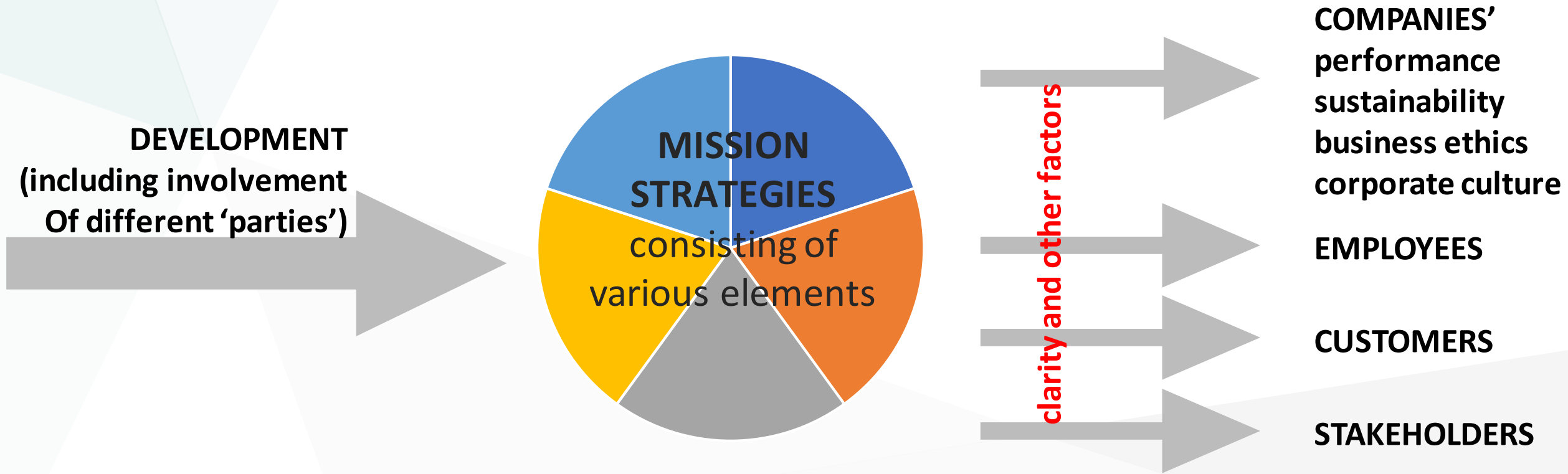




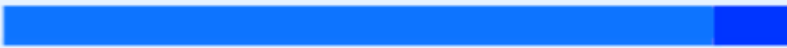

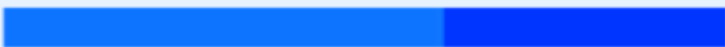

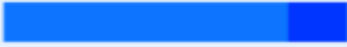

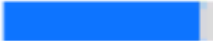
Mission statements of the leading Russian companies: Content components and reflection of higher purposes

Molchanova Tatyana

A provisional conceptualization of the idea of mission statement in the light of the modern research



The leading Russian companies considered in the present study

Place	Company	Sector	Capitalization at the end of 2018, million dollars (change for the year,%)
1	НК «Роснефть»	А	65 286  +22,5
2	Сбербанк	II	57 818  -31,4
3	ЛУКОЙЛ	А	53 823  +9,9
4	Газпром	А	52 240  -2,1
5	НОВАТЭК	А	49 393  +39,0
6	Норильский никель	III	29 633  +0,4
7	Газпром нефть	А	23 594  +17,0
8	Татнефть	А	22 859  +27,3
9	Сургутнефтегаз	А	13 808  -19,7
10	НЛМК	III	13 588  -11,5

Approaches for the content analysis of mission statements

- ▶ The first approach can be called 'principal component analysis'. It is based on checking the presence/absence of some common, 'standard' components in the missions.
- ▶ The second approach can be called 'auxiliary element analysis'. It is based on checking the presence/absence of some industry-specific or marketing/management-related criteria.
- ▶ These approaches seem to be mutually important, and the both are employed in the present analysis.

Three hypotheses

- ◆ H1: the mission statements of the leading Russian companies should demonstrate certain peculiarities;
- ◆ H2: a kind of coherence of the mission statements of the leading Russian companies is expected;
- ◆ H3: there should be certain differences in the mission statements between some industries of the Russian economy.

Analysis

- ▶ First, mean and median numbers of the amount of principal and auxiliary components in the mission statements is established.
- ▶ Second, amount of the components is calculated for the entity of all companies.
- ▶ Third, mission statement similarities by the occurrence of the principal and auxiliary components in their content are measured.

A similarity index is calculated for each pair of the companies

$$S = C / [(A1 + A2) - C]$$

- ▶ S is the similarity index ranging between 1 (full similarity) and 0 (total dissimilarity)
- ▶ C is the number of common components for two mission statements
- ▶ A1 and A2 are the numbers of components in each mission statements

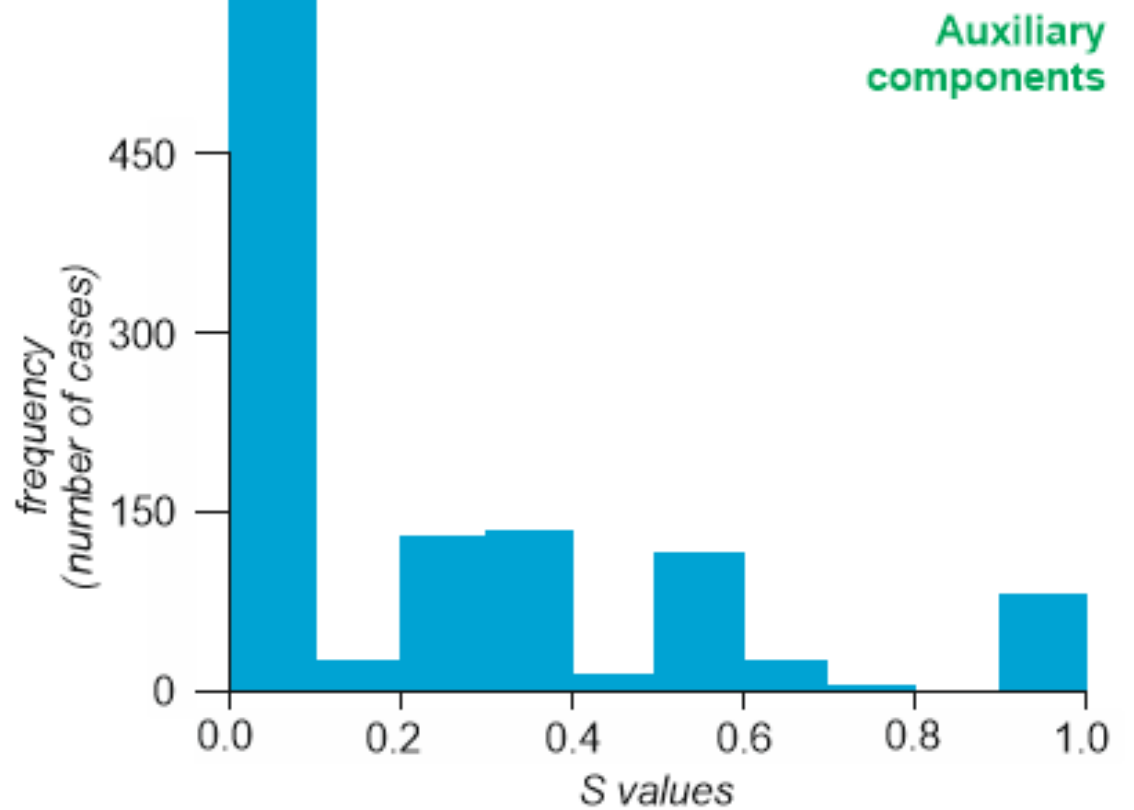
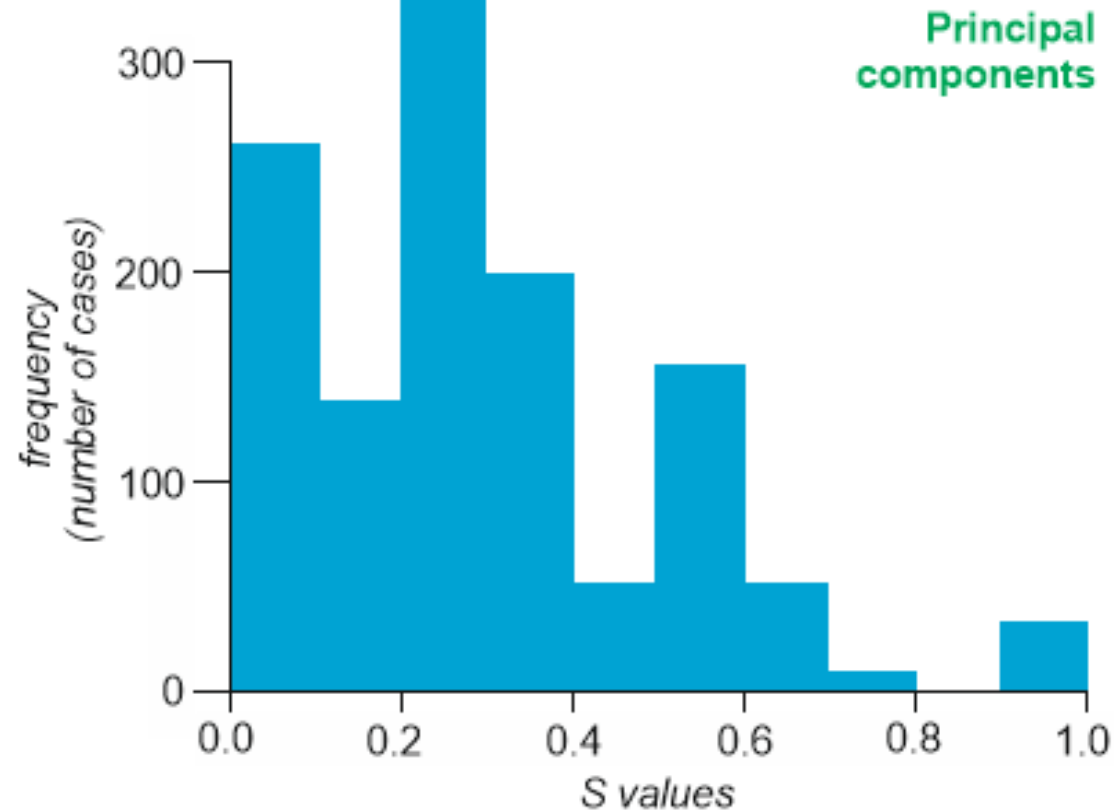
Amount of principal and auxiliary components in the mission statements of the leading Russian companies.

Object of study	Amount of components in one mission statement			
	Principal components		Auxiliary components	
	Mean	Median	Mean	Median
All companies	2.9	3.0	1.8	1.5
Metallurgy	2.9	2.5	1.4	1.0
Finances	2.6	2.0	1.6	2.0
Hydrocarbons	3.5	2.5	2.5	2.5
Electricity	2.5	2.5	2.0	2.0
Retail	2.6	3.0	1.0	1.0

Amount of principal and auxiliary components of the mission statements of the leading Russian companies

Component	All companies (50)*	Metallurgy (8)	Finances (7)	Hydrocarbons (6)	Electricity (6)	Retail (5)
Principal components						
Customers	22	3	4	1	4	2
Markets	15	3	1	2	0	4
Image	3	1	0	1	0	0
Products, services	24	4	5	4	3	0
Technology	10	0	1	1	3	0
SGP**	17	3	0	3	3	1
Philosophy	31	6	5	4	2	3
Self- understanding	13	2	2	3	0	2
Employees	9	1	0	2	0	1
Auxiliary components						
Slogan	7	2	0	1	0	1
Efficiency	16	3	0	4	3	0
Sustainability	15	1	1	4	3	0
Societal value	24	3	4	3	2	3
Environment	8	0	0	2	2	0
National value	9	1	3	1	1	0
Stockholders, partners	11	1	3	0	1	1

Histograms of similarities of the analyzed mission statements by the occurrence of principal and auxiliary components



Mean similarity of the analyzed mission statements by the occurrence of components

Object of study	S index	
	Principal components	Auxiliary components
All companies	0.28	0.20
Metallurgy	0.28	0.08
Finances	0.37	0.33
Hydrocarbons	0.23	0.29
Electricity	0.27	0.13
Retail	0.30	0.30

Validity of the hypotheses proposed in this paper

Hypotheses	Validity in Russia (this study)	Validity in some other countries (published evidence)
H1	Partly proven: some evident peculiarities of mission statements exist, but not all are country-specific.	Partly proven: some evident peculiarities of mission statements exist, but not all are country-specific.
H2	Disproven: weak coherence of mission statements.	Almost proven: mission statements often demonstrate certain coherence.
H3	Weakly proven: differences in mission statements between industries exist, but these are not higher than differences between statements within these industries.	Partly proven: there are both differences and similarities in mission statements between industries.

Possible factors of the higher purpose inclusion into the mission statements of the leading Russian companies



Conclusions

- ◆ Nine principal and seven auxiliary components are found in the content of the missions statements of the 50 biggest companies;
- ◆ The number of issues emphasized in the mission statements is restricted;
- ◆ The most common principal components are philosophy, products/services, and customers, and the most common auxiliary components are societal value, efficiency, and sustainability;
- ◆ The similarity the content components of the analyzed mission statements is low;
- ◆ Some characteristic peculiarities of the mission statements are found(e.g.,low attention to company image), but some of these exist in the other countries;
- ◆ It is questionable whether the mission statements differ by industries;
- ◆ Many mission statements focus on the business higher purposes (social, environmental, and state needs), which can be explained by the interaction of several factors, the both world- and country-scale.