

## **Identifying Vision Realization Factors in Apparel Stores: Empirical Evidence from Australia**

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### **ABSTRACT**

Leaders are widely exhorted to communicate their visions, realign organizational systems to suit their visions, empower and motivate their followers to realize their visions. Extending previous research, this paper investigated simultaneous relationships among these variables in Australian apparel retailers.

Vision communication creates a direct effect on customer satisfaction, while organizational alignment and motivation of staff make an indirect impact on it. Vision communication, organizational alignment, and empowerment of staff create indirect effects on staff satisfaction, while motivation of staff has a direct impact on staff satisfaction. Managerial implications and future research directions are also discussed.

*JEL Classification: M10*

*Keywords: Visionary leadership; Vision communication; Organizational alignment; Empowerment; Motivation*

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## I. INTRODUCTION

Since the impact of vision has been little investigated in the Australian retail sector, a structural model, relating vision realization factors to performance at the store level, was developed and tested in Australian retail stores. Findings, future research directions, and managerial implications are discussed.

## II. VISION CONCEPTS

### A. Vision

Despite its claimed importance, vision is still not defined in an agreed upon manner. Vision is frequently confused with, or even deliberately combined with, mission, goals, strategy, values and organizational philosophy (Kantabutra and Avery, 2002; Levin, 2000). Adopting a practical approach, Baum et al. (1998) defined “vision” as whatever each leader defines it, given that it is the leader’s actual vision that guides his/her choices and actions. Moreover, since each leader develops a vision in his/her own way, either rationally and objectively, or intuitively and subjectively (Nanus, 1992), it is unrealistic to expect visions to conform to a standard definition. In investigating any links between vision-based leadership and performance, it is necessary to consider the tools that a leader employs, rather than a potentially unrelated theoretical definition. Baum, Locke and Kirkpatrick’s (1998) approach of adopting what individual leaders regard as a vision provides a pragmatic way around the definitional confusion in the vision literature, and therefore was adopted in this study.

### B. Realizing Vision

Once a vision is formulated, the vision must be communicated, organization arrangements must be re-aligned, and employees must be empowered and motivated to carry out the vision. Each theme is discussed in detail below.

Visionary leaders communicate their visions to promote changes and broaden support. They must communicate their visions in ways that reach out to organization members, gripping them at heart and making them want to get involved in carrying out the visions (Sashkin, 1985). Vision communication in this present study was defined as the extent to which a leader communicated his/her vision through spoken, written and technology-mediated channels.

Visionary leaders align organizational systems to support their visions. They alter existing organizational infrastructure to suit their visions because it is seen as critical to achieving their strategy (e.g. Priem and Rosenstein, 2000). Organizational alignment in this study was defined as the extent to which a leader (a) reassigned his/her employees as needed to support his/her new vision and (b) set up new employee evaluation criteria according to the new vision.

Visionary leaders empower their people to act consistently with the new vision and to assist in sustaining their commitment to it (e.g., Cowley and Domb, 1997).

Empowerment was defined in this study as the extent to which a leader (a) delegated work to employees, (b) provided resources and support services to employees, and (c) encouraged employees to make more decisions regarding daily operations.

Visionary leaders motivate their followers to implement their visions, particularly in times of difficulty (e.g. Awamleh and Gardner, 1999). Motivation in this study was defined as the extent to which a leader (a) acted as a role model for employees, (b) built employees' self confidence, (c) created challenges for employees, and (d) rewarded employees who acted consistently with his/her vision.

### C. Defining Performance Outcomes

Without suggesting that they exhaustively explain overall organizational performance, customer and employee satisfaction were adopted in this study as two performance outcomes. Both are more responsive to leaders' behavior within the short time frame of the study than financial performance measures, and could be obtained from small businesses. Employee satisfaction affects customer satisfaction because customer satisfaction or dissatisfaction develops when a customer comes in contact with employees (Evans and Lindsay, 1996). Generally, high customer satisfaction indicates increased loyalty for current customers, reduced price elasticities, insulation of current customers from competitive efforts, lower costs of future transactions, reduced failure costs, lower costs of attracting new customers, and an enhanced reputation for the firm (Fornell, 1992).

Customer satisfaction in this study was defined as the extent to which a customer was satisfied with (1) availability of employees for information and advice, (2) friendliness of employees, (3) overall decoration of store, (4) presentation of goods, (5) cleanliness of the store, (6) quality of goods, (7) richness of choice, (8) waiting time for checkout, (9) methods of payment, (10) price labeling, (11) availability of special offers and sales, (12) shopping hours, (13) prices, and (14) shelf/rack layout (Hackl, Scharitzer, and Zuba, 2000).

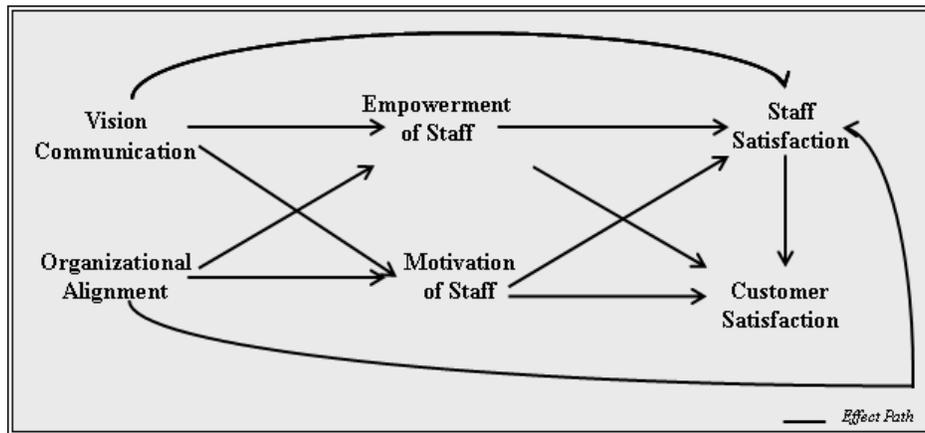
Employee satisfaction was defined in this study as the extent to which an employee was satisfied with (1) dollar remuneration, (2) fringe benefits, (3) autonomy (job-related independence, initiative, and freedom), (4) task requirements (job activities that must be done), (5) organizational policies, (6) interaction (formal/informal, social and professional contact at work), (7) professional status, (8) quality of supervision, (9) colleagues, (10) recognition of success, and (11) career advancement (Slavitt, Stamps, Piedmont, and Hasse, 1986).

## III. STRUCTURAL MODEL

Figure 1 depicts the structural model, derived from the literature on vision, business strategy, leadership, and business performance. Vision communication was postulated to impact staff satisfaction directly and indirectly through empowerment and motivation of staff. Vision communication was also postulated to indirectly impact customer satisfaction through empowerment and motivation of staff, and staff satisfaction. Similarly, organizational alignment was postulated to impact staff satisfaction directly and indirectly through empowerment and motivation of staff. Organizational alignment

was also postulated to indirectly impact customer satisfaction through empowerment and motivation of staff, and staff satisfaction. Both empowerment and motivation of staff were postulated to directly impact both staff and customer satisfaction.

**Figure 1**  
Structural model linking vision realization factors – store performance outcomes



Based on the structural model, the following hypotheses were advanced. Since the literature continues pointing out the positive impact of vision-based leadership on performance, directional hypotheses were adopted in this study.

- H<sub>1</sub>: Vision is predictive of enhanced customer satisfaction.
- H<sub>2</sub>: Vision communication is predictive of enhanced customer satisfaction.
- H<sub>3</sub>: Organizational alignment is predictive of enhanced customer satisfaction.
- H<sub>4</sub>: Empowerment of staff is predictive of enhanced customer satisfaction.
- H<sub>5</sub>: Motivation of staff is predictive of enhanced customer satisfaction.
- H<sub>6</sub>: Staff satisfaction is predictive of enhanced customer satisfaction.
- H<sub>7</sub>: Vision is predictive of enhanced staff satisfaction.
- H<sub>8</sub>: Vision communication is predictive of enhanced staff satisfaction.
- H<sub>9</sub>: Organizational alignment is predictive of enhanced staff satisfaction.
- H<sub>10</sub>: Empowerment of staff is predictive of enhanced staff satisfaction.
- H<sub>11</sub>: Motivation of staff is predictive of enhanced staff satisfaction.
- H<sub>12</sub>: Customer satisfaction is predictive of enhanced staff satisfaction.

#### IV. METHOD

The sample was drawn from apparel stores in Sydney, Australia, that sell brand-new, finished clothing products for individual consumption, excluding shoes and accessories. Therefore, stores are the level of analysis for the study. Both independent stores and

those belonging to a parent company, located in a shopping mall and had their own identity, being in a clearly-defined walled area, were sampled.

Nineteen major shopping centers were randomly selected and all qualifying stores approached. Of all qualifying stores, 111 stores (70%) agreed to participate, with 48 stores (30%) declining. Store managers, and up to three staff and three customers from each participating store were interviewed. Three staff members per store represented over 50% of each store's staff population on average, given that 70% of the Australian Retailer Association's members in 2001, in New South Wales, employed five or fewer employees on average (<http://www.ara.com.au/>). To be consistent with the staff sample, a minimum of three customers per store was adopted as the customer sample size since the customer population was unknown.

Store managers refer to fulltime store employees who manage their own stores and are stationed there daily. The latter criterion was important because the study was interested in the effects of one manager's vision only. Staff members include fulltime, parttime and casual employees working under the store managers, and customers are individuals who were observed buying a product or service during the researcher's visit.

If no customer was observed buying during the researcher's visit, the researcher returned later until three customers agreed to participate or three visits were made to the store. Restricting customers to those who made a purchase was justified, because they did not know why they were chosen. Therefore, it is unlikely that their responses would defend their purchase behavior by rating their own satisfaction higher.

One hundred and forty eight staff members and two hundred and fourteen customers were surveyed. The average number of employees sampled per store was 1.3, ranging across the stores from one to three employees per store. The average number of customers sampled per store was 1.9, ranging across the stores from one to three customers per store.

## V. DATA COLLECTION & ANALYSIS

Separate questionnaires were used for store managers, staff and customers. A nine-point Likert-type scale underlay all questionnaire items measuring vision communication, organizational alignment, empowerment and motivation, and customer and staff satisfaction domains. Three trained research assistants interviewed store managers and their staff and customers. The response rate of the store manager respondents was 70%. Response rates for staff and customers were 44% and 64% respectively. Those who refused were not reapproached.

The store manager questionnaire collected data on vision, organizational alignment and demographic information. It asked the store managers whether they had a vision for their store (yes/no). Here a vision was defined for them as a future envisioned for their particular store, i.e. how they wanted to see their store develop in the future. A Store Manager may or may not adopt his/her parent company's vision as his/her own. If they indicated "yes", they were also asked to write down their vision statements. They were also asked to what extent they: (a) reassigned staff as needed to support their vision; (b) set up new staff evaluation criteria according to their vision.

The staff questionnaire asked whether a store manager had a vision as defined in the store manager questionnaire. It also asked about store manager vision

communication, empowerment and motivation. In a store with a vision, staff members were asked to indicate the extent to which store managers communicated their vision to them through spoken, written and technology-mediated communication. They were also asked to indicate the extent to which store managers: (a) delegated work to them; (b) encouraged them to make decisions regarding their daily operations; (c) provided adequate resources and support services to them. In terms of motivation, staff were asked to indicate the extent to which store managers: (a) acted as a role model to them; (b) built their own self-confidence; (c) challenged them to do their jobs better; (d) rewarded them. Lastly, staff responded to the eleven items of job satisfaction based on criteria developed by Slavitt, Stamps, Piedmont, and Hasse (1986) as discussed earlier.

The customer questionnaire collected data on the fourteen items, discussed above, from Hackl, Scharitzer, and Zuba (2000), measuring customer satisfaction with services at the store. Only those managers who were willing to participate were included in this analysis. Each staff was asked if he/she was willing to participate in the study. If he/she agreed, the researcher would accompany him/her out of the store to fill in the questionnaire. Although the store manager could see which staff completed the questionnaire, he/she was not able to access the staff's responses. After the first staff agreed to participate, the researcher then continued by approaching the next staff he/she met at the store until three staff questionnaires were completed, or until it was not possible to complete three staff questionnaires (e.g., a store had only two staff members).

Similarly, each customer was asked if he/she was willing to participate in the study. If he/she was willing to do so, the researcher would accompany him/her out of the store, and instruct him/her to answer the questionnaire. The researcher continued by approaching the next buying customer until three customer questionnaires were completed, or until it was not possible to complete three customer questionnaires (e.g., a store did not have three customers who were buying a product during the day of visit).

In a store where there were multiple staff and customer respondents, the ratings within a store were averaged to get a single set of numbers for the store. All store manager, customer and staff respondents were ensured strict confidentiality.

Combining scores of sub-variables to form each independent measurement domain construct was considered justified, because they were adjusted according to results of a confirmatory factor analysis. Spoken vision communication was excluded from the vision communication variable to improve the validity of vision communication construct, because its factor loading did not load at 0.5 or higher (see Table 12). As for customer and staff satisfaction measurement domains, since each was tested separately, they were only tested for component analysis (see Tables 13 and 14). To improve validity of the two constructs, three items (availability of special offers and sales, shopping hours, and prices) were dropped from the customer satisfaction construct and three items (pay, fringe benefits, and opportunities for advancement) were also dropped from the staff satisfaction construct. This is because factor loadings of these six items did not load at 0.5 or higher.

Cronbach's alphas were employed to confirm the reliability of vision communication, organizational alignment, empowerment and motivation, and customer and staff satisfaction variables. All six variables indicated Cronbach's alpha values exceeding or close to 0.7 (see Table 2), an acceptable reliability value (Nunnally, 1978). One-tailed tests were adopted at the 5% level of significance.

## VI. RESULTS

Store managers had been with the stores for 3.39 years on average. Staff members consisted of full-time (30% of respondents), part-time (23%), and casual (47%) respectively, and had worked in their stores for an average of 2.64 years. Stores averaged 6.29 staff members in total, including 2.34 full-time, 2.47 part-time, and 4.35 casual staff members. Among the 111 stores, 81 (73%) store managers reported having a vision for their store. Table 1 below shows examples of store managers' vision statements.

**Table 1**  
Store managers' vision statements

Store Managers' Vision Statements
"X" is a casual wear retailer committed to provide our customers with value for money merchandise. Professional customer service and comfortable shopping environment at convenient locations.
To grow my business with all the new competition in the center.
To maximize my clientele and provide the best service and prices.
Have steady regulars, achieve salary, sales, storage. Regularly win state awards, train staff to rise in positions within company future managers.
Establish a regular client base and maintain a happy, productive working environment, ultimately resulting in reaching exceeding sales targets.
Friendly efficient staff, happy customers who continue to purchase from my store. Guest awareness of product and passing on information to clients.

Averaged total scores, pooled standard deviations, and Cronbach's alpha values for the major dependent and independent variables are presented in Table 2. \*\* indicates that correlation is significant at the 0.01 level. Before discussing the results, it must be noted that the reported p-values were two-tailed and divided by two to get one-tailed p-values for this present study.

From the correlation analysis, a significant, positive correlation was found between organizational alignment and customer satisfaction. Significant, positive correlations were also found between vision communication, organizational alignment, empowerment and motivation, and staff satisfaction.

In testing Hypotheses 1-6, hierarchical regression was adopted. The regression result reveals that vision communication and staff satisfaction created significant direct effects on customer satisfaction (see Table 6). However, the effect from vision communication was negative. The regression result also reveals three significant,

indirect effects from existence of a vision, organizational alignment and motivation of staff on enhanced customer satisfaction (see Tables 3, 4, 5).

**Table 2**  
Means, standard deviations, Cronbach's alpha, and correlation values for major variables

Variable	N	Mean	s.d.	TCUS_SAT	TSTF_SAT	STO_VCOM	STO_EMP	STO_MOT	STO_ORGA
TCUS_SAT	111	75.9041	12.45631	0.96	0.54**				0.54**
TSTF_SAT	111	57.5495	11.60937	0.54**	0.91	0.19*	0.41**	0.54**	0.43**
STO_VCOM	83	6.7711	4.63898		0.19*	0.73	0.24*	0.21*	
STO_EMP	84	22.9286	4.43368		0.42**	0.24*	0.89	0.8**	
STO_MOT	84	31.0476	5.07986		0.54**	0.21*	0.8**	0.95	
STO_ORGA	111	11.4955	7.45639	0.54**	0.43**				0.65

**Table 3**  
Regression analysis between existence of vision and customer satisfaction  
(adjusted  $R^2=0.089$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	73.026	2.012		36.297	.000
	V_EXIST	7.282	2.238	.314	3.254	.002

a. Dependent Variable: TCUS\_SAT

**Table 4**  
Regression analysis between organizational alignment and customer satisfaction  
(adjusted  $R^2=0.287$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	65.493	1.840		35.597	.000
	sto_organ	.906	.134	.542	6.736	.000

a. Dependent Variable: tcus\_sat

**Table 5**

Regression analysis between existence of vision, vision communication, organizational alignment, empowerment, motivation and customer satisfaction (adjusted  $R^2=0.099$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	67.572	6.744		10.019	.000
	V_EXIST	7.309	5.145	.253	1.421	.159
	STO_VCOM	-.413	.222	-.203	-1.863	.066
	STO_ORGA	9.300E-02	.295	.056	.316	.753
	STO_EMP	-.566	.377	-.267	-1.503	.137
	STO_MOT	.648	.327	.348	1.980	.051

a. Dependent Variable: TCUS\_SAT

**Table 6**

Regression analysis between existence of vision, vision communication, organizational alignment, empowerment, motivation, staff satisfaction and customer satisfaction (adjusted  $R^2=0.166$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	56.358	7.720		7.301	.000
	V_EXIST	7.811	4.953	.271	1.577	.119
	STO_VCOM	-.474	.215	-.233	-2.210	.030
	STO_ORGA	5.266E-02	.284	.032	.186	.853
	STO_EMP	-.500	.363	-.236	-1.376	.173
	STO_MOT	.282	.343	.152	.821	.414
	TSTF_SAT	.356	.133	.326	2.681	.009

a. Dependent Variable: TCUS\_SAT

Similarly, hierarchical regression was adopted for testing Hypotheses 7-12. The regression result reveals two significant, direct effects from motivation of staff and customer satisfaction on enhanced staff satisfaction (see Table 11). In addition, four significant, indirect effects from organizational alignment, empowerment of staff, vision communication, and existence of a vision on enhanced staff satisfaction were also found (see Tables 7, 8, 9, 10).

In conclusion, all hypotheses were supported, but Hypothesis 2. Existence of vision created an indirect, positive impact on both customer and staff satisfaction. Vision communication and staff satisfaction created direct, significant effects on customer satisfaction. However, the effect from vision communication on customer satisfaction was negative. Motivation of staff and organizational alignment created

indirect, positive effects on customer satisfaction. Similarly, vision communication, empowerment and motivation of staff, organizational alignment and customer satisfaction created positive effects on staff satisfaction, while only the effects from motivation of staff and customer satisfaction were direct ones.

**Table 7**  
Regression analysis between existence of vision and staff satisfaction (adjusted  $R^2=0.020$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	56.316	2.242		25.119	.000
	V_EXIST	4.328	2.494	.174	1.735	.086

a. Dependent Variable: TSTF\_SAT

**Table 8**  
Regression analysis between existence of vision, vision communication, and staff satisfaction (adjusted  $R^2=0.014$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	58.635	2.936		19.973	.000
	V_EXIST	-.489	2.915	-.019	-.168	.867
	STO_VCOM	.364	.206	.195	1.769	.081

a. Dependent Variable: TSTF\_SAT

**Table 9**  
Regression analysis between organizational alignment and staff satisfaction (adjusted  $R^2=0.176$ )

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	49.874	1.843		27.054	.000
	sto_orga	.668	.135	.429	4.956	.000

a. Dependent Variable: tsf\_sat

**Table 10**

Regression analysis between existence of vision, vision communication, organizational alignment, empowerment, and staff satisfaction (adjusted R<sup>2</sup>=0.139)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	42.240	5.214		8.102	.000
	V_EXIST	-1.062	4.605	-.040	-.231	.818
	STO_VCOM	.186	.199	.100	.939	.351
	STO_ORGA	5.958E-02	.263	.039	.226	.822
	STO_EMP	.753	.206	.388	3.661	.000

a. Dependent Variable: TSTF\_SAT

**Table 11**

Regression analysis between existence of vision, vision communication, organizational alignment, empowerment, motivation, customer satisfaction, and staff satisfaction (adjusted R<sup>2</sup>= 0.321)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.112	8.141		1.856	.067
	V_EXIST	-3.190	4.145	-.121	-.770	.444
	STO_VCOM	.272	.180	.146	1.511	.135
	STO_ORGA	9.083E-02	.234	.060	.387	.700
	STO_EMP	-4.88E-02	.304	-.025	-.161	.873
	STO_MOT	.872	.267	.512	3.269	.002
	TCUS_SAT	.243	.091	.265	2.681	.009

a. Dependent Variable: TSTF\_SAT

**Table 12**

Communalities and rotated component matrix for vision communication, organizational alignment, empowerment, and motivation

**Communalities**

	Initial	Extraction
ORG_1	1.000	.737
ORG_2	1.000	.792
EMP_1	1.000	.556
EMP_2	1.000	.601
EMP_3	1.000	.777
MOT_1	1.000	.775
MOT_2	1.000	.799
MOT_3	1.000	.698
MOT_4	1.000	.678
COM_2	1.000	.828
COM_3	1.000	.817

Extraction Method: Principal Component Analysis.

**Rotated Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
org_1				.854
org_2				.883
emp_1		.634		
emp_2		.759		
emp_3		.865		
mot_1	.869			
mot_2	.883			
mot_3	.812			
mot_4	.804			
com_2			.849	
com_3			.894	

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

**Table 13**  
Communalities and component matrix for customer satisfaction

	Initial	Extraction
cus_sat1	1.000	.710
cus_sat2	1.000	.766
cus_sat3	1.000	.753
cus_sat4	1.000	.794
cus_sat5	1.000	.711
cus_sat6	1.000	.766
cus_sat7	1.000	.677
cus_sat8	1.000	.586
cus_sat9	1.000	.601
cus_sat10	1.000	.741
cus_sa14	1.000	.718

Extraction Method: Principal Component Analysis

	Component
	1
CUS_SAT1	.843
CUS_SAT2	.869
CUS_SAT3	.868
CUS_SAT4	.891
CUS_SAT5	.843
CUS_SAT6	.875
CUS_SAT7	.823
CUS_SAT8	.765
CUS_SAT9	.775
CUS_SA10	.861
CUS_SA14	.848

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Table 14**  
Communalities and component matrix for staff satisfaction

	Initial	Extraction
stf_sat3	1.000	.614
stf_sat4	1.000	.641
stf_sat5	1.000	.594
stf_sat6	1.000	.742
stf_sat7	1.000	.499
stf_sat8	1.000	.696
stf_sat9	1.000	.641
stf_sa10	1.000	.551

Extraction Method: Principal Component Analysis.

	Component
	1
STF_SAT3	.784
STF_SAT4	.801
STF_SAT5	.771
STF_SAT6	.862
STF_SAT7	.706
STF_SAT8	.834
STF_SAT9	.801
STF_SA10	.742

Extraction Method: Principal Component Analysis

a. 1 components extracted.

## VII. DISCUSSION

Given that both customer and employee satisfaction are two performance outcomes, stores having a vision were significantly associated with enhanced overall organizational performance as measured by both. This finding endorses the commonly held view in the literature that vision is important to organizational performance. However, this present study only did not investigate the qualities of these visions or whether they were shared by store managers and staff members. Shared vision qualities should be taken into account in future studies, since they were suggested to impact

performance outcomes (Rafferty and Griffin, 2004) and found to associate with organizational performance (Baum et al., 1998). Future research might consider Kantabutra (2005)'s vision theory in testing the shared vision qualities.

Organizational alignment was positively correlated with performance outcomes of customer and staff satisfaction, while vision communication, empowerment, and motivation were positively correlated with performance outcomes of staff satisfaction. Scholars who asserted that visionary leaders exercise these factors gain broad support from these findings.

Looking more closely into simultaneous relationships, only vision communication and staff satisfaction were directly, significantly associated with customer satisfaction in the regression analysis, although vision communication was not previously significantly correlated with customer satisfaction. This finding suggests that other realization factors might have influenced the significance of the effect from vision communication in the regression analysis. Moreover, the question of why the significant effect from vision communication is negative still remains. One possible explanation is that when (1) there is a communicated vision, (2) staff members are already motivated, and (3) organizational systems are aligned with the vision, vision communication need not be massive and extensive. The more a store manager communicates under this circumstance, the more frustration he/she could have created for staff. Certainly, this indicates an area for future research.

As for the direct, positive effect from staff satisfaction on customer satisfaction, it can be explained that when staff are more satisfied, they are more motivated and tend to serve their customers better. This is particularly obvious in this study where staff motivation, defined as the extent to which a store manager acted as a role model for staff, built staff self confidence, created challenges for staff, and rewarded staff who acted consistently with his/her vision, was significantly associated with enhanced customer satisfaction.

Organizational alignment created an indirect, positive impact on customer satisfaction in the regression analysis. This is understandable since organizational alignment was defined as staff reassignment to support the store manager's vision (e.g. reassigning friendly staff to welcome customers) and development of new staff evaluation criteria consistent with the vision.

Empowerment of staff did not appear to create any significant impact on customer satisfaction. This can be explained that empowerment of staff as defined in this study is not quite directly relevant to customers. It basically refers to delegation of job and decision-making, and support availability or essentially the genuine downward to staff. Therefore, it is more likely to have an apparent relationship with staff than customers.

In terms of simultaneous effects on staff satisfaction, motivation of staff and customer satisfaction created direct, positive effects on staff satisfaction in the regression analysis. The view that visionary leaders motivate their followers to bring about better performance outcomes gains support from this finding. The more frequently store managers acted as a role model, built staff's self confidence, created challenges for staff, and rewarded staff who acted consistently with their visions, the better the performance outcome of staff satisfaction. When staff members are motivated, they are more likely willing to engage in tasks in carrying out visionary goals. In this process, their self-esteem and thus satisfaction is enhanced.

Scholars suggest that vision is an important motivational tool for visionary leaders (Shamir, House, and Arthur, 1993). They articulate the vision to make visionary goals seem very worthwhile achieving for their followers. Consistently with this view, motivation and vision communication were significantly, positively correlated in this study (see Table 2), and vision communication also created an indirect, positive impact on staff satisfaction (see Table 8). These findings suggest that the more store managers communicate their visions to their staff, the more they motivate their staff. One possible explanation for this is that the store managers might want to induce their staff to work toward their worthwhile achieving visions. An articulated vision then could distinguish one group from another. This group differentiation could bring more meaning to staff's lives. Certainly, this requires further investigation.

As for the direct, positive effect from customer satisfaction on staff satisfaction, it can be explained that staff members interacting and seeing satisfied customers will bring about their own satisfaction, possibly because they will be rewarded both intrinsically and extrinsically accordingly.

Given the indirect, positive impact from vision communication on staff satisfaction, scholars (e.g., Awamleh and Gardner, 1999), who asserted that visionary leaders link followers' needs and values to a collective vision through a vision communication process to mobilize them to freely and willingly pursue the vision, are endorsed. It makes much sense because when a store manager communicates his/her vision to staff, staff will then try to do within their roles to turn the vision into reality, the process in which they can enhance their self-esteem. However, investigation is needed into how store managers communicate their visions, particularly in terms of message content and delivery.

Although empowerment of staff did not create a direct impact on staff satisfaction, it did so indirectly. It was significantly, indirectly associated with enhanced staff satisfaction in the regression analysis. Nanus (1992) who asserted that many visionary leaders empower their people through, among others, their decisions about who they choose to assign to groups and tasks and the amount of resources and support services they make available to workgroups, receives support from this study. The more store managers delegated work to staff, provided resources and support services to staff, and encouraged staff to make more decisions regarding daily operations, the better the performance outcome of staff satisfaction. This empowerment creates an environment that facilitates staff to perform their work better, therefore increasing their satisfaction. However, how the store managers perform these activities is still unknown, pending future research.

The view that visionary leaders alter organizational systems to suit their visions to bring about desirable performance outcomes gains support. In this study, store managers who reassigned their staff as needed to support their visions and set up new staff evaluation criteria according to their visions were indirectly related to better performance outcome of staff satisfaction. This is understandable, given that staff members were rewarded according to the new visions. As a result, their satisfaction was enhanced. However, the process of aligning relevant staff behind their visions still needs more research.

Since (a) employee satisfaction is usually closely correlated with customer satisfaction, as is in this study, and (b) customer satisfaction usually leads to improvements in other aspects of organizational performance, vision communication,

organizational alignment, empowerment and motivation are highly critical to overall organizational performance. One of the two most important factors appears to be motivation of staff since it created a direct, positive impact on staff satisfaction. Vision communication is the other most important factor for it creates a direct impact on customer satisfaction, although caution is recommended here since too much vision communication could create a negative impact when there is a communicated vision, organizational systems are re-aligned, and staff members are highly motivated.

It must be pointed out here that future studies might investigate these vision realization factors in larger and more complex retailers, since this present study investigated only small apparel stores. In addition to customer and staff satisfaction, financial performance measures should also be included in future studies.

### **VIII. MANAGERIAL IMPLICATIONS**

Australian apparel store managers should espouse a vision. They should also communicate their visions via written and technology-mediated channels to enhance staff satisfaction, and motivate their staff by acting as a role model, building staff self-confidence, challenging staff to do their jobs better, and rewarding staff members. In addition, they should delegate their work to staff, encourage staff to make decisions regarding their daily operations, and provide adequate resources and support services to staff. They should also reassign staff to suit their visions and adjust staff performance evaluation criteria according to their visions because improved staff satisfaction can be expected as a result.

However, Australian apparel store managers should pay special attention to vision communication and motivation. This is because vision communication and motivation can directly create an impact on overall performance through customer and staff satisfaction. Mastery of vision communication and motivation of staff is particularly important, given that satisfied staff can be expected to bring about satisfied customers, and satisfied customers can be expected to bring about broader organizational success via customer loyalty, profit, market share, and growth (e.g., Anderson, Fornell, and Lehman, 1994).

### **IX. CONCLUSION**

Vision has an indirect impact on both customer and staff satisfaction through vision communication, organizational alignment, and empowerment and motivation of staff. Vision communication and staff satisfaction directly impact customer satisfaction, while organizational alignment and motivation of staff create an indirect impact on customer satisfaction. Vision communication, organizational alignment, empowerment of staff also create an indirect impact on staff satisfaction, while motivation of staff and customer satisfaction create a direct impact on staff satisfaction. The study also offers some important managerial implications. Future research directions have also been pointed out.

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