

Mission Statements of Pharmaceutical Firms in Bangladesh: Missing Link and Probable Impact

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Abstract A well aimed and designed mission statement is required to maintain consistency and ensure unanimity of purpose in the business strategy formulation, implementation and evaluation. Unanimity of purpose is also required to develop a strong corporate culture in the competitive world. This paper deals with the content analysis of mission statement of pharmaceutical industry of Bangladesh. Product of pharmaceuticals industry is more sensitive than other industries. At the same time managers are compel to maintain quality, conduct research and ensure financial growth. This paper has identified missing links of mission statement with its probable impact also.

Key words Long range planning; Missing link; Corporate culture; Performance

1 Introduction

In Bangladesh, one of the most developed hi-tech industries is pharmaceutical. Government promulgated a Drug Control Ordinance in 1982 known as Drug Control Ordinance – 1982. After the promulgation, the development of this sector is accelerated. Basically, innovative ideas, professional knowledge and workings are the key factors for this development. Now, after fulfilling the local needs, this sector is exporting the medicine to the global market including the Europe. To survive with the competitive world market, this sector has to execute long-range planning. In modern health care organization, mission statement has begun to play an increasingly important role^[1]. To establish a forward linkage, mission statement is also important for pharmaceutical firms regarding long range planning.

2 Methodology

We have collected the mission statement of most pharmaceuticals company (fourteen) of Bangladesh from various sources like web address, personal affiliation, and annual reports etc. However, many managers, consultants and scholars use the terms mission, vision, philosophy, values, and goals interchangeable^[2]. So, we have observed all the items and the statements that leveled as “mission” and have analyzed. Where mission is not leveled we have tried to analyze the purpose, goals, products, markets, philosophy etc. whether they have mentioned or not, like Pearce and Roth^[3].

3 Mission Statement

Researchers have defined mission statement as statements of purpose, values statements, goals and strategies, corporate creed, corporate philosophy and so on. A good mission statement describes an organization's purpose, products, services, markets, philosophy and basic technology to chart the future direction of an organization. Development of an organizational mission is an essential part of strategic planning and strategic management^[4]. A mission statement establishes the values, beliefs, and guidelines for the way the organization conducts its business and determines its relationships with the stakeholders – employees, customers, shareholders, suppliers, governments, and the community^[5]. A clear mission statement can help to establish a general tone or organizational climate which can serve as a focal point for individuals to identify with the organizations purpose and direction and to indicate standards of behavior expected from them^[6].

3.1 Components of mission statement

Researchers have mentioned different opinion about the content of mission statement of organization. Bart claim to clear the firm's mission, 25 components is required^[7]. Campbell and Yeung state that an effective mission statement consists of four components; they are – purpose, strategy, behavior and value^[8]. They claim that this will bind the organization to continue together with the strong corporate culture.

However, we have tempted to analyze the content of mission statement from the perspective of

Pearce and David. They claim that an effective mission statement exhibits nine characteristics or components. Pearce and David state that to form a mission statement, the following nine characteristics should be considered^[9]:

Customers: Who are the organizations' customers?

Products/Services: What are the organization products or services?

Location/Markets: Where does the organization compete?

Technology: Is Technology a primary concern of the organization?

Concern for survival, growth and profitability: Is the organization committed to economic objectives?

Philosophy: What are the basic beliefs, values, aspirations, and philosophical priorities of the firm?

Self-concept: What is the organization's distinctive competence or major competitive advantage?

Concern for Public image: Is the organization responsive to social, community and environmental concerns?

Concern for employees: Are employees considered to be a valuable asset of the organization?

3.2 Contents of mission statement of pharmaceutical firm of Bangladesh

After collecting the mission statement and observing the related statement stated as methodology, we have analyzed the mission statement regarding the nine components of Pearce and David. Two tables have been prepared. Table 1 includes the evaluation matrix of mission statements and table 2 includes the frequency of components of observed mission statements.

Table 2 states that mission statement of pharmaceuticals firms priorities the three components. These are Concern for survival, growth and profitability (71%), Self-concept (71%) and concern for employee (71%). Less prioritized mission statement's components are Market/location (21%), Technology (29%), and Customers (36%). Although these are worthy elements for competitiveness and survival in the competitive world, these have been given less priority.

We are going to discuss detail of analysis of table 1

Customer: a major reason for developing a business mission is to attract customers who give meaning to an organization^[4]. All of the works of an organization are done to satisfy the customer; therefore it is necessary to identify to whom they are going to satisfy. Our analysis detect that only 5 companies out of 14 have identified their customer. Some examples are:

Square pharmaceuticals has used "healthcare relief for people", Silva pharmaceuticals has used "ailing people of the country" etc. Some companies, like Beximco pharmaceuticals have used "our customer" in their mission statement but have not mentioned who are their customers.

Products/Services: proper identification of product and service is required to strategy formulation, implementation and evaluation. As in pharmaceuticals there is various type of product regarding use and stage, proper identification is important. Table 1 show that only 7 out of 14 companies have identified their products. Some good examples are:

General pharmaceuticals have used "pharmaceutical finished formulation manufacturing" to indicate the stage where they are involved. Silva pharmaceuticals have used "manufacture cost-effective pharmaceutical products". Some companies, e.g., Oponin pharmaceuticals has used "...health care solutions" but have not specified the type of health care solution.

Market/location: in case of strategy formulation and implementation, market/location specification is important as different area composed of different characteristics. We detect that the lowest number, only 3 companies out of 14 have specified their location or market. Good examples are:

Oponin Pharmaceuticals has used "in Bangladesh and strengthen its global presence", General pharmaceuticals has used "in Bangladesh", Silva pharmaceuticals has used "...to serve...people of the country". No other company have mentioned about their location or market.

Technology: In the age of Globalization, efficient use of technology is the apparatus of the success of an organization. Technology plays critical role on the costs, interactivity, efficiency, productivity, competitiveness and so on. Our analysis shows that only 4 out of 14 companies have mentioned the use of technology. It's quite confusing to us why majority have not mentioned about the technology in their mission statement. Some good examples are:

MonicoPharma Ltd. has used "to introduce the new technology...", Beacon pharmaceuticals has used "continuous research and development", General pharmaceuticals has used "...pursuing scientific knowledge".

Concern for Survival, growth and profitability: Business ran for growth and profitability. Fail to earn profit and growth regarding short-term and long-term are threatening to survival. Table 1 shows that the highest number of companies, 10 out of 14 have addressed this issue. Some good examples are:

Navana pharmaceuticals has used “...sustainable growth of the company”, Renata pharmaceuticals has used “maximum value...to our shareholders”, Square pharmaceuticals has used “ensuring benefit to the shareholders”.

Philosophy: The philosophy of an organization comprises the values, beliefs and ethical principal that lies behind the company’s culture and may relate to employees, customers and suppliers, the public government, shareholders, etc^[10]. Our analysis detects that only 5 out of 14 have mentioned about the organization philosophy. Some good examples are:

Silva pharmaceuticals has mentioned “to walk through the path of innovation and quality”, MonicoPharma has used “to live by our values and social responsibilities”.

Self-Concept: Through self-concept organizations view its particular strength. To build a core competence self-concept is important regarding strategy implementation. Our analysis shows that 10 out of 14 companies have mentioned about their self-concept. Some examples are:

Navana have mentioned them as “quality company”, Incepta pharmaceuticals have used the word “quality and team work”, Silva pharmaceuticals have used “conformance to...international standards” etc.

Concern for public image: Now a day, increasing number of firms believe that ethical duties to the community and conduct business with the environmental sustainability give strategic benefit. Our analysis shows that 8 companies out of 14 have disclosed their concern about the public image. Some examples are:

Square pharmaceuticals has used “ensuring benefit...the society at large”, MonicoPharma has used “to consider environmental issues”, Beximco pharmaceuticals has mentioned “add value to the common wealth of our society”.

Concern for employees: It’s not possible to get things done by the employee except their acceptance^[11]. Hence, understanding and disclose the approach about the human resource in mission statement is important. Our analysis shows that 10 out of 14 companies have disclosed their policy for employees in the mission statement. Some examples are:

Beximco pharmaceuticals has mentioned “we are accountable to...our employees”, Navana pharmaceuticals has used “...operations by continuous development of human resources”, MonicoPharma has used “to ensure the development of human resources...”.

4 Missing Link and Probable Impact

The result of our analysis shows that quality of mission statement of pharmaceutical industry is poor regarding the components suggesting by Pearce and David. Questions may rise whether excluding some components are matter to performance of the organization. Some studies have found no link between mission statements and performance^{[12][9]}, whether others have found a weak supportive idea that mission statement positively influence on the performance of the organization^[13].

Analysis

Table 1 Evaluation Matrix of Mission Statements

Company	Customers	Products/ Services	Location/ Markets	Technology	Concern for Survival, Growth, Profitability	Philosophy	Self-concept	Concern for Public Image	Concern for employees	Number of Components
Square Pharmaceuticals Ltd	Y	Y	N	Y	Y	N	Y	Y	Y	7
Navana Pharmaceuticals Ltd	N	N	N	N	Y	Y	Y	N	Y	4
Eskayef Bangladesh Limited	Y	Y	N	N	N	N	Y	Y	N	4
Delta Pharma Limited.	Y	Y	N	N	Y	Y	Y	N	Y	6
Incepta Pharmaceuticals Ltd	N	N	N	N	Y	N	Y	Y	N	3
General Pharmaceuticals Ltd	N	Y	Y	Y	Y	N	N	N	Y	5
Renata Pharmaceuticals Ltd	N	N	N	N	Y	N	N	Y	Y	3
Oponin Pharmaceuticals Ltd	N	N	Y	N	Y	N	Y	N	Y	4
Beximco Pharmaceuticals Ltd	N	N	N	N	Y	Y	N	Y	Y	4
Beacon Pharmaceuticals Ltd	Y	Y	N	Y	N	N	N	N	Y	4
Aristo Pharmaceuticals Ltd.	N	Y	N	N	N	N	Y	Y	N	3
Bristol Pharma Ltd	N	N	N	N	N	N	Y	Y	N	2
Silva Pharmaceuticals Ltd.	Y	Y	Y	N	Y	Y	Y	N	Y	7
MonicoPharma Bangladesh Ltd.	N	N	N	Y	Y	Y	Y	Y	Y	6

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

*N Indicates the company don't comply with the respective component of the mission statement

Table 2 Frequency of Components in the Observed Mission Statements

Component	Number	Percentage
Customers	5	36%
Product/service	7	50%
Market/Location	3	21%
Technology	4	29%
Concern for survival, growth and profitability	10	71%
Philosophy	5	36%
Self-Concept	10	71%
Concern for Public Image	8	57%
Concern for employees	10	71%

However, researchers agreed that mission statement can play a critical role to establish a uniqueness of goal or purpose at all level of the organization. Some researchers regard this as 'cultural glue'. This 'cultural glue' consists of strong norms and values that influence the way in which people behave, how they work together and how they pursue the goals of the organization^[8]. Therefore, it will be possible to establish a strong corporate culture from the platform of mission statement regarding long rang planning.

Moreover, a transparent mission statement can also help to understand whether a manager short-term action is productive against long-term interests or not. In that perspective, the firms of pharmaceutical industry of Bangladesh may suffer. Obviously, it also a matter that whether mission statement is going to the all level of employee as well as all stakeholders. However, to do that at first a good mission statement has to be formulated. If firms fail to do that; because of missing link, it will fail to build a strong corporate culture regarding long range planning to compete in the world market.

Recently, Cristina, Mumgord et al offer an innovation model for creative work, where they also develop the model form the mission definition^[14].

5 Future Research

There is a future scope to investigate to know whether employees are aware of the stated mission statement or not in the pharmaceutical industry of Bangladesh. Significant level also can be determined. On the basis of awareness among employee, relationship with organizational performance can be measured in the pharmaceutical industry of Bangladesh.

6 Conclusion

This paper deals with the find out of components of mission statements of pharmaceutical firms of Bangladesh to determine the missing link and its probable impact. Analysis reveals that more concentration is required in mission statement formulation to build a platform from which they will be able to compete in the world market. Uniqueness is required to compete in the world market, which can be express by mission statement simultaneously this massage have to send to the employee who will bring the plan in real.

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Risk Identification and Risk Evaluation on Real Estate Development Strategy

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Abstract This thesis firstly proposes an analysis concerning the involution of strategy risk of real estate as well as its characteristics, while discloses the reasons and the constitution of the risk. The paper takes fishbone-diagram to explain the real estate strategy-making and its implementation of China's enterprises while gives reasons for such strategy risk from ten aspects, constructs ten spokes wheel-boss model, and define the main risk of the real estate strategy. Benefiting from the External Factor Evaluation Matrix, The thesis constitutes Strategy Risk Composition Evaluation Model (SRC).

Key words Real estate; Strategy risk; Risk evaluation

1 Introduction

Since the high avails of real estate, in recent years, a large number of enterprises invest the money into this industry with an attempt to obtain great achievements; however, during the process of investment of high-profit industries, the avails also equal to high risks. The real estate investor, sometimes has shown much of their solicitude for the possibility of great avails that would come about when the decision of investment was made, while they often has ignored some potential risks. Actually, in certain condition, an enterprise carries out real estate investment can get abundant profits, while some investors may possibly suffer some loss. Therefore, the risk analysis is essential for the signification and affection of investment.

2 Strategy Risk and Characteristics of Real Estate Investment

2.1 Connotation of strategy risk in real estate investment

Strategy risk in real estate investment can be defined as that the possibilities of the real estate investment strategy suffers great fails, burden heavy losses, or even be in danger of huge calamity owing to a series of non-natural, uncertain causes. Formula 1 is the probability of significant risks and their function losing consequences. The mathematical formula can be:

$$R=F(P, C) \quad (1)$$

Where:

R is strategy risk

P is Possibilities of strategy risk

C is Consequences of strategy risk

2.2 Main Characteristics of real estate investment

The strategy risk of real estate investment has its distinct characteristics except some general ones:

(1) Interest rate risk

Real estate investment combines the characteristics of huge capital and long-term period construction that exists the risk following the alteration of capital market interest rate. Generally, if market interest rates have tiny alteration, the real estate avails may be changed abnormally. Interest rate comes to lower level, the sales of real estate would be higher, and so both assume right about change.

(2) Cash-in risk

The possibility of real estate investment cash-in is relatively poor, this because the cash-in capability of non-monetary assets itself is lower than monetary assets. And there are some more reasons can be illustrated in the following discussion: firstly, the period of real estate investment is long while the building products marketing is more harder than other commercial products; secondly, the conversion from land investment to cash always experiences certain losses that because the investment of land and the entire real estate construction should pass a period of time to be assets into the marketplace; Another reason is: real estate market is confined in a certain region that this locality can not be moved to another place for a higher price.

(3) Social risk

The social risk is to the investment risk that takes place since the political, economical changes,