and organizational growth would be mediated by RFC was not supported. The lack of support for the hypothesis may have two possible explanations. First, strong delivery is essential for content to have its intended effects on followers (Collins and Porras, 1991). In the current study, a weak delivery may have hindered the communication of the VC, and this is likely to have influenced the participants' perceptions toward RFC and organizational growth. This is consistent with Awamleh and Gardner (1999) who note when a vision is poorly communicated organizational members may feel confused, lack a sense of purpose and direction, no matter how inspirational its content may be. Second, Kantabutra (2008) suggests that what should be included in VC depends on how an organization wants to position itself strategically. Formulation of VC depends on the types of business and the environments in which they operate (Collins and Porras, 1991). Future studies may benefit from research on what constitutes VC in today's technology-oriented world. This is consistent with various research findings (e.g. Kantabutra, 2008; Kirkpatrick and Locke, 1996) that the content and construction of the vision plays a significant role in terms of vision acceptance and follower commitment to the vision.

8. Implications for practice

Results of the present study have at least three implications for leaders. First, leaders should specifically focus on crafting their visions to contain the seven VAs since visions characterized by brevity, clarity, abstractness, challenge, future orientation, stability, and desirability are a direct predictor of organizational performance. Seven VAs is a core antecedent of organizational RFC, in turn positively affecting organizational growth. The study suggests that VAs are important to both VC and VCM because the seven VAs facilitate the leader's communication of the vision to the followers.

Second, the results reinforce the importance of undertaking pre-implementation assessments of readiness for change. Such assessments should help managers make specific choices about strategies and tactics that are needed to help foster employee enthusiasm for organizational performance. The finding is consistent with McNabb and Sepic (1995) who determined that a lack of RFC hampered the effectiveness of an organization.

Third, leaders should be trained to produce vision that contributes to organizational growth. Inspiring visions have been positively linked to followers' level of commitment, perception of meaningfulness of their work, and willingness to make sacrifices for the organization (Shamir et al., 1993). Organizational growth is a process of change (Weinzimmer et al., 1998), and in order to effect a sustainable change, leaders need to learn to communicate persuasive messages concerning the need for change. Vision must be communicated to the organizational members, through multiple channels, in order to convince them to support it. An important implication of the finding is that the employees who are change ready will be more likely to positively contribute to the growth of an organization. Ultimately, facilitating employees' RFC is necessary for helping organizations fulfilling their current and future goals.

9. Conclusion

To conclude, this study deepened the understanding the effects of vision on organizational performance and the mediating role of RFC. The importance of successfully enacting change to improve organization performance is a critical issue facing today's organizational leaders. Leaders need to formulate an inspirational vision, and effectively communicate the vision via multiple channels to create a sense of readiness for change. By improving change readiness organizations should be able to create initiatives effectively for organizational growth and competitiveness.

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