



VISION & MISSION, ORGANIZATIONAL PERFORMANCE AND CORPORATE IMAGE ON CONSUMER GOODS COMPANY

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Research Highlights

This study will analyze the relationship between mission statements and performance and with the Corporate Image. Some research (Bart, C.K, 2007; Campbell and Yeung, 2007) illustrate how vision and mission statements can be used to build common sense and share goals and also function as tools through which employee focus is formed. While other studies show that vision and mission statements have a positive impact on profitability and can increase equity, they also report that nearly 40 percent of employees do not know or understand their company's vision and mission (Bart and Tabone, 2007). One criticism of the vision and mission is that too much is common and is not followed up. They also state that often vision statements create confusion (William and Kofi, 2012). This study will analyze the relationship between mission statements and performance and with the Corporate Image. Some research (Bart, C.K, 2007; Campbell and Yeung, 2007) illustrate how vision and mission statements can be used to build common sense and share goals and also function as tools through which employee focus is formed. While other studies show that vision and mission statements have a positive impact on profitability and can increase equity, they also report that nearly 40 percent of employees do not know or understand their company's vision and mission (Bart and Tabone, 2007). One criticism of the vision and mission is that too much is common and is not followed up. They also state that often vision statements create confusion (William and Kofi, 2012). But, this research results show that consumer goods company have a weighted value of ≥ 4 (four). That there is a strong enough positive correlation between vision mission and organizational performance. There is a fairly strong correlation between vision mission and corporate image. There is a strong positive correlation between organizational performance and corporate image

Graphical Abstract

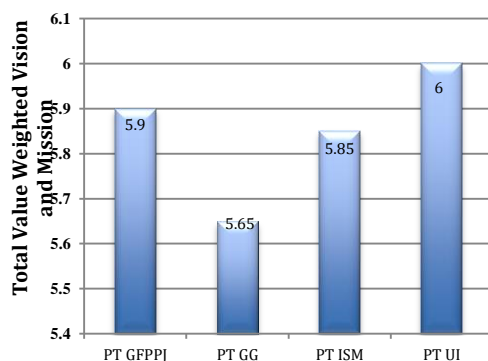


Fig. 1. The position/rank of each company based on criterion to achievement of a good vision and mission

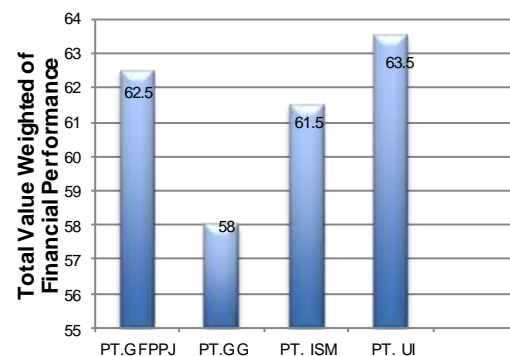


Fig. 2. Consumer goods company position Based on Financial Performance

Research Objectives

The purpose of this study is to find out and analyze:

1. Why is consumer goods company can get IMAC 2018
2. Is there something to do with vision and mission statement
3. The relationship between vision and mission organizational performance
4. Relationship of vision and mission with image company
5. The relationship between organizational performance and company image





Methodology

This research was conducted on 2018 consumer goods company that won the Indonesia Most Admired Companies Award, namely: PT Garuda Food Putra Putri Jaya, PT Gudang Garam, PT Indofood Sukses Makmur and PT Unilever Indonesia.

The research designs used is correlation, which is research that aims to explain a relationship, estimate, test based on existing theories. The correlative relationship refers to the tendency that variations in a variable are followed by variations in other variables.

Organizational performance in this study is only from the aspect of financial perspective, the calculation used uses scoring.

To find out the percentage of value weights financial ratios can use references in accordance with the standard provisions namely:

1. Likwidity ratio (Current Ratio, Quick Ratio)
2. Activity Ratio (Inventory Turn Over, Total Assets Turn Over, Fixed Assets Turn Over)
3. Profitability Ratio (Gross Profit Margin, Operating Profit Margin, Net Profit Margin, Return On Investment, Return On Equity)
4. Leverage Ratio (Debt Ratio, Debt to Equity Ratio)

To find out the relationship of vision and mission statement with performance, so on with corporate image used Spearman Rank Correlation.

Results

Table 1. Weighted Values of Vision and Mission

No	Vision Mission Component	Weight	PT GFPPJ		PT GG		PT ISM		PT UI	
			Score	Value	Score	Value	Score	Nilai	Score	Value
1	Succinct	0.10	6	0.60	6	0.60	6	0.60	6	0.60
2	Appealing	0.10	5	0.50	6	0.60	6	0.60	6	0.60
3	Feasible	0.10	5	0.50	5	0.50	5	0.50	5	0.50
4	Meaningful	0.10	6	0.60	6	0.60	6	0.60	6	0.60
5	Measurable	0.05	5	0.25	5	0.25	5	0.25	5	0.25
1	Customer	0.05	6	0.30	5	0.25	6	0.30	6	0.30
2	Product And Service	0.05	7	0.35	6	0.30	6	0.30	7	0,35
3	Market	0.05	6	0.30	6	0.30	4	0.20	6	0.30
4	Technology	0.05	6	0.30	5	0.25	4	0.20	6	0.30
5	Concern For Survival, Growth, and Profitability	0.10	7	0.70	6	0.60	6	0.60	7	0.70
6	Philosophy	0.05	6	0.30	6	0,30	6	0.30	7	0.35
7	Self Consept	0.05	6	0.30	5	0.25	6	0.30	6	0.30
8	Concern For Public Image	0.10	6	0.60	5	0.50	6	0.60	6	0.60
9	Concern For Employees	0.05	6	0.30	5	0.25	6	0.30	7	0.35
	TOTAL	1.00		5.90		5.65		5.85		6.00

David, Fred (2009)

Table 2. Evaluation by Weighted Value

No	Name of Company	Weighted Value	Evaluation
1	PT GFPPJ	5.90	Above average
2	PT GG	5.65	Above average
3	PT ISM	5.85	Above average
4	PT UI	6.00	Above average

Table 3. Total Weighted Value of Vision Mission, Organizational Performance Score and Corporate Image Index (CII)

Name of Company	Weighted Value of Vision Mission	Organization Performance Score	CII
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PT GFPPJ	5.90	62.5	1.485
PT GG	5.65	58	1.353
PT ISM	5.85	63.5	0.873
PT UI	6.0	62	0.870

Table 4. Correlations

Correlations			Vision and Mission	Organization Performance	Corporate Image
Kendall's tau_b	Vision and Mission	Correlation Coefficient	1.000	.400	.400
		Sig. (2-tailed)	.	.327	.327
		N	5	5	5
Kendall's tau_b	Organization Performance	Correlation Coefficient	.400	1.000	.600
		Sig. (2-tailed)	.327	.	.142
		N	5	5	5
Kendall's tau_b	Corporate Image	Correlation Coefficient	.400	.600	1.000
		Sig. (2-tailed)	.327	.142	.
		N	5	5	5
Spearman's rho	Vision and Mission	Correlation Coefficient	1.000	.600	.600
		Sig. (2-tailed)	.	.285	.285
		N	5	5	5
Spearman's rho	Organization Performance	Correlation Coefficient	.600	1.000	.800
		Sig. (2-tailed)	.285	.	.104
		N	5	5	5
Spearman's rho	Corporate Image	Correlation Coefficient	.600	.800	1.000
		Sig. (2-tailed)	.285	.104	.
		N	5	5	5

Findings

The consumer goods company has a Weighted Value Score ≥ 4 . It means that the company are above-average in fulfilling the components of a good vision and mission.

Based on the results of the Spearman correlation analysis it is known that there is a strong enough positive correlation between vision and mission with organizational performance. It is known that there is a strong enough positive correlation between the vision mission and corporate image. It is known that there is a strong positive correlation between organizational performance and corporate image. However, correlation is not significant enough to describe the relationship between vision and mission with organizational performance.

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