



What do airline mission statements reveal about value and strategy?

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ABSTRACT

A proper mission statement enriched with specific values and culture is essential for effective communications in this industry field. This paper explores the key values embedded in the mission statements of airline companies, and how values are correlated to their strategies. Content analysis and consequently network analysis among the obtained keywords were carried out in this study. Six content dimensions in the mission statements of airline companies were identified as: 'service', 'customer', 'concern for stakeholders', 'concern for strategy', 'competitive advantage' and 'development'. In addition, the method of islands on airline networks offers a viewpoint from another perspective. Six core values are identified and reported: 'tourism', 'excellence', 'embrace', 'transport and continuity', 'growth' and 'low-fare'. The findings confirm that by employing content analysis advanced network techniques can serve to study mission statements and other similar texts. Moreover, applied text analytic tools through visualization of data represents a new approach in the field of organization study. This research adds to the existing knowledge of the role that mission statements play in airline management.

1. Introduction

A mission statement is crucial to success in effective strategic management (Bart et al., 2001), which not only reflects the value of a company, but also serves as a tool for the growth and development of the company (Alavi and Karami, 2009). Mission statements are for communicating the culture and value propositions within the company, while some are specifically for conveying the messages to external stakeholders regarding profitability and customer satisfaction.

Among various kinds of service industries, the airline industry has its own distinct industry specifics: airlines share similar business models. To effectively communicate the values across an organization within the airline industry, a proper mission statement enriched with the values and culture of the organization is essential.

Mission statements can reveal distinct operational performance and financial outcomes. Therefore, for a comprehensive evaluation of an organization's performance, mission statements should be reviewed so that the core values embedded can be identified (Bart, 2007; Bartkus et al., 2004, 2006; Bartkus and Glassman, 2008).

Most airlines worldwide have their own unique mission statements (IATA, 2016), however, there have been only a few studies relating to the mission statements of airline companies. The importance of the mission statement study has been neglected and this research adds to the existing knowledge of the role that mission statements play in

airline management. This study aims to identify the key values embedded in the mission statements of airline companies and additionally to reveal which airlines share similar mission statements and what is the common context. In order to achieve this goal, the mission statements of 200 of the best ranked airlines worldwide were collected and analyzed. Content analysis and network analysis are the methods used to explore the key content dimensions from the mission statements.

The rest of the paper is constructed as follows: in section 2, we present the theoretical background of the research and two research questions are posed. Section 3 describes the methodology used in the paper, while Section 4 shows the results. Section 5 provides discussion of the results and the last section gives the conclusions.

2. Theoretical background

2.1. From organization vision, mission to strategy

Organizations have visions of their desired future, which define the conceptual roadmap or strategic direction (Mirvis et al., 2010). Vision is considered as the driving force for organizations for gaining competitive advantage since vision influences intra-organizational development (Sutcliffe and Vogus, 2003; Costanza et al., 2015; Klimas, 2016). A vision statement also describes how the future will look if the organization achieves its mission, containing information that is realistic,

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credible, and attractive for the organization in the future. Gaps between future needs and current capabilities are associated with specific business strategies (Gratton, 1996). Therefore, a well thoughtout vision statement bridges the present with the future, while establishing a standard for excellence.

Vision, mission, and values play key parts in the organizational strategy process. Visioning also starts the strategy process as a practical organizational development (Finkelstein et al., 2008). A compelling vision from the top management is essential for effective communication within an organization (Coulson-Thomas, 1992). As defined by Wilson (1992), vision is ‘a coherent and powerful statement of what the business should aim to become’, and it reflects the realistic values of an organization. While the vision of an organization describes the future picture, organizations define their own missions or purposes for existence, with respect to their sets of values.

These sets of values constitute organizational culture, which are shared among the members of the organization, with critical resources for organizational sustainability. Organizational culture is correlated with inter-organizational collaboration (Child and Faulkner, 1998), and sustainable competitive advantages (Noorderhaven et al., 2002). These sets of values provide guidance on how the organization will reach the ultimate goal or vision. With strong and defined values, achieving the mission is thus possible.

Identifying the mission of the organization shows where the organization is and how it currently conducts business. Mission statements encompass organizational philosophy, identity, values and also organizational performance, which allow organizations to differentiate themselves from competitors by stating the purposes of business. Mission statements build and identify the relationships between employees and the mission, the organization itself, the customer, suppliers, and co-workers, and furthermore define the business, products or services, and customers (Bartkus and Glassman, 2008; Hofstetter and Harpaz, 2015).

Organizations adopt different values when achieving a specific kind of business goals so as to result in a desirable outcome (Malbašić et al., 2015). Organization values are conveyed through the dissemination of mission statements. The dissemination of specific values may bring positive results such as better intra-organizational information exchange and sharing of human values that affect staff motivation (Bourne and Jenkins, 2013; Dobni et al., 2000; Paarlberg and Perry, 2007). In this sense, the organization mission statement, containing the guiding values, are highly related to the strategy because the stated values support the behavior that is intended to achieve strategic goals (Semler, 1997; Tosti and Jackson, 1994; Klein, 2011). Organizations employ their guiding values in the formulation of missions and in the implementation of their strategy (Porter, 1985; Klein, 2011).

2.2. Mission statements of companies

A mission statement always comes with a prevalent theme that is related to social involvement, excellence, innovation, and customer relations and so on, implying the direction for organizational development and the organizational culture (Desmidt et al., 2011; Levith, 2011). Mission statements contain different dimensions, such as organization culture and values, however differences can be found in different geographic regions (Ho, 2001; Babnik et al., 2014). Mission statements are always associated with organizational commitment that may offer a mediating effect on the organizational performance (Macedo et al., 2016).

A mission statement is sometimes regarded as a communication of cooperation values and vision within an organization. A mission statement must articulate the organization vision, business domain, competencies and values in order to facilitate strategy formulation and implementation (Sidhu, 2003). On most occasions, a mission statement is also seen as a tool for disseminating management beliefs and approaches to stakeholders (Hirota et al., 2010; Khalifa, 2012).

Stakeholders can be either internally focused or externally focused. Traditionally organizations have used mission statements as tools for internally focused communication, to align the interpretation of values, such as the behavior of employees, with the goals of the firm (Carpenter and Gong, 2016). Some organizations, on the other hand, value the mission statement as a means of disseminating values externally, such as for acquiring and retaining customers by presenting the core values of the firm (Meredith et al., 2014). There should be conformance between the values in the mission statement and the values understood by stakeholders, in regard to the organization vision (Klemm et al., 1991; Kakabadse and Kakabadse, 1998; Širca et al., 2013). Significantly higher performance results were found to be associated with those organizations that had a formal written mission statement (Smith, 2006; Alavi and Karami, 2009).

2.3. Significance of mission statement study by content analysis

Cultural diversity and values do influence organizational effectiveness and competitive advantage, and corporate strategy (Bowman, 1984; Pandey, 2009; Sultana et al., 2013). Mission statements in different industries were also studied, such as in pharmaceuticals, banking and mining companies, and even across inter-related industries (Peyrefitte and David, 2006).

Besides qualitative study on the contents of the documents of organizations for identifying their values and culture, measuring organizational values based on content analysis of documents is becoming more popular, though it is new in the field (Duriau et al., 2007; Breznik and Rezk, 2017). Babnik et al. (2014) conducted a study among 222 Slovenian firms, researching mission statements and linkages with organizational culture using content analysis. Mission statement content dimensions were successfully identified, namely ‘stakeholders’, ‘quality’, ‘product & service’, ‘environment’ and ‘development’. The results from the content analysis can be used to determine how mission statements conform to the commonly accepted views expected, in a more scientific way (Kodwani and Singh, 2006; Shahriar, 2014). Content analysis poses a new direction for examining mission statement theory and practice (Meredith et al., 2014).

2.4. Mission statement studies of airlines

There are significant differences in the strategies and missions of organizations in different industry segments (Zheng et al., 2010; Gupta, 2011).

Mission statements of a few industries have been precisely studied in the literature, however the industry is not one of these few. Mission statement studies in the airline industry that have been conducted (e.g. Kemp and Dwyer, 2003; Liu and Liu, 2010; Lin and Ryan, 2016) are limited to selected groups of airlines. For example, the study by Liu and Liu (2010) involved only the 10 best airlines in the world, according to the Skytrax¹ ranking, in the years 2004–2005 and 2009–2010.

Previous studies on mission statements among airlines revealed the limitations of the sampling method that may lead to bias in the results. Therefore, we set this research as exploratory study and we postulated two research questions accordingly:

RQ1: What are key determinants of mission statements in the airline industry?

RQ2: How are airline companies grouped based on their similar mission statement contents?

¹ United Kingdom-based consultancy which runs an airline and airport review and ranking site. <http://skytraxresearch.com/>.

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