

CONTENT ANALYSIS OF MISSION STATEMENTS**Sukanya***

ABSTRACT

Indian economy is on the threshold of emerging as an economic super power. Notwithstanding the present recession, economic pundits are still optimistic about the Indian economy. MNCs appear to do well in India as compared to foreign countries during the current recession. Simultaneously Indian MNCs have also made acquisition and are making expansions in foreign countries. Thus Indian MNCs are emerging as a force to reckon with in the global market.

In the light of the changes in the economic environment, the mission statement of companies is an area of interest for research. All companies that are futuristic would like to communicate their mission statement to their stakeholders. The mission statement of a company spells out the scope and boundaries of the businesses in which the company wishes to be in. An analysis of the mission statement of companies is likely to throw up certain interesting results in terms of the focal theme of the mission statements, concern towards ethical and social responsibility towards society and stakeholders, the role envisaged by the companies in the development of the economy and related aspects.

Mission statements of about 200 companies were content analyzed. Content analysis is analyzing the content of communication based on certain predefined variables and factors. Accordingly the variables and factors have been identified and defined.

This study is an exploratory study, to obtain an understanding of the mission statement of the companies in the light of the rapid changes in the economic environment in India. The study enables insights on the central theme of mission statements in the post liberalization era. Significant differences observed in mission statements based on factors identified (nationality of the company, size of the company, sector to which the firm belongs) is another major finding.

INTRODUCTORY

1.1 Rationale of the study

Indian economy is on the threshold of emerging as an economic super power. Notwithstanding the present recession, economic pundits are still optimistic about the Indian economy. Double digit GDP growth rate may perhaps appear to be a little distant because of the present recessionary trend but will be a reality. Indian Government's thrust on continual reforms and infrastructural development has resulted in relocation of production facilities from other developed countries to India in a very big way. Simultaneously Indian MNCs are emerging as a force to reckon with, in the global market.

In the light of the dynamic changes in the economic environment, the mission statement of companies is an area of interest for research. All companies that are futuristic would like to communicate their mission statement to their stakeholders. The mission statement of a company spells out the scope and boundaries of the businesses in which the company wishes to be in. The well crafted words, statements in mission statements give a sense of direction to the employees, motivate them and help them to envision a role for themselves in the long term objectives of the organization.

Having clear cut, meaningful mission statements is important. At the same time mission statements also need to be intelligible, credible and appealing for all to grasp, accept, imbibe and implement in the organization

An analysis of the mission statement of companies is likely to throw up certain interesting results in terms of the focal theme of the mission statements (with regard to customers, shareholders, employees, market share, etc.), concern towards social responsibility, ethics, the role envisaged by the companies in the development of the economy and related aspects.

1.2 Objectives

Content analysis of the mission statements of companies has been initiated with the following objectives in mind.

- a. To understand the futuristic outlook/direction of the companies under study.

- b. To comprehend the focal theme of the mission statements – consumer, product, business/market
- c. To appreciate the larger role that companies wish to play in the economic development of the country.
- d. To appreciate the extent of concern and commitment that companies have expressed towards social responsibility in their mission statements.
- e. To identify topics of interest for further research.
- f. To study the content of the mission statements in the changed liberalized and globalized context.

RESEARCH DESIGN

1.3 Content Analysis – A research tool

“Content analysis is analyzing the content of communication based on certain predefined variables and factors”. This study is an exploratory study to obtain an understanding of the mission statement of the companies in the light of the rapid changes in the economic environment in India.

“Content analysis as an observation technique is used to analyze communication content based on the predefined rules. Various experts have endorsed the use of this research tool for the study of advertisements” (Kassarjian: 1977). “Even before 50 year this tool was used by communication, sociology and journalism scholars” (Berelson, 1952). Thus it can be concluded that the tool has been extensively used as a research tool to study manifest communication content in the form of advertisements in television and print media or any other promotion material targeted at stakeholders. Various content variables such as the subject of the advertisement or the approach to the subject (e.g., use of humour, fear, puffery, celebrity endorsement, message complexity) have been presented and the conclusions presented have been found to be complex and ambiguous (Aaker and Norris-1982).

1.4 Variables identified and defined

Identification of critical variables with the specific objectives in mind is a prerequisite for any study using this technique. With this point in mind the following factors and

variables have been identified and the mission statements have been content analyzed accordingly.

Company specific Factors

a. Sector to which the company belongs.

FMCG Consumer durable Automobiles Services

b. Size of the company

Small medium large

c. Scope of operations

Regional National Global

c. Nationality

Indian Foreign Co.

In the study the dependent variables identified for the purpose of the content analysis variables are given below. The variables are measured on a four point scale. For the purpose of categorizing the mission statements into the scale categories each of the scales has been defined with respect to each variable. In order to avoid arbitrariness, the variables have been defined and classification of mission statements under different scales was strictly based on the definitions as given in the appendix 1.

1. Global ambitions evinced – Scale 0 to 3

2. Importance assigned to technology – Scale 0 to 3

3. Role envisaged in the development of the economy – Scale 0 to 3

4. Commitment to Social Responsibility – Scale 0 to 3

5. Importance assigned to employees– Scale 0 to 3

6. Importance assigned to shareholders– Scale 0 to 3

7. Importance assigned to ethical conduct of the business– Scale 0 to 3

8. Willingness to collaborate, enter into alliances – Scale 0 to 3

9. Concern for consumers – Scale 0 to 3

10. Importance assigned to market share– Scale 0 to 3

It is to be noted that when a company is categorized on 0 scale, it only means that the mission statement of the company has apparently not focused on that particular variable. This is no reflection whatsoever on the actual thinking or the practice of the said company.

1.5 Sample size A total of 91 mission statements was taken up for analysis. About 37 of these mission statements were of those companies belonging to services sector, 27 of consumer durables, 14 of FMCG companies and 13 of automobile sector. Judgmental sampling technique was used to select the sample of mission statement of companies from the appropriate sectors. It was felt that Services sector, FMCG, Consumer durables and Automobile sector are the sectors that are booming and that inclusion of companies falling under these sectors would be appropriate for the study. A descriptive analysis of the sample further reveals that a total of 46 National, 36 Global, 13 Regional companies were included in the sample. By global companies, we are referring to Multi National companies that could be either foreign MNCs or Indian MNCs.

1.6 Statistical tools to be used to analyse the data – The mean ratings obtained by the companies with respect to the variables were content analysed to enable insights on the focal themes of the mission statements. Univariate ANOVA was used to study whether or not the various factors (sector to which the company belongs- (Services, FMCG, Automobile and consumer durables) and Scope of operations (Regional, National and Global)) had caused any variance in the variables under study.

2 FINDINGS

Content analysis has enabled insights on mission statements in the Indian context, particularly in the changed liberalized, globalized economic environment. The importance assigned by companies to various focal areas such as consumers, market share, technology, employees, etc., were the subject of the study and an analysis of the means would give a true perspective of focal area of mission statements.

2.1 Analysis of means: The table given below (Table-I) gives the descriptive statistics of the mean ratings obtained by the companies' mission statements with respect to the variables identified for the study. It is apparent from the table that the variable "importance assigned to customers" has got the highest mean rating of '2.10' on a four point scale (0 to 3). This is understandable in the modern marketing environment where almost all companies are customer

focused and their policies, strategies and objectives are customer oriented. The variable “Importance assigned to ethics” has obtained the second highest mean rating (1.55). “Importance assigned to ethics” gives clear signals to the employees, other associates and general public about the high standards of ethics maintained by the company. This variable assumes importance because many companies receive a lot of negative publicity in the media due to unethical activities and therefore it becomes important to make known the mind of the top management through the mission statement. The growing importance to ethics is a positive signal. Companies also wish to make known to the public their ambitions with respect to leadership position desired in the market or the market share desired (1.32). It is natural that market share or leadership position gives a competitive advantage and it is an objective that all companies may want to pursue. ‘Importance assigned to technology’(1.16), Role envisaged in the growing Indian economy’ (1.16) and ‘Importance assigned to social responsibility’(1.08) are three other variables that have obtained ‘1 plus’ mean ratings. A mission statement essentially reflects the thinking of the top management and the future direction of the company. It has been observed that big business groups have defined their role in the growing Indian economy thereby sending positive signals to the stakeholders through their mission statements. Technology is a tool in the corporate arsenal that gives competitive edge. It has been observed that companies falling under the Consumer durables and Automobile sector have assigned greater importance to technology in their mission statements. The very low mean ratings obtained by companies on the importance assigned to employees and shareholders reflects that companies primarily use mission statements to communicate to all stakeholders apart from employees and shareholders. Perhaps many other communication tools like internal circulars, Advertisements, policy statements, Annual General Meetings and Financial Statements primarily target employees and shareholders respectively. It has been observed that companies are not keen to express their openness for alliances, joint ventures or other expansion routes in their mission statements. While the mean rating obtained by the variable “Global ambitions envisaged” is low (.98), it is still significant considering that until a few years back Indian companies did not have a global outlook. In the study certain National companies and existing MNCs have evinced global ambitions.

Table –I Descriptive Statistics (Analysis of mean)

	Mean	Std. Deviation
Global Ambitions envisaged	.98	.934
Importance assigned to technology role envisaged in the development of the economy	1.16	.945
Commitment to social responsibility	1.16	.725
importance assigned to employees	1.08	.861
importance assigned to shareholders	.80	.949
importance assigned to customers	.68	.977
importance assigned to ethics	2.10	.935
willingness to collaborate with other allinaces	1.55	.801
importance to market share	.32	.598
	1.32	.865

2.2 Analysis of mission statements with regard to Sector/Industry

In the context of the liberalized, globalized and privatized Indian economic environment, we find that certain sectors are growing faster than certain other sectors. The services sector which includes the sunshine industries like the BFI sector, telecommunication, education,

transportation, medicine etc., is at the forefront contributing more than 50% to the National Income. With the growing aspirations of the Indian population for a better standard of life, the propensity to buy consumer durables has increased. In the light of invasion of South Korean, Japanese and American companies, Consumer durables sector is a very important sector and an analysis of the mission statements of the companies belonging to this sector has thrown up interesting results.

Univariate Anova was used to study whether or not, Sector as a factor has brought about variance with regard to mission statements and their content.

H1: Sector (Sector to which a company belongs) as a factor has not brought about variance with regard to mission statements and their content.

From the results of Univariate ANOVA with respect to the various sectors, it appears that Sector factor has not played a major role in bringing about variance with respect to mission statement and their content. On two dependent variables however, variance was observed and they are “Importance assigned to technology (F ratio: 5.284 at .02% significance level) and “Importance assigned to market share (F ratio: 2.586 at 5% significance level) (refer Appendix – **ANOVA results**). The variance between the sectors with regard to ‘importance assigned to technology’ has occurred because Consumer durables sector has obtained a mean rating of 1.78, but the other sectors have obtained mean ratings just above 1 or a little lesser than one (services sector -.89). South Korean, Japanese and US companies have outsmarted many Indian companies in the consumer durable sector and are presently enjoying high market share. State of the art technology gives a competitive edge in the consumer durable industry where new models are constantly introduced. It is not surprising that this trend in this sector has got reflected in the mission statements of these companies. With respect to market share variable variance was observed between the sectors at a significance level of 5%. It appears that Consumer durable companies and FMCG companies (perhaps due to oligopoly like competitive environment) are highlighting the market leader position and other ambitions pertaining to market share status to a greater extent as compared to services sector and automobiles.

2.3 Analysis of mission statements with regard to scope of operations

In the study ‘Scope of operations’ has been classified as ‘Regional’, ‘National’ and ‘Global’ respectively. Many multinational companies of foreign origin have entered India in a very big

way. Indian multinational companies are also a force to reckon with in the global environment. Indian companies are beginning to realize that in the present competitive environment to be successful nationally, they have to go international and prove themselves in alien markets as well. In the light of the above changes in the competitive environment it is of interest to know whether or not the scope of operations has caused any variance with respect to mission statements and their content. Univariate Anova was used to study whether or not Scope of operations as a factor has brought about variance with regard to mission statements and their content.

H2: "Scope of operations" as a factor has not brought about variance with regard to mission statements and their content.

The study reveals that variance was observed with regard to only two variables, 'global ambitions envisaged (refer Appendix- F ratio:5.50 at a significance level of .06%)' and 'importance assigned to shareholders (refer Appendix F ratio:2.74, at a significance level of 7%)'. Multinational companies with a mean of 1.34 on the variable "global ambitions evinced" are far ahead of Regional and National companies respectively. On the variable 'Importance assigned to shareholders' National companies (mean .98) have scored higher than Multinational and Regional companies. On all other variables no significant differences have been observed between Multinational, National and Regional companies.

2.4 Analysis of mission statements with regard to the factor 'size of the company'

Size of the company is expected to be an important factor in determining the mission statements and their content. However, in the study significant variance was observed between the categories only with respect to the variable "Global ambitions evinced". It is natural that Large scale companies are likely to nurture global ambitions as compared to small scale companies.

3. CONCLUSION

Content analysis of mission statements of companies has yielded interesting results. It has been observed that almost all companies give importance to customers (mean 2.10) in their mission statements. This trend is in keeping with the expectations of the present marketing environment where marketers are expected to delight the customers. "Importance assigned to ethics (mean 1.55), market share (mean 1.32), technology (mean 1.16), role envisioned in the growth of the economy (mean 1.16) are the other variables that have obtained high mean ratings. It is clear

from the observations that they reflect the expectations of the stakeholders from companies. They also underline the compulsions of the dynamic marketing environment. Only on certain variables like technology, market share, global ambitions evinced, importance assigned to shareholders, etc., variance was observed. Consumer durables were found to assign greater importance to technology as compared to other sectors. Multinational companies and large scale companies were found to assign more importance to 'global ambitions'. On all other variables no differences were observed between the categories of the factors studied.

4. CONTRIBUTIONS OF THE STUDY

'Content analysis of mission statements' is the first study of its kind done in the Indian context. The study enables insights on the central theme of mission statements in the post liberalization era. The importance assigned to customers, ethics, role envisioned in the national economy, technology, etc. reflect the mindset of the top management and growing compulsions due to expectations from the stakeholders as well. Content analysis of mission statements is an exploratory study that has identified new variables for further studies on mission statements of companies in the Indian context. Companies can also reframe their mission statements giving new thrust to certain neglected areas keeping in mind the competitive environment. Companies belonging to specific sectors can gain insights on the focal themes of mission statements of competitor companies. This knowledge will help to ascertain whether or not their mission statements are in keeping with the industry trend and thereafter to identify changes required.

Further directions for Research

1. Comparative analysis of mission statements prior to 1990 and after 1990 (to study whether there are any significant changes because of the liberalization).
2. The perceptions of the stakeholders towards mission statements can also be a subject of study for research (descriptive study)
3. The importance of mission statements as a communication tool.

5 REFERENCES

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Appendices- ANOVA results

Univariate ANOVA between sectors Services, consumer durables, FMCG and Automobiles

		Sum of Squares	df	Mean Square	F	Sig.
Global Ambitions evinced	Between Groups	4.967	3	1.656	1.946	.128
	Within Groups	74.022	87	.851		
	Total	78.989	90			
Importance assigned to technology	Between Groups	13.106	3	4.369	5.284	.002
	Within Groups	71.927	87	.827		
	Total	85.033	90			
role envisaged in the	Between	2.469	3	.823	1.633	.188

development of the economy	Groups					
	Within Groups	43.353	86	.504		
	Total	45.822	89			
Commitment to social responsibility	Between Groups	.789	3	.263	.343	.794
	Within Groups	65.934	86	.767		
	Total	66.722	89			
importance assigned to employees	Between Groups	2.120	3	.707	.744	.529
	Within Groups	81.669	86	.950		
	Total	83.789	89			
importance assigned to shareholders	Between Groups	1.802	3	.601	.566	.639
	Within Groups	92.330	87	1.061		
	Total	94.132	90			
importance assigned to customers	Between Groups	.651	3	.217	.243	.866
	Within Groups	77.811	87	.894		
	Total	78.462	90			
importance assigned to ethics	Between Groups	.647	3	.216	.321	.810
	Within Groups	57.753	86	.672		
	Total	58.400	89			
willingness to collaborate with other allinaces	Between Groups	1.533	3	.511	1.365	.259
	Within Groups	32.576	87	.374		
	Total	34.110	90			
importance to market share	Between Groups	5.815	3	1.938	2.586	.058

Within Groups	65.218	87	.750		
Total	71.033	90			

Univariate ANOVA between Multinational, National and Regional companies

		Sum of Squares	df	Mean Square	F	Sig.
Global Ambitions evinced	Between Groups	8.780	2	4.390	5.503	.006
	Within Groups	70.209	88	.798		
	Total	78.989	90			
Importance assigned to technology	Between Groups	.633	2	.316	.330	.720
	Within Groups	84.400	88	.959		
	Total	85.033	90			
role envisaged in the development of the economy	Between Groups	1.702	2	.851	1.678	.193
	Within Groups	44.120	87	.507		
	Total	45.822	89			
Commitment to social responsibility	Between Groups	.027	2	.014	.018	.983
	Within Groups	66.695	87	.767		
	Total	66.722	89			
importance assigned to employees	Between Groups	2.426	2	1.213	1.297	.279
	Within Groups	81.363	87	.935		
	Total	83.789	89			
importance assigned to	Between	5.520	2	2.760	2.741	.070

shareholders	Groups					
	Within Groups	88.612	88	1.007		
	Total	94.132	90			
importance assigned to customers	Between Groups	3.231	2	1.616	1.890	.157
	Within Groups	75.230	88	.855		
	Total	78.462	90			
importance assigned to ethics	Between Groups	1.546	2	.773	1.183	.311
	Within Groups	56.854	87	.653		
	Total	58.400	89			
willingness to collaborate with other allinaces	Between Groups	.797	2	.398	1.052	.354
	Within Groups	33.313	88	.379		
	Total	34.110	90			
importance to market share	Between Groups	.335	2	.168	.209	.812
	Within Groups	70.698	88	.803		
	Total	71.033	90			

Univariate ANOVA between sectors Small, medium and large companies

	Sum of Squares	df	Mean Square	F	Sig.
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Global Ambitions evinced	Between Groups	9.387	2	4.693	5.934	.004
	Within Groups	69.602	88	.791		
	Total	78.989	90			
Importance assigned to technology	Between Groups	.501	2	.251	.261	.771
	Within Groups	84.532	88	.961		
	Total	85.033	90			
role envisaged in the development of the economy	Between Groups	.196	2	.098	.187	.830
	Within Groups	45.626	87	.524		
	Total	45.822	89			
Commitment to social responsibility	Between Groups	.064	2	.032	.042	.959
	Within Groups	66.658	87	.766		
	Total	66.722	89			
importance assigned to employees	Between Groups	1.814	2	.907	.963	.386
	Within Groups	81.975	87	.942		
	Total	83.789	89			
importance assigned to shareholders	Between Groups	1.800	2	.900	.858	.428
	Within Groups	92.332	88	1.049		
	Total	94.132	90			
importance assigned to customers	Between Groups	.930	2	.465	.528	.592
	Within Groups	77.532	88	.881		
	Total	78.462	90			
importance assigned to	Between	2.452	2	1.226	1.906	.155

ethics	Groups					
	Within Groups	55.948	87	.643		
	Total	58.400	89			
willingness to collaborate with other alliances	Between Groups	.826	2	.413	1.092	.340
	Within Groups	33.284	88	.378		
	Total	34.110	90			
importance to market share	Between Groups	.013	2	.006	.008	.992
	Within Groups	71.020	88	.807		
	Total	71.033	90			