

# COMPARATIVE ANALYSIS OF MISSION STATEMENT IN CHINESE AND NON-CHINESE COMPANIES: A STUDY FROM THE PERSPECTIVE OF LINGUISTICS

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## ABSTRACT

Mission statement is an important instrument for strategic management for an enterprise. How to establish a mission statement, how to leverage its roles in leading the growth and conveying vision, is a critical step in strategic planning for enterprises. The current study adopted the text corpus method, built a corpus of mission statements by selecting the mission statements of 100 companies each from Chinese and non-Chinese companies in the 2014 Fortune 500 companies. Through the analysis of high-frequency words in the corpus, we found some differences and commonalities between the mission statements of Chinese and non-Chinese companies.

Key words: Mission statement; corpus; Chinese and non-Chinese companies; comparative study

## INTRODUCTION

Mission statement is the concrete revelation and embodiment of the mission of an enterprise. It describes, in text format, the intention and the reason for existence of an organization. To assess the quality of a mission statement, scholars often use standards in two categories: the standards in principal components (e.g., Quan et al, 2010, [4]), and the standards of stakeholders (e.g., Bartkus et al, 2004, [1]). The standards in key components, with the theory of nine key components as a typical representative, believe that a good mission statement must cover related key components. David (1989, [2]) summarized the key components into nine categories. The other school of thoughts – the theory of stakeholders, represented by the “societal stakeholder” theory (Wheeler et al, 1998, [6]) believe that the long-term survival and development of a company is closely related to its stakeholders. Therefore, in establishing the mission statement, the company must take into consideration the needs of stakeholders.

Mission statement is one type of language, it conveys values and communicates with the receptors. So far, there is yet to find researches that study mission statements from the perspective of linguistics. Halliday (2014, [3]) holds that language can have three functions: ideational function, interpersonal function, and textual function. The establishment of appraisal system introduced word meaning into the study of interpersonal function of languages. Was put forth by J.R. Martin in his book *English Text: System and Structure*. Martin referred to the language sources for the author's opinions, attitudes, and stance as appraisal system. The appraisal system includes the three systems of attitude, engagement, and graduation, with the attitude being the kernel [8]. The attitude refers to the judgment and appreciation to human behaviors, text/procedure, and phenomena by a person, after his/her psychology is influenced. As such, the attitude system is further divided into the following three subsystems: judgment system, affect system, and appreciation system. The affect system is the center of the attitude system; it explains the language user's sentimental response toward behaviors, text/procedure, and phenomena. The judgment system belongs to the domain of ethics; it explains the language user's ethical judgments of certain behaviors based on ethics/moral (as well as regulations). The appreciation system belongs to aesthetics domain; it explains the language user's appreciation of the text/procedure's and phenomena's aesthetic characters. The appreciation of the above can be seen as the author's or the opinion holder's "interpersonal" tool to establish the unity with their audience [7].

## **RESEARCH GOALS AND METHODOLOGY**

This study will adopt the method of corpus analysis, to conduct a comparative study on the mission statements of Chinese and non-Chinese enterprises. The purpose of the study is three-fold: (1) achieve an understanding of the general quality of mission statements of Chinese and non-Chinese enterprises; (2) compare the differences of mission statements of Chinese and non-Chinese enterprises, and analyze the possible causes; (3) provide suggestions for enterprises for their mission statements establishment. Corpus linguistics is based on large amount of linguistic data collected from the object of the study (or its context), and process the data in the form of corpus, draw conclusions using statistical analysis.

### **THE ESTABLISHMENT OF HIGH-FREQUENCY WORDS**

#### **1. The establishment of corpus**

This study based on the 2014 Fortune 500 company list, selected, in the Fortune 500 order (high to low), 100 Chinese companies, and 100 non-Chinese companies. We visited the official website and/or the annual reports of those subject companies to capture the contents of their mission statements. Then, we collected their mission statements to build the corpus for the study. The non-Chinese company's mission statements were adopted in their Chinese translations.

#### **2. The establishment of the high-frequency words in the evaluation of attitudes**

To establish the high-frequency words for the evaluation of attitudes, we used the NLPiR word division system, and the AntConc corpus analysis toolkit. We first used NLPiR system to single out the key

words rather than sentences. We then read the mission statements of each companies into AntConc. Repetitive words were deleted (such as the word “customer”, which appears four times in Wal-Mart’s mission statement, was counted as once, not four times) using the Word List function in AntConc. The high-frequency words thus obtained were not all attitude-evaluation words. Through comparing the high-frequency words in this study with those known attitude evaluating words in well-known works in the field of corpus analysis and considering the context of the words, we identified the high-frequency words for attitude evaluation. As Table 1, we selected the top-100 high-frequency words in the mission statements of Chinese and non-Chinese companies, which is the attitude evaluation words for this study.

Table 1 Mission statement attitude resources usage

| Top-100<br>Hi-Freq Words | Number of words |        |         |        | Frequency |        |         |        |
|--------------------------|-----------------|--------|---------|--------|-----------|--------|---------|--------|
|                          | Non-Chn         |        | Chinese |        | Non-Chn   |        | Chinese |        |
| Sentiment                | 7               | 7.00%  | 5       | 5.00%  | 138       | 6.14%  | 67      | 3.78%  |
| Judgment                 | 31              | 31.00% | 36      | 36.00% | 648       | 28.84% | 568     | 32.07% |
| Appreciation             | 62              | 62.00% | 59      | 59.00% | 1461      | 65.02% | 1136    | 64.15% |
| Total                    | 100             | 100%   | 100     | 100%   | 2247      | 100%   | 1771    | 100%   |

## COMPARATIVE ANALYSIS OF MISSION STATEMENTS OF CHINESE AND NON-CHINESE COMPANIES

### 1. Both Chinese and non-Chinese companies emphasize on appreciation

From Table 1, we can see that both groups emphasized appreciation meaning in their mission statements, while the judgment words came next, and sentiment words came out the last. This phenomenon reflects that companies, no matter Chinese or non-Chinese, place their mission statements in a type or style of guiding documents, rather than a type of personal affect. In contrast with making judgment from affect, the companies more focus on their own behaviors and the material world [5].

### 2. Non-Chinese companies’ statements are more thorough

Because we only counted the same words in a statement as one word even it appears in the statement multiple times, therefore, each word would appear in a statement at most once (or none). The frequency of a certain high-frequency word so tallied would mean the number of companies employing this word in its mission statement. We refer to the frequency of a word as the “coverage” of this word. From this perspective, we calculated the “average word coverage” of the three types of words:

Average word coverage = The frequency of the type of words / The number of words in this type

Table 2 Comparison of average coverage of words between Chinese and non-Chinese companies

| Top-100<br>Hi-freq words | Average word coverage |         |
|--------------------------|-----------------------|---------|
|                          | Non-Chin              | Chinese |
| Sentiment                | 19.7                  | 13.4    |
| Judgment                 | 20.9                  | 15.8    |
| Appreciation             | 23.6                  | 19.3    |
| Total                    | 22.5                  | 17.7    |

From table 2, in the non-Chinese companies' mission statements, each word covers about 23 companies, while in the Chinese counterpart; each word covers only 18 companies. On the average, the non-Chinese companies with contents that are more thorough.

### 3. Imbalance in the contents of mission statement among Chinese companies

From the high-frequency word list for the Chinese and non-Chinese companies, a high-frequency attitude evaluation word line chart can be drawn. In Figure 1, the horizontal axis shows the numbering of the 100 high-frequency words, while the vertical axis is the corresponding frequency of each word.

Figure 1 The high-frequency attitude evaluation word line chart of Chinese and non-Chinese companies

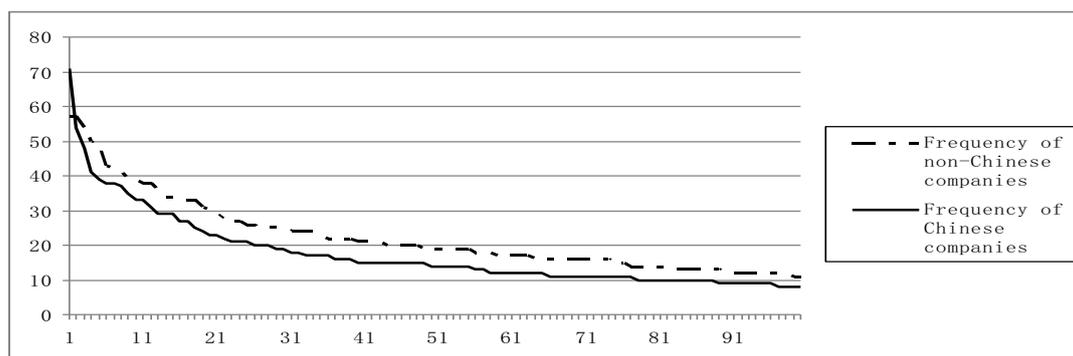


Figure 1 shows that the Chinese companies' mission statement high-frequency words have a steeper pattern, while the non-Chinese companies' have a flatter pattern. This reflects that the Chinese companies have imbalance in their mission statements.

### 4. Chinese companies more focus on concerns on survival, growth, profitability, and corporate philosophy, while non-Chinese companies emphasize more on self-identity and corporate image

Examining the mission statement high-frequency words, in the top-100 words there are 53 words appear in both Chinese companies' statements and in those of non-Chinese companies. For the remaining 47 words, we used David's nine key components to explore their differences [2].

Table 3 The high-frequency words' distribution on the nine components of evaluation attitude

| Component   | Non-Chinese Co |           | Chinese Co |           |
|---|----------------|-----------|------------|-----------|
|   | # words        | Frequency | # words    | Frequency |
| (1) Customer  | 0              | 0         | 1          | 9         |
| (2) Product/Service                                   | 1              | 25        | 1          | 10        |
| (3) Market  | 0              | 0         | 0          | 0         |
| (4) Technology  | 0              | 0         | 0          | 0         |
| (5) Concerns over survival, growth, and profitability | 9              | 152       | 17         | 212       |
| (6) Corporate philosophy                              | 7              | 102       | 9          | 158       |
| (7) Self-identity                                     | 3              | 44        | 1          | 12        |
| (8) Concerns over cooperate image                     | 4              | 107       | 1          | 10        |
| (9) Caring for employees                              | 1              | 19        | 2          | 25        |
| Total   | 25             | 449       | 32         | 436       |

From Table 3 we can tell, in the remaining 47 words that are different, the Chinese companies' mission statements use more different words in the description of the nine components, but the total frequencies of all the words are almost same. In the components emphasized, the Chinese companies more focus on the concerns over survival, growth, and profitability, and on corporate philosophy. In contrast, the non-Chinese companies emphasize more on self-identity and the concerns over the cooperate image.

## 5. Non-Chinese companies pay more attention to stakeholders

We adopted Wheeler's definition of stakeholders in this study. Wheeler (1998, [6]) divided stakeholders accordingly as Social Stakeholders and Non-social Stakeholders. Social Stakeholders can be divided into Primary Social Stakeholders (PSS) and Secondary Social Stakeholders (SSS). We identified the words related to stakeholders in the top-100 words, and made a comparison:

Table 4 Comparison of stakeholder words

| Non-Chinese stakeholders |             |             | Chinese stakeholders |             |                    |
|--------------------------|-------------|-------------|----------------------|-------------|--------------------|
| Num                      | Freq        | Word        | Num                  | Freq        | Word               |
| 1                        | 57          | World       | 3                    | 48          | Society            |
| 2                        | 57          | Customer    | 6                    | 38          | World              |
| 5                        | 48          | Society     | 8                    | 37          | China              |
| 8                        | 41          | Employee    | 10                   | 33          | Employee           |
| 10                       | 39          | Environment | 14                   | 29          | Environment        |
| 16                       | 34          | Community   | 16                   | 27          | Customer           |
| 31                       | 24          | Partner     | 21                   | 23          | Shareholder        |
| 44                       | 20          | Stakeholder | 51                   | 14          | (Internal) Talents |
| 50                       | 19          | Country     |                      |             |                    |
| 57                       | 18          | Shareholder |                      |             |                    |
| 59                       | 17          | Supplier    |                      |             |                    |
| Total                    | 374(16.64%) | 11(11%)     | Total                | 249(14.06%) | 8(8%)              |

From Table 4 we can see that the non-Chinese companies have 11 words to refer to stakeholders, with total frequency at 374; Chinese companies have 8 words and a frequency of 249. Therefore, the non-Chinese companies' mission statements have higher concerns for stakeholders. In a further analysis, the non-Chinese companies' Primary Social Stakeholders (PSS) indicated in mission statements are: customer, employee, community, partner, shareholder, and supplier, with total frequency of 191; while Chinese companies have employee, customer, shareholder, and (internal) talents, with a total frequency of 97. The frequency of non-Chinese companies mentioning their PSS are almost twice that of Chinese companies. In addition, the non-Chinese companies' mentioning of customers ranked 14 places ahead of the corresponding ranking of Chinese companies, with frequency almost doubles the latter. It is apparent that the non-Chinese companies pay significantly higher attention to customers.

## CONCLUSION AND MANAGERIAL IMPLICATIONS

Based on the comparative analysis in the above section, we can draw the following conclusions:

(1) The positioning of mission statements of the Chinese and non-Chinese companies are clear and

well-oriented. Both groups in their mission statements used more evaluation through judgment and appreciation dimensions. It is reconfirmed that companies should use appropriate words and styles in their mission statements.

(2) In comparison, the non-Chinese companies' mission statements are more thorough and more balanced. There is certain level of distance between the mission statements of Chinese companies with respect to those of non-Chinese companies. In addition, influenced by the Chinese government's calls, Chinese companies' emphases and concerns show high level of resemblance. It is suggested that Chinese companies should base their mission statements on their own positioning, making the mission statements distinct, with unique emphasis; also the mission statements need to be improved in the thoroughness.

(3) Chinese companies pay more attention to survival, growth, and profitability, as well as to corporate philosophy, while non-Chinese companies emphasize more on self-identity and concerns over corporate image. Chinese companies pay more attention to the company itself, while non-Chinese companies pay more attention to the approval of stakeholders and to the environment of the company. The two groups can learn from each other, so as to establish more balanced mission statements.

(4) In comparison, non-Chinese companies pay more attention to their stakeholders, especially primary social stakeholder. It reflects that non-Chinese companies' deep awareness of the crucial influence of stakeholders to the company's success, and the expression of mutual growth with stakeholders, thus obtaining the latter's approval and support. The Chinese companies must learn from the non-Chinese group on this. Especially, Chinese companies need to place customers in higher place, which is the major reason of the existence of the company and the major source of the company's success.

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