

MULTILATINAS: A CONTENT ANALYSIS OF MISSION STATEMENTS AND ITS RELATION WITH THE INTERNATIONAL EXPANSION¹

Multilatinas: un análisis de contenido de las declaraciones de misión y su relación con la expansión internacional

Multilatinas: A análise de conteúdo das declarações de missão e sua relação com a expansão internacional

DOI: rces.v23n34.a5

Recibido: 28/03/2015

Aceptado: 05/05/2015

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1 This article of scientific research is a product of the research Project called “*Internacionalización y modos de ingreso*”. Ascribed to the research group in International Studies at the International Business Department in Universidad EAFIT.

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Key words

Strategic Planning, Mission Statement, Multilatinas, Globalization Index

Abstract

This exploratory study aims to analyze the correlation between the international expansion of top Multilatinas and their company mission statements, based on 9 components outlined in the framework provided by David (1989). The sample is composed of those companies ranked by America Economía in 2012 based on their Globalization Index, and their mission statements that were collected through corporate websites (America Economía, 2012). First, a content analysis was conducted in order to identify the presence of each mission component, and an intercoder reliability test was performed by the researchers. Then, a correlation analysis was applied between the mission components by using the phi coefficient and variance analysis (ANOVA) to test correlations between components and the Globalization Index. Results show all companies have fewer than the 9 components suggested by David (1989); there is a weak correlation among components, and there is no relation between components and the Globalization Index.

Clasificación JEL: C12, F23, M16

MULTILATINAS: UN ANÁLISIS DE CONTENIDO DE LAS DECLARACIONES DE MISIÓN Y SU RELACIÓN CON LA EXPANSIÓN INTERNACIONAL

Palabras clave

Planeación estratégica, misión, multilatinas, índice de globalización

Resumen

El presente estudio es de naturaleza exploratoria y busca analizar la correlación existente entre los diferentes componentes de la misión de las Multilatinas, de acuerdo con el marco conceptual propuesto por David (1989), así como la relación existente entre la inclusión de cada componente y la expansión internacional de dichas compañías, medida a través de su Índice de Globalización. Para ello, se seleccionaron las compañías incluidas en el Ranking the Multilatinas publicado por la Revista América Economía en el año 2012, y se consultaron las misiones de estas a través de sus sitios web corporativos.

Primero se efectuó un análisis de contenido para identificar la presencia de cada componente de la misión y una prueba de confiabilidad por los investigadores. Luego se hizo un análisis de correlación entre los componentes de la misión usando el coeficiente phi y análisis de (ANOVA) para probar correlación entre componentes y el índice de globalización. Los resultados muestran que todas las compañías tienen menos de los 9 componentes sugeridos por David (1989); hay una correlación débil entre componentes, y no hay relación entre componentes e índice de globalización.

MULTILATINAS: A ANÁLISE DE CONTEÚDO DAS DECLARAÇÕES DE MISSÃO E SUA RELAÇÃO COM A EXPANSÃO INTERNACIONAL

Palavras-chave

Planejamento estratégico, missão, multilatinas,
índice de globalização.

Sumário

O presente estudo é de natureza exploratória e procura analisar a correlação existente entre os diferentes componentes da missão das Multilatinas, de acordo com o marco conceitual proposto por David (1989), assim como a relação existente entre a inclusão de cada componente com a expansão internacional, medida pelo índice de globalização, publicado pela Revista América Economia no ano 2012, e consultaram-se as missões destas através dos seus *websites* corporativos.

Primeiro, foi conduzida uma análise de conteúdo para identificar a presença de cada componente de missão, e um teste de confiabilidade intercoder foi desenvolvido pelos pesquisadores. Depois foi aplicada uma análise de correlação entre os componentes de missão usando o coeficiente phi e a análise de variância (ANOVA) para testar as correlações entre os componentes e o índice de globalização. Os resultados amostram que todas as companhias têm menos de 9 dos componentes sugeridos por David (1989); há uma correlação fraca entre os componentes, e não existe relação entre componentes e o índice de globalização.

Introduction

The late internationalization of Multilatinas has followed the same process as many multinationals around the world. Coming from Latin American emerging markets, these companies have acquired great importance because of their expanding role in international scenarios, starting from experiential learning to stating strategies for that purpose, from a rational and conscious process through management actions, and therefore compounding the strategic planning of the company.

Mission statements are part of the strategic planning process. Nevertheless, it is well-known that stating a mission is not enough to ensure the success of a company's globalization strategy. Moreover, the rapidly changing competitive environment of today has made it increasingly difficult to state missions which remain unchanged over time. Subsequently, mission statements are no longer seen as a key factor in a firm's future success. Based on a non-static environment, the current dynamics imply that competitiveness and value addition are now the key factors for companies to gain more importance and presence internationally (OECD, 2007).

Considering that previous studies have focused on analyzing the extant relationship between the mission statements and performance, the present study aims to test the correlation between the elements included in mission statements and a firm's international expansion, as measured by its Globalization Index according to America Economía¹. Through the analysis of the components considered by a company in its mission statement, the authors seek to understand whether the inclusion of the nine components, suggested by David (1989), correlates to the company's

international expansion, and therefore, alignment between the mission statement and the international expansion can be observed. As a result, it will be possible to infer whether mission statements actually guide the company's actions or are they mere formalisms which reflect a lack of alignment between the organization's strategy and its actions.

During the first stage, content analysis of the mission statements was conducted in order to determine the presence or absence of each component and an intercoder reliability test was performed to resolve any discrepancies. In the second stage, a correlation analysis of the components of the mission statements was conducted using the phi coefficients. An analysis of variance (ANOVA) was also used to test the correlation between the components and the companies' international expansion, as measured by the Globalization Index. It was found that none of the companies included all nine components suggested by David (1989) and only a minority of companies included eight components in their mission statements. It was also observed that the correlation between the different components, that is the simultaneous presence of different components, is weak and that there is no relationship between the mission statement and the international expansion of a company.

I. Literature review

I.I. Strategy and Strategic Planning

As the phenomenon of globalization allows companies to expand into new markets and products, the complexity of managing such operations increases. Multinational

2 Globalization index by America Economía is a well recognized indicator that takes into account Latin American multinationals, as they are the focus of study of this paper. It is the only index known that ranks multilatinas.

organizations are therefore in continuous evolution (Galbraith, 2012) in order to face the challenge of coordinating activities across different markets and business (Olk, Rainsford & Chung, 2010).

The term *strategic management* dates back to the 1960s and is related to the application of the principles of military strategy to business (D. Miller, 1986). The extant literature on the topic is rather vast (Mintzberg, Ahlstrand & Lampel, 1998); especially since the 1990s, when managers and academics decided to apply it to the center of every business. David (2009) defined strategy as the art and science of formulating, implementing and evaluating decisions, which allows an organization to reach its objectives through the integration of different areas. When it comes to the application of the concept, Mintzberg et al. (1998) propose the five Ps: Strategy as a Plan, a guide into future actions; as a Pattern, a consistent behavior over time; as a Position, the location of products into markets; as a Perspective, an organization's way of doing things; and as a Ploy, an action to face a competitor.

When considering strategy as a plan, the concept of strategic planning emerges. Ansoff (1965), has been recognized for his key role in defining the principles under which an organization should design a formal strategy (Beard & Dess, 1981; Hussey, 1999; Moussetis, 2011; Ronda-Pupo & Guerras-Martin, 2012; this way, the basis for making strategic decision is created (Hussey, 1999) and mission statements appear as the first step in the process (Pearce & David, 1987; David, 1989).

Mission statements are popular management tools from which a variety of benefits can be derived (Bart & Tabone, 1998). Research in this field has traditionally focused on two perspectives: the relationship between general strategy elements and the macro structure of the firm, and the relationship between strategy and structure in the international operations of the firm (Wolf & Egelhoff, 2001).

I.2. Mission Statements

Several authors have adopted a perspective where strategic planning is considered to be a process that includes the definition of the vision and mission statements, from which strategic objectives are derived (Drucker, 1974; Powell, 1992; Mintzberg, 1994; Jennings & Disney, 2006; Linn, 2008). Drucker (1974) was the first author to address the importance of defining a clear purpose. Drucker proposed that every organization has a goal, and that the organization itself is just a means to achieving it; furthermore, in order to survive, an organization needs to add value to its stakeholders (Moore et al., 2011).

In this sense, formal mission statements are instruments designed to define where the organization is and where it is heading (Desmidt & Prinzie, 2008), to present the unique character of the organization and its identity (Daniels, Johnson & de Chernatony, 2002), to differentiate the firm from other firms (Peyrefitte, 2012), to inform employees about the firm's objectives and goals (Bart, 1998) and to define the organization's present or future (Pearce, 1982). Further on, mission statements have been developed to complete the sense of future that is established through vision statements (Green & Medlin, 2003), in order to set priorities that enable the definition of organizational objectives and plans (Drucker, 1974).

Having a mission statement is by no means sufficient in order to enhance the company's performance. As suggested by Bart, Bontis & Taggar (2001), a strong mission statement should be adequately justified, aligned with the organization and be accompanied by effective changes at the company and individual levels, in order to work towards the desired direction.

I.3. Mission Statements different from Vision Statements

Nowadays, mission, vision and value statements are considered to be an inherent component of corporate

strategy and are expected to be found in every type of organization (Cady, Wheeler, DeWolf & Brodke, 2011); furthermore, well-defined mission and vision statements remain the key components of a firm's strategic planning (Moore, Ellsworth & Kaufman, 2011). Even though they are strongly related, there is a clear difference between these statements, as the vision statement aims to define the future the organization wants to create (Moore et al., 2011), whereas the mission statement refers to what the company is trying to accomplish, in other words, its purpose (Andrews, 1971; Bart et al., 2001)

When discussing the process of defining strategy, it is important to know that vision statements refer to the ideals of the company, its long-term goals which are guiding principles that help an organization become what it wants to be (Özdem, 2011). In this sense, vision statements are considered to have an inspiring and challenging character (Peters, 1993), and need to be complemented through the statement of a clear mission (Green & Medlin, 2003). Mission statements, as defined by Drucker (1974), refer to the assignment of priorities and plans in order to differentiate one organization from another. They are strongly linked to vision statements and provide specific information about a company's purpose and how its vision can be achieved. Subsequently, the present study focuses on the analysis of mission statements as they provide more precise information about the priorities, strategies and purpose of an organization. Also, given its exploratory nature, this study will not address the companies' strategies at a tactical level, which could be the focus of further studies.

I.4. The Components of Mission Statements

As stated by Muzondo, Kaseke, Mandebvu & Mhizha (2013), there are several frameworks to analyze the components of a mission statement, but there is lack of agreement on what an ideal mission statement should be (Pearce & David, 1987; Campbell & Yeung, 1991; Verma, 2009; Muzondo et al., 2013). For the purpose of this study, the framework

provided by Pearce & David (1987) and David (1989) was selected. Pearce & David (1987) studied the presence of eight key components in Fortune five hundred companies: *target customers, products and services, location, technology, concern for survival, philosophy, self-concept and concern for public image*; then, David (1989) added the concern for employees as the ninth key component of a mission statement.

I.5. Mission Statements and Organization's Results

Organization mission statements reflect strategic planning efforts, which are usually associated with improvements in organizational performance (Pearce & David, 1987). However, as suggested by Muzondo et al. (2013), there is a lack of empirical evidence to support the usefulness of mission statements impacting actual organizational performance.

Lucas (1998) stated that company interest in vision statements, a key factor in the firm's strategic planning, has decreased since the late 1990's due to the fact that such statements often fail to truly engage employees into the company's future plans. On the other hand, many companies engage in strategic planning and define their vision and mission statements just to comply with the requirements for international standards certification.

As suggested by Campbell and Yeung (1991) and Bart et al. (2001), creating a comprehensive mission statement is not enough to influence the firm's performance, since a sense of mission, an emotional bond and a personal feeling towards the statement, is required in order to influence employee behavior and therefore performance. This also means that organizational members need to manage the mission statement meaning as a required step prior to its implementation (Desmidt & Prinzie, 2008), as such a statement is only effective if enacted by the members of the firm (Verma, 2009); otherwise, misalignment between the purpose of the firm and its actions may be observed (Collins, 2009).

I.6. Multilatinas and Internationalization

Multilatinas is a term referring to Latin American Multinational companies, which emerged as such mostly through the 1980s when they started to perform Foreign Direct Investment activities in other countries (Cuervo-Cazurra, 2010; Santiso, 2008).

It was not until then that the now denominated Multilatinas became multinationals, meaning, companies which own or controlled activities in more than two countries (Brooke & Remmers, 1973; Buckley & Casson, 1976; Casson, 1979; Cuervo-Cazurra, 2007a; Cuervo-Cazurra, 2007b; Cuervo-Cazurra, 2008; Dunning & Lundan, 2008; Eiteman, Stonehill, & Moffett, 2010; Gould, 2008; Harrod, 2009; Hennart, 2009; McDaniel, Lamb, & Hair, 2008; Osuagwu & Obumneke, 2013; Smelser & Baltes, 2001; Spero & Hart, 2010; Wild, Wild, & Han, 2007).

I.7. The International Strategy in Multilatinas

The policy-related recommendations released by the Washington Consensus directed Multilatinas to restructure and improve their technology and competences to be able to face foreign competition and also to focus more on their distinctive capabilities (Aggarwal & Agmon, 1990; Hill & Jones, 2012; Kuczynski & Williamson, 2003; Lora, 2001; Williamson, 1990, 1994, 2004); this way, they started to focus on foreign markets as well as on developing competitive advantages (Claessens & Schmukler, 2007; Cuervo-Cazurra, 2002, 2008, 2010; Dominguez & Brenes, 1997; Kotabe, 2000; Toulan, 2002;), resulting in a transition from overseas sales to overseas acquisitions (Rugman, 2005, 2007).

These events led Multilatinas to re-think their way of operating and to plan strategies in order to better locate their resources,

and transfer their abilities to foreign markets. These actions fit into the systematic planning perspective in internationalization as a rational, conscious and a well-thought out process of making decisions about markets, operations and performances until becoming MNEs (Johanson & Yip, 1994; Li, Li, & Dalgic, 2004; Miller, 1992; Mintzberg et al., 1976; Root, 1987, 1994; Yip, Biscarri & Monti., 2000). It could therefore be stated that, as proposed by several authors referring to internationalization processes, the international strategy of most multilatinas has permitted the establishment of tighter links between the home companies and international markets, through a long process of deeper involvement and international projection (Andersen, 1993; Cavusgil, 1980; Dunning, 1993, 2000; Eriksson, Majkgard & Sharma, 2000; Johanson & Vahlne, 1977; Johanson & Weidersheim-Paul, 1975; Lam & White, 1999; Melin, 1997; Root, 1994; Rialp, 1999; Turnbull, 1987; Welch, Benito & Petersen, 2007; Welch & Luostarinen, 1988; Welch & Welch, 1995).

Methodology

Information about the mission statements of the top 65 Multilatinas was collected through an extensive revision of their corporate websites, according to the Ranking published by *América Economía* (2012) and its international expansion was measured by its Globalization Index. A mission statement was found for 48 out of the 65 companies in the ranking, accounting for 73.8% of the sample population.

The globalization index measures international expansion, the process of international growth and coverage of company markets. It has been selected as the proxy index of this variable considering that it measures progress of Latin American companies in their processes of globalization, based on sales, employees abroad, investments as an advanced way of internationalizing and markets coverage, among other features.

The proxy variable is an alternative to be used when the actual variable is not measurable or not reliable (Wickens, 1972). Proxy variables have been widely used in the field of social science for the generation of prediction models. In this study the Globalization Index has been selected since it contains measurable aspects related to international expansion.

The Globalization Index was first introduced by *America Economía* in 2007 and consists of four subscripts expressed in base 100 (in some cases only gross percentages are shown) expressing various phenomena involved in the ability of multinationals to leave their national borders and expand their influence in both the region and the world: (1) Percentage of sales abroad, i.e. exports and sales of foreign affiliates (10%), (1a) Percentage of employees abroad (10%), (2) Investment, subscript which contemplates volumes and percentages of total investments and those carried out the country of origin (30%), (3) Geographical coverage, subscript measuring presence in countries and geographical areas that provide access difficulties (20%) and (4) Growth potential, subscript that evaluates liquidity status and market situations as prior conditions for undertaking new geographic expansion processes (30%).

Using the framework provided by David (1989), content analysis of the 48 mission statements was conducted by two independent raters, in order to achieve intercoder reliability also called reproducibility. This type of reliability refers to the extent to which more than one code classifies the same text in the same way (Weber, 1990). For this purpose, each rater worked separately to code each statement, using binary coding (1 = presence of the component; 0 = absence of the component). After coding was completed, an intercoder reliability test was used to compare the results. An intercoder reliability of 75.46% was found, and the discrepancies were resolved.

The definitions of each component, as provided by David (1989), were considered as a basis for the binary classification of the mission statements:

- Customers: who are the enterprise's customers?
- Products or services: what are the firm's major products or services?
- Location: where does the firm compete?
- Technology: what is the firm's basic technology?
- Concern for survival: what is the firm's commitment to economic objectives?
- Philosophy: what are the basic beliefs, values, aspirations and philosophical priorities of the firm?
- Self-concept: what are the firm's major strengths and competitive advantages?
- Concern for public image: what are the firm's public responsibilities and what image is desired?
- Concern for employees: what is the firm's attitude towards its employees?

It is important to note that, given the origin of the companies, mission statements were found to be available in different languages; in order to avoid translation bias, each statement was analyzed in the native language of the country of origin of the company.

Based on the results of the content analysis of the 48 mission statements³, a quantitative analysis was conducted to identify the number of components present on each mission statement, in order to establish the minimum and maximum number of components used by each company. Then, a matrix was developed with the purpose of showing the total number of enterprises that considered at least two specific components in the mission, as the intention was to establish a correlation analysis between dichotomous variables. The

3 Full mission statements used for this study are available and can be provided upon request to the corresponding authors.

aforementioned matrix was the starting point to establish the statistical significance of the correlations phi (degree of association between two qualitative and dichotomous variables, for the case between two components of the company mission).

Correlation analysis allows one to determine relationship dependence between two or more variables but it does not allow causality to be inferred. Given the exploratory nature of this study, correlation analysis was selected as the departure point to study how the presence of certain components in mission statements relates to the companies' international expansion.

The correlation analysis was not only run between components of the mission, it was also conducted in order to establish the relation between each component and the Globalization Index, which derived from the calculation of point-biserial correlations. As the absence of individual correlations does not imply the absence of multiple correlation, ANOVA was continued with the aim to confirm or refute the correlation between the mission statement components and the Globalization Index.

3. Findings

3.1. The components of Multilatinas' mission statements

As shown in Table 1, the most frequently included component in the mission statement for the selected companies is *Products and Services*, while the least frequently included is *Technology*.

Despite the fact that the extant literature suggests that companies include the nine components in their mission statement, when analyzing the specific case of the top Multilatinas, it is apparent that none of them includes them all. It was found that mission statements include a maximum of eight components and that 12.5% of the studied companies do include this number of components (Table 2). It was also found that each company in the sample includes at least 2 components and that most companies include between three to six components.

Table 1. Relative frequency of each component within the mission statement

Component within the mission	Customer	Products and services	Location	Technology	Survival	Philosophy	Self-concept	Public image	Employees
Presence of the variable	72.92%	83.33%	43.75%	14.58%	70.83%	45.83%	79.17%	77.08%	50.00%
Absence of the variable	27.08%	16.67%	56.25%	85.42%	29.17%	54.17%	20.83%	22.92%	50.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Authors' calculations.

When considering the components that companies combine in their mission statements, it was found, as shown in Table 2, that *Customers* and *Self-Concept* are some of the most frequent components to be included together, as 66.67% of the companies' mission statements include them, while an equal number of companies include *Self-Concept* in combination with *Products and Services*.

After establishing the relative frequency of the components included in the mission statements of the selected companies, a Phi correlation analysis (ϕ) was performed in order to determine the existent correlation between the different components:

$$\phi = \frac{p_{xy} - p_x p_y}{\sqrt{p_x q_x p_y q_y}}$$

where,

X: Dummy variable with values of 0 or 1 (x component of the mission)

Y: Dummy variable with values of 0 or 1 (y component of the mission)

p_{xy} : Proportion of cases with a value of 1 in both, the x variable as the y variable

p_x : Proportion of cases with a value of 1 in the x variable

p_y : Proportion of cases with a value of 1 in the y variable

q_x : Proportion of cases with a value of 0 in the x variable

q_y : Proportion of cases with a value of 0 in the y variable

As it can be observed in Table 3, when the correlation between two components is positive, the greater presence of component x in the mission statement corresponds with a greater presence of component y in the mission statement and vice versa. On the contrary, when the correlation between two components is negative, the greater presence of component x, corresponds with a lower presence of component y. When evaluating the correlation between two components, such relationship may be positive or negative and in both cases weak. In the case of positive correlations, this means that there is no strong correlation between any combinations of components and that there is low certainty that the presence of one component leads to a greater presence of another, or vice versa.

Table 2. Most frequent combinations of components

Component	Customer	Products and services	Location	Technology	Survival	Philosophy	Self-concept	Public image
Products and services	64.58%							
Location	31.25%	39.58%						
Technology	12.50%	14.58%	10.42%					
Survival	52.08%	58.33%	31.25%	6.25%				
Philosophy	37.50%	37.50%	18.75%	8.33%	29.17%			
Self-concept	66.67%	66.67%	37.50%	14.58%	60.42%	35.42%		
Public image	52.08%	62.50%	33.33%	8.33%	60.42%	35.42%	60.42%	
Employees	45.83%	43.75%	25.00%	10.42%	43.75%	29.17%	47.92%	41.67%

Source: Authors' calculations

Table 3. Correlations between mission statement's components

Component	Customer	Products and services	Location	Technology	Survival	Philosophy	Self-concept	Public image
Products and services	0.2306							
Location	-0.0295	0.1690						
Technology	0.1190	0.1848	0.2305					
Survival	0.0215	-0.0410	0.0115	-0.2543				
Philosophy	0.1843	-0.0374	-0.0527	0.0938	-0.1457			
Self-concept	0.4954	0.0459	0.1422	0.2120	0.2351	-0.0429		
Public image	-0.2208	-0.1108	-0.0187	-0.1960	0.3044	0.0041	-0.0356	
Employees	0.4219	0.1108	0.1260	0.1771	0.3667	0.2509	0.4104	0.1487

Source: Authors' calculations.

Through a Hypothesis test, the significance of such correlations was tested:

$$H_0 : \rho_{phi} = 0$$

$$H_1 : \rho_{phi} \neq 0$$

where, ρ_{phi} :Population's Phi coefficient

The test statistic in this case is $Z_c = \sqrt{n} \phi$

where, n : Sample size

When running the test statistics, the p-value is provided. According to the table, 13.88% of the correlations between components are statistically significant, which means that with a significance level of 5%, the null hypothesis is rejected for only five of them. Thus, in 86.11% of cases the null hypothesis is accepted, showing that there is no association between the two components considered.

I.2. Mission statement components and the Globalization Index

The correlation, as a measure of association between two variables, can be used to measure the relationship between a numeric and a dichotomous variable. This way, the relationship between each of the components and the Globalization Index was tested through a point-biserial correlation, defined as γ_{bp} :

$$\gamma_{bp} = \frac{\bar{X}_p - \bar{X}}{S_x} \sqrt{\frac{p}{q}}$$

where,

\bar{X}_p : Average globalization index for cases with value 1 in the dummy variable

\bar{X} : Average globalization index

S_x : Standard deviation of the globalization index

p: Proportion of cases with a value of 1 in the dummy variable (components of the mission)

q: Proportion of cases with a value of 0 in the dummy variable

In this specific case, all the correlations are either positive or negative, but in both cases they were weak, meaning that there is no dependency relationship between them and that there is a low degree of certainty that a greater or lower presence of component *n* corresponds to a higher or lower Globalization Index, or vice versa for both positive and negative correlations.

The following hypothesis test validates whether or not these correlations are significant:

$$H_0 : \rho_{bp} = 0$$

$$H_1 : \rho_{bp} \neq 0$$

where, ρ_{bp} : Population point-biserial coefficient.

The test statistic in this case is

$$t_c = \frac{\gamma_{bp}}{\sqrt{\frac{1-\gamma_{bp}^2}{n-2}}}$$

The results of the test show that none of the point-biserial correlations are statistically significant. This means that with a significance level of 5% the null hypothesis is not rejected. Because of the aforementioned factor, there is no evidence to reject the null hypothesis since there is no correlation between the Globalization Index and the individual components of the mission statements.

The previous correlation analysis allows one to test whether there is a relationship between the Globalization Index and each individual component of the mission statements. After finding that they are not correlated, a new test was conducted in order to analyze whether there is a multiple relationship between the components of mission statements and the Globalization Index⁴. For this, the following hypothesis test was used:

H_0 : The mission factor isn't related to the average Globalization Index, which means that it is the same when all the components are reported in the mission.

H_1 : The mission factor is related to the average Globalization Index, which means that it is not the same when all the components are reported in the mission. When at least one of the nine components is included, different average Globalization Indexes are obtained.

The hypothesis can be summarized in the following right-tailed test:

$$H_0 : \mu_i = \mu_j, \forall i \neq j, i, j : 1, 2, \dots, 9$$

$$H_1 : \exists \mu_i \neq \mu_j, i, j : 1, 2, \dots, 9$$

where, μ_i : Average Globalization Index in level *i* of the factor, where *i*=1,2...9. So, μ_i will be the average Globalization Index when the mission statement of companies includes level (or component) "Customer".

The test statistic in this case is:

$$F_c = \frac{n_i \sum_{i=1}^a (\bar{Y}_i - \bar{Y}_{..})^2 / a - 1}{\sum_{i=1}^a \sum_{j=1}^{n_i} (Y_{ij} - \bar{Y}_{i..})^2 / N - a}$$

4 Despite the absence of one correlation, a multiple relationship between the components of the mission and the Globalization Index could be high, even when the individual correlations are not.

Where,

- n_i : Number of companies per level (component)
 \bar{Y}_i : Average factor of component i (the mission)
 \bar{Y} : Overall average
 $a - 1$: Degrees of freedom of the explained variance
 $N - a$: Degrees of freedom of the unexplained variance

The decision rule for a right-tailed test is defined as follows:

Si $F_c \leq F_{\alpha, a-1, N-a}$ no se rechaza la hipótesis nula, en caso contrario se rechaza

Si $P \text{ valor} \geq \alpha$ no se rechaza la hipótesis nula, en caso contrario se rechaza

Where, $F_{\alpha, a-1, N-a}$: Critical value

Through a variance analysis, it was concluded that as the p-value (0.5526) is greater than the significance level (0.05), then the null hypothesis is not rejected. Accordingly, it is concluded that the mission factor does not affect the average Globalization Index, as shown in Table 4.

4. Discussion

When considering the components included by a firm in its mission statement, it is important to know that there may be diverse factors affecting the choice of the components

to be included. Such pressures may involve different stakeholders, as well as institutional pressures (Peyrefitte & David, 2006). Through the present study, it was found that a minority of companies includes eight components (12.5%) and none includes all the nine components suggested by David (1989). Furthermore, it was found that the correlation between the different components is in all cases weak and that there is no relationship between the inclusion of such components and the international expansion of the company, as measured by the Globalization Index.

The present study suggests, like Calder (2011), that some firms may not understand or value the use of mission statements as guiding principles for their actions, which results in the lack of fit between the mission statement's components and the company's international expansion as measured by its Globalization Index. This is clear when referring to the component *location* (where the firm competes) as it can be observed that it is not included in the mission statement of 56.25% of the studied companies, but they do evidently pursue international operations in foreign markets, that are in diverse locations.

The strong presence of the *products and services* (the firm's offer to customers in terms of goods or services) component in 83.33% of the studied firms, is not strongly correlated, positively or negatively, with any other component, so it appears to be combined with other components on a rather

Table 4. ANOVA Table

Analysis of Variance				
Source	Sum of Squares	Df	Mean Square	F-Ratio
Model	1151.11	9	127.901	0.88
Residual	5549.11	38	146.029	
Total (Corr.)	6700.21	47		

Source: Authors' calculations.

random basis. Regarding the presence of the component *customer* (the company's buyers or users), included by 72.92% of the companies, it can be observed that a stronger positive correlation appears between this and the component *self-concept* (the firm's strengths and competitive advantage) (0.49) and the component *employees* (the firm's attitudes towards its employees) (0.42%), but this is still a weak correlation. A similar finding can be observed for the correlation between these two components, *self-concept* and *employees* (0.4104%).

In the correlation analysis, the objective was to see if there was any kind of association between the globalization index each of the mission statements' components. Thus, a series of individual tests were run, which, in all cases, showed no association. Then a global contrast was run (ANOVA test), since, even in the absence of individual correlations, a multiple relationship between the components of the mission and the globalization index could be high.

As stated by Ramon Mahia (n.d.), correlation coefficients between the endogenous variable (index of globalization) and each of the exogenous variables (components of the mission) allow the anticipation of whether the endogenous variable keeps a relationship, a priori, with the exogenous variables. The author continues, stating that any causal link between two variables usually manifests with high correlations between them, although (1) a low correlation coefficient usually indicates "no causal link" but a high coefficient does not imply causality for sure (2) even in the absence of individual correlation, the exogenous variable (mission components) should not be rejected as explanatory because the multivariate nature of regression considers the multiple relationship between exogenous variables and the endogenous variable (index of globalization); relationship that in certain cases it may be high even though the individual correlations are low.

Conclusion

The present study appears to contradict the findings of Cady, Wheeler, DeWolf & Brodke (2011), who suggest that in order to address diverse stakeholders, firms tend to adopt mission statements that appear to be overcrowded by including too many elements or purposes. On the contrary, for the specific case of the top Multilatinas, there appears to be little consistency in terms of the number or type of components included, and weak correlation between the inclusion of such components and their international expansion, as measured by the Globalization Index.

As argued by Calder (2011), when assessing the mission statement of the selected companies, it was found that the actual statement provided by the firms does not necessarily correspond with the definition provided in the existing literature. Instead, some companies focus on what they already do or provide very broad statements about their purpose that do not necessarily involve the mission components proposed by David (1989).

As a result, the mission statements of the top Multilatinas result in a mere formalism or a simple mechanism to define resources and efforts in the organizations and also to comply with quality and legal requirements. It could also be inferred that, for companies operating on a global scale, it is rather difficult to address every interest group and include all nine components of the model in a single mission statement; especially considering that it would be a long and complex task to discuss the many products, services or locations served by a multinational company.

Hence, in terms of international strategy of Multilatinas, the strategic planning or mission, vision and value statements, have no correlation with firms' international expansion. This confirms that there is a crucial difference between strategic planning and strategy definition, the latter has a direct impact

on the Globalization Index of companies, as the value creation process offered to customers, and subsequently the way of acting internationally, would bring even more value and growth for the company. Both value creation and international acting are determined when defining strategy.

Limitations and implications for further research

As previously mentioned, the present study is of an exploratory nature and aims to determine the correlation between different components of mission statements of the international expansion of the top Multilatinas. However, the performed correlation analysis does not allow for the establishment of a causal relationship; especially considering that when analyzing a firm's performance, multiple internal and external factors, other than the mission statement need to be considered.

The lack of fit between the studied mission statements and David's framework may also be related to the fact that, as with most of the existent frameworks in the field, it was designed within the context of developed countries. Therefore its applicability to developing nations may be questioned (Muzondo et al., 2013).

Further studies may focus on running a deep analysis of the overall strategic plan in order to understand whether or not the international activities set for the future, and the resources assigned to those actions are eventually related to companies' international expansion. This might include analysis of company tactics, instead of the mission and vision statements of each company, since they are more detailed and more accurate and take into account a dynamic and changing environment.

The way the internationalization process of Multilatinas has evolved towards new markets and new forms of presence abroad, has resulted in some of them now being called the Global Latinas. Considering that their strategies, as well as

their ownership structures have been modified, an area of interest for future study would be the way this dynamic would affect what they declare on their mission statements.

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