



Content Analysis of Mission Statements - A Case of Pharmaceutical Sector Companies of Pakistan

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Abstract: The objective of this study was to investigate the quality of mission statements of the pharmaceutical sector companies listed in Pakistan stock exchange. In order to achieve this purpose, mission statements have been analyzed using a Nine Point Scale model given by the Fred R. David. Moreover, number of words and sentences used in the statements were also counted. As per published information of Pakistan Stock Exchange (PSX), a total of 9 pharmaceutical companies are listed within this sector. In this study all listed companies were selected to make analysis. Data needed to make comparative analysis of mission statement were collected from websites of these companies. The findings show that most of the pharmaceutical sector companies of Pakistan are making the average level of score and extreme to incorporate their concerns for customer, product, survival, philosophy and self-concept in their mission statements. But they are giving less focus to technology, market, public image and employees. The length of a mission statements are (Min. = 33 and Max. = 120) in words.

Keywords: Mission Statement, Nine Components, Pharmaceutical Sector Companies

1. Introduction

Now the world of business is becoming more and more competitive and in order to survive in this competitive environment, proper strategic management is very important. As a strategic tool a mission statement development is widely considered to be the first step in strategic planning and the basis or starting point for all activities in formulating strategies. Defining a clear mission for the business is very important for setting future goals and strategies of the business. It provides an idea of what does an organization wants to achieve and whom it will be benefitted. Cambell, Devine and Young (1993) [1], in their famous book called 'A Sense of Mission' has quoted from the speech of Colin Marshall (Deputy Chairman, British Airways) that, "A corporate mission is much more than good intention and fine idea. It represents the framework for the entire business, the values which drive the company and the belief that the company has in itself and what it can achieve".

A neatly worded mission statement help the employees and other stakeholders of a concern to know what the business of

the concern is and to discover that each of them are giving importance to concern in the journey towards achieving the goals.

According to Peter Drucker (1973) [2], "A business is not defined by its name, statues, or articles of incorporation. It is defined by the business mission. Only a clear definition of mission and purpose of the organization make possible clear and realistic business objectives".

Different organizations, large and small, profitable and non-profitable, use different styles, words and length regarding mission statement. It will be worth to mention that just articulating a mission statement does not directly lead to success. It must be realistic and part of organizational traditions. The previous study provides a number of benefits of mission statement. According to (Desmidt & Prinzie, 2009) [3] believes that a significant and unambiguous mission statement creates value of the firm. It serves as foundation for several management applications, provides proper direction to the management and ensures effectiveness of resource utilization. (Meraj, Hossain, I., Shahezaman, Akhter, & Hossain, S., 2011) [4] said a formal mission statement conveys mission of the firm

to the stakeholders. (Moin, Ali, & Khan, 2012) [5] said a mission statement provides benefits such as, set the boundary line in meeting the objectives and serve as standard for decision making.

To probe and analyze the fact pharmaceutical sector companies of Pakistan have been selected for this study. The pharmaceutical sector of Pakistan was chosen due to a number of reasons i.e. pharmaceutical sector is one of the most important sectors of Pakistan economy and it contribute \$1.6 Billion towards Gross Domestic Product (GDP), Pakistan is the 8th largest pharmaceutical manufacturing industry, it creates employment opportunities for thousands of people and it creates huge revenue for the government in the form of taxes. The success of this sector is ultimately contributed to the financial development. Further there is no such study was previously conducted on the pharmaceutical sector of Pakistan. So there is gap for research in this area. Moreover, the companies of this sector are more likely to attract the attention of the investors who are interested to make investment decisions. The mission statement of these indicates the reason of their existence and their differences among each other. As the effectiveness of these companies, strategic plans depend on the content of their mission statements, so the study is conducted on this sector to determine which variables (components) are preferred to differentiate themselves from each other.

2. Literature Review

The review of literature reveals some following studies which were conducted previously using a nine point scale model given by the Fred R. David.

(Mahboob, 2004) [6] done study on the mission statements of Bangladeshi companies. Fifteen companies were selected through convenient sampling and the characteristics of their mission statements were evaluated according to the criteria given by Fred R. David. The author made a conclusion that the Bangladeshi companies were preparing their mission statements without knowing the basic characteristics that mission statements should possess.

(Biswas, & Das, 2007) [7] tried to find out the quality of mission statements of the listed Public Limited Companies (PLCs) in Bangladesh. The nine criteria suggested by Fred R. David were taken as benchmark for this study. The annual reports of a sample of 167 PLCs have been surveyed to determine the nature and extent of disclosure by computing total score and a Mission Statement Disclosure Index (MSDI). The findings revealed that the companies were focusing more on customers and concern for survival, growth and profitability and little focus is placed on self-concept, technology and market. The researchers concluded that the companies were preparing and disclosing the mission statements without having proper knowledge of the characteristics of the mission statement from strategic management viewpoint.

(Moin, & Khan, 2012) [8] made a comparative analysis

of the mission statement of all the scheduled banks operating in Pakistan using a Nine Point Scale model given by Fred R. David. 21 domestic private Pakistani banks were used as a sample to make analysis in this study. The findings revealed that the score card of mission statement of (scheduled) banking setups in Pakistan were above the average score card of mission statement. Banks were more focused on customers and concern for survival, growth and profitability rather market, technology, employees and self concept.

(Ahmed, & Islam, 2013) [9] make an effort to determine the readability of mission statements from 169 selected Islamic banks. The mission statements from 169 Islamic banks were taken from their respective web sites between March and April 2012. They used simple counting techniques and readability analyses. The findings revealed that the mission statements of Islamic banks were difficult to read and comprehend and banks have a great deal of work to do on their mission statements in order to make them readable and understandable to a wide range of stakeholders.

(Rajani, & Vijay, 2014) [10] analyzed the mission statements of selected public and private sector banks in India. In their study five public and five private sector banks were selected for the component analysis of mission statements as per criteria given by Fred R. David. The author made a conclusion that the on a whole all banks gave prime importance to their customers and least importance to the technology.

3. Mission Statements

Abbott Lab.

The mission of Abbott House is to improve the lives of vulnerable children, adults and families. Serving children and families in need and people with developmental disabilities, Abbott House strives for excellence and absolute integrity in the delivery of services.

Ferozsons (Lab)

We aim to improve the quality of life by providing innovative healthcare solutions, ensuring patient access to treatments & cures. In doing so we will,

- a. Enhance shareholder value
- b. Lead in employee development
- c. Collaborate for excellence
- d. Be ethical & transparent

GlaxoSmithKline

Our mission is to help people do more, feel better, and live longer.

- a. Grow a balanced business
- b. Deliver more products of value
- c. Simplify the operating model
- d. Responsible business

Highnoon (Lab)

We strive to maintain excellence in our business practices with the objective to benefit the medical community, consumers, stakeholders and employees; and to improve quality of life by providing quality products.

IBL HealthCareXB

We are committed to contribute in the betterment of society by providing the versatile range of healthcare and nutrition products. We aim to grow by relentlessly providing better products and services to our customers, better returns to our stake holders and the better quality of life to the employees.

Otsuka Pak

To provide quality health care products while maintaining leadership position in chosen segment by working efficiently towards customer satisfaction, rapid growth, and enhanced stakeholders' value.

Sanofi-Aventis

To enhance the quality of life of the greatest number through providing a continuum of care by answering unmet medical needs of the community and promoting access to quality healthcare

The Searle Co.

Our Mission is to build an Organization:

- a. Which provides its customers with the best possible products and services in the healthcare and consumer industries
- b. That is ever-evolving in step with the changing marketplace to maintain its leadership role
- c. Which would grow and live beyond each one of us
- d. Which is a responsible corporate citizen contributing to society and protecting the environment
- e. That promotes team spirit amongst its employees whilst maintaining their individuality in a culture where people are encouraged to think and strive to achieve their true potential
- f. Which works today for a better and secure tomorrow for all its stakeholders through innovation, new product development and sound business practices
- g. Which cares for its employees and shares in their dreams.

Wyeth Pak Ltd

We bring to the world pharmaceutical and healthcare products that improve lives and deliver outstanding value to our customers and shareholders.

4. Components of Mission Statements

Previous study shows that there is no particular length or format of a mission statement. It differs from organization to organization. It can also be said that there is no specificity about the components of the mission statement. Several authors have identified several different numbers of components that should be present in 'good mission statement'. Ackoff (1986) [11] argues that a first criterion of an acceptable mission statement should be the capacity to be challenged. (Pearce & David, 1987) [12] identified eight key elements to be included in mission statements. Two years later, (David, 1989) [13] identified nine key components i.e. customers, products / services, markets, technology, concern for survival, philosophy, self-concept, concern for public image, and concern for employees. Bart (1997) [14] expands

the list to 20 components by adding such items as specific financial objectives and concern for survival.

However, a mission statement should be informative, inspiring, enduring, concise, clear, and conducive to both employees and customers forming an emotional bond with the firm. Most practitioners and academicians of strategic management assert that an effective mission statement should include the nine components which are suggested by Fred R. David. These are as under:

- (1) Customers - Who are the firm's customers?
- (2) Products or services - What are the firm's major products or services?
- (3) Markets - Geographically, where does the firm compete?
- (4) Technology - Is the firm technologically current?
- (5) Concern for Survival, Growth, and Profitability - Is the firm committed to growth and financial soundness?
- (6) Philosophy - What are the basic beliefs, values, aspirations, and ethical priorities of the firm?
- (7) Self-Concept - What is the firm's distinctive competence or major competitive advantage?
- (8) Concern for Public Image - Is the firm responsive to social, community, and environmental concerns?
- (9) Concern for Employees - Are employees a valuable asset of the firm?

It is very much visible that in above suggested 'mission statement components' Fred R. David tries to cover both the views of considering mission statement as a strategic tool and including ethics and philosophy. This study uses these components as a benchmark to evaluate the mission statements of pharmaceutical sector companies of Pakistan.

5. Objectives of Study

The objective of this study is to enrich the existing body of knowledge by providing up to date observed facts from Pakistan in terms of mission statement components. The findings could be of great use for interested parties i.e. managers, researchers and investors etc. to assess the quality of mission statements of these companies. The main objectives of this study are:

- a. To identify the mission statement components of pharmaceutical sector companies of Pakistan.
- b. To examine the extent of mission statements in terms of number of words and sentences used.

6. Methodology

In order to analyze the mission statement components, an exploratory research was conducted. This study purely concentrates only on the pharmaceutical sector companies of Pakistan. As on December 31, 2016 there are 9 companies which are listed on Pakistan Stock Exchange (PSX). 9 out of 9 companies are taken. The annual reports and websites of these listed companies are accessed for the review of their mission statements. Through analysis, mission statement of each of these companies are analyzed in order to identify

whether it covers the several components of mission statement as suggested by Fred R. David and our findings are on a table shown in Table A1. Moreover, number of words and sentences used in the statements was also counted using simple counting techniques and shown in Table A2.

7. Findings of the Study

7.1. Vertical Findings

Table 1 below is explaining the vertical comparative findings of mission statement components.

Table 1. Frequency of components in the Mission Statements.

Mission Statements Component	Score Achieved	Percentage
Customers	9	100%
Product & Services	9	100%
Market	3	33%
Technology	1	11%
Concern for Survival, Growth and Profitability	7	78%
Philosophy	7	78%
Concern for Public Image	4	44%
Self-Concept	6	67%
Concern for Employees	4	44%

(Source: Appendix I)

Customers

Nine out of nine companies (100%) have mentioned about their target customers in mission statement.

Products & Services

Nine out of nine companies (100%) have mentioned about their target customers in mission statement.

Market

Three companies (33%) have mentioned about their market in mission statement.

Technology

One company (11%) have discussion about the technology in their mission statement. This fact reveals that most of the companies are not considering this component which is most important to compete in the current market.

Concern for Survival, Growth and Profitability

Seven companies (78%) specifically mentioned about their concern for survival, growth and profitability. This fact shows that most of the Pakistani pharmaceutical manufacturing companies are much concerning about this component.

Philosophy

Seven companies (78%) specifically mentioned about their concern for survival, growth and profitability.

Concern for Public Image

Only four companies (44%) have discussed their concern for public image in mission statement.

Self Concept

Six companies (67%) have mentioned about their self concept of business in mission statement.

Concern for Employees

Four companies (44%) have documented about their employees in mission statement.

7.2. Horizontal Findings

Table 2. Shown below is showing the horizontal comparative findings of mission statement components.

Name of the Company	Number of Components
The Searle Co.	8
Ferozsons (Lab)	7
IBL HealthCareXB	6
GlaxoSmithKline	5
Highnoon (Lab)	5
Otsuka Pak	5
Abbott Lab	4
Sanofi-Aventis	4
Wyeth Pak Ltd	4

(Source: Table A1)

It is observed that out of nine points scale, maximum points gained by any company is eight, that is achieved by 'The Searle Co. Pharmaceutical Limited' and minimum achieved by 'Wyeth Pak Ltd, Abbott Lab & Sanofi-Aventis Pharmaceutical Limited' with the score of only four. Furthermore, two companies gained seven points out of nine i.e. Ferozsons (Lab) Pharmaceutical Limited, IBL HealthCareXB Pharmaceutical Company Limited, One company gained six points out of nine i.e. GlaxoSmithKline Pharmaceutical (Pakistan) Limited. Two companies gained five points out of nine i.e. Otsuka Pak Pharmaceutical Limited.

8. Conclusion

The overall findings show that most of the pharmaceutical sector companies of Pakistan are making the average level of score and extreme to incorporate their concerns for customer, product, survival, philosophy and self-concept in their mission statements. *But* they are giving less focus to technology, market, public image and employees. The length of a mission statements are (Min. = 33 and Max. = 120) in words.

Recommendations

In current era of globalization, the efficient use of technology is very much important for the success of any organization. Technology plays important role on the costs, interactivity, efficiency, productivity, competitiveness, innovation and so on. So it is recommended that pharmaceutical sector companies of Pakistan should focus on mentioning the technology component in their mission statement.

Most of firms believe that ethical duties to the community and conduct of business with the environmental sustainability give strategic benefit. We believe that companies having focus on concern for public image get huge number of customers, greater market share and prominent name in the market. So companies should focus on this component.

Study Limitations

The analysis of this study is restricted only on the content

analysis in the mission statements of selected listed pharmaceutical sector companies. A lot of work is required relating to this gap.

Appendix

Table A1. Evaluation Matrix of Mission Statements.

Name of the Company	Customers	Products or Services	Markets	Technology	Concern for survival, growth & profitability	Philosophy
Abbott Lab	Y	Y	N	N	N	Y
Ferozsons (Lab)	Y	Y	N	Y	Y	Y
GlaxoSmithKline	Y	Y	N	N	Y	Y
Highnoon (Lab)	Y	Y	N	N	Y	Y
IBL HealthCareXB	Y	Y	Y	N	Y	Y
Otsuka Pak	Y	Y	Y	N	Y	N
Sanofi-Aventis	Y	Y	N	N	N	Y
The Searle Co.	Y	Y	Y	N	Y	Y
Wyeth Pak Ltd	Y	Y	N	N	Y	N
	9	9	3	1	7	7

Table A1. Continued.

Name of the Company	Concern for public image	Self-Concept	Concern for employees	Number of Components included	% of total components included
Abbott Lab	Y	N	N	4	44%
Ferozsons (Lab)	N	Y	Y	7	78%
GlaxoSmithKline	Y	Y	N	6	67%
Highnoon (Lab)	N	N	Y	5	56%
IBL HealthCareXB	N	Y	Y	7	78%
Otsuka Pak	N	Y	N	5	56%
Sanofi-Aventis	Y	N	N	4	44%
The Searle Co.	Y	Y	Y	8	89%
Wyeth Pak Ltd	N	Y	N	4	44%
	4	6	4		

*Y indicates the company complies with the respective component of mission statement

*N indicates the company don't complies with the respective component of mission statement

Table A2. Number of words and sentences used in the statements.

Name of Companies	Number of Words	Number of Sentences
Abbott Lab	40	3
Ferozsons (Lab)	43	5
GlaxoSmithKline	32	5
Highnoon (Lab)	31	2
IBL HealthCareXB	49	2
Otsuka Pak	25	1
Sanofi-Aventis	30	1
The Searle Co.	127	7
Wyeth Pak Ltd	21	1

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