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**UNIVERSITY**

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**FACULTY OF COMMERCE &  
MANAGEMENT**

**COURSE: MBA 3<sup>rd</sup> SEMESTER**

**SUBJECT: BUSINESS POLICY & STRATEGIC  
PLANNING**

**SUBJECT CODE: MBA301**

**LECTURE: 7**

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# Lecture-7



## MISSION

The mission statements stage the role that organization plays in society. It is one of the popular philosophical issue which is being looked into business mangers since last two decades.

### Definition

A few definitions of mission are as follows:

**HYNGER and Wheelen** “ purpose or reason for the organization’s existence.

**DAVID F. Harvey** states “ A mission provides the basis of awareness of a sense of purpose, the competitive environment, degree to which the firm’s mission fits its capabilities and the opportunities which the government offers.

**Thompson** states mission as the “ essential purpose of the organization, concerning particularly why it is in existence, the nature of the business it is in, and the customers it seeks to serve and satisfy.

The above definition reveals the following:

- (i) It is the essential purpose of organization
- (ii) It answers “ why the organization is in existence”.
- (iii) It is the basis of awareness of a sense of purpose.
- (iv) It fits its capabilities and the opportunities which government offers.

### Nature

A few points regarding nature of mission statement are as follows.

- It gives **social reasoning**. It specifies the role which the organization plays in society. It is the basic reason for existence.
- It is **philosophical and visionary**. It relates to top management values. It has long term perspective.
- It **legitimises societal** existence.
- It is **stylistic objectives**. It reflects corporate philosophy, identify, character and image of organization.

## Characteristics

In order to be effective, a mission statement should possess the following characteristics.

- (i) A mission statement should be **realistic and achievable**. Impossible statements do not motivate people. Aims should be developed in such a way so that they may become feasible.
- (ii) It should neither be too broad nor be too narrow. If it is broad, it will become meaningless. A **narrower mission statement** restricts the activities of organization. The mission statement should be precise.
- (iii) A mission statement should not be ambiguous. It must be **clear for action**. Highly philosophical statements do not give clarity.
- (iv) A mission statement should be distinct. If it is not **distinct**, it will not have any impact. Copied mission statements do not create any impression.
- (v) It should have **societal linkage**. Linking the organization to society will build long term perspective in a better way.

(vi) It should not be static. To cope up with ever changing environment, **dynamic** aspects be looked into.

(vii) It should be **motivating** for members of the organization and of society. The employees of the organization may enthuse themselves with mission statement.

(viii) The mission statement should indicate the **process of accomplishing** objectives. The clues to achieve the mission will be guiding force.

### **Examples of Mission Statement**

A few examples of mission statement ( academically not accepted) are as follows:

India Today “ The complete new magazine”

Bajaj Auto, “Value for Money for Years”

HCL, “ To be a world class Competitor”

HMT, “Timekeepers of the Nation”

Some experts argue that these are the publicity slogans. They are not mission statements. A few other examples are as follows:

**Ranbaxy Industries** “ To become a research based international Pharmaceuticals Company”.

**Eicher Consultancy** “ To make India an economic power in the lifetime, about 10 to 15 years, of its founding senior managers.”

### **Formulation of Mission Statements**

The mission statements are formulated from the following sources:

- (i) National Priorities projected in plan documents and industrial policy statements.
- (ii) Corporate philosophy as developed over the years.
- (iii) Major strategists have vision to develop mission statements.
- (iv) The services of consultants may be hired.