

THE MISSION STATEMENT OF THE BUSINESS ORGANISATION BY REFERENCE TO THE ECONOMIC MARKET REQUIREMENTS

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Abstract:

Acting as a systemic entity, the business organization, viewed as an aggregate, involves at the functional level, the assumption of an approach that relates to the idea of legitimacy within the current economic pragmatism. At the same time, dynamics of the economic reality highlight methodological explanations regarding the role and the functions of a manager at organizational level. However, the managerial functions within the business organization's frame of reference can be corroborated with the formulated contents of the company's stated mission and vision. In other words, the existence of an implementation of managerial strategies process does nothing but reveal the way in which a specific managerial philosophy (epistemology) proves itself useful in the of economics operational field.

We note that an analysis of the way in which the business organization's mission is formulated can be materialized in the conditions in which it is reported to the actual requirements of economic markets. Consequently, our attention focuses on the conceptual - theoretical, but also on the practical valences of the two dimensions encountered in the enunciation and definition of the business organization's mission: the strategies and the objectives set by (managerial) decision makers. In addition, the substantiation of this scientific research aims, in this context, to an epistemological analysis of the understanding and explicitation process concerning the idea of mission within a business organization's system.

We consider that this methodological substantiation finds its full justification to the extent that this evaluation of a business mission idea implies a reference to the managerial authorities' skills, but also to the need of economic education, focused on economic aspects of financial nature. An important role in the initiated approach is held by the idea of economic reassessment of the "need", "requirement" and "demand" concepts. Therefore, the methodological issue under discussion reveals an explanatory endeavour that legitimizes the suppositions pertaining to the acceptance of an economic pragmatism within a knowledge society.

Key words: mission, need, demand, requirement, business organization

JEL classification: M14, M16, M19, M21

INTRODUCTION

Through the targeting function of the assumed goals, but also through supporting the values and the reasonings that underlie the business organization, the mission acquires a declarative character. Allowing an identification of the main products and services, of the technologies used, the target groups of customers and their needs, the range of products and services that the organization provides or intends to produce, defining the mission can be considered an informative-analytical process, through which the business mission acquires a specific significance (Campbell; Yeung, 1991, pp.10-20). Another particular feature of the mission's text is represented by the concise format designed to concentrate the main operating concepts. Moreover, drafting the company's mission involves a series of connected conditions meant to ensure a realistic, motivational, specific and global carácter.

THE REFERENCE CONDITIONALITY DEFINING FOR BUSINESS MISSION

An analysis of the conceptual and methodological connections as well as the practical wirings of the economic scheme, but also the consideration of a theory of business (Drucker, 1994, pp. 95-104) residing in the business organizations' mission statement by reference to the requirements of economic markets, entails taking into account new models of understanding the economic reality in which an important role is played by argumentations of scientific nature, in relation with the "cultura concept" (Whetstone, 2005, pp.367-378). Under these conditions,

situations that are self explanatory from the perspective of rigorous managerial reasoning are significant. The graph of economic utility (in the direction of the customer satisfaction by providing the optimal goods and services) is conducted on a three-dimensional structure of economic realities, forming a conclusive blueprint of the organization's well-functioning in desirable operational factors.

ECONOMIC OPERATORS WITHIN BUSINESS MARKET DYNAMICS

The coordinate of the requirements manifested by potential customers represents the imperative for action of developers regarding the customer orientation strategy and the clarification of a philosophy in business organization (Byars; Neil, 1987, pp. 32 – 35). More than a dimension of analysis for the marketing plan, the category of requirements notified on a consumer market represents the basis for the elaboration of organizational objectives. The mission itself is, therefore, defined - in the broad sense -by the parameters of the needs expressed in economic terms. Moreover, *the very requirements are forms of conceptualizing what empirically we define as reported needs and necessities.*

The assumption that we have in mind is the one through which the methodological approach on the idea of organizational mission (mission statement) exploit information specific to the economic market (Rarick; Vitton, 1995, pp. 11 – 12), market-oriented, moreover, to the supply-demand ratio. This situation involves taking properly action strategies in the organizational management, based on requirements and needs that can be found at the social level. In this manner, the conceptual and practical peculiarities which defining and stating the organizational mission reveals, send to the assumption and fulfillment of fundamental objectives that economically acquire a significant importance.

The formulation and the economic inclusion of the needs and necessities of the reference population in a "possible economic model" (Akerlof, 2009) designates registers for specific requirements to certain areas of economic events (goods, works, services). For example, the existence of a need / necessity at the level of an individual or a group does not fall under the principle of sufficiency. In other words, are fundamental both awareness and reporting, but also the presentation of possible methods of response in relation with the social and economical opportunities of the moment.

We primarily distinguish between the differences in acceptance of the notions of *request* and *demand*. Although both are reporting factors for the business mission enunciation, *the demand exposes a need that is claimed to be covered, while, at the pragmatic level, some requirements designate means/proceedings to provide composed offers.* Moreover, in this context, we believe it can be stated that *the expression of a request that folds over standards (quality, ethical, economic, etc.) issued by the consumers and, where applicable, by competition, constitutes a market requirement.*

Starting from the customized requirements, we find that we can reach a global requests registry. In other words, we consider that *the need determines the requirements and the requirements formulate the demand*, by specifying that the expression the *requirements advance the demand* can be illustrated by the fact that, at some point, it will be chosen a product type that meets/check customers' formulated private requirements. (Figure 1).

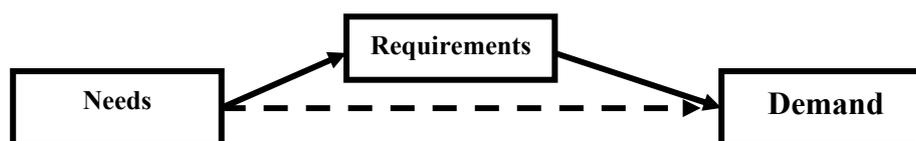


Figure 1. Needs-requirements-demand conditioning

Source: Author's elaboration

We exemplify through a situation that requires choosing an specific mark of automobiles:

- (1) (Need) - Which is the need/ necessity? Re: The need for rapid private transport;
- (2) (Requirement) - Which are my requirements in a given context? Re: a fast, safe, spacious, reduced consumption-based car;
- (3) (Demand) - The request Answer: A car trademark X.

On this basis, we can qualify the requirements as *forms of conceptualizing what empirically we define as needs and necessities reported/formulated*, while a demand empirically represents a standardized form of the requirement that can be focused on a specific brand(which may formulate a proper offer on the consumers market). Moreover, in this sense, depending on the degree of interconnectedness of the elements of the *offer → demand* formal implication (if demand exists, then supply exists) can be considered as representative for the economic function following three phases (**Figure 2**):

- the increase/ decrease of the index of needs involves, necessarily, the increase/ decrease of the formulated requirements;
- a dynamic requirements conditions the formulation of the offer of products/services;
- the needs, respectively the requirements, are enhanced by the existence of prior products and services.

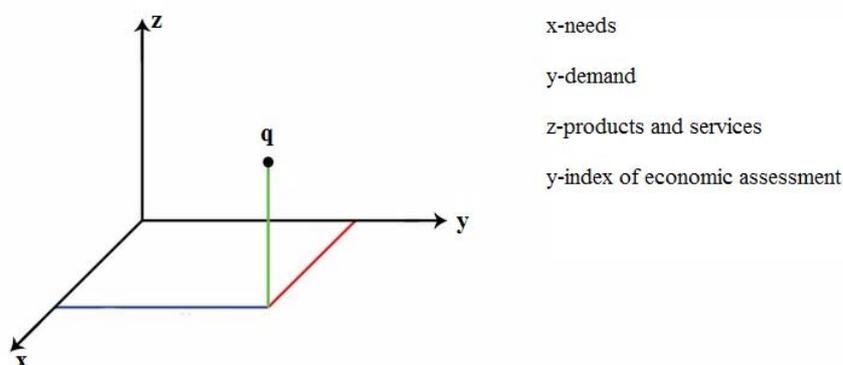


Figure 2. Interconditionality of factors: need - requirement – offer/supply within the economic development

Source: Author's elaboration

This form of conditioning constitutes a simplified model of representation through the management of the fluctuating proportionality of economic evolution by comparing the operators with the dynamics on the consumer market's background. Into logical-mathematical transcription, to this type of interaction corresponds the following formula: $\{[(x \rightarrow z) \ \& \ (y \rightarrow z)] \ \& \ (x \equiv y) \ \& \ [(z \rightarrow x) \ \& \ (z \rightarrow y)]\} \rightarrow q$, whose validity is supported by the quality of *necessary and sufficient condition* of the needs and requirements dynamics, with regard to the adjustment of supply within an economic unit. Business misión, as "strategy implementation" (Gupta; Govindarajan, 1984, pp.25-41) constitutes therefore the resultant of the economic assessment index, a vector of orientation for the company's internal and external processes.

MISSION STATEMENT AND ECONOMIC STRUCTURAL COORDINATES

A common designated point of these coordinates indicates economic development associated to a production stage of the organization in relation with its determinants. Therefore, the projection of this approach intended for assigning a value to the implications generated by the practical interconditioning needs- requirements- offers refers to the representation of an economic evaluation index. Depending on this, we believe that both, *the quality of the economic process of*

production and placement on the consumer market and the viability of an organizational mission can be analyzed.

Based on **Figure 2** (*Interconditionality of factors: need - requirement – offer/supply within the economic*) in conjunction with the elements of the demand → offer formal implication (if there is demand, then there is supply), we can express and illustrate three representative aspects of the actual economic function:

- Referring to the first aspect (the increase/ decrease on the needs index involves, necessarily, an increase/ decrease of the formulated requirements), we bring the following example:

The need for fast and effective communication determines, on the virtual field, a number of requirements related to the continuous development of this type of networking: social networks as Facebook, LinkedIn, Twitter – social networks described as "the SMS of the Internet" (D'Monte, 2009)

- Referring to the second aspect (dynamics in requirements condition the formulation of product/ services offerings) we can bring the following example:

The specific requirements of the current mobile telephony market, related to the exigencies of the reference population, impose the development of features and applications adjacent to them and also the revaluation of design, resistance issues etc. It is one aspect that determines the functionality and the economic market development, while representing a catalyst for the progress of the existing offers in the field.

- Referring to the third aspect (needs, respectively the requirements are enhanced by the existence of prior products and services) we can bring the following example:

Offer-requirements/ needs replication can be considered a centreline of the economic market development graph, supporting a continuous improvement of products and services. Therefore, developing an HD operating option on smartphones has created a new need among users: HD transmission of messages (eg Libon application that facilitates the transmission of video messages of high-defined quality), but also some new requirements: optimal format memory card to facilitate the access and certain operation in HD applications, simplifying and decreasing the time for HD message archiving and transfer, enhancing camera`s quality etc.

These forms of interconditioning materialize a coherent set of objectives deriving - *necessarily* - from the functions of the active economic entities. Also, synthesizing and formalizing this type of determinants (needs, requirements, respectively the ideal offer presentation) it is achieved an "exoskeleton" of the organizational mission contents. Practically, this "exoskeleton" represents, as a support structure for conventions and legitimized directives of the organizational mission contents, a formula for drafting a median for every economic activity within a business organization. Therefore, the text of a business mission can be considered the point of incidence between economic operator's intentions and the possibilities, respectively the economic potential (technological, material, ethical) of the specific activity field (**Figure 3**).

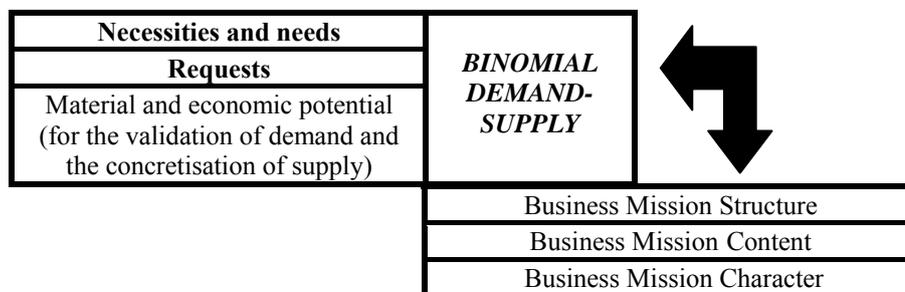


Figure 3. Correspondence between the business mission`s text and the structural coordinates of the economic market

Source: Author's elaboration

REQUESTS AND EXIGENCIES WITHIN ECONOMIC REASSESSMENT

The reassessment of the economic reality requires a judicious scientific interpretation which refers to a conceptual relativism. The identity of a scientific knowledge highlights the reintegration of the understanding process, framing a new- assumed paradigm. Enunciation of the business mission can be considered, therefore, a result deduced within a project focused on the analysis of a specific economic sector, but also on its correlations with domains characterized by a potential expansion. In fact, the set of general objectives of the business organization can also be considered an indicator of variation concerning the demand for products, proceedings and services. Furthermore, it is mandatory to take into account the psychosocial impact of the offer in order to diagnose the demand's dynamics in general, as well as the customized applications.

A current example on the economic market is represented by the Facebook phenomenon, initially developed as a closed-circuit social network for students. In the *Privacy and Disclosure on Facebook: Youth and Adults' Information Disclosure and Perceptions of Privacy Risk* paper (Christofides; Muise; Desmarais, 2010), the adherence of this type of product is justified through the appropriate quantum of communication provided.

In other words, the distortion of the traditional community through massive population transfer, by disconnecting and isolating individuals, encourages the recourse to alternative forms of socialization. Furthermore, Facebook mission was established in a defining formula for the proposed objectives, but also for the needs and requirements of the targeted consumer (Facebook's mission is to give people the power to share and make the world more open and connected). In relation to this kind of reality, it is claimed a real conditioning of the business mission, by reference to the *launching environment of the offer and the affirmation field of the reference population's essential features*.

The economic operator (ie, any of the products suppliers, service providers or contractors) represents, in turn, an active player in the printing process of the specific requirements identified within the structure of every economic approaches undertaken by an organization. Together with the consumer's exigencies, these requirements outline a subsequent framework of the mission business's asserting, in the sense that the overall objectives of the organization are focused precisely on these common requests. The preference of any offer to the detriment of certain competitive products and services is conditioned by the opportunity argument brought into the policy of promoting a specific business organization. It is targeted for this purpose the company's response to the requirements of the market and consumers. An example in this regard is represented by the relationship between default rates and the business cycle ([Pederzoli; Torricelli, 2005, pp.3121-3140](#)). However, the standardization of requirements involves also the compliance with the context issuing these requests and exigencies.

Although, currently, a policy of standardization is applied on all economic market segments and the organizational economic globalization structures and adapts the requirements to an appreciable common substance, the competitiveness make it necessary to focus on the contextual specific of expectations and express requests. Managers' relating to the business organizations' mission provides the value orientation for the undertaken strategies. Stages of the activities undertaken demonstrate the very entrepreneurial capacities of the manager. Linking the mission to the assumed strategies legitimates the economic and social nature of reality. It is clear, in this context, that the methodological issue under discussion expresses a scientific correlation between a social and an economic perspective. Nevertheless, such a correspondence underlines the problematizations that need to be solved only through reporting theory on practice.

ENTREPRENEURSHIP, ECONOMIC EDUCATION PERSPECTIVES AND MANAGERIAL STRATEGIES

The customization and individualization of the business organization reflect the vision of managers/leaders about purpose and objectives taken within a certain time period. Therefore, we consider justifiable the idea that, through a clear and concise defining, the organizational mission can be correlated with the functions of the organization (marketing and innovation policy). In addition, we believe that some of the features that highlight a certain convergence between performance and new technological changes, point to a reassessment of the concept of organizational mission and, implicitly, of its own definition. The declarative character of the organization's mission is given by the very function of orientation in the proposed goals. Also, an important role in this context have both, values and judgments of a business organization.

It is obvious, in this context, that the foundation of action strategies at the level of business organization represents a functional reality that must take into account, on the one hand, the Social Economic System and on the other hand, the size of Economic Education. Pragmatic interpretations as regards the legitimacy of a social-economic potential generates a permissive education through which the scientific paradigm reflects new forms of organization. In this manner, the instructional process focuses a number of strategies by means of which the idea of socio-educational system can be revalued./reappraised. Moreover, we believe that an expression of the validity of economic education should be linked to the idea of legitimacy of social and economic alternatives. In these circumstances, we consider that a systematic modality of approaching the idea of entrepreneurship education, related to the mission statement is compulsory. Therefore, as a dynamic structure, the economic reality reveals a specific typology according to which the assumed management strategies are concretised.

In these circumstances, a reconsideration of a social pragmatism based on the approach of managerial strategies allows also to assume behaviors of entrepreneurship nature. On a purely conceptual vision, are visible managerial strategies designed to provide legitimacy for business activities, activities related to the demand and supply binomial. Furthermore, entrepreneurial innovation highlights differences regarding the stated mission of business organizations. The pragmatic image resulting from the implementation of managerial strategies relates to the idea of the functionality of an entrepreneurial education by reference to the relations between need and requirement, combined with the culture-value ratio (Schein, 2004, p. 7).

THE MISSION OF BUSINESS ORGANIZATIONS AND THE SOCIAL EXPERIENCE

Social Experience shows that the society in general is gradually transformed. In other words, social values transcend the socialization process, as it manifests itself completely different within the contemporary society. In this context, we believe that the economic reality reassessment requires a judicious scientific interpretation, that points to a conceptual relativism. Thus the identity of scientific knowledge highlights a reintegration of the understanding process in the new assumed paradigm.

A well-defined economic dimension and its exploitation on a social level indicate the manner in which a scientific paradigm self-establishes. It is a reality in which the organizing of competences within a value system plays an important role for the fulfillment of initiated and conducted activities. In this sense, these particularities of the supporting activities send to pertinent and justificative considerations, designed to ensure, in fact, an (pragmatic) economic perspective, when taking into account the business mission statement. The dynamics of such a process highlight a methodological approach of the knowable contents.

The first argument we bring is the fact that, under the new knowledge society, the economic reality requires a stringent need of reorganization. This state of affairs acquires scientific legitimacy to the extent that the economic reality is related to the objectives valences characteristic to valuational principles. Also, the theoretical share of scientific contents does nothing but express the need for methodological openings, relating to the insertion of a decision making cycle.

Another argument coming to justify the need to reassess the knowable contents on decisional level is that according to which the innovation success depends on the quality of innovator, on the labor which he performs and how the market is behaving under this equation (Drucker, 2010, p.238). We envisage, in particular, the mission's performance and its axiological reorganization for business organizations. This perspective is reintegrated into a socio-economic dimension, within which are evident functional structures build according to certain marks of value. We are also considering, in this case, the concept of anticipatory economic education by means of which scientific knowledge is related to the optimal operating strategy. Therefore, the necessity issue focused on the economic education reassessment within a specific field sends to the analysis of aspects that manifest themselves in individual forms into society. This situation is materialized depending on the area of significations arising from scientific research performed. Also, in the light of the new scientific developments, the knowledge problem requires (re)formulations and hypotheses intended to provide legitimacy to the entered theories.

CONCLUDING REMARKS

Comprehension of typologies and the establishment of managerial strategies duly substantiated in the economic environment represent the basis of assessment, analysis and administration of the mission of a business organization. For instance, define and state the organizational mission in different arrangements is closely linked to the evolution and diversification of the company's object of activity carried out within the economic system. It is about an analysis of the way in which it is defined and enunciated an organizational mission (mission statement), by reference to the market dynamics, dynamic given by the supply and demand ratio.

Such pragmatic criteria send to axiological meanings through which social actors' involvement highlights the need to reassess any form of educational models developed by science. Meanwhile, the scientific dimension of economic education also provides a reality built on *creativity-quality* relationship, and this fact is a starting point for the pragmatic approach of economic strategies. It results, moreover, the economic performance of business organization.

FIGURES

[1] Figure 1: *Needs-requirements-demand conditioning*

[2] Figure 2: *Interconditionality of factors: need - requirement – offer/supply within the economic*

[3] Figure 3: *Correspondence between the business mission's text and the structural coordinates of the economic market*

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