
Corporate goals in the media industry.

An analysis of German media companies' annual reports

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(I) STARTING POINT

- research about corporate goals has **a long tradition** in business economics and business administration (in Germany)
- research about corporate goals as **fundamental / basic research** for specialized fields of (strategic) business administration
- the **most important problem** of all ... the nature of organizational goals
- **no empirical research** about corporate goals within the media industry
- there must be **more than journalistic and economic goals**
- corporate goals as **starting point for strategic management**

(II) RESEARCH QUESTIONS

- Q1: Which are the **most important goals** of the media company and/or which rank inheres to these goals with regard to the global importance within the company's strategy?
- Q2: What **relationships** exist between the goals within the goal systems of media companies? Are there critical goals in terms of central goals in the goal system?
- Q3: Which **factors determine the changing relevance** of the corporate goals in the goal system of the media company (dependent on media sector, company size and age of company)?

(III) METHODOLOGY and SAMPLE DESCRIPTION

- content analysis / text analysis
- frequency as an indicator for the relevance
- combination of automatic software based and manual content analysis
- television and radio stations, magazines and newspaper publishing companies
- 36 annual reports
- 8 German media companies

“goals of profit and earnings”; product and performance goals”;
“goals of market position”; “social goals”; “goals of power and
prestige”; “competitiveness and security-of-the-business goals”

(IV) RESULTS (Q1)

relevance of the analyzed goals within the media industry

	minimum	maximum	mean	s.d.
“goals of market position”	25.28%	57.69%	40.44%	0.1049
“competitiveness and security-of-the-business goals”	7.41%	30.68%	18.28%	0.0835
“goals of profits and earnings”	7.55%	27.84%	15.97%	0.0682
“product and performance goals”	0.00%	36.23%	10.90%	0.1221
“goals of power and prestige”	4.53%	15.38%	8.85%	0.0457
“social goals”	2.82%	9.09%	5.57%	0.0216

(IV) RESULTS (Q2)

linear connectivity – table of correlations
 (*p<.05, **p<.01, n=36), GCi

	(1)	(2)	(3)	(4)	(5)	(6)	GC _i
“goals of profits and earnings” (1)	1	-0.209	-0.081	-0.126	-0.327	-0.136	0
“goals of market position” (2)	-0.209	1	-.429**	.637**	-.584**	-.775**	0.485
“social goals” (3)	-0.081	-.429**	1	-0.183	0.077	0.318	0.086
“goals of power and prestige” (4)	-0.126	.637**	-0.183	1	-.519**	-.699**	0.371
“product and performance goals” (5)	-0.327	-.584**	0.077	-.519**	1	.367*	0.294
“competitiveness and security-of-the-business goals” (6)	-0.136	-.775**	0.318	-.699**	.367*	1	0.362

(IV) RESULTS (Q2)

goal connectivity index (GC_i)

earnings and profits

product and performance goals

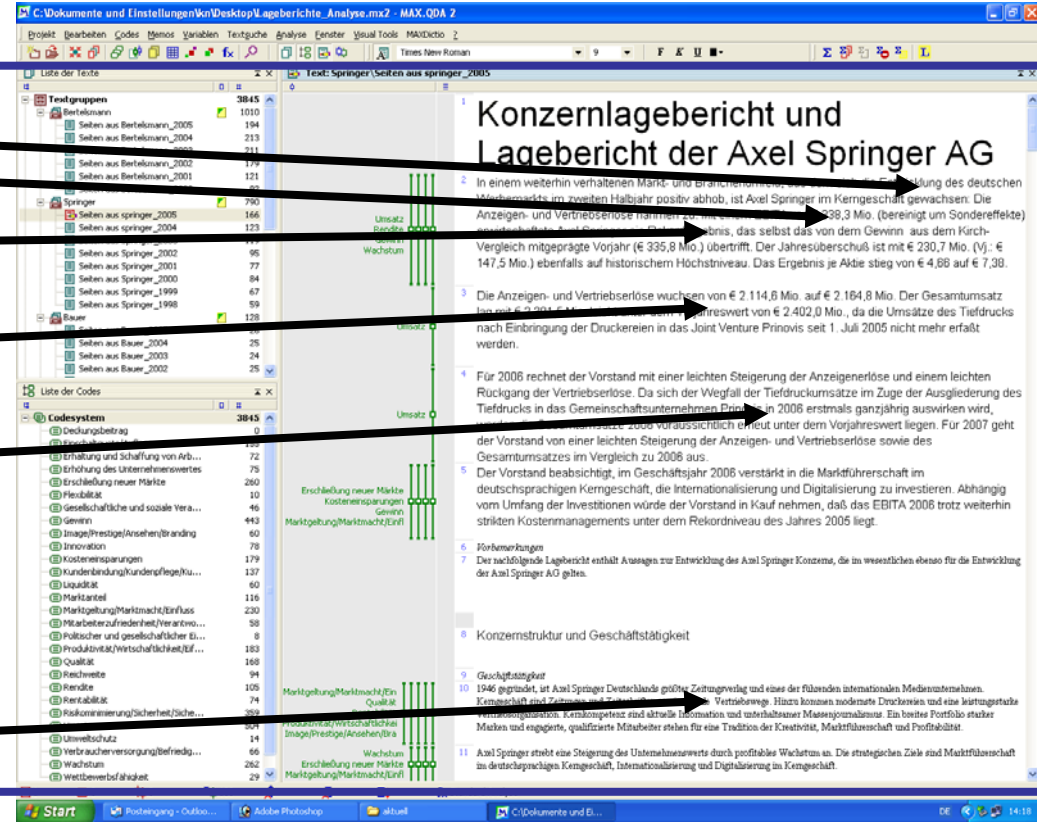
social goals

goals of market position

social goals

earnings and profits

goals of market position



$$GC_i = \sum_{\substack{j=1, \\ i \neq j}}^{n-1} \frac{|\rho_{i,j}|}{n-1}$$

weighted sum of the absolute value of the significant correlations

(IV) RESULTS (Q2)

content related closeness (frequencies / percentage), \overline{GB}_i

	(1)	(2)	(3)	(4)	(5)	(6)	\overline{GB}_i
“goals of profits and earnings” (1)		289 / 29.1%	28 / 6.1%	2 / 2.9%	46 / 13.8%	142 / 20.4%	3.51
“goals of market position” (2)	289 / 57.0%		215 / 46.6%	14 / 20.3%	158 / 47.3%	318 / 45.6%	5.54
“product and performance goals” (3)	28 / 5.5%	215 / 21.6%		7 / 10.1%	64 / 19.2%	147 / 21.1%	3.15
“social goals” (4)	2 / 0.4%	14 / 1.4%	7 / 1.5%		11 / 3.3%	35 / 5.9%	0.43
“goals of power and prestige” (5)	46 / 9.1%	158 / 15.9%	64 / 13.9%	11 / 15.9%		55 / 7.9%	2.35
“competitiveness and security-of-the-business goals” (6)	142 / 28.0%	318 / 32.0%	147 / 31.9%	35 / 50.7%	55 / 16.5%		5.03
sum	507 / 100%	994 / 100%	461 / 100%	69 / 100%	334 / 100%	697 / 100%	

(IV) RESULTS (Q2)

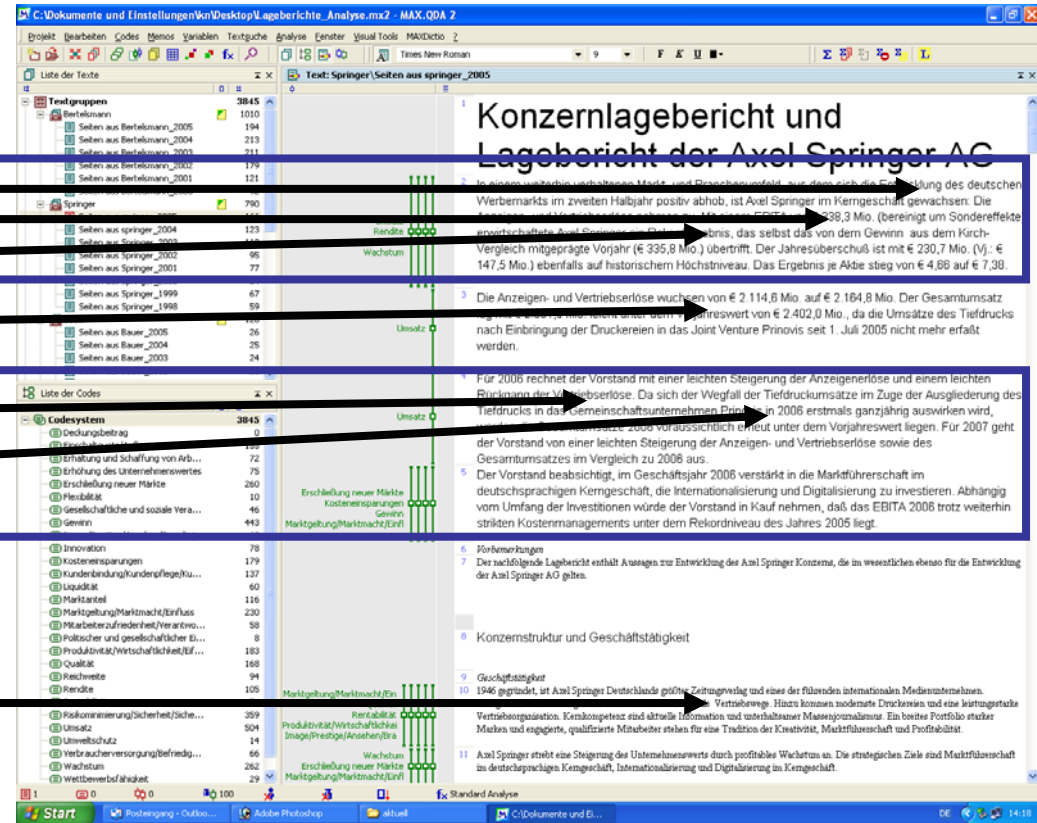
goal bonding index \overline{GB}_i

earnings and profits
product and performance goals
social goals

goals of market position

social goals
earnings and profits

goals of market position



$$\overline{GB}_i = \sum_{\substack{j=1 \\ i \neq j}}^n \frac{CoG_{i,j} * R_j}{n-1} * 100$$

sum of the grades of the closeness, weighted by the relevance of each goal

(IV) RESULTS (Q3)

linear dependency of the relevance of the goals and influencing factors
(*p<.05, **p<.01, n=36)

	volume of trade	number of employees	balance sheet total	age of the company
“goals of profits and earnings”	0.654**	0.657**	0.628**	0.182
“goals of market position”	-0.182	-0.169	-0.214	0.167
“social goals”	-0.166	-0.131	-0.152	-0.015
“goals of power and prestige”	-0.008	-0.007	-0.028	0.130
“product and performance goals”	-0.134	-0.175	-0.085	-0.395*
“competitiveness and security-of-the-business goals”	-0.112	-0.107	-0.089	-0.074

(V) SUMMARY

1. mostly mentioned: goals of market position
2. interesting: goals of profits and earnings are in third position
3. moderating factor: size of the company
4. central position: goals of market position
5. eye-catching: no significant correlation for the goals of profits and earnings but very often mentioned with other goals

(V) NEXT STEPS

- formulate and test **hypothesis**
- expand research into **other countries**
- expand research in terms of **time series**
- generate tools for **goal planning, strategy formulation and decision making**

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$$GC_i = \sum_{\substack{j=1, \\ i \neq j}}^{n-1} \frac{|\rho_{i,j}|}{n-1}$$

$$\overline{GB}_i = \sum_{\substack{j=1 \\ i \neq j}}^n \frac{CoG_{i,j} * R_j}{n-1} * 100$$

(I) STARTING POINT

- crisis of the media industry
- no answers to the question: How to formulate good strategies for media companies?
- no empirical research about corporate goals within the media industry
- there must be more than journalistic and economic goals
- corporate goals as starting point for strategic management