

The Significance of Effective Mission Statements in Business Performance: The Case of the Banking Sector in Tanzania

David Mosoma

Faculty of Business and Management Sciences, Ruaha University College,
A Constituent College of St. Augustine University of Tanzania (SAUT)
PO Box 774, Iringa, Tanzania

Tel: +255 713 248 311, E-mail mosoma2007@yahoo.com

Abstract

This article synthesises the findings of a study carried out on the relationship between the mission statement and performance in the banking sector. Four commercial banks—the Co-operative and Rural Development Bank (CRDB), currently known as CRDB Bank, Bank of India, National Microfinance Bank (NMB), and the National Bank of Commerce (NBC)—were involved in the study. Data collection was done through the administration of a semi-structured questionnaire with 64 employees from the four banks and interviews held with eight top management employees from the four banks, two from each bank. Data from the questionnaire was subjected to qualitative statistical analysis whereas interview information was subjected to content analysis. Results show that the more the employees understood the mission of their respective bank, the more they invested extra efforts in ensuring that they performed accordingly to meet the corporate mission. The CRDB and NBC, which were found to be banks that commit more efforts to making their mission statements well known among employees in addition to addressing the future of the business in a comprehensive manner, demonstrated that their employees were motivated and outperformed those the NMB and Bank of India, which were less inclined to do so.

Key Words: Mission statement, employees' performance, business performance, banking sector, Tanzania

1. Introduction

The mission statement is becoming an integral part of organisational operating plans for both public and private organisations within and outside Tanzania. Indeed, many modern organisations—simple or small—draft documents that bear what their mission statements or their equivalents. Specifically, for organisations with a profit motive, the vision and mission statement constitute their preambles of what they want to achieve and how to achieve them when preparing business plans, strategic and operating plans, and even when they draft letters to apply for loans from commercial banks. At the same time, pundits of strategic business management claim that well-defined vision and mission help organisations to align individual employees' objectives with corporate plans.

Whereas free market policies and reforms have reconfigured the business world, new components and tools of business process and logistics are taken as central for both the existence and success of businesses. It is in this regard that strategic plans, which articulate business missions and objectives as well as the creation of business departments including marketing and customer care, have been given due weight in the past (Dorrian, 1996; David, 2007). In fact, the inclusion of mission statements in business documents it almost appears there to stay in formally operating businesses even if its contribution to the marketing and customer care activities in business entity remains unclear. This study comparatively assesses the extent to which the mission statement has been a factor behind employee performance in Tanzania's profit-making organisations with a specific focus on the country's banking sector.

2. The Problem

Since the late 1980s and 1990s, there have been a number of changes in Tanzania's business sector. Many public institutions were privatised and /or restructured and other private organisations which were not well performing were restructures to meet market tests. The focus to privatise and restructure business had a strong shift to private sector paradigm. As part of these changes, the rapid growth of the private sector has led to cutthroat competition for markets, skilled labour, and the need for businesses to establish strong brands in the market to stay ahead of their competitors. Subsequently, businesses including small and medium enterprises started to formalise their business processes and procedures including developing business plans and operational strategies through which they define their missions, visions, and business objectives as well as methods and strategies for attaining their business goals. Generally, big businesses and financial institutions modify their business processes and procedures to strengthen their competitive muscle in the market. The creation of business process strengthening departments such as customer care, human resources, marketing, and even public relations have altered competitive and performance potentials of businesses, but the paradox remains with the role of the so-called business mission statement. Whereas the retention of business functions such as customer care, marketing, public relations function and even business service modalities in almost all high competition sectors, including

banking, is empirically clear, what remains unclear is why these businesses have retained mission their statements.

On the whole, the empirical explanation of what the mission statements serve in business or whether they are more than consultant gimmicks for decorating business documents remains scanty in Tanzania. Nevertheless, the strategic management orientation in business shows that businesses emphasise the mission statement as part of strategic management, a new way of running business organisations. And yet, the mushrooming mission statements in business documents and all businesses regardless of their size and formality does not necessarily guarantee that these business missions are known to the participants in businesses, especially floor employees; neither is it clear whether they contribute significantly, and how, to the performance of employees and the businesses at large.

3. Research Objectives

This study primarily examined whether the mission statement in a business undertaking has a significant bearing on the performance of business. To make this objective attainable, four logical objectives were developed from the general objective. The first study objective was to explore the efforts used by banks in Tanzania to reorient their missions to suit changes in the business environments. The second objective was to analyse extent to which the mission statements address the key employees' performance factors in the country's banking sector. The third objective was to examine the extent to which employees are informed of the means and ends of the businesses. The fourth and final objective was to compare the performance of the selected banks in terms of efficiency in service delivery, portfolio and extent of coverage of the target market.

4. Methods and Methodology

Data presented and analysed in this article were originally collected as part of a comprehensive Masters of Science (Accounting and Finance) study. The study was conducted in 2010 as part of the requirement for fulfilling the Masters of Science - Accounting & Finance programme at Mzumbe University in Tanzania. Partly for convenience and due to time constraints, the study focused on three banks headquartered in Dar es Salaam for data collection. The nature of selecting banking sector is due to its significant effects to other industries in case changes are made in banking sector. The researcher chose NBC, NMB and CRDB bank because the three banks were public banking sectors and that they faced both privatization and restructuring processes in serving other sectors, save for their marked successes after the key two processes being implemented. The researcher focused on a small sample of 36 employees, including two management employees and 10 non-management employees from each of the banks under study. In March 2013, additional data was collected from the three branches of the same banks, this time in the semi-urban settings of Iringa region (province). The additional sample included 36 other employees made up of 12 non-management employees from NBC and NMB banks and 10 from the CRDB bank as well as one management employee from each of the two banks, NBC and NMB. This expanded data coupled with the original data is what constitutes the material of analysis used in this article.

Data collection was done through a self-administered structured questionnaire for all the 72 employees co-opted into the study with both open and closed questions. Open ended questions meant to explore on individuals' understanding while closed ended questions intended to tape massive and homogeneous information with limited variations. In addition, a series of detailed unstructured interviews with management employees from the three banks were held to complement the data collected from the use of the questionnaires. The key informants in this regard who took part in the interview were six top management employees from the headquarters in Dar es Salaam, who provided strategic responses related to corporate management processes associated with mission development and review and two branch managers who supervised the implementation of the mission statements at the branch levels. Data from the questionnaire generated through the use of closed-ended questions sought to quantify the respondents' views into a pattern of statistical basis of inference regarding the relationship between the variables of interest. The data so collected was then subjected to statistical analysis that led to the generation of percentages. Qualitative data from interviews, on the other hand, was subjected to content analysis whereby the interview were transcribed, analysed and classified according to the emerging themes in line with the research objectives so as to establish the convergence and divergence regarding relationship between the mission statement and business performance. Finally, the related statements were classified in relation to the determined general codes that formed the bases for classifying responses and assigning them for interpretation.

5. Theory and Literature Review

Whereas the literature on the role of the mission statement in business is still narrow, the literature that covers the theory of strategic management has significantly grown. Generally, there are theoretical controversies that surround both the conceptual ground and the contribution of the mission statement in businesses. Although the

consensus is developing on the concept and its position in strategic business management, there are debates on what exactly constitutes an effective mission statement on the one hand, and what such an effective mission statement serves in a business. Before reviewing the theoretical debate on the usefulness of mission statements, it is worth paying attention to the concept of the mission statement and how scholars use it.

5.1. The Conceptual Ground of the Mission Statement

Scholars have often used the mission statement concept to refer to different but closely related conceptions. In some of the literature, little distinction can be made between the mission statement concept and other concepts such as the business vision, values, strategy, and business goal statement. To set clear conceptual demarcations, it is important to delineate the mission statement as it relates to the other organisational management tools—vision statement, organisational values and strategy.

Harrison (1987) defines “mission statement” as a comprehensive organisational articulation that describes the organisation’s aim, purpose for answering the question of why are we here. This definition is also shared by other scholars such as Fairhurst *et al.* (1997) who see the organisational mission statement as a formal agreed upon statement that answers the question why does the organisation exist (for what purpose and for whose benefit). The second definition goes a little bit beyond the first one by answering questions such as who is the customer for the services and products produced by a business organisation or who are the specific beneficiaries whom the organisation’s existence target. However, both definitions are not comprehensive enough to make one understand clearly what a mission statement is all about (and actually what it is not about).

Other scholars have used the concept of formality as a way of understanding the mission statement. In this regard, the mission statement is understood by looking at the formalised statements that the mission embodies. In this regard, the mission statement is taken as a set of formalised answers to questions on the role of an organisation, its objective, and its main clientele in society. They look at the mission statement as a formalised and written statement that answers the shared questions in organisations including why do we exist? What is our purpose? And what do we want to achieve? (Bart and Tabone, 1999). Under this view, the mission statement is not simply an answer to what the purpose of an organisation is, but also constitutes a forward looking imagination of the future of the organisation that goes beyond the current state of an organisation, but the foreseen end of the organisation. To be more specific, a mission statement specifically spells out what the organisation struggles to achieve in its existence.

It should, however, be noted that the existing fragmentary definitions cannot in isolation provide a comprehensive understanding of what a mission statement is and what it is not. Borrowing from different scholars, a mission statement, in a broader sense may also be perceived as an organisational managerial strategy that is formally articulated so as to incorporate values encouraged by the organisation and specify the primary duty of both the organisation and its members to make the organisation reach its desired ends (Ledford Jr, Wendenhof, and Strahley 1995; Campbell, 1989; Cummins and Davies, 1994; Forehand 2000; Tabone, 1999). A sharp summary of what a mission statement is provided by Pearce and David who say that organisation mission statements are “operational, ethical, and financial guiding lights of businesses”(Pearce and David, 1997). However, these definitions raise more questions than answers on what constitutes a mission statement particularly with regard to lack of definiteness. First, the more one goes through different definitions, the more other concepts such as values, strategies and vision become fused with the meaning of mission statement. Under this study, therefore, the mission and vision statements are treated as different concepts. Borrowing from the comprehensive strategic management model, the mission statement, as employed in this study, focuses on the business formal articulation that answers the questions including: who are we? What do we do? How do we do it (as distinguished from others)? What should every one of us do to make us stay what we want to be, and go where we want to go? On the other hand, the vision statement is associated with questions such as: What specific point are we are struggling to reach in the future and how specifically will we reach it? Despite these distinctions, it is consensual that both the mission and vision are built on organisational values, basic purpose, strategic intent and the selected business model. Thus, both implementing the mission and reaching the vision need continuous setting of strategies that must be worked upon by the managers and employees in a business.

5.2. Mission Statement and the Theory of Strategic Planning

Strategic planning has become a fashionable model in most of the organisations. The sketchy and literal meaning of strategic planning may be stated as simply planning strategically, or alternatively it is a style of planning where by planners and implementers of plans place realistic strategies in all stages of planning, with participating stakeholders and tools to make sure that they are all support the effective implementation of the plans (Desmidt and Prinzie, 2009). Such a meaning of strategic planning, however, may have a little scholarly approval,

particularly when one wants to locate the concept of the mission statement. Strategic planning has been identified by scholars as a new reliable, flexible and comprehensive model for modern organisational planning (David, 2007). Strategic planning is an organisation's process of defining, often in hyperbolic terms, its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people by using different business analysis techniques. This can be used in strategic planning, including SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, PEST (Political, Economic, Social, and Technological) analysis, STEER (Socio-cultural, Technological, Economic, Ecological, and Regulatory factors) analysis, and EPISTEL (Environment, Political, Informatics, Social, Technological, Economic and Legal) analysis (Kono, 1994).

The mission statement is placed at the heart of strategic planning in business since strategic planning itself must consider, at least, one of the four core questions that are addressed by organisational mission statements: "What do we do?" "For whom do we do it?" "How can we beat or avoid competition?" "How do we excel?" (Bradford and Duncan, 2000). It is from such theoretical angle that scholars have come to conclude that a mission statement forms a canonical foundation for strategic planning in business. On the other hand, supporters of the strategic planning theory equate it directly with planning to succeed in business. In other words, successful business planning is mainly strategic and begins with elucidating the business mission. Therefore, clarifying the mission of an organisation paves a leading way into addressing important drivers for profit maximization and growth strategies in business.

5.3. Empirical Studies on the Effect of Mission Statement on Performance

Different studies have been carried out in an attempt to understand the contribution of the mission statement on employees' and ultimately the firm's performance. Although these studies were conducted in different settings, the first common point of agreement is that the mission statement affects the performance of both business and non-profit organisations. On the relationship that exists between the mission statement and the firm's performance, it was found that a clear mission statement is important as it clarifies the performance strategies that must be pursued by both the individuals and the organisation as a way of improving performance (Bart and Baetz, 1998). However, the same study cautioned that the inclusion of the objectives in the business mission statement collated with poor financial performance of the firms. In contrast, David encouraged companies to develop mission statements, but which should include the objectives of the firm as having psychological effect on employees' performance. However, he also noted that some components of the mission statement such as technology are more important for augmenting performance than other components such as the products and services that are produced by the firm (ibid.).

Evidence from empirical studies has also demonstrated that there is positive correlation between stating, restating and strengthening the mission statement, on the one hand, and the firm's performance on the other hand, Bart conducted several studies on profit-making organisations from which he identifies factors that justify the development and/or revision of a mission statement as "drivers," that provide a sense of shared purpose. He further reported that the mission statements that were developed to "provide a sense of purpose" tended to be performance-enhancing and made important contributions to employees' satisfaction (Bart, 1997). Therefore, if an organisation's mission statement has a clear and sharply understood organisational purpose, it is likely to contribute to employees' satisfaction and help to enhance performance. Apart from his studies in the 1990s, Bart also studied the impact of the way the mission statement is conveyed to stakeholders particularly with regard to subjective performance. Also of interest were the numbers and types of stakeholders involved in generating the mission and disseminating it, the medium through which and frequency at which the statement is communicated. The conclusion, as established by Bart and Tabone (1998), is that, whatever the rationale or process, the overarching purpose for developing a mission statement is to improve the firm's performance (Bart, 2000). From such a point of view, the research suggests that there is a close link between the mission statement and the performance of firms.

Whereas some studies show that well-stated and self-contained (effective) mission statement contributes positively to the performance of individuals and the businesses in general, other studies have concluded in the opposite way. Indeed, some of the studies contend that mission statements have little value on increasing the performance of both the firm and an individual, with some going as far as presenting evidence of many successful companies which do not have succinct and self-contained mission statements (David, 1989; Klemm, Sanderson and Luffman, 1991). Nevertheless, when one takes both sides of the findings into consideration, one finds that there is ample evidence of some agreement that mission statements affect organisational operational, financial and managerial aspects despite these relationships being contested in some quarters. One logical assumption that emerges from this paradox is that the conclusions may also be subject to the business context in

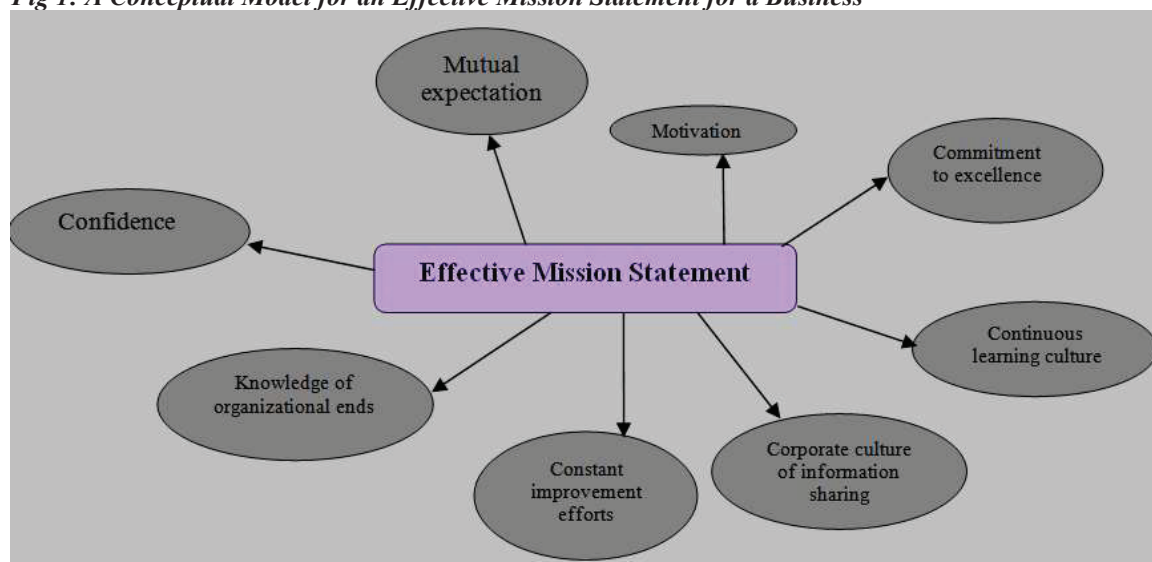
which an organization works. Therefore, a more contextual analysis of the relationship between mission statement and firm performance is of great importance.

5.4 Conceptual Model for Effective Mission Statement

Generally, there is no direct agreement among scholars on what constitutes an effective mission statement in business organisations. However, extracting from different scholarly manifestos, models and theses one can come up with several components that are largely attributed to the effectiveness of a mission statement in business (David, 1989). The existing theoretical assumptions take attributes that constitute an effective mission statement as characteristic features that can help businesses realise their core objectives including growth and profitability. The most commonly identified components of what constitutes a sound mission statement include having a concern for employees, defining clearly who are the customers, and focus on survival, growth and profitability of the business. A sound mission statement must also consider and address public image concerns of an organisation, clearly address the core management philosophy, define what the organisation is and distinguish it from all others, anticipate customer needs and ensure commitment to addressing them (Desmidt and Heene, 2005). Thus, it is imperative that an effective mission statement plays a linking role between the business, employees, and the customers.

A different approach to assessing the effectiveness of an organisational mission is provided by Fred David (2007) who argues that an effective mission must be broad in scope, generate strategic alternatives, not overly specific, reconcile diverse interests of different stakeholders, finely balance between specificity and generality, arouse positive feelings and emotions among stakeholders, motivate readers to action, and must generate favourable impressions of the firm. Moreover, an effective mission must reflect future growth, provide criteria for strategy selection, must be a base for generating and evaluating strategic options, and must be dynamic in nature (David 2007: 35). From these components, scholars propose that an effective mission statement must, therefore, have a self-containing meaning able to address most of these key components, in addition to being clear and well-understood by the stakeholders (especially employees). It is also argued that the effective mission is the one that enhances the strategic fit between corporate plans and different resources and stakeholders as well as factors of production. The model below presented in Figure 1 shows the strategic fit attributes of an effective mission statement that can potentially result into increased individual and organisational performance.

Fig 1: A Conceptual Model for an Effective Mission Statement for a Business



Source: Modified From David (2007: 31)

Generally, it is suggested that there is a link between the effectiveness of the mission statement and issues and higher performance behaviour of individual employees as well as an organisation. The model in Figure 1 shows that the performance behavioural factors are of two types as separated by the arrow. The first type focuses on behaviours that affect the performance of an individual employee, including knowledge of organisational ends, confidence, motivation, mutual expectation and commitment that results into higher employees' performance. The second type operates at the organisational level. Indeed, an effective mission statement also results into continual and sustained improvement efforts, corporate culture of information sharing, continuous learning, and

commitment to excellence, which together contribute to higher organisational performance. Therefore, it is hypothetically stated that when an organisation has a mission statement that maintains a strategic fit between the individual employee performance factors and organisational performance factors, such an organisation has a higher performance potential that open doors for enhanced productivity, growth and profitability.

6. Research Questions and Hypotheses

Related to the research problem and evidences provided by the literature, the study managed to address the question on whether mission statements contribute to performance in business organisations. To manage this question, four interrelated research questions based on the study's specific objectives were deployed. First, what efforts are used by the banks in Tanzania to orient and reorient their mission statements to cope with the changing business environments? Second, to what extent do individual bank mission statements address the key employee's performance factors? Third, to what extent are employees informed of the business ends of the organisations? Fourth, to what extent are the banks operating in Tanzania different in terms of their performance behaviour? From the questions above, the study generated four hypotheses to be tested through the responses generated:

- **Hypothesis 01:** More efforts to make the mission statement comprehensive leads to a more effective mission statement.
- **Hypothesis 02:** An effective mission statement must be able to address the key performance factors for an individual employee and the business in general.
- **Hypothesis 03:** An effective mission statement makes employees fully informed of the ends of the organisation.
- **Hypothesis 04:** Businesses with more effective mission statements possess more performance behaviour than the ones with less effective mission statements.

7. Results and Discussion

On basis of the theory and literature, the assumption of the study was that, through different aspects mission statement boosts the performance at both the individual and business levels. The analysis focused on four major aspects of the assumptions, which formed the four basic research questions. Let us now examine the findings about the identified specific questions.

7.1. Hypotheses and Results

Hypothesis 01: *More efforts to make the mission statement comprehensive leads to a more effective mission statement:* The results on this hypothesis show that 40 (55.56%) respondents concurred with the statement as opposed to 32 (44.44%) others who thought otherwise. This shows that the majority of the respondents accept the view that the presence of informed and noticeable efforts aimed at improving mission statements to ensure it continues be relevant in addressing the business performance needs at a given time contribute significantly to the creation of an effective mission statement. This is a valid point because continued and sustained efforts to reorient the mission statement to address the market challenges and demands have become a significant factor propelling innovative and legitimate sharing of information between, for example, the CRDB management and employees. It was also noted that the CRDB mission statement has become more comprehensive and addresses most of the market needs and concerns of the current banking business than their competitors, the NBC and NMB banks. Inevitably, the CRDB is also outperforming its rivals because of its much clearer statement.

Hypothesis 02: *An effective mission statement must be able to address the key performance factors for an individual employee and the business in general.* On the second hypothesis that, 38 (52.78%) of the respondents accepted the statement that an effective mission statement must address the key performance indicators at individual and organisational levers whereas 34 (47.32%) others were non-affirmative. This suggests that addressing key performance factors should be at the heart of drafting a desired effective mission statement in a business. Indeed, the majority of the respondents contend that the mission statements are not drafted and improved simply to achieve intangible ends, but their primary aim is to create and inspire a prepared team capable of performing well for the benefit of individual employees as well as the businesses they work in.

Hypothesis 03: *An effective mission statement makes employees fully informed of the ends of the organisation.* The study result show that 65 (90.28%) of the respondents, an overwhelming majority, accepted that an effective mission statement makes employees fully informed of the organisational ends. Only seven (9.72%) respondents disapproved of the statement. This suggests that significantly, an effective mission statement undeniably provides required information for individual employees to understand the direction of the business and what ought to be the benefits to both the business and individual employees when it accomplishes its goals.

Hypothesis 04: *Businesses with more effective mission statements possess more performance behaviour than the ones with less effective mission statements.* This hypothesis, which was indeed central in the study was disapproved by 41 (56.94%) of the respondents and accepted only by 31 (43.06%). In principle, many of the respondents who provided views on this statement agreed that there is a positive relationship between effectiveness of mission statement of a business and its performance at the level of both employees and organization. However, they disagreed with the fact that making mission statements effective in terms of being comprehensive, informative, and clear are enough to guarantee higher organisational performance. They contended that performance is a multifaceted concept that may not ultimately depend on a single factor including formalisation of business processes and procedures.

7.2. Discussion of Findings

Generally, the study results show that there is a significant relationship between the mission statement and business organisation performance. Specifically, an effective mission statement, which is comprehensive, clearly spelled out, widely shared, and significantly communicative appears to have a bearing on the behaviour of individual employees and organisations. The findings demonstrate that there is a relationship between an effective mission statement and the performance of banks at both the employee and organisational levels. In fact, the CRDB bank has demonstrated to have put in more efforts in reorienting its mission statement, carrying out sustained improvement, inculcating employee with the spirit of the mission and frequently making employees participate in reviewing the mission than either the NBC or the NMB, which had the least showing of the three banks in this respect. Indeed, there is significant evidence to show that the CRDB has undergone significant transformations and improvements in performance indicators, including reduction of defaults and keeping Portfolio at Risk (PAR) far lower than the NBC and NMB between 2000 and 2005. Significant successes are also noticeable in the CRDB's portfolio growth and increase in its return on investments than the NBC and NMB.

Nevertheless, it may not be intellectually fair to make a generalisation that the more a business has an effective mission statement the more it will achieve higher performance. There are cases where a mission statement maybe viable and even known but without having a significant bearing on the organisation's performance. Indeed, this was evident with one of the banks—the NMB—under study. For example, the employees of the NMB, which is identified with both a less effective mission statement and the lowest level of organisational performance of the three banks, rated their understanding of the bank's mission to be high. On the other hand, some employees from the CRDB bank, which was identified with effective mission statement and the highest performance, did not rate their organisation as either having the most effective mission statement or with high performance. In this respect, the findings on the relationship between the mission statement and the performance of employees and business organisations inevitably demand to be studied contextually paying attention to the attitudes of individual employees, time, and the proximity of communication channels between corporate managers and responding employees. Also, the findings of the study imply that a mission statement when comprehensive and clear enough can inspire performance but would also need to depend on other supporting factors, such as management practices, product promotion, customer relations and organisational values being of the right fit for it to produce the desired results in terms of enhanced performance.

8. Conclusion

The appearance of "strategic orientation" on scene has meant a lot in the business world. Organisations varyingly adopt some kind of formulaic business management tools that are increasingly becoming a formal part of their existence and identification. Of these formalised management tools, the mission statement has become a unique vehicle through which organisations in the business world articulate (and rearticulate) their strategic intent to exist, survive, grow, and how they should relate with actors around them including the market, businesses, employees, and even the wider society. It is learnt that while most of the public organisations use mission statements to state formally what their responsibilities and obligations to the public are, serious competition organisations such as banks use the mission statement to create aspiring environments that create a positive environment for mutual success between the businesses and the owners. Banks that have comprehensive, clear mission statements, and improve them on continual basis to address the needs of the market seem to have higher performance indicators at both the employee and firm levels, but one may not directly attribute those differences simply to the existence of mission statements alone. The CRDB Bank in Tanzania serves as a good example of how a commercial entity can use effectively its mission statement to reorient its services and gain a competitive advantage through innovation and improved services. It should also be noted that the CRDB Bank has re-invented itself from its initial efforts as a Co-operative and Rural Development Bank (CRDB) from which it gained its present acronym into the present robust bank that has gained a competitive edge over the NBC and NMB, which like the CRDB have undergone transformations, but with relatively lesser success. In truth, the

CRDB has worked extra hard in improving its mission so that it reflects both the current needs of the present customers and the current business operational environment under the liberalised economy in Tanzania.

9.0 Recommendations

On the basis of these findings, the study recommends that the banks should continue striving to improve their mission statements as a well communicating them to create a sense of mutual expectation among the business, business managers, and the employees. As the mission statement in isolation cannot constitute an effective driver behind higher performance, it is recommended that the businesses should be coupled these statements with building teams that are well-motivated to make sure that they make viable contribution towards attaining the mission of their businesses. In addition, the banks should be responsive to the needs of their clientele much in line with their mission statements. The implication here is that there should be a symbiotic relationship between the mission statement and the practices of a business organization for the mission statement to translate into enhanced performance and give that entity a competitive advantage.

References

- Bart, C. K. (2007). A Comparative Analysis of Mission Statement Content in Secular and Faith based Hospitals, *Journal of Intellectual Capital*, Vol. 8, Number 4, pp. 682- 694.
- Bart, C. K., & Baetz, M. C. (1998), the relationship between mission statements and firm performance: An exploratory study, *Journal of Management Studies*, Vol.35. Number 6, pp. 823-853.
- Bart, C. K; N. Bontis and S. Taggar. (2001), A model of mission statements and firm performance, *Management Decision*, Vol.39, Number 1, pp. 19-35.
- Bart, C.K and J. Tabone. (1999), Mission Statement Content and Hospital Performance in the Canadian not-for-profit health care sector. *Health Care Manager Review*, Vol. 24, Number 3, pp. 18-29.
- Bart, C.K. & Baetz, M.J. (1998), The Relationship Between Mission Statements and Firm Performance: An Exploratory Study”, *Journal of Management Studies*, Vol. 36 Number 6, pp. 823-853.
- Bart, C.K. & J.C. Tabone. (1999). Mission Statement Content and Hospital Performance in the Canadian Not-for-profit Health-care Sector”, *Health Care Management Review*, Vol. 243, pp.18-29.
- Bart, C.K. (2001). Measuring the Mission Effect in Human Intellectual Capital, *Journal of*
- Bart, C.K. (2004). Innovation, Mission Statements and Learning, *International Journal of Innovation and Learning*, Vol.27, Number 6, pp. 122-144
- Bradford and Duncan (2000). *Simplified Strategic Planning*, Boston, Chandler House.
- Campbell, A. (1989). Does your Organization Need a Mission? *Leadership and Organization Development Journal*, Vol.10, pp. 3-9.
- Cummings, S., & J. Davies. (1994), Mission, vision, fusion, *Long Range Planning* Vol.27, pp. 147-150.
- David, F (2007), *Strategic Management: Cases and Practices*, New York, McGraw-Hill Co Inc.
- David, F. (1989), How Companies Define their Missions, *Long Range Planning*, Vol. 22, Number 3, pp. 28-62
- Desmidt, S and A Prinzie. (2009), Does your Mission Statement have any Value? An Explorative Analysis of the Effectiveness of Mission Statements from a Communication Perspective, Gent University Working Paper Number 568, http://www.feb.ugent.be/nl/Ondz/Proefschriften/Abstracts/desmidt_abstract_eng.pdf, retrieved on 28th December 2011
- Desmidt, S and A. Heene (2005), Mission statements: in search for ameliorated performance through organisation-employee value congruence, <http://www.law.kuleuven.be/linc/integriteit/egpa/previous-egpa-conferences/lisbon-2003/desmidt.pdf>, retrieved on 24th January 2011
- Fairhurst, G. T; J.M. Jordan, and K. Neuwirth. (1997), Why are we here? Managing the Meaning of an Organisational Mission Statement. *Journal of Applied Communication Research*, Vol.25, pp. 243-263.
- Gibson, I.J and M.J. Ivancevich; H.J. Donnelly H. James, R. Jokonopaske. (2003), *Organisations, Behaviour, structure Process*, New York, McGraw-Hill Co Inc.
- Harrison, R. (1987), Harnessing personal energy: How companies can inspire employees. *Organizational Dynamics*, Vol. 16 Number 2, pp. 4-20.
- Intellectual Capital Research* Vol.2, Number 3, pp. 320-330
- Karabulut, A. T. (2007). A Study on Two Fundamental Tools of Strategic Management: Mission and Vision Statements, *3rd International Strategic Management Conference*,
- Klemm, M; S. Sanderson, and G. Luffman. (1991), Mission statement: Selling Corporate Values to Employees, *Long Range Planning*, Vol. 24, Number 3, pp. 73-98.
- Kono, T. (1994) “Changing a Company’s Strategy and Culture”, *Long Range Planning*, Vol. 27, Number 5, pp. 85-97
- Kotler P. and K.L. Keller. (2007), *Marketing Management Practice*, New Delhi, Hall of India Private Ltd

Ledford, D. E; J.R. Wendenhof, and J.T. Strahley. (1995), Realising a corporate philosophy, *Organizational Dynamics*, Vol. 23, pp. 4-19.

Macedo (2009), Exploring the Link between Mission Statements and Organisational Performance in Non-profit Health Care Organisations, http://www.marketing-trendscongress.com/2009_cp/Materiali/Paper/Fr/Macedo_Pinho.pdf, retrieved on 2nd January 2011

O' Brien A. James (1996), *Management information systems (managing information Technology in the Networked Enterprises*, 3rd Edition, New York, Mc Graw-Hill

Palmer, T. B and C.J. Short. (2008), Mission Statements in U.S. Colleges of Business An Empirical Examination of Their Content With Linkages to Configurations and Performance, *Academy of Management Learning & Education*, 2008, Vol. 7, Number. 4, pp.454–470

Pearce, J. A. and David, F. (1987), Corporate Mission Statements: The Bottom Line, *Academy of Management Executive*, Vol. 1 Number 2, pp. 109-116.

Appendix

Table 8.1: Summary of Respondents' General responses

Hypothesis	Yes	Percent	No	Percent	Total
Hypothesis 01: : More Efforts to make Mission statement comprehensive leads to More Effective Mission Statement	40	55.56	32	44.44	72
Hypothesis 02: An effective mission statement must be able to address the key performance factors for an individual employee and the business in general	38	52.78	34	47.22	72
Hypothesis 03: An effective mission statement makes employees fully informed of the ends of the organisation	65	90.28	7	9.72	72
Hypothesis 04: Businesses with more effective mission statements possess more performance behaviour than the ones with less effective mission statements	41	56.94	31	43.06	72

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

