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Mission Statements

The Soul of an Organization

By

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Management and Finance

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Introduction

Stereotypes are commonplace in the corporate world. Growing up, students learn of the horrors of working in the business world. Amidst the late study hours, papers, and projects, stories of unthinkable situations are told to the unknowing and inexperienced; stories about terrible bosses, colossal workloads, unmanageable teams, psychotic clients, cutthroat work environments, unruly technology, and working before the sun comes up until long after the sun goes down. In business school, a student first learns that the ultimate goal in American business is to maximize shareholder wealth. Nearly every corporation sets their strategy to reach this goal, as it satisfies the wishes of its owners: the stockholders. Along with this main goal, the board of directors of a corporation will select other goals that it will strive to accomplish, which can be found in the corporation's mission statement. This document becomes a crucial factor in how decisions are made and what the business environment is like, both internally and externally.

In order to fully understand how mission statements affect corporate culture and whether they are important factors in a company's business model, it is first important to define the items related to the subject. First, "a mission statement tells two things about a company: who a company is and what it does." It can be referred to as a variety of names, including "Mission Statement," "Mission," "Our Credo," "Our Values," "Core Values," "Our Philosophy," and "Our Principles." (Williams 96). They are written to address multiple audiences to help them better understand the business. These audiences include customers, shareholders, employees, partners, creditors, and other stakeholders. Next, there must be an understanding that mission statements are not confined to just

corporations. There are a number of other entities with mission statements. These include non-profit organizations, churches, schools, universities, municipalities, and families. Also, there are such things as personal mission statements, which are becoming increasingly more commonplace in the work world.

When a culture is created or decisions are made, the presence of a viable mission statement is critical. This document can be used as a tool to create a business environment employees are attracted to, as a model for how decisions should be made, and is an image of who the company is and what it does. This paper looks to explore the makeup of a good mission statement through scholarly articles and research and the effect it has on corporate culture through real life examples of top companies in a variety of industries, supported by first-hand experience from the young generation of business students and stories like Johnson & Johnson's Tylenol setback. This paper argues that a well-written mission statement is influential in decision making and in the creation of a good corporate culture.

Mission Statements in Scholarly Articles

Mission statements can be argued to be a crucial factor in how decisions are made in the corporate world and what the business environment is like, both internally and externally. There has been a multitude of literature written on mission statements. Some argue that the key to developing a good corporate culture is to attract and hire the "right" employees. Jim Collins, in his article titled "Core Values: Align Your Actions With Them," states that it's impossible to "install new core values into people." He says a company must look for employees that already fit the culture. (Collins 5). An article in

HR Magazine's Pre-Employment Screening: Special Report titled "What Is Culture?" supports Collins in that an employee will only be happy in a culture that agrees with his/her personality and characteristics and therefore, managers must look for employees with this alignment. (What Is Culture 43). These articles stress that employee alignment with the framework of a company's mission statement is critical to creating a good corporate culture.

In order for this employee alignment to take place and create a good corporate culture, it is important that the mission statement is structured correctly. Dr. Linda Stallworth Williams, in her article "The Mission Statement: A Corporate Reporting Tool With a Past, Present, and Future," defines the structure of a solid mission statement and the components needed to create one. She goes further by using examples from past literature on how these components and values affect corporate culture. (Williams 95-101). Bartkus and Glassman look at how high performing companies will use mission statements as an accurate account of who the company is and what it does, while weaker executives will use mission statements as a front for poor performance, claiming things that don't actually take place. These differing uses of mission statements are major factors in determining a good mission statement from a bad one. (Bartkus & Glassman 208-210). Jarnagin and Slocum propose a new term called mythopoetic leadership, which can only work in companies with good mission statements. They discuss this model of leadership as a way in which management can develop cultures through the use of mission statements and value systems, forming a cultural DNA. (Jarnagin & Slocum 291-292). The focus of these three articles shows the composition of a good mission

statement, the difference between a good mission statement and a bad one, and how good mission statements can be used to create a good corporate culture.

“The Mission Statement: A Corporate Reporting Tool With a Past, Present, and Future”

When creating a mission statement, it is important for executives to consider the composition because it is the framework of a mission statement that creates a good corporate culture. Dr. Linda Stallworth Williams published an article in the *Journal of Business Communication* in April 2008 discussing nine important components to a mission statement and ten influential values. These components and values were deemed to be critical items found in the framework of nearly all good mission statements.

The nine components Williams found to be important in the creation of a mission statement are customers, products or services, self-concept, location, technology, concern for survival, concern for public image, concern for employees, and philosophy. These components answer the main questions of who, what, where, and how. Addressing the customers is of high importance because that is how the enterprise creates revenue. This component also declares which group of the population the company intends to sell to, if it isn't planning on selling to the general population. These groups could be defined by ethnicity, gender, interest, or income. Sales and marketing departments use the idea that customers are important to their firm to retain existing customers and attract new ones. Second, stating the company's products or services is important for consumers to know. Generally, the company will describe its products whether the company has a low cost, differentiation, or focus strategy. It will state that its products and services provide the best value, have the highest quality, or are unique in some way. Going with this is the

company's self-concept, or its major strengths and competitive advantages. These resources and capabilities allow the company to compete the way it does; with the lowest cost or highest quality. Another selling point for the company can be its skilled employees, professional customer service, or unique production and operation methods. Fourth, location can be a vital part of a mission statement because it describes where the firm competes. Location can be defined in a number of ways. It gives the physical headquarters of the company, in which countries and regions it competes, if not globally, which industry or industries it competes, and where customers can find their stores, both brick and mortar and possibly on the internet. Next, the technology component is found in mission statements because it states where the company stands against its competitors in technologic knowledge. Most companies that use this component in their mission statements boast that they have the best or most innovative technology, allowing them to gain a competitive advantage over their competition. Vital to stockholders, creditors, and other investors is the company's concern for survival. In order for these stakeholders to have confidence in their investment, they need to know the strength and direction of the firm's commitment to economic objectives. Reputation is one of the hardest things to earn and easiest things to lose in the business world. Since this is the case, the component concerning public image is critical to a company's mission statement. It gives the firm's public responsibilities and what image it desires. In some cases, it will discuss philanthropic initiatives and how the company plans to promote goodwill in its communities. A positive public image usually attracts more customers, investors, and high-quality employees. Employees are another important component of a mission statement because they are what keep the firm running. Some of the most highly

respected companies are also industry leaders. The employees and the fact that the firm addresses them at the top of their stakeholder list is part of the reason for this.

Referencing employees in a mission statement illustrates this priority and shows the employees their value to the company. Lastly, the company's philosophy is an extremely important part of its mission statement when it pertains to corporate culture. The philosophy sets the tone for how the employees make business decisions, what the aim of the company as a whole is, and prioritizes situations that may arise. For example, if the company's philosophy is about producing the highest quality healthcare products and putting its customers first, all decisions are made with that in mind and it's the main goal the company and its employees work towards everyday. These nine components are all key factors of a mission statement. While not all are used by everyone, they are all considered, as they are also important components upper management includes in their decisions.

Along with the nine components are ten values that are just as important to consider in a mission statement. These values are excellence, integrity, innovation, respect, teamwork, leadership, safety, diversity, citizenship, and responsibility. First, excellence is a good value to include because it shows to the stakeholders that the company is the best, and, if not the best, has the capability of being the best. Excellence is a very positive adjective and is always linked with good impressions. Second, showing integrity is important because it produces an attractive reputation. As mentioned before, a good reputation is very important to the company's performance and image. Third, valuing innovation can be very beneficial to a company. Innovation can lead to breakthrough products or services and reduce operational costs. It also shows to outside

stakeholders that the company is continually looking to improve and take advantage of new ideas. Respect, a fourth value, is the grease in the axles of the company. When there is respect not only from the bottom up, but from the top down as well, there is an underlying motivation among employees for everyone to perform their best. Also, respect from outside stakeholders promotes a positive reputation for the company. Out of respect for each other, people will be more willing to help others, which allows for more work to get done and for the company to be at top performance levels. Going with that is another value, teamwork. As stated before, more work is done when people work together and help one another. Valuing teamwork shows employees that selfishness is never the best way. Selfish employees may find themselves succeeding personally, but will never fulfill all of the priorities the company has. While teamwork is important, it is just as important to have intelligent and strong leaders. The leaders are the ones who are responsible for motivating the employees to uphold the values of the company and performing at top levels. They encourage these values through their decisions and actions. An important value for a company to relay to its employees and its customers is safety. This shows that employees can be comfortable in their work environment. Also, focusing on safety in their products and services shows customers their value to the company. Next, diversity is important because having multiple viewpoints allows for inspiration from all angles. It has been said that more than one set of eyes can solve problems better and quicker. If the different sets of eyes have different backgrounds and different experience, numerous solutions may result, leading to the best possible situation. Also, the varying backgrounds and experience that come from having diversity allow for more ideas and more options. Citizenship is another important value to include

in a mission statement because this shows that the company is concerned about making the right decisions not only on the income statement, but in its community too.

Embracing citizenship brings employees together in a positive condition and also expands the company's reputation. Responsibility is a value used in mission statements because it shows stakeholders that the company is serious about its decisions and it can be held accountable for what it says. Being a dependable or a reliable company is another way to enhance reputation. Including these ten values in a mission statement will allow a company to impress its stakeholders and reinforce their confidence in the company.

A very interesting source Dr. Williams uses in her article is Aristotle. *Ethos*, his first book in the series, *Rhetoric*, dates back about 2,000 years. However, it still holds a strong argument concerning corporate culture and human interaction. *Ethos* identifies three elements: intelligence, character, and good will. While Aristotle discusses logos, strategies to reason with people, and pathos, strategies to stir their emotions, he "considered ethos to be the most important." The first aspect of ethos is intelligence. The importance of intelligence, such as knowledge or expertise, is stressed "because of its crucial impact on credibility." Intelligence is demonstrated when a mission statement provides accurate and timely information, qualifications of its management and employees, or how it plans to gain a competitive edge and sustain a competitive advantage. "In addition, the writing style, organization, and visual rhetoric of a mission statement can show a firm's knowledge and skills." The second aspect of ethos, character, is just as important in that it illustrates what core values and beliefs are held highest by a person or corporation.

Core values and beliefs are the organization's basic precepts about what is important in both business and life, how business should be conducted, its view of humanity, its role in society, the way the world works, and what is to be held inviolate.

This statement hits the point dead on because it describes exactly what a mission statement should do and how it is perceived by all stakeholders of a company; managers, employees, consumers, investors, and communities. (Williams 101).

“Do Firms Practice What They Preach?”

Barbara R. Bartkus and Myron Glassman, in their study titled “Do Firms Practice What They Preach?” took these elements one step further. They looked at the components and values found in example mission statements and related them to stakeholder management actions. Bartkus and Glassman found that most companies use mission statements as a symbolic marketing tool, relaying to stakeholders the organization's priorities and actions. They call these declarations “stakeholder rhetoric.” The following quote explains their argument:

We view stakeholder management as a broad concept that includes specific decisions and actions of the firm that affect stakeholders *and* public relation communiqués designed to improve the firm's image. Thus, we offer two perspectives...One is that mission statements are written to guide and/or reflect

policies and procedures within the organization, and therefore are accurate descriptions of the firm's stakeholder management practices. Alternatively, mission statements are stakeholder management tools that have little resemblance to the organizations' actual actions or decisions.

Stakeholder rhetoric basically takes the nine components and ten values as discussed by Dr. Williams and touches on each point out of social pressure to do so, rather than an accurate account of who the company is and how it operates. It can be used by companies in a variety of ways, including mission statements, advertisements, and annual reports. (Bartkus & Glassman 208-209)

The first perspective of their argument challenges that mission statements are written merely as commonplace. They note that the increasing popularity of having a mission statement has forced managers to write them based on societal pressures. The content and direction of the statements tend not to guide stakeholder management, nor does it accurately define the company. Managers argue that "substantive management is expensive, difficult, and time consuming." Bartkus & Glassman assert that these misleading mission statements are created to conceal the lack of positive stakeholder management. In other words, poorly performing managers will create false corporate statements to hide their weak management skills. (Bartkus & Glassman 209-210)

However, in their second perspective, Bartkus and Glassman challenge that mission statement content, while directed at an external audience, is written as a set of policies and procedures for the internal environment. "The mission statement is a form of self-talk 'through which the organization recognizes and confirms its own images,

values, and assumptions'...the primary purpose of the corporate messages is an efficient disciplining of the corporate body." This outlook shows that mission statement content affects the business environment internally, even when it is directed externally. (Bartkus & Glassman 209)

"Creating Corporate Cultures Through Mythopoetic Leadership"

Once a company has created a good mission statement using the nine components and ten values given by Williams and determined that it is an accurate representation of who the company is and what it does, it can use this document to be influential in decision making and creating a good corporate culture. Jarnagin and Slocum present the idea of mythopoetic leadership. This concept gives a model of leadership in which management can develop corporate cultures through the use of mission statements and value systems, forming a cultural DNA.

Jarnagin and Slocum first state "It is the responsibility of top management and the board of directors to set the mission and values of the firm, which become the underpinnings of the firm's business strategy." They go on further to say, "the mission and values also guide employee actions...[they] will assist in coordinating employee behaviors towards the desired outcomes...the firm's mission statement and values form the organization's cultural DNA." Proposing that the organization's cultural DNA is formed from the company's mission statement and value system, Jarnagin and Slocum are intending to show the correlation between these corporate documents and employee action. Without these items, there would be very little direction throughout the company and performance would severely decline. (Jarnagin & Slocum 292).

Another point made in this article is that a mission statement and value system are in fact symbolic tools, however for internal use. While they are accurate accounts of the company for external stakeholders, they are also “a symbolic aid that aligns employees with the goals of the firm...binds them with a common purpose...increases camaraderie and encourages a greater sense of responsibility and accountability.” This is extremely important in that it shows mission statements have multiple uses. Not only are they informational to outsiders, they also create, as Jarnagin and Slocum put it, “the organization’s cultural DNA.” (Jarnagin & Slocum 292).

Mythopoetic leadership uses the idea that a culture can be created and developed through a few instruments, including mission statements and value systems. If management follows this type of leadership style, they may find themselves running a company with a positive business environment, both internally and externally.

Overall, these three perspectives are the main arguments in support of the fact that mission statements are a crucial factor in how management decisions are made and what a company’s business environment is like. Williams’ components and values are important in developing mission statements, while Jarnagin and Slocum’s mythopoetic leadership harnesses these items to form a cultural DNA by which the business environment is derived. The next section shows examples of mission statements that support Bartkus and Glassman’s second perspective that they are accurate definitions of the company and do directly affect the corporate culture.

Mission Statement Examples

Some prime examples of well-written, influential mission statements can be found from some of the top companies in the world. These companies are Fortune 100 leaders and are found at the top of two of Fortune's annual lists: Most Admired Companies and Best Companies To Work For. These companies include Johnson & Johnson, Goldman Sachs, UPS, and Wegman's.

These companies were chosen for a couple of reasons. All are regulars on Fortune's annual lists mentioned above. This means that through research and interviews, Fortune analysts have developed a respected method of analyzing companies through a value system other than financial performance. Focusing on corporate culture and customer and employee opinion, Fortune analysts have determined that these companies, among others, are the best in the world. Goldman Sachs was chosen for two reasons: their sound reputation for leading the financial industry year after year and being the standard for other companies to strive for through strong decision making. UPS was picked for its high-quality mission statement and value system, which was experienced by a Coastal Carolina student. Wegman's is seen as a model for companies that respect employees through their employee empowerment concept and respect their communities in which they work through a variety of philanthropic activities. Johnson & Johnson personifies a good mission statement in that it constantly affects decision making through all levels of the business and creates an excellent corporate culture, as seen through personal experience.

GOLDMAN SACHS

Goldman Sachs, the perennial powerhouse on Wall St., is best known for its reputation for elite financial decision makers. While nearly every competitor around them has fallen in the past year due to the economic troubles faced by businesses worldwide, Goldman Sachs has held strong through it all and is still seen as an industry leader. One thing that can be accredited to the company's consistent success is the makeup of its mission statement. The 14 Principles, outlined in Appendix C, are the root of the company's success. Hitting nearly every component outlined by Dr. Williams, Goldman Sachs' mission statement is sound, informational, and motivating.

The company's first principle is about its customers and clients. Stating, "Our clients' interests always come first. Our experience shows that if we serve our clients well, our own success will follow." Putting the customer first shows that the employees make decisions that will benefit clients the most and allow for them to be comfortable knowing they invested with Goldman Sachs. Also, in making this the first principle the company is showing that this is their number one priority and that clients absolutely come first.

The second principle uses a little figurative financial language in stating who the company is. Using the term assets to describe who they are, this principle says that they are made up of three main things: people, capital, and their reputation. It also shows their dedication to complying with the laws, rules, and ethical principles of the business world and of the United States of America. Stating that their continued success depends upon "unswerving adherence," shows that the company is truthful and ethical in what they do,

which is something that is disagreed upon in stereotypes on the industry. Proving this to stakeholders displays the company's concern for a positive public image.

The third and fourth principles discuss the company's service and goals. They show the company's commitment to their shareholders and the professional quality of their work. This is important because it gives investors confidence about their money, but it also ensures clients that they provide quality over quantity and are always striving to be the best. Following those, the fifth principal stresses the company's interest in creativity, imagination and innovation. While they are the industry leader, it is important for the company to show that they are always looking for new and improved ways to conduct business.

Principles six, seven, eight, and nine discuss the employees of the company. They show that Goldman Sachs recruits the best candidates to work for them, gives their employees many opportunities not available at most other places, and, in return, their dedication and effort is greater than usual. Also, the company stresses teamwork and diversity among their employees. This is important because it shows the company has people that will put the clients' interests in front of their own and that having people from different backgrounds allows for the company to be able to interact with every community in which they operate.

The next three principles explain the company's relationship with its clients. They talk about the company's size, again stress innovation, and urge the importance of confidentiality. Stressing that their size must be big enough to embark on any client request, but small enough to maintain the loyal, intimate relationships the company has with its clients, Goldman Sachs reassures their customers that they are always looking for

new ways to meet the needs of their clients, and ensure confidentiality. The thirteenth principle explains another relationship the company has, and that is with its competitors. Saying that the company will always look for ways to expand its clientele, Goldman Sachs shows it will do so in a fair and ethical way.

The final principle touches on integrity and honesty, claiming that they are “at the heart of the business.” Going beyond the workplace, the company’s mission statement explains their high standards for their people by saying Goldman Sachs expects them to maintain high ethical standards in their personal lives as well. This shows the company wants and employs people with moral values and characteristics.

Touching on nearly every component and value defined by Dr. Williams, Goldman Sachs’ mission statement is a key reason for its success. These 14 Principles show the company’s commitment to excellence through a variety of ways. Involving nearly everyone involved with the company, stakeholders and uninvolved people alike can read this statement and fully understand who the company is and not only what it does, but the means by which it does so. (Goldman Sachs)

UPS

United Parcel Service, better known as UPS, is the world’s leading delivery service provider. Built on its foundation for superior customer service and founded on integrity, UPS’s mission statement can be found at the root of the company’s success. UPS’s value system coupled with the UPS Code of Business Conduct, and led by its mission statement, “create an environment where good people can make good decisions.”

The company's mission statement and value system, as well as a link to the Code of Business Conduct can be found in Appendix D.

While UPS's mission statement and values are much more succinct than other examples in this paper, they still promote and describe many of the components and values given by Dr. Williams. They address many of the stakeholders involved with the company: the employees, customers, shareholders, and communities in which they operate. Also, it discusses its reputation, responsibility, ethical behavior, and compliance with regulations and policies. Another key part of UPS's successful culture is their attention to safety.

D'Marco Lankes, a senior at Coastal Carolina University, had a short internship with UPS in Anderson, South Carolina. As an intern, he still went through the same orientation and training a new employee would with the company. He said one of the biggest things they stressed throughout the training was safety. As an assistant to a driver, D'Marco spent his internship delivery packages and performing the duties a standard driver for the company would. He said he encountered a number of instances where his training came in handy. From dealing with aggressive dogs, to handling large packages, to being a defensive driver, UPS prepares their employees for their job before any harmful event can occur. As a result, UPS is very good at retaining their employees and it shows, as they are regarded as a top company to work for, according to Fortune's list. As one of the nine components and ten values expressed by Dr. Williams, UPS's concern for their employees' safety results in top performance and customer satisfaction. Also, it creates a positive culture for their employees to work. (D'Marco Lankes Interview)

UPS's business strategy has proved to be very successful. Its value system and mission statement, supported by its Code of Business Conduct, can be accredited for this performance. Creating a conducive culture for their employees, UPS's mission statement and value system are the foundation for the company's business environment. (UPS)

Wegman's

Another company found annually at the top of Fortune's list, "Top Companies To Work For" is the emerging supermarket leader in the northeast, Wegman's. Known for its quality and customer service, Wegman's has grown consistently over the past two decades, stretching from Syracuse, NY to Washington, DC. One reason for much of this growth is its reputation and ability to attract and retain customers. Some refer to shopping at Wegman's as "an experience," rather than just grocery shopping. One of the driving forces behind Wegman's commitment to excellence in quality products and customer service is their mission statement. Five bullet points outline their philosophy, as seen in Appendix E.

One of the biggest reasons for Wegman's growth and incredible reputation is their ability to keep their home feeling in every store they build. As seen in most large corporations, the personal relationship between company and consumer is lost in growth, but this is not the case for Wegman's. Their five priorities are a major reason for this. "We care about and listen to our people." This first statement sets the tone for Wegman's culture and business environment in multiple ways. First, it gives customers the confirmation that their needs and wants are considered in how Wegman's operates, and it is their desires that the company strives to fulfill in their business. Second, and just as

important, is that by using the term “people” to describe both the company’s employees and its customers, there brings about a sense of family to the culture. Making customers and employees feel at home is one of the most attractive things a business can do. It brings highly skilled workers, retains them and, also, draws in an increased number of customers. This reference is seen throughout the mission statement.

Three more characteristics described in their mission statement are high standards, excellence, and respect. Through these constant reminders, this type of culture is promoted in the business environment. Stressing high standards of their employees at work and in their personal lives encourages a lifestyle of excellence and respect. If one lives a lifestyle such that these characteristics are continuously on display, people around him/her tend to follow suit.

Wegman’s third principle is one that a lot of companies claim to do, but few follow through with. For example, on April 7, Wegman’s delivered 16,527 pounds of non-perishable food to Downingtown, PA area food pantries. These goods include canned goods, snacks, assorted beverages, condiments, and baking mixes and ingredients. As a constant model for how companies should get involved in their communities, Wegman’s promotes philanthropy among their employees and customers. This kind of philosophy is a major reason for the company’s distinguished reputation and is a paradigm that all businesses, large and small, should follow.

Lastly, and probably the biggest reason for why Wegman’s has such a high employee retention rate, is the fifth principle on their mission statement. Employee empowerment allows workers to make important decisions without the consent of authority, allowing for diversified problem solving by those on the front lines and quicker

implementation, removing any red tape that might slow up the process. Wegman's encourages their employees to improve their work in order to benefit their customers and the company. With the increasing promotion of teamwork among employees in businesses around the country, employee empowerment has also increased in popularity. This principle is one way Wegman's sets themselves apart from most firms in their industry. Their encouragement for it has given them an illustrious reputation.

“At Wegman's, we believe that good people, working toward a common goal, can accomplish anything they set out to do.” This philosophy, found on their homepage, has allowed Wegman's to grow steadily throughout the years, attain a celebrated reputation, and annually earn a spot on Fortune's list of Best Companies To Work For. (Wegman's)

Johnson & Johnson: A Personal Experience

A personal experience is usually the most effective way for someone to learn something new. I had the privilege of working for a company that has one of the best corporate cultures, in my opinion. The company: Johnson & Johnson. Over the past two years I have totaled 12 months of employment working as an intern for a company under the Johnson & Johnson family of companies, Ethicon, Inc. Located in Somerville, NJ, Ethicon is the world's leading suture producer, with almost 90% market share. This kind of dominance is unheard of. Most companies are comfortable with market share in the 30-40 percentile range, but the quality found in the sutures, which is consistent in all Johnson & Johnson products, allows Ethicon to enjoy such a large market share. Having worked at Ethicon, I experienced living “Our Credo” firsthand. Having done this, I can

personally say that Johnson & Johnson's mission statement is a huge factor in how decisions are made and in determining the business environment.

Johnson & Johnson was formed in 1886 by three brothers named Johnson. Robert Wood Johnson, James Johnson, and Edward Mead Johnson began fighting disease and infection alongside doctors over 120 years ago. Johnson & Johnson began on the fourth floor of an old wallpaper factory. James was the technician, Mead was the selling and marketing guru, and Robert Wood Johnson was the scientist, always looking for new ways to improve healthcare. The Johnson brothers began the business because they wanted to help the community and the people around them. At the time, life was a very short and fragile thing, but Johnson & Johnson set out to find new ways and new ideas for the healthcare industry. Internationally headquartered in New Brunswick, New Jersey, Johnson & Johnson is known today as the most comprehensive and broadly based manufacturer of healthcare products in its industry. It began on a revolutionary idea: using sterile bandages, dressings, and sutures to treat wounds. The same belief system of helping the community around them is still alive today in a one-page document, formed by Robert Wood Johnson, named "Our Credo." It can be seen in just about every office and every hallway of the various companies around the world under the Johnson & Johnson umbrella. To read the "Credo" in its entirety, please refer to Appendix A. (Foster 9-24).

When looking at such a large corporation like Johnson & Johnson, it is important to understand the structure of the company. Johnson & Johnson has a decentralized structure, where each company in the family of companies is run by its own managers and board and then report their financial results to the corporate headquarters in New

Brunswick, New Jersey. Please see Appendix B for an organizational chart. The corporation has numerous companies nationally and internationally reporting to its base, with each company holding plants and other properties all over the world; from California to Florida up to Massachusetts and from Japan to Brazil to Germany. This system works because each business is run with the superior skill and expertise that has been standard for Johnson & Johnson managers since its creation.

All of these companies are broken down into four sectors: consumer products, pharmaceuticals, surgical care, and diagnostics. Consumer products are the most recognized of the Johnson & Johnson product line. These include Tylenol, Band-aids, baby powder, Listerine, and Neutrogena, among many other popular brands. Diagnostic products, on the other hand, aren't so easily recognized, as they are the machines and systems found in doctor's offices and hospitals. Similarly, surgical care products are mostly found in the operating rooms. Ethicon is a member of this sector. (Johnson & Johnson).

As stated before, each company in the family is run by its own managers and board. Ethicon is no exception. It has four unique business units with products directed at a specific healthcare need. These business units are Ethicon Products, Women's Health and Urology, Wound Management, and Mentor Aesthetics. Women's Health and Urology products are designed for surgical procedures in the pelvic area of women and men. Wound Management products facilitate hemostasis, which means to stop bleeding, and prevent infection before, during, and after a surgical operation. Biopatch, a new product aimed at providing protection against infection at the site on the skin where catheters, such as IVs, are located. Ethicon Products are sutures, topical adhesives,

meshes, and drains commonly used in the operating room. The fourth business unit, Mentor, is a recent acquisition (purchased November, 2008) which was formerly headquartered in Santa Barbara, California. Mentor has an extensive aesthetic product line prevalent in plastic surgery. Manufacturing operations for these products occur in places including New Jersey, Texas, Georgia, Puerto Rico, Mexico, Switzerland, and Israel. One interesting fact about Ethicon is that it was the original manufacturing location for Johnson & Johnson's sutures. Today, its facilities are still used to turn hundreds of feet of metal alloys into minute sutures.

Even through the rough times our economy has seen over the past couple of months, Johnson & Johnson's conservative business practices and strict attention to detail has allowed them to minimize its losses and maintain its bottom line growth. In fact, Ethicon alone purchased two companies in November 2008, totaling \$1.5 billion in acquisition price! (Johnson & Johnson).

My first internship was during the summer of 2007. Working in the finance division, I supported Ethicon's Research and Development departments. These included each business unit's R&D group, as well as all the departments along the R&D process. These departments are often overlooked by an outsider to the company, but are vital for Johnson & Johnson. The R&D departments ensure that Johnson & Johnson's reputation for quality and performance by its products are maintained in new and existing ones. The R&D finance team tracks spending on all projects in the company, analyzes and approves any new capital projects pertaining to R&D projects, and ensures that Ethicon is financially responsible in its spending according to directions from the corporate headquarters. Among my responsibilities during this internship were monthly reports,

competitive analyses, projects, the creation and load of 2008's business plan, and support for my team when needed.

My second internship began in June 2008 and lasted until the beginning of January 2009. Over the six months I was there, I worked with business partners in both the finance and the selling and marketing divisions. I was a member of the commercial finance team for the Wound Management business unit. I also provided support to the managers of the other two business units, Ethicon Products and Women's Health & Urology, on occasion. I had a variety of responsibilities, including weekly and monthly reports, projects, Sarbanes-Oxley testing, the creation and load of 2009's business plan, and support for my team when needed.

Each year Johnson & Johnson, and its family of companies, creates a business plan or a target for the upcoming year. The business plan creation process lasts for months during the middle of the year. The entire business is included, as sales, expense, and net income targets are all created. I was deeply involved in making the business plan for the Wound Management selling and marketing group and gave support to the manager and senior financial analyst in the R&D finance team. A variety of spreadsheets and submissions were made as well as a number of presentations were given to upper management by my teams.

At the end of each month, the finance department "closes" the books. This week is by far the busiest week in the department, as journal entries are compiled and made, reports are given, and expenses are calculated. One of my responsibilities during this week on both internships was to create a BVA, or Budget vs. Actual, report. This report tracks, the various expenses incurred by the R&D departments as well as the sales

representatives and marketing teams in a business unit. These expenses include travel, project costs, salaries, and compensation, to name a few.

One of the best parts about working at Ethicon was the people I worked with. With all of my responsibilities throughout the two internships, I worked with a number of business professionals, including finance managers and directors, marketing managers and directors, sales representatives, research and development managers and directors, operations managers and directors, VPs, the CFO, and even the President of Wound Management. Their backgrounds varied from an MBA to a Ph. D to an engineering degree. In meeting and working with all of my business partners, I had the chance to learn of the different career paths each person took, their outlooks on the business world, how they became to be so successful, and receive some of their advice. I learned a lot about business that can't be taught in the classroom and can't be explained in a 3-hour lecture. Nearly every employee at Ethicon has a similar attitude toward new employees, such as myself. Anytime I was new to my role and responsibility, had a question, or didn't understand something, they were more than willing to offer their assistance.

As mentioned before, the 66-year old document, "Our Credo," can be found in almost any hallway or office in any one of the many companies in the Johnson & Johnson family. Robert Wood Johnson wrote it with the intention that his employees wouldn't just use it as a list of suggestions, but guidelines by which to work. The welcoming environment and comfortable corporate culture found at Ethicon is just one example of how all J&J employees incorporate the "Credo" into their everyday lives, both at work and outside their offices. (Johnson & Johnson).

Johnson & Johnson: A Tylenol Story

A perfect example of how Johnson & Johnson followed “Our Credo” can be seen in the two instances in the 1980’s when there were problems of tampering with the Tylenol product.

In the fall of 1982, a criminal, still unknown to this day, laced Extra-Strength Tylenol Capsules with cyanide poison and resealed the packaging, resulting in the deaths of seven people in the Chicago area. Before the crisis, Tylenol was the most successful over-the-counter product in the United States, with over one hundred million users. It was the absolute leader in the painkiller field with a 37% market share, outselling the next four leading painkillers combined, including Anacin, Bayer, Bufferin, and Excedrin. “Had Tylenol been a corporate entity unto itself, profits would have placed it in the top half of the Fortune 500.” (Johnson & Johnson Case Study). Johnson & Johnson and its McNeil Consumer Products Company were confronted with a crisis of nearly overwhelming proportions. It was a tragedy without precedent.

Within minutes of learning of the crime, the management of Johnson & Johnson took action to protect the public. The tragic experience highlighted as never before the unique value of the Johnson & Johnson Credo in defining responsibilities to consumers, employees, communities and stockholders. Never before had the principles embodied in the Credo been so severely tested. The magnitude of the Tylenol tragedy and its impact on the nation was frightening. For the first time, people realized the potential for having an act of terrorism reach into the home. Suddenly everyone became vulnerable.

Johnson & Johnson made the decision to withdraw all Tylenol from the market, to ensure there wasn't any more tampered product available. They then decided to package Tylenol capsules with a triple safety seal in order to thwart tampering. This kind of seal was the first of its kind and is now commonplace on all medication packaging.

Remarkably, the packaging was developed and ready for market in only six weeks. This incredible turn around allowed for Tylenol to return to the top of the market within one year. The Washington Post remarked, "Johnson & Johnson has effectively demonstrated how a major business ought to handle a disaster...Johnson & Johnson has succeeded in portraying itself to the public as a company willing to do what's right regardless of the cost."

However, the impossible happened again in February 1986. In New York, one person had died due to cyanide poisoning. Johnson & Johnson acted in the same manner as they did in 1982: removing all product from the market. This time, though, there was an even better innovation to Tylenol. Chairman James E. Burke gave this statement during a press conference, "We feel the Company can no longer guarantee the safety of capsules to a degree consistent with Johnson & Johnson's standards of responsibility to its consumers...urging all users to convert to Extra-Strength Tylenol Caplets, a new product in solid dosage form." This caplet form is now the only form in which all Johnson & Johnson medication is manufactured. Further, it ensures that there is no way for the tampering to ever occur again.

Johnson & Johnson's quick reaction during the crisis along with making customer safety and product quality the top priority, as noted in "Our Credo," is the reason for

Benjamin Lipstein's quote: "I don't know that there's a case on record of a brand that has taken two shots to the head like that and come right back. It's amazing." Lipstein was chairman of National Brand Scanning Inc., a market research firm at the time. This is just one story of many that show why Johnson & Johnson is the most admired company and the leader in the healthcare industry. (Foster 154-157).

Survey

As a statistical support of how students feel about mission statements, their content, and how they affect the business environment, a survey was conducted. Junior and senior level students of the Wall College of Business were given a seven question survey. There were 119 students surveyed and the following results were found:

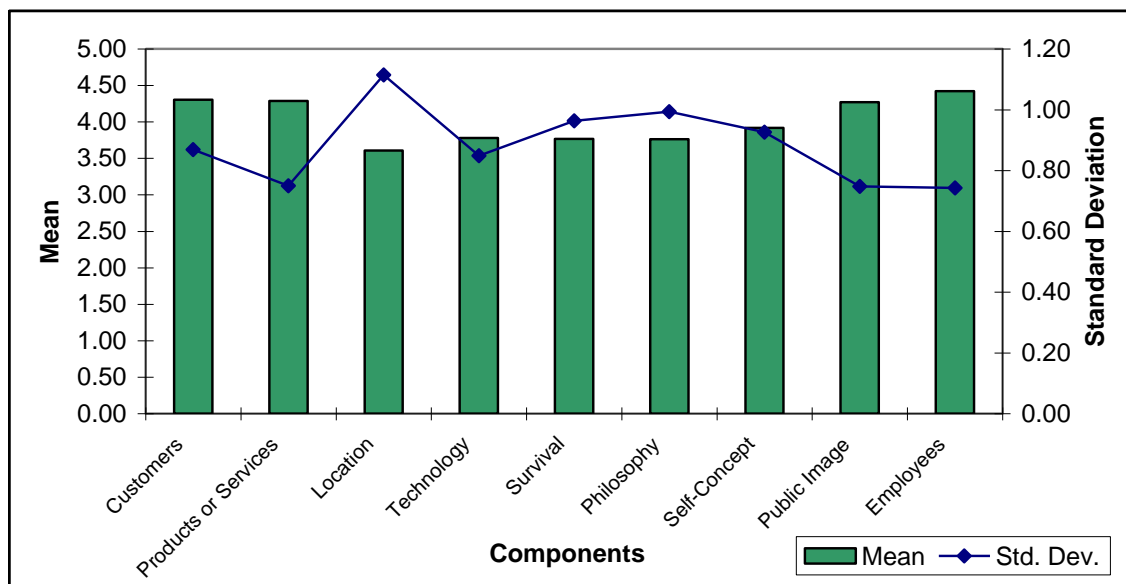
Question number 1 concerned the nine components given by Dr. Williams. The survey asked for students to rank them on a scale of 1 to 5, 1 being not important, and 5 being extremely important.

Table 1 – Nine Components

	1 (Not Very Important)	2	3	4	5 (Extremely Important)
Customers	0.8%	3.4%	11.8%	32.8%	51.3%
Products or Services	0.0%	1.7%	12.6%	41.2%	44.5%
Location	4.2%	13.4%	23.5%	35.3%	23.5%
Technology	1.7%	5.0%	23.5%	52.1%	16.8%
Survival	1.7%	7.6%	27.7%	38.7%	24.4%
Philosophy	0.8%	12.6%	20.2%	41.2%	24.4%
Self-Concept	0.0%	7.6%	24.4%	37.0%	31.1%
Public Image	0.0%	0.8%	15.1%	39.5%	43.7%
Employees	0.0%	1.7%	10.1%	32.8%	55.5%

Above, Table 1 shows that there is quite a flux between importances of the nine components. There were four components found to have the highest mean average. These were customers, products or services, public image, and employees. Employees ranked the highest with 4.42, but the next three were 4.3, 4.29, and 4.27, respectively. Of these, customers had the highest standard deviation, meaning the other three components consistently received higher scores, while customers had a larger range in the answers. The component found to have the lowest mean average was location. With a 3.61, this component seems to have less importance to the surveyed population than the rest. The mean averages for all nine components and their respective standard deviation are shown below in Graph 1.

Graph 1 – Nine Components



These results are interesting because all of the examples of corporate mission statements given earlier, customers and employees are at the top of the priority list. Confirming that current business students feel the same way shows that there is

alignment between upper management of companies and their potential new employees. Also, location is sometimes given mention in the mission statements, but similar to the opinions from the survey, there is less importance given to this component.

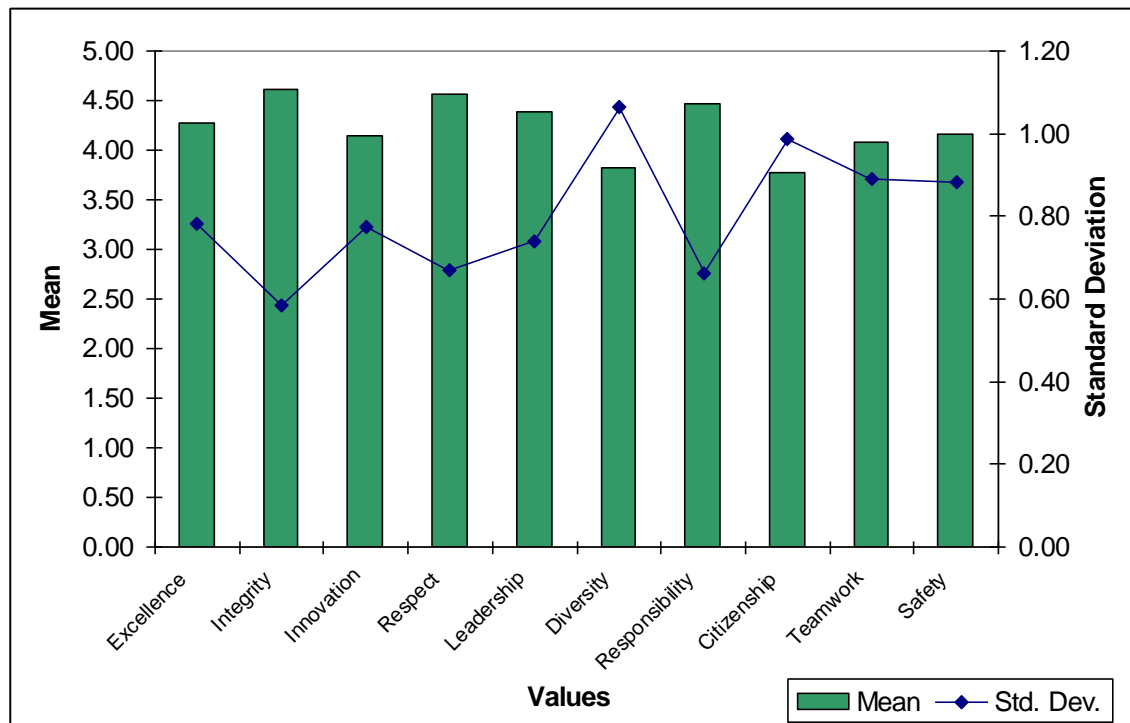
Question number 2 asked about the ten values mentioned by Dr. Williams. The same valuation was asked of these ten values.

Table 2 – Ten Values

	1 (Not Very Important)	2	3	4	5 (Extremely Important)
Excellence	0.0%	0.8%	17.6%	34.5%	47.1%
Integrity	0.0%	0.0%	5.0%	28.6%	66.4%
Innovation	0.0%	3.4%	13.4%	48.7%	34.5%
Respect	0.0%	0.8%	7.6%	25.2%	66.4%
Leadership	0.0%	2.5%	7.6%	38.7%	51.3%
Diversity	3.4%	7.6%	24.4%	33.6%	31.1%
Responsibility	0.0%	0.0%	9.2%	34.5%	54.6%
Citizenship	1.7%	7.6%	28.6%	34.5%	26.9%
Teamwork	0.8%	4.2%	17.6%	40.3%	37.0%
Safety	0.0%	5.0%	16.8%	35.3%	42.9%

Table 2 again shows that there was quite a variation in importance between the ten values. The two values found to have the highest mean average were integrity and respect. Their averages were 4.61 and 4.57, respectively. Also, integrity had the lowest standard deviation, showing that this value received the highest importance rating. The item with the lowest mean was diversity with a 3.82. Further, it had the highest standard deviation, meaning there was a large range in which students ranked this value. The mean averages for all ten values and their respective standard deviation are shown below in Graph 2.

Graph 2 – Ten Values



Again, it seems that there is alignment between executives designing the mission statements and the younger generation of business students. Integrity and respect are constantly mentioned and encouraged in the examples given. Whether it is amongst employees, toward customers, or amid their communities, businesses are consistently promoting integrity and respect. (Survey)

Conclusion

When one goes to analyze a company, there are a number of things to consider. Obviously, there is financial performance, looking at sales and profits, as well as stock performance. Also, there is the type of company and what industry it's in. However, one of the most critical things is the company's environment. There are a number of things that can affect the environment of a company, both internally and externally. Mission

statements are in a large part, the way the corporate culture is designed. This document becomes a crucial factor in how decisions are made and what the business environment is like.

Setting the tone for how employees interact, how decisions are made, how the company conducts business, and what stakeholders and outsiders see as its public image, a company's mission statement is an extremely important document and significant factor in a company's success. The research conducted for this paper indicates the importance of the nine components and ten values of a mission statement among the younger generation of business students, specifically at Coastal Carolina University.

There has been a general trend among the younger generations in the popularity of creating a comfortable work environment. As this paper assesses the importance a mission statement has on the culture, it is essential to note that all experiences in internships and all opinions from the survey are from the young generation of business students. Looking at the formation and importance of mission statements and their affect on culture from the point of view of the younger generation and the people at the bottom of the corporate ladder allows for a different take on the analysis of a company. Whether it is influential in employee decision making, interaction with customers, or determining the company's reputation, the mission statement is the soul of an organization.

Caveat

This paper looks at how influential mission statements are on corporate culture. There are a number of arguments that support a mission statement's importance to creating a conducive business environment. Also, there are real examples of high performing companies with concrete mission statements, which have helped design a working environment that puts the company at the top of Fortune's two annual lists: Most Admired Companies and Best Companies To Work For. While these arguments give support to the hypothesis, there is another factor that was not discussed: the effect the personalities and characteristics of the employees have on directing the company. A mission statement can be very influential in determining how the company operates and does business through policies and procedures; however, it is the actions of the employees that determine the company's actions. The following quote from Goethe sums up this other idea:

“I have come to the sobering conclusion that I am the decisive element. It is my personal approach that creates the climate. It is my daily mood that makes the weather. I possess tremendous power to make life miserable or joyous. I can be a tool of torture or an instrument of inspiration; I can humiliate or humor, hurt or heal. In all situations, it is my response that decides whether a drama is escalated or de-escalated.”

Author's Note

Sometimes people will ask if something was worth it. I can confidently say the experience and the job opportunity I have gained by working at Ethicon during the Fall 2008 semester has drastically changed my life. I learned more than I could have

imagined, gained extremely valuable relationships with incredibly intelligent and successful business people, and set myself up to be trained with some of the top finance graduates in the country.

If a student has the opportunity to do an internship within the Johnson & Johnson family of companies, they can be assured that they will not be disappointed with their choice. The Credo and the attitude of the men and women running the business lead to an amazing atmosphere to work in and the sense that each employee is making a difference every day.

Appendix A

Our Credo

We believe our first responsibility is to the doctors, nurses and patients,
to mothers and fathers and all others who use our products and services.
In meeting their needs everything we do must be of high quality.

We must constantly strive to reduce our costs
in order to maintain reasonable prices.
Customers' orders must be serviced promptly and accurately.
Our suppliers and distributors must have an opportunity
to make a fair profit.

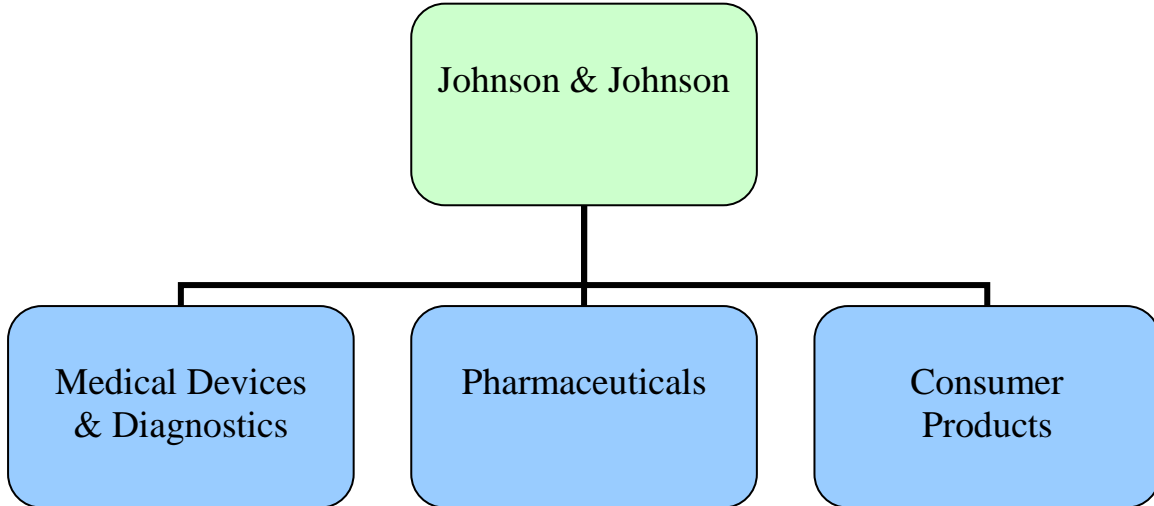
We are responsible to our employees,
the men and women who work with us throughout the world.
Everyone must be considered as an individual.
We must respect their dignity and recognize their merit.
They must have a sense of security in their jobs.
Compensation must be fair and adequate,
and working conditions clean, orderly and safe.
We must be mindful of ways to help our employees fulfill
their family responsibilities.
Employees must feel free to make suggestions and complaints.
There must be equal opportunity for employment, development
and advancement for those qualified.
We must provide competent management,
and their actions must be just and ethical.

We are responsible to the communities in which we live and work
and to the world community as well.
We must be good citizens — support good works and charities
and bear our fair share of taxes.
We must encourage civic improvements and better health and education.
We must maintain in good order
the property we are privileged to use,
protecting the environment and natural resources.

Our final responsibility is to our stockholders.
Business must make a sound profit.
We must experiment with new ideas.
Research must be carried on, innovative programs developed
and mistakes paid for.
New equipment must be purchased, new facilities provided
and new products launched.
Reserves must be created to provide for adverse times.
When we operate according to these principles,
the stockholders should realize a fair return.

Johnson & Johnson

Appendix B



Appendix C

The Goldman Sachs Business Principles

1

Our clients' interests always come first. Our experience shows that if we serve our clients well, our own success will follow.

2

Our assets are our people, capital and reputation. If any of these is ever diminished, the last is the most difficult to restore. We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unwavering adherence to this standard.

3

Our goal is to provide superior returns to our shareholders. Profitability is critical to achieving superior returns, building our capital and attracting and keeping our best people. Significant employee stock ownership aligns the interests of our employees and our shareholders.

4

We take great pride in the professional quality of our work. We have an uncompromising determination to achieve excellence in everything we undertake. Though we may be involved in a wide variety and heavy volume of activity, we would, if it came to a choice, rather be best than biggest.

5

We stress creativity and imagination in everything we do. While recognizing that the old way may still be the best way, we constantly strive to find a better solution to a client's problems. We pride ourselves on having pioneered many of the practices and techniques that have become standard in the industry.

6

We make an unusual effort to identify and recruit the very best person for every job. Although our activities are measured in billions of dollars, we select our people one by one. In a service business, we know that without the best people, we cannot be the best firm.

7

We offer our people the opportunity to move ahead more rapidly than is possible at most other firms. Advancement depends on merit, and we have yet to find the limits to the responsibility our best people are able to assume. For us to be successful, our men and women must reflect the diversity of the communities and cultures in which we operate. That means we must attract, retain and motivate people from many backgrounds and perspectives. Being diverse is not optional; it is what we must be.

8

We stress teamwork in everything we do. While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of the interests of the firm and its clients.

9

The dedication of our people to the firm and the intense effort they give their jobs are greater than one finds in most other organizations. We think that this is an important part of our success.

10

We consider our size an asset that we try hard to preserve. We want to be big enough to undertake the largest project that any of our clients could contemplate, yet small enough to maintain the loyalty, intimacy and the esprit de corps that we all treasure and that contribute greatly to our success.

11

We constantly strive to anticipate the rapidly changing needs of our clients and to develop new services to meet those needs. We know that the world of finance will not stand still and that complacency can lead to extinction.

12

We regularly receive confidential information as part of our normal client relationships. To breach a confidence or to use confidential information improperly or carelessly would be unthinkable.

13

Our business is highly competitive, and we aggressively seek to expand our client relationships. However, we must always be fair competitors and must never denigrate other firms.

14

Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives.

Appendix D

UPS Mission Statement:

"To guide the company's efforts to provide responsible, ethical business behavior and manage business conduct to achieve and maintain compliance with all applicable regulations and policies for all aspects of UPS business worldwide, including all wholly owned subsidiaries."

UPS Value System:

"Focusing on "the right thing to do" has become a hallmark of UPS's culture. This legacy is fundamental to our ability to attract and retain the best employees, gain and keep the trust of our customers, create shareholder value, support the communities in which we operate and protect our reputation."

Link to UPS Code of Business Conduct:

<http://pressroom.ups.com/pix/Code.pdf>

Appendix E

Wegman's:

Who We Are

These five statements explain what we're all about:

1. We care about the well-being and success of every person.
2. High standards are a way of life. We pursue excellence in everything we do.
3. We make a difference in every community we serve.
4. We respect and listen to our people.
5. We empower our people to make decisions that improve their work and benefit our customers and our company.

Appendix F

9 Components

1. Customers—Who are the enterprise's customers?
2. Products or services—What are the firm's major products or services?
3. Location—Where does the firm compete?
4. Technology—What is the firm's basic technology?
5. Concern for survival—What is the firm's commitment to economic objectives?
6. Philosophy—What are the basic beliefs, values, aspirations, and philosophical priorities of the firm?
7. Self-concept—What are the firm's major strengths and competitive advantages?
8. Concern for public image—What are the firm's public responsibilities, and what image is desired?
9. Concern for employees—What is the firm's attitude toward its employees?

10 Values

1. Excellence
2. Integrity
3. Innovation
4. Respect
5. Leadership
6. Diversity
7. Responsibility
8. Citizenship
9. Teamwork
10. Safety

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