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Impact of mission statements on innovation Mediated by ownership

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Abstract

Mission statement, as a strategic management tool, can guide the decision-making and behavior of a company to pursue innovation. This study investigates whether mission statements can influence innovation-oriented behaviors by signaling to stakeholders. In addition to the general exploration of the impact of mission statement on a company's innovation pursuit, this study also examines the mediating roles of the ownership of the company (state-owned or otherwise). In this study, 305 companies on the Dow Jones China 600 Index were selected as samples to analyze company mission statements using text mining method. The results show that the mission statement language concerning innovation will encourage and guide the companies to increase innovation input in resource allocation, leading to an increase in innovation outcome. Among companies with different ownerships, the non-state-owned companies with innovation-oriented missions tend to improve their innovation input.

Conference Track

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