



## **BUSINESS ORGANIZATION IN RELATION TO THE REQUIREMENTS OF THE CONSUMERS: ECONOMIC AND SOCIAL RESPONSIBILITIES**

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Marius Costel EȘI<sup>1\*</sup>

[1] ȘTEFAN CEL MARE University Suceava, România, University Street,  
no13, 720229, Romania University name, e-mail: mariusesi@yahoo.com

### **Abstract**

*Establishing and implementing a business organization's mission in relation to the consumer's requirements involves, from a managerial point of view, an analysis of the contexts, demands and conditionings already available on the economic market, but also within a corroborated social dimension. We are considering, in this regard, aspects that are evident in terms of scientific analysis, aspects that can be found within a business organization and which can be explained by comparing the concept of mission statement with the strategies undertaken by the decision makers (managers), as well as with consumer's set of demands. Through such an approach we want to emphasize the way in which the mission of the business organization is embedded - as a principle of responsibility oriented towards the consumers - within the consumer's requirements on the economic market.*

*Therefore, an analysis of the way in which the mission of a business organization is stated implies, in our opinion, certain pragmatic and epistemological explanations designed to justify the idea of a rational model regarding the assumption of management strategies and decision making process within the business organization. In these circumstances, the present analysis aims, from a methodological standpoint, to a delineation of issues related to the main economic and social aspects retrieved on managerial level. Also, through this study, we want to exhibit the perception of economic events/activities and their realistic interpretations within the specialized literature contents and practice, interpretations that combined with the definition and the statement of every business mission, illustrate the manner in which performance is further materialized within economic organizations. Consequently, the scientific explicitation and the daily economical examples transpose, on a pragmatic level, the actual typology of the organizational mission, on which we can aver that it could be understood and clarified, on the one hand, by reporting to the*

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\* Corresponding author: Marius Costel EȘI, E-mail: mariusesi@yahoo.com



*management strategies, undertaken in the professional practice itself to the consumers` demands/ requests and, on the other hand, by comparing the same strategies with the responsibilities of every social-economic actor.*

**Keyword:** Mission statement, business organization, economic requirements, social responsibilities, economic market

**JEL Classification:** M16, M21

## I. Introduction

Theoretical approaches regarding the statement and enunciation of the business mission become relevant to the extent that we can corroborate them with specific managerial strategies. In this manner the emergence of efficient business models that could provide an insight suggestion regarding the way in which a business organization has been arising, growing and developing is justified. The economic context in which a business organization is developing highlights a particular form of social organization, but also a certain organizational behavior. Such an approach requires a commitment at every level/department for the social/economic performers (decision makers, top-managers, employees, consumers).

This outlook indicates a business model (Samavi, Yu and Topaloglu, 2008) reported to a clearly defined social structure, being also analyzed and explained from the perspective of values, business ethics and social responsibilities (Joyner and Payne, 2002). The finalities of economic activities are materialized to the extent in which the formulated mission highlights the decision makers` managerial strategies. As a result, there are validated professional practices designed to support, on the one hand, the theoretical contents and, on the other hand, (the departments`) practical structures. Furthermore, the managerial innovation through which it is implemented a sequence of rules of success (Baldrige, 1980) is encouraged and the organizational behavior acquires a qualitative character.

The peculiarities of such an approach can emphasize, on the business organizations` level, an ethical or non-ethical conduct (Treviño, Weaver and Reynolds, 2008), through which the situations expressed through a managerial argumentation develop a particular significance. Otherwise, the dynamics of the managerial reality



underline methodological explanations regarding both, the role and the functions of a manager on organizational level, as well as on a knowledge management level (Lang, 2001).

## **II. Value structure in establishing and implementing the mission of a business organization**

The value structures retrieved at the level of business organization transpose the practical derivatives of the mission into a social/economic context. In other words, the need to advance a purpose reveals, from a managerial point of view, a particular dynamic of the decision maker's intentions. In this sense, the systemic nature of a business organization illustrates, de facto, the modalities through which managerial strategies are materialized. In order to develop and modernize the organizational structure, the implications of a strategic management for the business environment and not only, determine a gradual evolution according to the performance of the established strategy and social responsibility (Harrison and Freeman, 1999).

In administrative terms, operationalization of strategies involves an entire process of significant transformations. Thus, as an interpreter of the social - economic reality (Conger, 1991), the decision maker (manager, founder, top manager) becomes or ought to become responsible for everything that means structure and functionality for the business organization (values / norms, strategies and even organizational behavior in general). This image illustrates all the points that pertain to the construction and the effectiveness of the future company and, implicitly, of the organizational mission (re)assertion. Are casuistically evident a number of limitations, in the sense that the decision makers may be liable to the informational content passed on other organizations, but, at the same time, they might neglect an optimal administration of information towards their own organization (Drucker, 1988).

This form of pragmatism becomes valid considering that the enunciation of a business mission is accomplished with reference to consumer's requirements, but also with the idea of performance (Deshpandé, Farley, 2004). In this manner, the consequences of certain theories about the consumer's behavior can be correlated with the cultural dimension of the organizational conduct (Buchanan, Huczynsky, 2001). A proper example for the cultural dimension is the one which refers to Internet Services culture, where the informational technologies increasingly put their mark on every activity carried out (Dinu, 2011). As a result, we consider that understanding the consumers' behavior by reference



to the market requirements also implies pondering the manner in which is defined/ stated the mission of a business organization.

Beyond the descriptive methods and the diachronic theorizing, the research methodology involves an evaluation of the business casework. In this context, we admit as justifiable the idea that the correspondences of organizational nature and, in particular, the behaviors of the social groups involve a range of limits as regards the (re)construction of socio-economic models (paradigms). Moreover, we believe that the idea through which the effects of an organizational behavior become noticeable over time can be supported by the current economic dynamics. This assumption transpose us in the dimension of the role and the importance of the business organizations` mission, in relation with every consumer`s demands and requirements.

Otherwise, the main purpose of a business organization reveals a series of desirable coordinates of the strategies undertaken by decision makers, strategies that validate a business model based on entrepreneurial principles (Posteucă, 2013), outlining the model in which recognition, reputation and the appreciation, coroboated with the idea of social responsibility, represent important targets in the life of a firm (Roman, Stanciu, Condratov, 2008). These focus their action plan on the identification of a consumer`s requirements, on the organizational culture background. Although an organizational culture distinguishes itself from another one through a suite of attributes (Fischer, 2008), we have to take into account one set of regulations and lines shared by the organizations`members (Tantau, 2006). Such an arrangement is particularly focused, in the first instance, on defining the organizational mission.

The debated issue enables the assessment of every consumer`s requirements, requirements that can be found in the utility shape within a business organizations. Social and economic responsibilities, correlated with the consumers` requirements express an analysis of the organizational and human values. We envisage in this context the idea of a business` moral mission (Ionescu, 1997). The considerations underlying this assumption imply a systemic approach in terms of a reasonable management. In other words, the existence of a continuous process of functional and structural revaluation of the business organization also allows taking into account certain explanatory models that have as a starting point the mission statement. This fact illustrates the emergence of new opportunities for the development of new products and services related to the consumer`s requirements on the market.



### **III. Pragmatic reasons and epistemic modalities for the comprehension of business organizations mission importance in relation with the consumers` requirements and needs**

The role and the importance of defining a business organizations` mission implies a certain convergence between social responsibility and economic responsibilities. This type of responsibilities can find its own materialisation in the result of a clearly defining of organizational mission (Drucker, 2010). However, communication within business organizations, regarded as an empirical investigation (Cochran, David, 1986), primarily involves a comprehension and a concretization of their own goals (directly or indirectly assumed).

This type of communication channels is relevant, being designed to transpose the managerial strategies from a theoretical (mental) plan into a pragmatic (economic) design. This approach emphasizes the efficient, but also responsible behavior of the members of a (business) organization. In this regard, we consider that the economic issues brought into discussion must be linked to social layouts. The pragmatic reasons retrieved on the base of this assumption involve the concretization of specific epistemic modalities to approach the consumer`s requirements.

One first argument we bring into question relates to the way in which the market supply meetson this line the sustained needs and requirements. At the same time, as a functional and structural entity, the business organization must reflect an active involvement of its members on all levels (departments). However, the effectiveness of such an implication resides precisely in the way in which the culture of that particular organization is understood and accepted.

A second argument that we formulate to justify the idea that the enunciation of an organizational mission must take into account the relationship between social and economic responsibilities consist in the fact that the contribution of every actor involved in the functional process of an organization equalizes with the very organizational culture. Moreover, the social criterion does nothing but capture and sustain the moral (self) evaluative principles, depending on which the business organization is built and developed.

In addition, the activities retrieved within a business organization`s departments are materialized to the extent that their members gain an amount of influence concerning the future development of the organization. Defining the mission of a business organization within an



economic system generates interpretations more or less judicious on the managerial performance of decision makers (managers, top managers). Therefore, at organizational level, the social and the economic lines of work refer to the significances of functional, but also of axiological nature, significances that express, de facto, the role and the importance of defining the mission of a business organization in relation with the consumer`s requirements.

Furthermore, the idea of an economic/ social model of the consumer`s behavior, intended to highlight the relationship between the resources employed and the stages of the products buying process, as well as their consumption (Howard and Seth, 1969), reinterpreted in the light of Farley-Rings test (Taylor and Gutman, 1974) and extrapolated, by example, on the tourist destinations market (Wahab, Crampon and Rothfield, 1976) can only justify the consumers` requirements, related to the dimension of social and economic responsibility. Thus, an economic and a social approach of defining an organizational mission involves a review of the attitudes emitted by a business organization`s members (and their responsibilities as well). This problem reflects a fresh approach of the organizational mission enunciation, compared to the consumers` expressed needs and demands.

Furthermore, an economic/ social reality built on the innovation- responsibility relation reveals specific arrangements of epistemological/ pragmatic analysis, through which the competitive market inner process also enables a broadening of the economic actions` horizon. The economic problem under discussion highlights a particular social percentage designed to support, to a certain extent, the needs and demands of the consumers. The exhaustive understanding of such an entrepreneurial model does nothing but reveal that, to a worth level, the mission`s origination and statement generates a number of issues that not always find their pragmatic problem solving plan. We particularly have in view that the organizational mission must be analyzed taking into account the idea of risk management (Modigliani and Miller, 1958).

Being also seen as a strategy for implementation (Gupta and Govindarajan, 1984) and perceived as "the most visible part of a strategic plan" (Pearce and David, 1987), the mission of business organization is referenced to the consumer`s requirements on the economic market (Rarick, Vitton, 1995). The economic market features allow the adjustment of strategies according to the consumer`s requirements range. It is obvious, in this connection, the implementation of a



integration methodology for the market conceptualizing and developing within business systems (Yankov, 2007). In these circumstances, a development of the initiated activities within a business organization, as well as beyond the immediate economic environment, reveals a number of value dimensions through which becomes relevant a situational context (predicted in the enunciation of mission), where the social-economic actors (policy makers, managers, employees, customers) exert functions. Moreover, satisfying the requirements and the needs for the economic market highlights the market's behaviour. In other words, the size of the economic market (a competitive market in general) echoes the validation of the behavior of social-economic actors involved in the organizational culture and society.

#### **IV. Modalities of requirements management according to the guidance strategy for the enunciation and definition of the organizational mission**

The customer orientation strategy can be clearly described when the vector of the manifested requirements constitutes an imperative compliance for the decision makers' (developers) pursuit. Therefore, the objectives found in the organizational mission statement may represent, in our opinion, the foundation of achieving a further marketing plan. What we want to emphasize is that the dimension of requirements that can be found on the economic market mirrors specific forms of conceptualization of what, empirically, we define as needs and reported necessities. If we consider the previous features, we estimate that the mission definition/enunciation, with reference to the consumers' requirements, mainly entails the direction of *the organizational environment, the distinctive competence of organization and the customer of the organization* (Megginson, Trueblood, Ross, 1985). Up to this point, the current context of economic development confirms a change in attitude regarding the organizational behavior. However, this behavior is also determined, depending on the behavior of consumers on the market.

For this purpose, we consider that this application represents a process of delineation and demarcation of what constitutes the organizational behavior, in conjunction with the relationship between mission and consumer's requirements. The legitimacy of this behavior depends on how the economic reality is understood and clarified with reference to certain strategies undertaken by



the decision makers. Accordingly, based on various conditionings, to define and state the organizational mission involves a whole process of reassessment of the business organization idea, when taking into account the evident requirements of consumers.

## V. Conclusions

Currently, on the business organizations` level, the mission statement involves an important aspect approaching the activities aimed at establishing and implementing effective management strategies. This state of facts reflects the idea that the importance of enunciation of a business organization's mission requires a reevaluation of the context in which it is reflected. In other words, resizing/re-asserting the organizational mission emerges when we determine a configuration of the customer`s requests.

Business mission is concretised as consequence of the set strategies or objectives and, for this purpose, we believe that we must take account the consumer`s requirements which, in our opinion, do nothing but sketch the subsequent framework of mission assertion (idea justified by the fact that the assumed objectives are focused precisely on these common requests). Starting from the idea that the consumer`s expectations result from conjunctures, while the formulation of requirements is determined by the context of their manifestation, we also propose that the process of stating the mission of a business organization to be structured on a series of key concepts designed to support and differentiate the offer of the organization on the economic market. As a result of the significant changes on the society level, we consider that an analyze of the context in which is stated and materialized the mission a business organization should outline an image of the managerial strategies undertaken by the main managerial decision makers.

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