Abstract

The organizational vision as one of the key concepts of strategic management is significant in determining the organization ideal condition in the future. A static and inflexible outlook towards the changing future will cause to some essential problem for organizational vision. This research tries to study and analyze the most important factors that make the low cost airlines’ vision more dynamic based on the review of the relevant literature and according to experts point of view. The findings show that the dynamics and flexibility of the internal and external organizational environment will be refluxed in determining the vision by regarding internal factors (organization and culture) and external factors (inter-organization relations and market). Thus, the position of the vision in the procedure of strategic management changes from a static picture to a powerful instrument in the hand of managers for upgrading the quality of strategic decision makings.

Keywords: vision, strategic management, low-cost airlines, aviation, uncertainty.

1. Introduction

Over the past two decades, considerable research attention has been focused on unveiling the nature of organizational vision, interpreting its significance, and identifying its central characteristics (e.g., Collins & Porras, 1994; Kanter, Stein, & Jick, 1992; Larwood, Falbe, Krieger, & Miesing, 1995; Nanus, 1992; Peters, 1987). It is accounted as one of the concepts of strategic management. (Asan and Soyer, 2007) One cannot wait for a set of incidents to form the future of the organization nowadays. The future has to be created in the competitive and growing environment. (Olsen, 2008)

In fact, most researchers agree that vision is an important component of any organization and is necessary for organizational success (Bennis and Nanus, 1985; Senge, 1990; Collins and Porras, 1994; Sergiovanni, 1995; Frese et al., 2003).

Vision has been connected with a variety of outcomes, through a variety of mechanisms, both singly and in concert with other factors. The short verdict on the research is that vision impacts organizational performance, (Kantabutra, 2008a, 2008b; Kirkpatrick & Locke, 1996; Lowe, Kroeck, & Sivasubramaniam, 1996), group effectiveness (Sosik, Kahai, & Avolio, 1999), and growth in entrepreneurial firms (Baum, Locke, & Kirkpatrick, 1998). It can create the spark that lifts organizations beyond the mundane (Senge, 1990) and can build both staff and customer satisfaction (Kantabutra & Avery, 2009). As noted in the conclusion of van der Helm’s (2009) recent theory-building treatise, there is much to be done in understanding how vision claims are created, the source of their authority and how they move from ideas to action.

On the other hand, big organizations specify an outstanding time to design the organizational vision; but several carried out researches show that the majority of these efforts are in contrast to productivity. (Bertodo, 1990) There is a gap between word and reality. This distance changes into a quarrel between board members and
mangers of the organization, central offices and sales branches and so on. The common and pervasive demand of organizational changes cannot be justified by people’s understanding and comprehension of these changes.

What has been less presented about the vision is the method of its establishment, how it communicates with the organization and finally its fulfillment. Many people and even mangers assume it as an impossible encounter and inaccessible goal. If the vision set free from the boundary of such false perceptions, it can change into a powerful mean for the strategic management process. This path needs for a dynamic and comprehensive outlook. The static and temporary though should be leaved and a dynamic past–future approach be applied.

The important point is that although this outlook and approach to the vision can cause growth and development in all business but for a complicated and changing one like aviation industry, particularly that of “low cost airlines” regarding various dimensions of business and environmental uncertainty, is essential.

A wide gap between an organization’s current vision and the reality in which it operates may encourage implementation of far-reaching organizational change. Some writers indicate that beyond its significance in the change process, vision also constitutes a major source influencing initiation of change (see e.g., Belgrad, Fisher, & Rayner, 1988; Kanter et al., 1992; Kotter, 1995; Porras & Robertson, 1992; Porras & Silvers, 1991). According to this view, vision facilitates change and acts as an instrument necessary for engineering the process. Moreover, vision is perceived as an inspiring, motivating, and guiding force that legitimizes change and helps overcome reluctance to embrace it (Kanter et al., 1992).

Now, this question arouses that how the organizational vision in an uncertain industry (e.g., Low cost airlines) can be changed from a farfetched picture in minds into a powerful and flexible instrument in the hand of mangers. The aim of the research is to answer this question.

2. Review of the Related Literature

2.1 Low Cost Airlines

The platform for a modern business model as “Low Cost Model” in air industry had been established by American air transport deregulation in late 70 decade. Therefore, low cost airlines begun their activities as an effective and designator model against the traditional “Full Service Airlines “, at first in the United States and later in Europe then all over the world.

According to experts, the creation of these companies can be counted as a great revolution and change the aviation paradigm. Although Sayanak believed that the emersion of this model leaded to deep effects on productivity, competition and industry structure (Testa, 1999), Aviation Authority’s research (2006) showed that it was a revolution in air trips not only in the method of operation but also its effects on the growth of traffic and social growth in general. This business model which is pioneered by “SouthWest ” airline had provided the air trip by minimum operational costs for company and low price for customers through a deep understanding of condition and comprehending the new paradigm in industry (by air transport deregulation) and intelligent discovering of needs and values demanded by customers.

The low cost airlines are trying to obtain significant expense merits than the other activists in aviation industry via three major ways: lower input expenses (cheap labor force, participating in facilities of other airlines, …), cheaper designing of products (removing first class cabins, marking seats, cargo transportation, reception services, …), and designing cheaper procedure (one type fleet, direct ticket-selling without intermediaries, choosing secondary airports, …). (Barkin, et al, 1995)

2.2 Vision

Vision has been described and defined in many ways (Zaccaro & Banks, 2001). It is an idealized goal state (Conger & Benjamin, 1999), a set of blueprints for the future (Tichy & Devanna, 1986), an agenda (Kotter, 1982), a map for members to follow (Barge, 1994), and an image of what needs to be achieved (Baum et al., 1998). It may include both long-term, future-oriented goals and emotional appeals embedded in a set of values (Collins, 2006; Frese, Beimel, & Schoenborn, 2003); it is focused on change (van der Helm, 2009) and depicts a future that is credible, realistic, attractive, inspiring, and better than the status quo (Bennis & Nanus, 1985; Nanus & Dobbs, 1999).
Another noteworthy perspective of organizational vision is presented by Landau et al. (2006). They offer an insightful divergence from traditional views of organizational vision by suggesting that vision can serve as either an enabler or a disabler of change. Most authors have focused on ways in which vision can facilitate change. In their study of an organization experiencing changes, Landau et al. found that individuals faced frustration and ambiguity when reality no longer reflected the original vision. Their findings revealed that individuals wanted to adhere to the original vision, thus inhibiting organizational adaptation. This is an important consideration to keep in mind in the subsequent discussion of organizational vision.

While some authors attempted to provide evidence regarding the specific nature of what exactly organizational vision is, other authors suggested that there is not one correct framework or formula. Rather, they suggested that organizational vision is unique to each organization based on things such as leadership, culture, and purpose (Chew and Chong, 1999; Larwood et al., 1995; Westley and Mintzberg, 2005). This view of organizational vision is one which complements today’s rapidly evolving organizations because it doesn’t require that an organization be tied to a restrictive, static vision. The ability of an organization to craft a vision that is unique, purposeful, and effective can easily be accomplished within the realm of ideas uncovered by the literature review.

Levin (2000) proposed a specific style of vision called a vision story. A vision story utilizes elements of story telling, and is also developed through introspection. The literature reviewed revealed that only a small number of empirical studies have been conducted in this area. This suggests that there is much to be learned and/or confirmed. Specifically, Chew and Chong (1999) suggest that future research investigate the relationships between vision and factors such as organizational structure, leadership, and commitment. Westley and Mintzberg (2005) suggested that future research investigate the psychological, social, and technical issues surrounding vision, and Larwood et al. (1995) called for vision research to extend into areas such as leadership theory, organizational strategy, motivation, and empowerment.

Lawton (2008) Visioning works because it stimulates reflexivity, opening up the conversational space needed to challenge existing assumptions and introduce fresh possibilities. Lawton (2008) present a four-dimensional visioning model that facilitates exploration of both the internal and external contexts of the business. The advantage of the approach lies in breaking down vision into its component parts, lending simplicity and structure to the visioning process. The process in effect liberates the participants from the conventionalities of here-and-now (static) thinking in favor of a more dynamic past-present-future change orientation.

A strategic vision should be an explanation of desirable future of company from its managers’ point of view and in fact it should give coherence to the strategic management procedure. An organization vision should answer questions like:

- What position will we have in future?
- What path and direction do we have to take?
- What position should be obtained in future?

The vision motivates managers to think in future framework. If a manager does not know the coming path and what a future condition should he/she want, how can he/she manage his/her business. The vision establishes future path. Thus, all effort of the strategic planning is due to achieving the vision and its reinforcement and reformation.

A strategic prospective is like a flying map for a pilot. Managers need to have the future pulse under their fingers. New technologies and modern innovations affect the way of managing businesses every day. The customers’ needs and expectations may change or the significant market changes may be cause to the present procedure be faced with obstacles. There may be found a path in order to cope with opponents, to establish premier and new services or to decrease costs. The vision statement forces managers to think about the future. When top managers turn their outlook from the future, they force their organizations to follow temporary strategies which can only lead them to deterioration and decay or at last find a defensive position in market. (Flouris and Oswald, 2007)

To review of the related literature, three major theoretical backgrounds are usually considered: the designation, content, and implementation processes. (Foster and Akdere, 2007) Vastly and Mintsberg stated that “a vision should be the interaction factor between leaders and personnel and the promoter of all system”. (Westley and
Mintzberg, 2007) Bertodo (1999) had studied the success criteria and issues which are associated with a strategic vision in industry with high rate of competition.

Flouris and Oswald (2007) had stated that “we should have an accurate and scrutinizing outlook to company, capabilities, products and its opponents for designing managers’ vision. A vision motivates managers to focus on environment, market and industry and consequently a decision about what can bring maximum success for the company will come into consideration.

Marzek (2004) believed that the final aim is to direct and coordinate personnel with the vision which will lead to upgrading labor force productivity. Cantrabotra (2009) had studied the effects of the vision traits on the performance of organization in a research. Cantrabotra and Ori (2010) had stated the characteristics of a vision which lead to desirable performance as: brief, clear, concise, stable, prospective, challenging, and desirable and inspiring.

What is obvious is that the vision of a company cannot be established in vacuum without considering industry market. An accurate and complete estimation for managers include teachings about opponents, customers’ demands and the present and future prospective. Determining the direction for future should be based on truthful evaluation of environment.

Finkelstein, Harvey and Lawton (2008) had introduced a model known as “vision by design” by studying the role of the vision for organizations revival through a case study of “Harley-Davidson” motorcycle manufacturing company. They had applied 360 degree approach in their own terminology which means that they had considered three major feature of a vision in order to change the transferring power of organization from a present condition to a desirable future one. These three features are: 1. it should be comprehensive to include all business aspects, 2. it should consider all key beneficiaries inside and outside the organization. (As the vision is always considered as a sign of performance, therefore, all those who are responsible for a better future should know that what is expected of them and 3. It should be dynamic to show the direction of progress correctly.

In this method, four important dimensions which should be considered inside (organization-culture) and outside (market-communication) had been introduced and three major components had been introduced for each dimension in order to achieve those three features.

The goal of applying this method in designing a vision is to consider composing and important elements systematically and in fact to obtain a clear vision of what the organization is going to achieve in future. In this way, the vision will play an important role in upgrading the quality of strategic decision makings. (Finkelstein et al, 2008)

2.3 Theoretical Backgrounds

In this research, the efforts are made to consider the four mentioned dimensions regarding the special condition of low cost airlines in order to achieve the research aims and with regards to Finkelstein, Harvey and Lawton’s “vision by design” model.

In the organization dimension, the factors of organizational structure, system and processes in which the internal issues are performed accordingly, are significant. The minimization and omission of unnecessary management layers, lubricating bureaucracy, reinforcing internal management of organization, facilitating processes and so on are of high importance in low cost. (Alderighi, et al, 2004; Flouris and Oswald, 2007; Gillen and Morrison, 2003; Graf, 2005; Barkin, et al, 1995)

The organizational culture dimension points out the values, management styles, and employee relation. People’s participation in decision makings and team work issues is impossible without paying proper attention to social responsibilities in low cost airlines. (Banderia, 2004; Barrett, 2004; Gillen and Morrison, 2003; Rae, 2001)

The intra-organizational communications dimension considers regulators, supply chain and competitors. The origin of the creation low cost model in air industry was liberalization which had faded out the supporting role of government from this industry and provided the chance for activity as a real business for the first time in order to make profit for air companies. One of the principles of this business model is close and synergetic cooperation among the members of supply chain for more minimization of costs. As outsourcing is very important in this industry, the cooperation of supply chain (from purchasing process or airplane rent to the procedure of ticket reservation and distribution) is vital to success. Competition in this model has its own meaning and concept. Sometimes, it is necessary to use facilities of the other companies (human resources,
airport facilities …) to save costs. Moreover, the strategic cooperation between activists of industry requires the effective management of relations. (Flouris and Oswald, 2007; Brophy and George, 2003; Grinslet, 1998)

Finally, the market dimension considers customer, product and location. Determining key and major customers and understanding their present and future needs are very important for low cost airlines. One of the main and major innovations of these companies is that they are market-maker. It means that they absorb those people who do not take a trip without these lines at all or prefer the other types of transportation. The type of service which these companies present is different from what was usual in the past. Accordingly, only replacing passengers from origin to destination is considered as many marginal, unnecessary and minor services such as reception, entertainment facilities while flying, the open space of chairs and so on were omitted. In this model, the structure of paths and the types of selected airports are very important in their activities. (Gillen and Morrison, 2003; Grinslet, 1998; Gursoy, et al, 2005)

Accordingly, the following hypotheses are formulated about the vision of low cost airlines regarding these four dimensions and in order to increase dynamism and accessibility of the vision:

2.4 Research Hypotheses

1. The vision of low cost airlines has to be affected by organization (structure, procedures and systems).
2. The vision of low cost airlines has to be affected by the organization culture (values, management style and employee relations).
3. The vision of low cost airlines has to be affected by intra-organization relations (regulators, competitors, supply chain).
4. The vision of low cost airlines has to be affected by market conditions (product, customer and location).

3. Research Methodology

3.1 Methodology: the research is applied as far as the aims and objectives are concerned and it is survey-descriptive as far as the nature and method are concerned.

3.2 Method of Data Collection: the theoretical background of the research is formulated by library studying and the researcher makes use of questionnaire later for testing hypotheses and opinion poll. This questionnaire includes 58 questions totally.

3.3 Statistical Universe and Sample: as the Kish air is the only inexpensive Iranian air line, the statistical universe of this research includes all senior and middle managers of this company (67 persons). A 57 person sample is selected randomly among these people based on Morgan Table in order to decrease errors and increase accuracy due to difficult access to all statistical universes due to the nature of activities of air companies as many managers are pilot and many of them settle in Kish.

3.4 Reliability and Validity of the Questionnaire: the primary design of the questionnaire were analyzed and reformed by some elites in local and foreign universities in order to approved the questionnaire reliability who were aware of the concepts of strategic management and air industry. Moreover, the validity was measured by Alfa Cronbach method in which the amount of this coefficient was 0.95 for a 30 member sample.

4- Method of Data Analysis

The Kolomograph –Smirov test had been used in order to examine the normality of the collected data:
Table 1: Kolomograph – Smirov Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Statistics K-S</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>54</td>
<td>0/964</td>
<td>0.322</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>52</td>
<td>0/435</td>
<td>0/992</td>
</tr>
<tr>
<td>Communications</td>
<td>48</td>
<td>0/635</td>
<td>0/815</td>
</tr>
<tr>
<td>Market</td>
<td>53</td>
<td>0/513</td>
<td>0/955</td>
</tr>
</tbody>
</table>

According to Table 1, as the significance level of all variables is more than 0.05, the tests are not meaningful and the abnormal assumption of the data is rejected. Therefore, the parametric tests can be used for analyzing and interpreting the hypotheses.

The one sample t test had been used in order to examine the hypotheses:

Table 2: one sample t test examining the hypotheses

<table>
<thead>
<tr>
<th>Variables</th>
<th>T Statistics</th>
<th>Freedom Degree</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>21/776</td>
<td>53</td>
<td>*/•••</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>26/985</td>
<td>51</td>
<td>*/•••</td>
</tr>
<tr>
<td>Communications</td>
<td>21/546</td>
<td>47</td>
<td>*/•••</td>
</tr>
<tr>
<td>Market</td>
<td>18/604</td>
<td>52</td>
<td>*/•••</td>
</tr>
</tbody>
</table>

According to Table 1, as the significance level of all variables is more than 0.05, the tests are meaningful and the score of each four factors is not average. Regarding to the amount of statistics (positive t) and 95% level of significance, it can be claimed that in the managers’ point of view:

1. The “organization” component is effective in designing the strategic prospective of inexpensive air companies.
2. The “organizational culture” component is effective in designing the strategic prospective of inexpensive air companies.
3. The “intra-organization relations” component is effective in designing the strategic prospective of inexpensive air companies.
4. The “market conditions” component is effective in designing the strategic prospective of inexpensive air companies.

The one way variance analysis had been used to know that whether there is a meaningful difference between the importance of the four mentioned effective components in designing the strategic prospective of inexpensive air companies or not in the managers’ point of view:

Table 3: one way variance analysis of designing strategy in the managers’ point of view

<table>
<thead>
<tr>
<th>Effective components in designing the strategic prospective of inexpensive air companies</th>
<th>F</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective components in designing the strategic prospective of inexpensive air companies</td>
<td>1/124</td>
<td>0/340</td>
</tr>
</tbody>
</table>

Since the rate of the level of significance is more than 0.05, the test is not meaningful and it can be concluded that the importance of the mentioned components in designing strategy is equal in the managers’ point of view for 95% certainty.

Conclusion: as it is mentioned, if the organization prospective has an outlook from past to present, it can be a strategic instrument for management. The prospective will find the necessary collectivity and the
comprehensive dynamism by providing interaction and debate atmosphere for all people engaging in value chain and effective on the future of organization and by the present challenging perceptions and studying new probabilities.

The prospective can be changed from a fantasy and exaggerated concept which is written in a special time by special people that is not in tune with environmental competitions and intra-organization changes to a dynamic and strategic tool in organization management by such an attitude.

In this research, the effective factors in designing a dynamic prospective had been studied by a special outlook to inexpensive air companies and regarding special conditions of this business. According to findings, if the form of organization, its culture, market conditions and external relations are considered in designing the prospective, the internal and external dynamism of organization will be reflexed in an appropriate way in the prospective and change it into an instrument for all conditions. In this approach, the essential questions are presented about organization, market and the mentioned organizational relations and the prospective will find an outstanding clarity, acceptance and fulfillment by interacting and challenging all engaging elements in the strategic management procedure. These results are completely in tune with those of Finkishtain, Harvey and Layton about the role of the prospective in reviving the organizational life.

Finally, designing the prospective is not an independent and temporal concept which is mentioned at the beginning of the strategic management procedure; but it is placed as a procedure in the heart of the strategic management and it is in tune with its reformations and adjustments.

References

16- Grinslet, E. (1998), “ The airlines we know it”?.