



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

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Abstract: The objective of this study was to investigate the quality of mission statements of the cement sector companies operating in Pakistan. 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 21 cement companies are listed within this sector. In this study 15 companies were selected through convenient sampling to make analysis. Data needed to make comparative analysis of mission statement were collected from their annual reports and websites of these companies. The findings show that most of the cement sector companies of Pakistan are making the average level of score and keen to incorporate their concerns for survival, growth & profitability, product & services and self concept in their mission statements. But they are giving less focus to technology and concern for a public image. The length of a mission statements are (Min. = 15 and Max. = 137) in words and (Min. = 1 and Max = 7) in sentences.

Keywords: Mission Statement, Nine Components, Cement 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 cement sector companies of Pakistan have been selected for this study. The cement sector of Pakistan was chosen due to a number of reasons i.e. cement sector is one of the most important sectors of Pakistan economy and ranked in top 15 world's cement exporter. It is contributing in Gross Domestic Product (GDP), 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 cement 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. 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 cement sector companies of Pakistan.

4. 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:

To identify the mission statement components of cement

sector companies of Pakistan.

To examine the extent of mission statements in terms of number of words and sentences used.

5. Methodology

In order to analyze the mission statement components, an exploratory research was conducted. This study purely concentrates only on the cement sector companies of Pakistan. As on December 31, 2016 there are 21 companies which are listed on Pakistan Stock Exchange (PSX). Out of 21, fifteen companies are taken as a sample through convenient sampling. 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 Appendix I. Moreover, number of words and sentences used in the statements was also counted using simple counting techniques and shown in Appendix II.

6. Findings of the Study

a. Vertical Findings

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

Table 1. Mission Statement Components.

Mission Statement Components	Score Achieved	Percentage
Customers	9	60%
Product & Services	10	67%
Market	7	47%
Technology	3	20%
Concern for Survival, Growth and Profitability	11	73%
Philosophy	8	53%
Concern for Public Image	4	27%
Self Concept	10	67%
Concern for Employees	6	40%

(Source: Appendix I)

Customers

Nine out of fifteen companies (60%) have mentioned about their target customers in mission statement. The Facto Cement Limited has defined the same component in two times. But all of them could not define its customers particularly in mission statement with regards to who they are.

For Example;

Mission Statement of Pakcem Limited

"We are committed to providing outstanding value to our customers"

Mission Statement of Facto Cement Limited

"Offering quality product to our customers" & "Striving to improve our product to meet our customers' needs"

Mission Statement of Bestway Cement Limited

"Consistently maintain a high standard of customer service"

Products & Services

Ten out of fifteen companies (67%) have mentioned about their products & services in mission statement. The Facto Cement Limited has defined two times about the products & services.

For Example;

Mission Statement of Facto Cement Limited

"Offering quality product to our customers" & "Striving to improve our product to meet our customers' needs"

Mission Statement of Kohat Cement Limited

"To provide our customers with quality cement at competitive pricing"

Market

Seven companies (47%) have mentioned about their market in mission statement. But none of these except Bestway Cement Limited has defined specifically about the area on which they want to compete.

For Example;

Mission Statement of Bestway Cement Limited

"Achieve 25% of the market share of North Zone in the short term and maintain its position as the largest cement producer in the country."

Technology

Only three companies (20%) 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.

For Example;

Mission Statement of Lucky Cement Limited

"Having state of the art technology"

Mission Statement of Dewan Cement Limited

"To assume a leadership role in the technological advancement of the cement industry, though achieving the highest level of qualitative and quantitative indigenization."

Concern for Survival, Growth and Profitability

Eleven companies (73%) specifically mentioned about their concern for survival, growth and profitability. This fact shows that most of the Pakistani cement manufacturing companies are much concerning about this component. The D.G Khan & Fauji Cement Company Limited have discussed two times about this component in their statement.

For Example;

Mission Statement of D.G Cement Company Limited

*"To promote/expand sales of the Company" &
"Sustainable and equitable growth and prosperity of the Company"*

Mission Statement of Fauji Cement Company Limited

*"To maintaining its leading position" &
"To enhance market share"*

Philosophy

Eight companies (53%) have mentioned about their philosophy of business in mission statement. The Dewan & Lucky Cement Limited have discussed about their philosophy for three and two times respectively in their statement.

For Example;

Mission Statement of Cherat Cement Company Limited

"Achieve excellence in business"

Mission Statement of Pakcem Limited

"Committed to providing outstanding value to our

customers"

Concern for Public Image

Only four companies (27%) have discussed their concern for public image in mission statement.

For Example;

Mission Statement of Bestway Cement Limited

"Continue to set aside adequate funds from net profits for fulfilling its various social responsibilities particularly in the field of education and health."

Mission Statement of Lucky Cement Limited

"Maintain service and quality standards to cater to the international construction needs with an environment friendly approach."

Self Concept

Ten companies (67%) have mentioned about their self concept of business in mission statement. The Cherat & Fauji Cement Company Limited have discussed about this component for three and two times respectively in their statement.

For Example;

Mission statement of Cherat Cement Limited

"Invest in projects that will optimize the risk-return profile of the Company" &

"Achieve excellence in business" &

"Maintain competitiveness by leveraging technology"

Mission statement of Fauji Cement Company Limited

*"Maintain its leading position in quality of cement" &
"To reduced cost of production and enhanced market share"*

Concern for Employees

Six companies (40%) have documented about their employees in mission statement. The Dewan Cement Limited has mentioned two times their concern regarding the employees of the company.

For Example;

Mission Statement of Dewan Cement Limited

"To achieve the basic aim of benefiting our customers, employees and shareholders" &

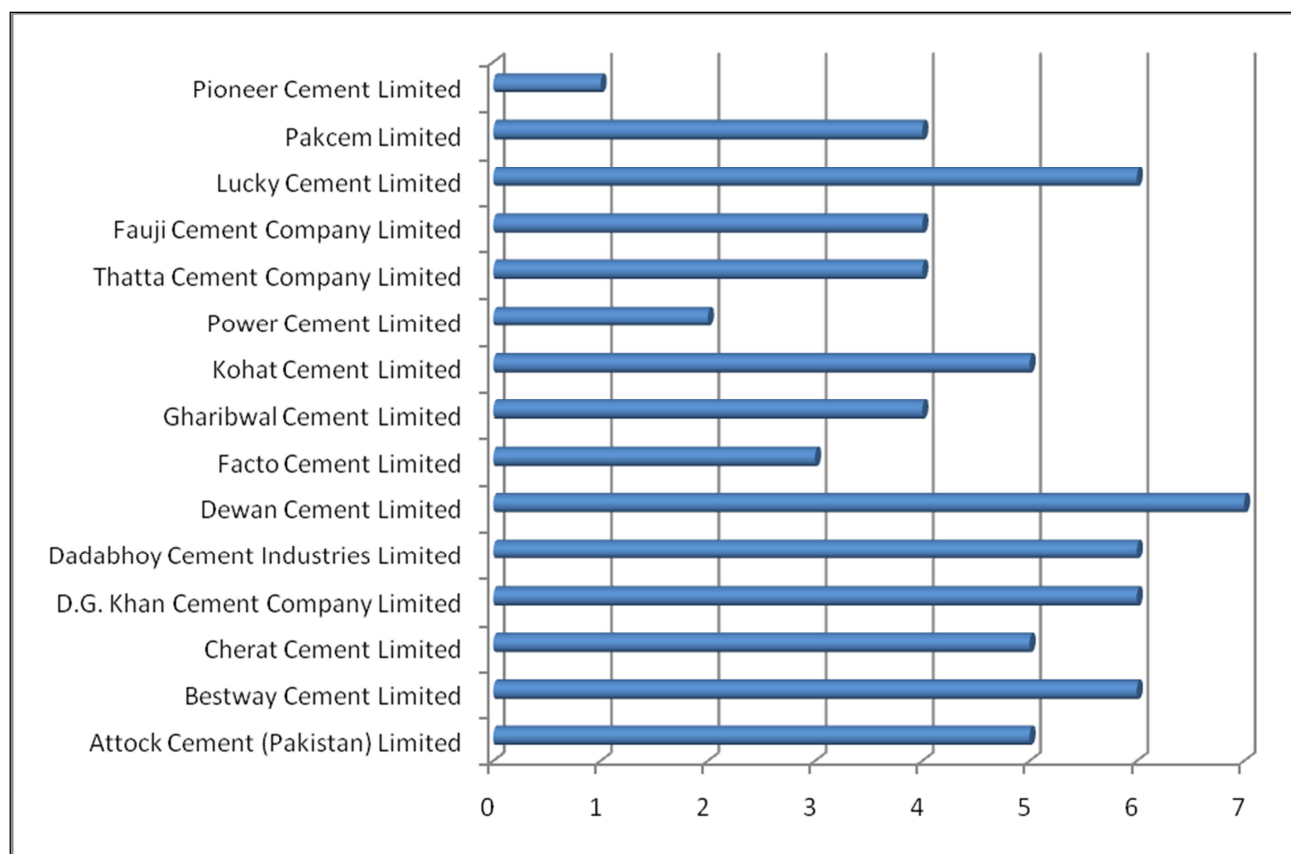
"To create a work environment that highlights team work, and which motivates, recognizes and rewards achievement at all levels of the organization, because: In Allah we believe, and in people we trust."

Mission Statement of Dadabhoy Cement Industries Limited

"To create a good work environment for our employees and faster team work & career development"

b. Horizontal Findings

Figure 1 shown below is explaining the horizontal comparative findings of mission statement components.



(Source: Appendix I)

Figure 1. Companies Wise Score Out of 9.

It is observed that out of nine points scale, maximum points gained by any company is seven, that is achieved by 'Dewan Cement Limited' and minimum achieved by 'Pioneer Cement Limited' with the score of only one. Furthermore, four companies gained six points out of nine i.e. Bestway Cement Limited, D.G. Khan Cement Company Limited, Dadabhoy Cement Industries Limited and Lucky Cement Limited. Three companies gained five points out of nine i.e. Attock Cement (Pakistan) Limited, Cherat Cement Limited and Kohat Cement Limited. Four companies gained four points out of nine i.e. Gharibwal Cement Limited, Thatta Cement Company Limited, Fauji Cement Company Limited and Pakcem Limited. One company gained three points out of nine i.e. Facto Cement Limited. One company gained two points out of nine i.e. Power Cement Limited.

c. Extent of Mission Statements in Terms of Words and Sentences Used

Annexure II reveals that the Dewan Cement Limited had the longest mission statement containing 137 words, while the shortest mission statement was of Power Cement Limited and it contained only 15 words. An analysis of the number of sentences revealed that the longest mission statement of Dewan Cement Limited containing 07 sentences, while the shortest contained only 01 sentence i.e. Attock Cement (Pakistan) Limited, D.G. Khan Cement Company Limited, Facto Cement Limited, Gharibwal Cement Limited, Power

Cement Limited, Fauji Cement Company Limited, Lucky Cement Limited, Pakcem Limited and Pioneer Cement Limited.

7. Conclusion

The overall findings show that most of the cement sector companies of Pakistan are making the average level of score and keen to incorporate their concerns for survival, growth & profitability, product & services and self concept in their mission statements. But they are giving less focus to technology and concern for a public image. Further the length of a mission statements are (Min. = 15 and Max. = 137) in words and (Min. = 1 and Max = 7) in sentences.

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 cement 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 cement sector companies. A lot of work is required relating to this gap.

Appendix

Appendix I. Company Wise Mission Statement Components.

Company Wise Mission Statement Components						
Name of Companies	Customers	# of Times	Product & Services	# of Times	Market	# of Times
Attock Cement (Pakistan) Ltd.	Y	0	Y	0	N	0
Bestway Cement Ltd.	Y	0	Y	0	Y	0
Cherat Cement Ltd.	N	0	N	0	N	0
D.G. Khan Cement Company Ltd.	Y	0	Y	0	Y	0
Dadabhoy Cement Industries Ltd.	Y	0	N	0	Y	0
Dewan Cement Ltd.	Y	0	N	0	N	0
Facto Cement Ltd.	Y	2	Y	2	N	0
Gharibwal Cement Ltd.	N	0	Y	0	Y	0
Kohat Cement Ltd.	Y	0	Y	0	N	0
Power Cement Ltd.	N	0	Y	0	Y	0
Thatta Cement Company Ltd.	Y	0	Y	0	N	0
Fauji Cement Company Ltd.	N	0	Y	0	Y	0
Lucky Cement Ltd.	N	0	Y	0	Y	0
Pakcem Ltd.	Y	0	N	0	N	0
Pioneer Cement Ltd.	N	0	N	0	N	0
Total	9	2	10	2	7	0
Percentage	60%		67%		47%	

Appendix I. Continued.

Company Wise Mission Statement Components						
Name of Companies	Technology	# of Times	Concern for Survival, Growth and Profitability	# of Times	Philosophy	# of Times
Attock Cement (Pakistan) Ltd.	N	0	Y	0	Y	0
Bestway Cement Ltd.	N	0	N	0	N	0
Cherat Cement Ltd.	Y	0	Y	0	Y	0
D.G. Khan Cement Company Ltd.	N	0	Y	2	Y	0
Dadabhoy Cement Industries Ltd.	N	0	Y	0	Y	0
Dewan Cement Ltd.	Y	0	Y	0	Y	3
Facto Cement Ltd.	N	0	Y	0	N	0
Gharibwal Cement Ltd.	N	0	Y	0	N	0
Kohat Cement Ltd.	N	0	Y	0	N	0
Power Cement Ltd.	N	0	N	0	N	0
Thatta Cement Company Ltd.	N	0	Y	0	N	0
Fauji Cement Company Ltd.	N	0	Y	2	N	0
Lucky Cement Ltd.	Y	0	N	0	Y	2
Pakcem Ltd.	N	0	Y	0	Y	0
Pioneer Cement Ltd.	N	0	N	0	Y	0
Total	3	0	11	4	8	5
Percentage	20%		73%		53%	

Appendix I. Continued.

Company Wise Mission Statement Components							
Name of Companies	Concern for Public Image	# of Times	Self Concept	# of Times	Concern for Employees	# of Times	Presence of Component Total
Attock Cement (Pakistan) Ltd.	N	0	Y	0	N	0	5
Bestway Cement Ltd.	Y	0	Y	0	Y	0	6
Cherat Cement Ltd.	N	0	Y	3	Y	0	5

Company Wise Mission Statement Components							
Name of Companies	Concern for Public Image	# of Times	Self Concept	# of Times	Concern for Employees	# of Times	Presence of Component Total
D.G. Khan Cement Company Ltd.	N	0	Y	0	N	0	6
Dadabhoy Cement Industries Ltd.	Y	0	N	0	Y	0	6
Dewan Cement Ltd.	Y	2	Y	0	Y	2	7
Facto Cement Ltd.	N	0	N	0	N	0	3
Gharibwal Cement Ltd.	N	0	Y	0	N	0	4
Kohat Cement Ltd.	N	0	Y	0	Y	0	5
Power Cement Ltd.	N	0	N	0	N	0	2
Thatta Cement Company Ltd.	N	0	Y	0	N	0	4
Fauji Cement Company Ltd.	N	0	Y	2	N	0	4
Lucky Cement Ltd.	Y	0	Y	0	N	0	6
Pakcem Ltd.	N	0	N	0	Y	0	4
Pioneer Cement Ltd.	N	0	N	0	N	0	1
Total	4	2	10	5	6	2	68
Percentage	27%		67%		40%		

Y indicates that the companies have mentioned this component in their mission statements.

N indicates that the companies have not mentioned this component in their mission statements.

of Times indicates the presence of a component for a number of times in mission statements.

Appendix II. Extent of Mission Statements in Terms of Words and Sentences.

Name of Companies	Number of Words	Number of Sentences
Attock Cement (Pakistan) Ltd.	35	1
Bestway Cement Ltd.	90	6
Cherat Cement Ltd.	42	5
D.G. Khan Cement Company Ltd.	48	1
Dadabhoy Cement Industries Ltd.	51	6
Dewan Cement Ltd.	137	7
Facto Cement Ltd.	40	1
Gharibwal Cement Ltd.	30	1
Kohat Cement Ltd.	24	3
Power Cement Ltd.	15	1
Thatta Cement Company Ltd.	20	2
Fauji Cement Company Ltd.	20	1
Lucky Cement Ltd.	44	1
Pakcem Ltd.	25	1
Pioneer Cement Ltd.	26	1
Total	647	38

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