

Mission Power and Firm Financial Performance

Jesús M. Godoy^a, Diego F. Téllez^{b,*}

^a*Carrera 22, Calle 67, Ibagué, 730001, Colombia.*

^b*Carrera 49 7 sur 50, Medellín, 050021, Colombia*

1. Introduction

The mission statement is an expression about what a firm is and should be. In the strategic planning setting, this statement is critical because it (i) communicates the firm's direction and purpose, (ii) keeps the firm on track (a control mechanism), (iii) helps day-to-day decisions and (iv) inspires and motivates employees [1]. However, recent literature reviews in [2] and [3] suggest skepticism from practitioners and scholars about the actual benefits to the firm from this strategic tool. Relevant empirical studies suggest counterproductive effects on performance because empty, or culturally inappropriate statements [4] that can negatively influence the employees' behavior [1, p. 23], or yet, it appears to be irrelevant for the success of firms [4, p. 65].

Conceptual and methodological issues can explain the antagonistic results in literature on mission and firm performance [2], although the border between both issues is unclear. From a conceptual point of view, financial performance is commonly defined as the Return-On-Assets (ROA)¹. As it is widely known, return-on-assets results from the interaction between profit margin and asset turnover, both measures including the value of sales. Given constant values for profits and assets, an increasing-sales mission reduces firm' profit margin as it increases asset turnover. That is, it simultaneously impacts the operating and asset use efficiency, but in opposite directions. Consequently, using return on assets as a performance measure can hide the mission impact on performance and lead to non significant statistical relationships as it is sometimes documented in the literature. In this paper, we propose to disentangle the effect of mission statement on performance to identify the impact on assets management—asset turnover—and competitive performance—profit margin.

To operationalize the mission statement variable, we define a latent factor named mission power as the ability of a mission statement to fulfill the four purposes mentioned before. In this work we state that mission purposes are manifested in the level of language positivism used in the construction of the

*Corresponding author

Email address: dftellezf@eafit.edu.co (Diego F. Téllez)

¹Other common measures are return on equity (ROE), return on sales (ROS), percentage change in sales and profits (**author?**) [2]

30 mission statement (employee motivation), the orientation to financial goals (direction, purpose and control), the level of readability (direction, purpose and orientation), and the assets endowment observed in our sample (employee motivation).

In addition to this conceptual issue, we address two relevant methodological 35 issues by using structural equation modeling (SEM). First, SEM allows us to overcome the limitations of bivariate approaches by introducing relevant control variables in multiple regression models which reduce the sub-specification bias. Second, the SEM's capability to model the factor analysis provides us with a methodological setup to build a latent, and multivariate, operationalization of 40 mission based on observed variables, which we term Mission power.

We find that powerful missions are easier to read, written in positive tone, make explicit the performance criteria and are supported by the confidence of shareholders and managers. In addition, we show that decomposing return on assets into profit margin and asset turnover allows us to explain the diversity of 45 mission-performance links found in the empirical literature. Positive, negative and null impact from mission to performance are plausible, but each one conveys information on temporal scope of firm's strategic planning. This finding has deep implications to firm valuation due to its impact on short and long term cash flows. As [5] note, the benefit exploitation in the short term, given by the 50 increase in profit margin, can reduce long term cash flows determined by asset turnover

The rest of the paper is organized as follows: First, we review the literature. After we present data and the methodology proposed. Then, we present the results and discuss the main findings. Finally, we provide conclusions and 55 recommendations to practitioners.

2. Literature review

According to [6], a business is defined by its mission statement. This declaration grants the definition of a mission the role to articulate business, define its purpose, practices and values [7]. A good mission statement conveys the 60 required organizational identity and values to trigger the action and improve performance. There are four main objectives a mission statement pursues [1, 8]: (i) to give direction and purpose to the firm, (ii) to work as a control mechanism, (iii) to orient non-routine decisions, and (iv) to motivate the employees. The mission statement is then a central part of the strategic plan in a firm and 65 becomes a managerial tool to boost employees effort, reducing moral hazard, printing values and guiding the action [9].

Previous arguments appear convincing from academic and practitioner's view points, but the empirical evidence supporting them is scarce and conflicting. Positive- [10, 11, 12] and negligible-effects [13, 14] from mission on 70 performance have been found in empirical studies. In a meta analysis, [2] find a positive, but small, correlation between mission and financial performance, and they argue that the antagonistic results found in empirical literature may

be caused by methodological issues. The operationalization of both the mission statement and performance measures, the analysis through bivariate approaches, the timing of both measures, the additional missing intervening factors, the diversity in conceptual frameworks [2, p. 479], and the presence of endogeneity issues can bias the measurement of the impact of mission on firm's performance.

A stream of research, focused on missing intervening factors, explores mediating constructs in the mission-performance link. Authors in this vein argue that the mission effect depends on organizational features such as the stakeholders concerns and the philosophy and values system in the firm [e.g. 15, 3]. Thus, the influence of mission on performance is affected by the commitment of organization members [15], the commitment of top management [16], and the organizational commitment [17]. [18] adds that some attributes of communication process can affect the individuals commitment. Specifically, he highlights the cognitions and attributes of the message receiver, the employee perceptions regarding the sender, and the mission ambiguity. Consequently, this literature seems to converge toward a positive effect from mission to performance that arises from the alignment among organizational stakeholders concerns and mission statement.

A recent vein of research has used some word content tools to analyze the features of outperforming firms' mission with mixed results. Most of the studies based on frequencies analysis suggest insignificant differences among mission statements. For example, [19] compare the largest companies in Turkey and around the world using independent group tests, and they did not reject the null hypothesis of non-difference in mission's quality into the sample. Similarly, (author?) [20, p. 494] argue, based on content analysis, that mission statements in the top 100 business school in the 2009 Financial Times Full-Time MBA ranking exhibit very few, if any, significant differences. Partial similarities in the mission statements have been also found. For instance, [21] compare the 2012 mission statements of 250 firms in ten countries and find significant differences in both stakeholders- and goals-components. Likewise, [22] compares the mission statements of 58 South Africa's mining companies to 56 world companies (Europe, Japan and USA) measuring the frequency of its components. They find similarities between companies in stakeholders, and differences when product-, objectives-, and market-components are considered.

Small differences between the statements of mission convert the measurement of its impact on performance into a challenge. The study of [23], for instance, suggest that the ambiguity of mission can arise from coding troubles. [23] show that a high degree of similarity between mission statements when they run a text analysis of 489 distinct statements from US organizations. They find that a small number of concepts are consistently included in the mission statements², but there is not any attempt from managers "...to clarify, explain, or

² For example, from their Table 2, [23, pp. 72-74], we count 16 concepts that were common in over 100 statements, and 29 concepts with frequencies in less than 10 statements. They

operationalize the concepts.” [23, p. 76]. Their result is consistent with the
aforementioned communication issue of mission ambiguity identified by [18].
Similarly, the tone of the mission statement can explain a portion of perfor-
mance variance. The study of the management discussion and analysis section
in 10k and 10Q forms run by [24], [25] and [26] show significant correlation
between tone, returns and future earnings³

3. Data and methods

3.1. Data and sources

We use two publicly available sources of data. The first was SIREM database
which is maintained by Colombian Supervisory Agency of Commercial compa-
nies (Superintendencia de Sociedades), and it collects the financial statements
of the largest Colombian Corporations spanning the period 1995-2014. Our ob-
servational unit is each of the 20 companies with the largest 5-year average of
operating revenues in each of 17 out of 21 CIIU’s sections included in the four revision
for Colombia (CIIU Rev. 4 A.C.). We compute the mean of each financial
indicator for 99 companies in 17 sectors included in SIREM database.

The second source was the website of companies. We extracted the mission,
vision, and principles statements published by the companies in its websites
which should be available to employees and general stakeholders. When a state-
ment was unavailable in its website, we contacted the company through email
or phone. We merge the statements of mission, vision, and principles to build
a wider indicator of strategic orientation. We were able to collect and revise 99
mission statements⁴.

3.2. Methods

To address both the simultaneity of regression equations and the estimation
issues of the unobserved latent factor, Mission Power, we use the structural
equation modeling (SEM) approach introduced first in the strategy literature
by [30]. The use of SEM in strategic management has been increasing during the
last years [31, 32]. The model proposed includes four measurement equations
and two regression models where Mission power latent variable is introduced as
an explanatory variable. (See Figure 1).

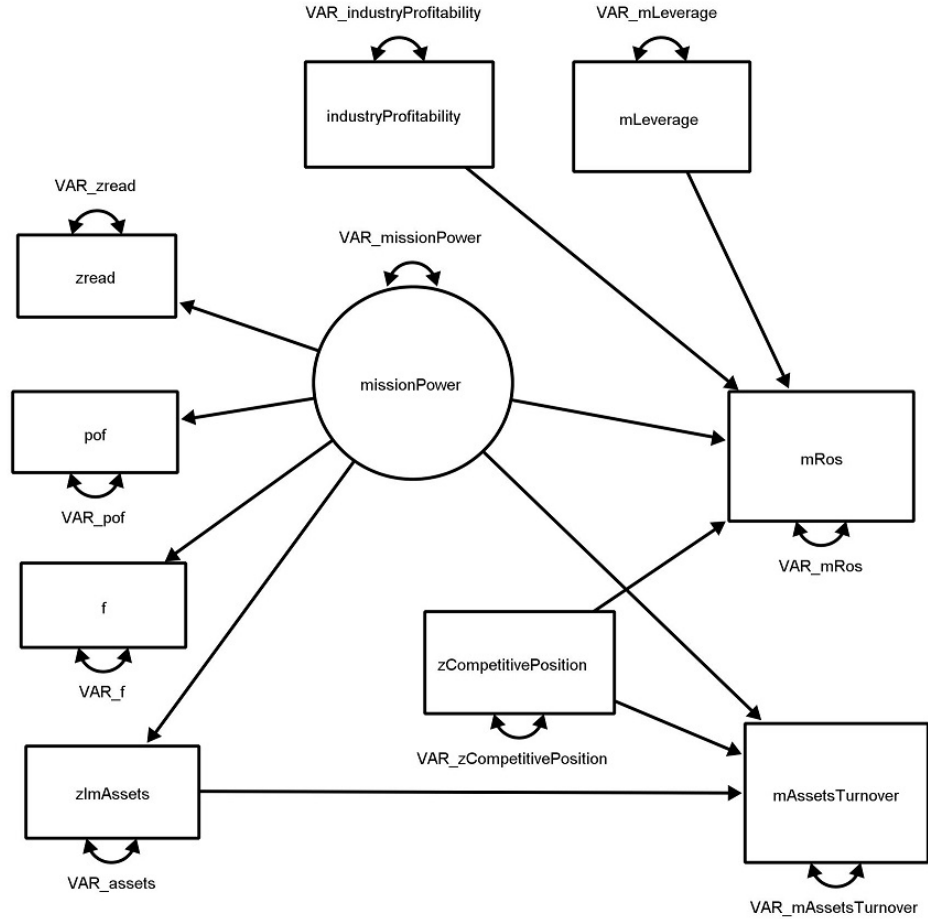
Concerning the operationalization of mission statement, most of the litera-
ture has used a “static” focus to measure a mission statement. This approach
mainly values the mission statement by its presence, components and quality
[2]. We propose a different methodological approach to analyze the value of a
mission statement in firm’s performance. To operationalize the mission variable,

suggest that the high degree of similarity is due to the companies have similar needs, motives,
objectives and concerns [23, p. 76].

³ For literature reviews about tone-performance link in the fields of finance and accounting
see [27], [28], and [29].

⁴ Incomplete or unavailable statements to stakeholders were excluded from the sample.

Figure 1: Structural model



we define a latent factor named Mission Power which captures the underlying goals in the mission statement⁵.

In this work we argue that mission goals are manifested in the level of language positivism used in the construction of the mission statement (employee motivation), the orientation to financial goals (direction, purpose and control), the level of readability (direction, purpose and orientation), and the assets endowment observed in our sample (employee motivation)

We use word content analysis to define positivism, financial language and readability in mission statement. Concerning positivism we use the word list

⁵ As stated before, a good mission statement gives direction, purpose and orientation, serves as a control mechanism and motivate employees[1, 8]

160 proposed by [26]. According to [29], a dictionary based approach has three
important advantages (subjectivity avoidance, application to large samples and
replicability).

The dictionaries proposed by [26] are widely used in accounting and finance
and are preferred over other dictionaries such [33] word list, diction, and Har-
165 vard general inquirer word list⁶. To measure financial language we proceed to
construct a financial word list using our sample of mission statements. We first
created a frequency word list and extracted those words with a financial orien-
tation. After we applied a questionnaire to a set of people familiar to financial
language asking to rank words from finance to non finance. With the word lists,
170 we follow the information retrieval literature to create a term-document matrix
and score each mission statement as the weighted sum of terms over total of
terms in each document.

Readability is measured using the Fog index [34], which is a function of the
average number of complex words. The number of syllables and the average
175 sentence length are used to measure the word complexity. Fog index has been
widely used in finance and accounting although recently it has been criticized
[29]. [35] argue that most common words in business and finance (management,
operations, customers, financial, etc) are classified as complex words by the
index even though they are easily understood. They propose the natural log
180 of text size in megabytes as a proxy for readability. In this work we hold Fog
index to ease the comparison with previous studies.

The latent factor Mission Power explains, simultaneously with a set control
variables, the variance of both profit margin and assets turnover ratios. In
their literature review, [2] classifies the measures of performance between “hard
185 financial indicators” and “soft financial indicators”. One of the most common
“hard financial indicators” used in empirical research on performance is return-
on-assets ratio [e.g. 36, 15, 8, 11, 10]. In this work, we argue it is the composition
of the ratio what counts not the ratio itself. This decomposition, widely known
as DuPont analysis, is a common method used to assess financial performance
190 drivers [37, 5, 38, 39] and earnings management [40].

Following the literature in financial analysis, we measure profit margin as
the ratio between net income and total sales; while, asset turnover is the sales-
to-asset ratio[37]. The set of control variables includes industry profitability
[41], leverage [42], market concentration, and competitive position [43] which
195 are used to explain the firm’s performance in industrial organization literature.

4. Results

4.1. Univariate and bivariate analysis

Tables 1 and 2 provide the univariate and bivariate statistics respectively
for the variables studied. Table 1 suggests a sample of homogeneous firms in

⁶ For a more extensive description of these dictionaries see [29]

200 terms of both size (assets) and industry profitability, and heterogeneous ones in
terms of assets turnover, leverage, and financial performance (mRoa and mRos).
Statistics also suggest that firms in our sample participate in low-concentration
markets. Except mRoa-to-profit margin and mRoa-to-assets turnover, Pearson's
correlation coefficients in Table 2 show weak bi-variate linear associations among
205 observed variables.

Table 1: Descriptive statistics of observed variables.

Variable (key)	Obs	Mean	sd	Min	Max
Frequency of financial terms (f)	99	0.06	0.05	0.00	0.19
Profitability of industry (industryProfitability)	99	0.07	0.02	0.02	0.10
Total assets, log. (lmAssets)	99	17.87	1.84	15.08	23.84
Assets turnover, times (mAssetsTurnover)	99	1.51	1.12	0.11	6.50
Financial leverage (mLeverage)	99	2.06	2.35	-10.40	12.32
Market concentration (mMarketConcentration)	99	0.03	0.04	0.00	0.28
Return-On-Assets (mRoa)	99	0.07	0.06	-0.06	0.30
Profit margin (mRos)	99	0.06	0.06	-0.14	0.23
Frequency of positive terms (pof)	99	0.10	0.05	0.00	0.25
Readability index (read)	99	28.05	7.79	9.85	54.98
Competitive position index (zCompetitivePosition)	99	-0.00	1.00	-1.42	4.01

The word content indicators show that the sample contains a wide variety of mission statements. We find statements featured by null presence of financial and positive terms up to statement where 19 percent of words refers to financial indicators or 25 percent of words concern to positive terms. However, the presence of positive or financial words appears does not affect the readability of statements (see Table 2).

4.2. Multivariate analysis

A Structural Equation Model (SEM) was estimated using maximum likelihood with bootstrapping (5,000 bootstrap samples). Both the fit indexes ($\chi^2_{21} = 38.12, p = 0.012; CFI = 0.82, AGFI = 0.84, NFI = 0.70, RMSEA = 0.091$) and the theoretically consistent signs of loading factors suggest that the proposed model (see 1) captures the relationship found in data.

Table 3 shows the standardized coefficients of SEM. Mission power, the main construct underlying our measurement model was statistically supported by the significance ($p < 0.05$) of the concomitant variables, and non-trivial loading factors (absolute standardized loadings > 0.23). Indicator variables linked to mission power construct are readability (zread), positive tone of statement (pof), presence of financial terms (f), and the commitment of shareholders and managers measured through the assets endowment to achieve mission goals (zlmAssets). Our estimates show that: powerful missions are easier to read; they are written in positive tone; they make the performance criteria explicit, and they are supported by the confidence of shareholders and managers.

We find a positive and significant coefficient for positive tone. This result suggests higher power to those mission statements that induce commitment and legitimacy in employees through positive language. Our estimates also show that both the density of financial terms and the endowment of resources are related to higher mission power. In the first case, the mission statement can induce better output if financial interest is clearly conveyed to employees. In the second case, the resource endowment (assets) captures shareholder and manager's commitment with mission statement declaration. Higher assets signal stronger confidence in employees' ability to create value and advantageous competitive position in the market.

The regression model captures the effect of mission power on profit margin and asset turnover. Control variables were included to disentangle the impact of both industrial and firm's factors. We find that mission power is significant ($p < 0.05$) in both regression models and the predicted directions are supported by the sign of estimated coefficients.

In the assets turnover equation, the positive coefficient of mission power ($\beta_1 = 0.32, p\text{-value} = 0.04$) indicates that higher efficiency from using firm's assets can be obtained from more powerful missions. According to Bartkus et al, 2000 and Sanchez and Heene, 2004, mission statement includes both the guides to resources allocation of firm, and the motivational message forward to firm's goals.

In addition to the Mission power construct, we note that firm's competitive position ($\beta_2 = 0.26, p\text{-value} = 0.00$) and size ($\beta_3 = -0.67, p\text{-value} = 0.00$) are

also relevant variables. A privilege competitive position provides the ability to increase the level of sales in relation to assets, while larger firms have difficulties to turnover its investment.

In the profit margin equation, the negative coefficient of Mission power variable ($\beta_4 = -0.31, p - value = 0.01$) suggests that the positive impact on sales dominates over the impact on profits. While increasing-sales marketing strategies can be induced by a powerful mission, profits are mainly determined by factors that are out of scope of the firm, so profit margin ratio likely decreases when Mission power is higher. Remaining variables, industry profitability ($\beta_5 = 0.09, p - value = 0.34$), competitive position ($\beta_6 = -0.04, p - value = 0.70$), and leverage ($\beta_1 = -0.27, p - value = 0.00$) show the expected signs documented in Industrial organization literature.

Table 3: Structural equation model (SEM).

Variable	Relation	Variable	Coefficient	se	z	pvalue	ci.lower	ci.upper
Measurement equations								
missionPower	→	zread	-0.23	0.12	-1.92	0.05	-0.46	0.00
missionPower	→	pof	0.55	0.12	4.80	0.00	0.33	0.78
missionPower	→	f	0.71	0.12	5.90	0.00	0.47	0.94
missionPower	→	zlmAssets	0.59	0.12	5.02	0.00	0.36	0.82
Profit margin regresion equation								
mRos	←	missionPower	-0.31	0.11	-2.68	0.01	-0.53	-0.08
mRos	←	industryProfitability	0.09	0.09	0.96	0.34	-0.09	0.26
mRos	←	zCompetitivePosition	-0.04	0.09	-0.39	0.70	-0.22	0.15
mRos	←	mLeverage	-0.27	0.09	-2.92	0.00	-0.44	-0.09
Assets turnover regresion equation								
mAssetsTurnover	←	missionPower	0.32	0.16	2.03	0.04	0.01	0.63
mAssetsTurnover	←	zCompetitivePosition	0.26	0.09	2.86	0.00	0.08	0.43
mAssetsTurnover	←	zlmAssets	-0.67	0.13	-5.15	0.00	-0.92	-0.41
Covariance								
mRos	↔	mAssetsTurnover	-0.19	0.09	-2.18	0.03	-0.36	-0.02

Notes. Variables in the model means: missionPower, Mission Power latent variable defined in Method section; zread, Fog readability index; pof, positive terms index; f, frequency of financial terms; zlmAssets, stardardized value of log of mean assets; mRos, mean of profit margin; industryProfitability, mean of profitability in firm's industry; zCompetitivePosition, standardized value of competitive position; mLeverage, mean of firm's leverage; mAssetsTurnover, mean of firm's assets turnover. Arrows in *Relation* column refer to causality direction, and double-headed arrow refers to covariance measures. Coefficients are Maximum Likelihood estimators.

5. Discussion and conclusion

Our estimated SEM shows that the impact of mission power on firm's performance may be identified through the profit margin and assets turnover channels. The negative effect through profit margin and the positive one through asset turnover may explain the negative, null or positive impact of mission statements on return-on-assets as empirical literature has shown.

By decomposing Return-On-Assets (ROA), we are able to analyze the marginal effects mission power construct has over the variables studied. In both, asset turnover and profit margin, the positive impact of mission power over sales dominates the impact on total assets and profits, respectively. The net effect of mission power over ROA will then be negative for those cases in which the marginal effect of profit margin dominates the effect in asset turnover or even non-significant when the negative effect on profit margin counterbalance the positive impact from mission on assets turnover as the obtained by [44, 14]. Finally, the positive effect documented by [15, 10], and [2] may result from assets turnover that outweigh the impact of mission power on profit margin. In particular, there is empirical evidence about the persistence of asset turnover over profit margin [39, 38]. These results shed light about the effect profitability and expected future growth have on firms value [45]. If firms value is determined by short and long term cash flow, the exploitation of benefits in the short term, captured by an increase in profit margin, will reduce the long term cash flow determined by asset turnover. While profit margin can contribute to the forecast of firm's short-run financial performance, the assets turnover provide better forecast in the long-run. The trade-off between short- and long-run profits support the negative relation that we find in our SEM specification. [5].

Three generations of models described in [2] attempt to identify the relation between firm's mission statement and performance using the observable features of mission statement which are dictated by theoretical literature. The presence or absence of components and the direct reference to goals or stakeholders are used as the key driver to boost the firm's performance. This approach misses the main features included in its definition. Mission motivates the employees and provides a guide to action. We propose a construct that capture those features. The power of mission refers to ability of mission statement to convey a straight message to employees and to motivate them. Our manifest variables linked to the mission power construct are significantly explained by it. The significance of coefficient of positive word frequency indicates that a motivational message is included into the mission statement, which is a potential driver of high performance to employees. The significance of readability variables suggest that simpler statement of mission may convey the message to the target people. Communication theory dictates that two conditions are required to effective communication: the message and the channel. We show that missions including motivational messages on simple and readable statements provide the right incentives/right factor to boost firm's high performance.

Our mission power construct is a first approach to research the relation between mission and performance based on indicators nearly linked to the def-

inition of mission. In addition, our approach addresses the simultaneity issue suggested by literature on mission-performance link. SEM methodology captures the reverse causality between mission, performance and endowment noted by [36, p. 381]. The employees' ability to fulfill the goals included in the mission depends on the resource endowment. Simultaneously, the shareholders provide resource according to mission's requirements. Using firm's assets as a proxy of endowment, our estimates suggest that the shareholders signal their commitment with the mission. Higher resource endowment means more support and higher confidence in the employees' skill to achieve the assigned mission. Our positive and significant relation to mission power construct support that commitment. However, higher assets endowment also imply higher effort to achieve better performance indicators. Our negative coefficient in the assets turnover regression support the negative impact of assets endowment.

References

- [1] B. Bartkus, M. Glassman, R. B. McAfee, Mission Statements: Are They Smoke and Mirrors?, *Business Horizons* 43 (6) (2000) 23.
URL <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=3816684&lang=es&site=ehost-live>
- [2] S. Desmidt, A. Prinzie, A. Decramer, Looking for the value of mission statements: a metaanalysis of 20 years of research, *Management Decision* 49 (3) (2011) 468–483. doi:10.1108/00251741111120806.
URL <http://www.scopus.com/inward/record.url?eid=2-s2.0-79952786746&partnerID=tZ0tx3y1>
- [3] S. Braun, J. S. Wesche, D. Frey, S. Weisweiler, C. Peus, Effectiveness of mission statements in organizations A review, *Journal of Management & Organization* 18 (4) (2012) 430–444. doi:10.5172/jmo.2012.18.4.430.
URL <http://www.scopus.com/inward/record.url?eid=2-s2.0-84870152448&partnerID=tZ0tx3y1>
- [4] C. O’Gorman, R. Doran, Mission Statements in Small and Medium-Sized Businesses, *Journal of Small Business Management* 37 (4) (1999) 59–66.
URL <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=2448827&lang=es&site=ehost-live>
- [5] P. M. Fairfield, T. L. Yohn, Using asset turnover and profit margin to forecast changes in profitability, *Review of Accounting Studies* 6 (4) (2001) 371–385.
URL <http://link.springer.com/article/10.1023/A:1012430513430>
- [6] P. F. Drucker, *Management: Tasks, practices, responsibilities*, Harper and Row, 1979.
- [7] C. K. Bart, M. Hupfer, Mission statements in Canadian hospitals, *Journal of Health Organization and Management* 18 (2) (2004) 92–110.

- URL <http://www.emeraldinsight.com/doi/abs/10.1108/14777260410538889>
- 350 [8] B. Bartkus, M. Glassman, B. McAfee, Mission Statement Quality and Financial Performance, *European Management Journal* 24 (1) (2006) 86–94. doi:10.1016/j.emj.2005.12.010.
URL <http://www.sciencedirect.com/science/article/pii/S0263237305001507>
- 355 [9] L. E. Paarlberg, B. Lavigna, Transformational Leadership and Public Service Motivation: Driving Individual and Organizational Performance, *Public Administration Review* 70 (5) (2010) 710–718. doi:10.1111/j.1540-6210.2010.02199.x.
URL <http://onlinelibrary.wiley.com.ezproxyegre.uniandes.edu.co:8888/doi/10.1111/j.1540-6210.2010.02199.x/abstract>
- 360 [10] K. W. Green Jr, B. Medlin, The Strategic Planning Process: The Link between Mission Statement and Organizational Performance, *Academy of Strategic Management Journal* 2 (2003) 23.
URL <https://www.questia.com/library/journal/1G1-179780048/the-strategic-planning-process-the-link-between-mission>
- 365 [11] J. Sidhu, Mission Statements: Is it Time to Shelve Them?, *European Management Journal* 21 (4) (2003) 439–446.
URL <http://www.sciencedirect.com/science/article/pii/S0263237303000720>
- 370 [12] S. Hirota, K. Kubo, H. Miyajima, P. Hong, Y. Won Park, Corporate mission, corporate policies and business outcomes: evidence from Japan, *Management Decision* 48 (7) (2010) 1134–1153. doi:10.1108/00251741011068815.
URL <http://www.scopus.com/inward/record.url?eid=2-s2.0-77955075470&partnerID=tZ0tx3y1>
- 375 [13] P. Atrill, M. Omran, J. Pointon, Company mission statements and financial performance, *Corporate Ownership and Control* 2 (3) (2005) 28–35.
URL http://www.egx.com.eg/pdf/Mission_COC.pdf
- 380 [14] P. Dharmadasa, Y. Maduraapeurma, S. K. Herath, Mission statements and company financial performance revisited, *International Journal of Managerial and Financial Accounting* 4 (3) (2012) 314–324.
- [15] C. K. Bart, N. Bontis, S. Taggar, A model of the impact of mission statements on firm performance, *Management Decision* 39 (1) (2001) 19–35.
385 URL <http://www.emeraldinsight.com/doi/abs/10.1108/EUM0000000005404>

- [16] R. I. Williams Jr, D. L. Morrell, J. V. Mullane, Reinvigorating the mission statement through top management commitment, *Management Decision* 52 (3) (2014) 446–459.
390 URL <http://www.emeraldinsight.com/doi/abs/10.1108/MD-10-2012-0736>
- [17] I. M. Macedo, J. C. Pinho, A. M. Silva, Revisiting the link between mission statements and organizational performance in the non-profit sector: The mediating effect of organizational commitment, *European Management Journal* 34 (1) (2016) 36–46. doi:10.1016/j.emj.2015.10.003.
395 URL <http://www.sciencedirect.com/science/article/pii/S0263237315000973>
- [18] S. Desmidt, The Relevance of Mission Statements: Analysing the antecedents of perceived message quality and its relationship to employee mission engagement, *Public Management Review* 18 (6) (2016) 894–917. doi:10.1080/14719037.2015.1051573.
400 URL <http://dx.doi.org/10.1080/14719037.2015.1051573>
- [19] E. Akbulut, Y. Bayram, A comparative analysis of web-based corporate mission statements, *African Journal of Business Management* 5 (23) (2011) 10014–10022, wOS:000296239700026.
405
- [20] K. Plangger, D. Bevelander, L. Pitt, C. Campbell, Mission Statements: Distinction Tool or Wasted Effort, in: *The Sustainable Global Marketplace*, Springer, 2015, pp. 494–494.
410 URL http://link.springer.com/chapter/10.1007/978-3-319-10873-5_289
- [21] D. L. King, C. J. Case, K. M. Premo, 2012 mission statements: A ten country global analysis, *Academy of Strategic Management Journal* 12 (1) (2013) 77–94.
415 URL <http://www.scopus.com/inward/record.url?eid=2-s2.0-84880026301&partnerID=tZ0tx3y1>
- [22] A. K. Garg, Content analysis of mission statement of mining companies in South Africa, *Problems and Perspectives in Management* 12 (4) (2014) 305–311.
420 URL <http://www.scopus.com/inward/record.url?eid=2-s2.0-84943820615&partnerID=tZ0tx3y1>
- [23] S. H. Cady, J. V. Wheeler, J. DeWolf, M. Brodke, Mission, vision, and values: What do they say?, *Organization Development Journal* 29 (1) (2011) 63.
425 URL <http://search.proquest.com/openview/d3b8f1af1910e2d7e9e693339926a4d1/1?pq-origsite=gscholar>
- [24] R. Feldman, S. Govindaraj, J. Livnat, B. Segal, Managements tone change, post earnings announcement drift and accruals, *Review of Accounting*

- Studies 15 (4) (2010) 915–953.
URL <http://link.springer.com/article/10.1007/s11142-009-9111-x>
- 430
- [25] F. Li, The Determinants and Information Content of the Forward-looking Statements in Corporate Filings a Naïve Bayesian Machine Learning Approach, *Journal of Accounting Research* 1001. doi:10.1111/j.1475-679X.2010.00382.x.
435 URL http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1267235
- [26] T. Loughran, B. McDonald, When is a liability not a liability? Textual analysis, dictionaries, and 10Ks, *The Journal of Finance* 66 (1) (2011) 35–65.
- 440 [27] C. Kearney, S. Liu, Textual sentiment in finance: A survey of methods and models, *International Review of Financial Analysis* 33 (Cc) (2014) 171–185. doi:10.1016/j.irfa.2014.02.006.
URL <http://dx.doi.org/10.1016/j.irfa.2014.02.006>
- [28] F. Li, Textual analysis of corporate disclosures: A survey of the literature, *Journal of accounting literature* 29 (2010) 143.
445 URL <http://search.proquest.com/openview/616f942e214e3d79f4c23d1e0eb952e8/1?pq-origsite=gscholar>
- [29] T. Loughran, B. McDonald, Textual analysis in accounting and finance: A survey, *Journal of Accounting Research*.
450 URL <http://onlinelibrary.wiley.com/doi/10.1111/1475-679X.12123/full>
- [30] J.-L. Farh, R. C. Hoffman, W. H. Hegarty, Assessing environmental scanning at the subunit level: A multitrait-multimethod analysis, *Decision Sciences* 15 (2) (1984) 197–220.
455 URL <http://onlinelibrary.wiley.com/doi/10.1111/j.1540-5915.1984.tb01209.x/full>
- [31] C. L. Shook, D. J. Ketchen, G. T. M. Hult, K. M. Kacmar, An assessment of the use of structural equation modeling in strategic management research, *Strategic management journal* 25 (4) (2004) 397–404.
460 URL <http://onlinelibrary.wiley.com/doi/10.1002/smj.385/full>
- [32] J. F. Hair, M. Sarstedt, T. M. Pieper, C. M. Ringle, The use of partial least squares structural equation modeling in strategic management research: a review of past practices and recommendations for future applications, *Long range planning* 45 (5) (2012) 320–340.
465 URL <http://www.sciencedirect.com/science/article/pii/S0024630112000568>

- [33] E. Henry, Are investors influenced by how earnings press releases are written?, *Journal of Business Communication* 45 (4) (2008) 363–407.
URL <http://job.sagepub.com/content/45/4/363.short>
- 470 [34] F. Li, Annual report readability, current earnings, and earnings persistence, *Journal of Accounting and economics* 45 (2) (2008) 221–247.
URL <http://www.sciencedirect.com/science/article/pii/S0165410108000141>
- [35] T. Loughran, B. McDonald, Measuring readability in financial disclosures, *The Journal of Finance* 69 (4) (2014) 1643–1671.
475
- [36] C. K. Bart, Industrial firms and the power of mission, *Industrial Marketing Management* 26 (4) (1997) 371–383. doi: 10.1016/S0019-8501(96)00146-0.
URL <http://www.sciencedirect.com/science/article/pii/S0019850196001460>
480
- [37] C. P. Stickney, P. R. Brown, J. M. Wahlen, *Financial reporting and statement analysis: A strategic perspective*, South-Western Pub, 2004.
- [38] D. Nissim, S. H. Penman, Ratio analysis and equity valuation: From research to practice, *Review of accounting studies* 6 (1) (2001) 109–154.
485 URL <http://link.springer.com/article/10.1023/A:1011338221623>
- [39] M. T. Soliman, The use of DuPont analysis by market participants, *The Accounting Review* 83 (3) (2008) 823–853.
URL <http://www.aaajournals.org/doi/abs/10.2308/accr.2008.83.3.823>
- 490 [40] I. P. Jansen, S. Ramnath, T. L. Yohn, A diagnostic for earnings management using changes in asset turnover and profit margin, *Contemporary Accounting Research* 29 (1) (2012) 221–251.
URL <http://onlinelibrary.wiley.com/doi/10.1111/j.1911-3846.2011.01093.x/abstract>
- 495 [41] G. Hawawini, V. Subramanian, P. Verdin, Is performance driven by industry-or firm-specific factors? A new look at the evidence, *Strategic management journal* 24 (1) (2003) 1–16.
URL <http://onlinelibrary.wiley.com/doi/10.1002/smj.278/full>
- [42] M. Gonzalez, A. Guzmán, C. Pombo, M.-A. Trujillo, Family firms and financial performance: The cost of growing, *Emerging Markets Review* 13 (4) (2012) 626–649.
500 URL <http://www.sciencedirect.com/science/article/pii/S1566014112000544>
- [43] K. Hou, D. T. Robinson, Industry concentration and average stock returns, *The Journal of Finance* 61 (4) (2006) 1927–1956.
505

URL <http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6261.2006.00893.x/full>

[44] D. Vandijck, S. Desmidt, M. Buelens, Relevance of mission statements in Flemish not-for-profit healthcare organizations, *Journal of Nursing Management* 15 (2) (2007) 131–141.

510 URL <http://onlinelibrary.wiley.com/doi/10.1111/j.1365-2834.2007.00669.x/full>

[45] J. A. Ohlson, Earnings, book values, and dividends in equity valuation, *Contemporary accounting research* 11 (2) (1995) 661–687.

515 URL <http://onlinelibrary.wiley.com/doi/10.1111/j.1911-3846.1995.tb00461.x/full>