

A CONTENT ANALYSIS OF MISSION STATEMENT IN THE PRIVATE COMMERCIAL BANKS OF BANGLADESH

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Abstract:

A mission statement is an integrated communication tool to convey organization's policies, procedures, plans, and strategies to the divergent stakeholders. The purpose of this study is to focus on the content analysis of mission statement in the private commercial banks of Bangladesh. The findings show that among 28 sample banks, only three banks disclose all the components prescribed by David. The banks are always searching competitive advantage by offering new products and services to the valuable customers. Finally, the study has found product/service as the most significant content in the mission statement of the sample banks. On a whole, it can be suggested that technology must be taken into consideration with the development of product and services in the mission statements.

Key Terms: Content analysis, Bank, Mission statement, Technology

Introduction

A mission statement acts as an internal communication tool that conveys an organization's policies, procedures, plans, and strategies, thereby guiding the behaviors and decisions of management and subordinates. Simultaneously, the mission statement serves as an external communication tool to convey the organization's intentions to the general public (Bartkus & Glassman, 2008). Researchers have defined mission statement as statements of purpose, values statements, goals and strategies, corporate creed, corporate philosophy and so on. A good mission statement describes an organization's purpose, products, services, markets, philosophy and basic technology to chart the future direction of an organization. Development of an organizational mission is an essential part of strategic planning and strategic management (Devid, 2005). A mission statement establishes the values, beliefs, and guidelines for the way the organization conducts its business and determines its relationships with the stakeholders – employees, customers, shareholders, suppliers, governments, and the community (Ackoff R., 1987).

Mission statement as a written formal documents that attempts to capture an organization's unique and enduring purpose and practice (Bart & Tabone, 1998). In simple words, a mission statement "tells two facts about a company: who it is and what it does" (Fasly, 1989, p.3). Similarly, Cochran et al., (2008) state that mission statement "is a declaration of an organization's businesses or reason for being" (p. 27). In

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straightforward words, "a mission statement reveals what an organization want to be and whom it wants to serve"(Fred, 2003, p. 59).

The present study would show the content analysis of mission statement in private commercial bank sin Bangladesh, as there is no specific content analysis of mission statement in the banking sector earlier. The research paper has been structured as: At first, the author has reviewed literature. Then the objective has been set. Next section focuses on the methodology to achieve the objectives. Then analysis and findings are given. And finally conclusive remarks have given.

Literature Review:

The study of mission statements started in the early 1970s and has expanded since then to take a key place in both the literature and the strategic planning processes of organizations. This trend has granted researching mission statements a focused popularity in academic writings as well as in organizations' strategic management process.

Researchers have mentioned different opinions about the content of mission statement of organization. Bart claims to clear the firm's mission, 25 contents is required (Bart C.K. Matters J.,1998). Campbell and Yeung (1991) state that an effective mission statement consists of four contents; they are – purpose, strategy, behavior and value. They claim that this will bind the organization to continue together with the strong corporate culture. However, the study has tempted to analyze the content of mission statement from the perspective of Pearce and David. Pearce and David (1987) state that an effective mission statement exhibits nine characteristics or components as below:

SL#	Name of Contents	Description
1.	Customer	Who are the organizations' customers?
2.	Products/services	What are the organization products or services?
3.	Location/market	Where does the organization compete?
4.	Technology	Is Technology a primary concern of the organization?
5.	Concern for profitability, growth and survival	Is the organization committed to economic objectives?
6.	Philosophy	What are the basic beliefs, values, aspirations, and philosophical priorities of the firm?
7.	Self concept	What is the organization's distinctive competence or major competitive advantage?
8.	Concern for public image	Is the organization responsive to social, community and environmental concerns?
9.	Concern for employees	Are employees considered to be a valuable asset of the organization?

Table – 01: Nine Contents of Mission Statement (David, 1999, 2003).

One of the first earlier studies that aimed at identifying the components of mission statement was conducted by Pearce (1982) who asserts that the products or services, market and technology are the main three components of mission statement, followed by a study conducted by Pearce and David (1987) who reported eight essential components of mission statement: customers, products or services, market, technology, attention for survival, growth and profitability, philosophy, self-concept, and public image. David (1982) believes that there are three main components of a mission statement: product or service, market and technology. In his study, Want (1986) suggests five components of mission statements: purpose, business aims, corporate identity, company policies, and values. According to Campbell and Tawadey (1992), the main components of mission statement are: customers, products or services, location, technology, survival, philosophy, self-concept, public image, and employees. Piercy et al., (1994) concluded that the holistic mission statement should primarily include four parts: philosophy, product or market scope, key values and the identification of key success factors/Bart Christopher K. (1998) has examined 72 North American Corporations by analyzing 25 mission components. According to Sufi and Lyons (2003) based on a comprehensive review of literature of the components of mission statements found the most common items are: concern for customers, communication, survival, values, employee care, quality/innovation, public image, business, location and self concept purpose, identity or image, differentiation factors, corporate values, products, markets, concern for survival, growth, profitability, company philosophy, employees and social concern.

Analoui and karami (2002) found, mission statement that includes: long term profit, survival and growth, customer satisfaction, core technology, market, company values and philosophy, product and services quality, public image, geographic domain, self-concept, and concern for suppliers are the main components of mission statement. Hossain Dewan Mahboob Hossain (2004) has focused on the mission statements of fifteen companies Bangladeshi companies according to the criteria given by Fred R. David. By evaluating these mission statements a conclusion was drawn that the Bangladeshi companies are preparing their mission statements without knowing the basic characteristics that mission statements should possess.

Recently, due to the current business conditions and global economic and environmental conditions, King et al., (2010) contend that a mission statement must be, revised, updated and aligned to cope with current changes and developments of environment. They believe that mission statement should be more universal and should contain new components such as going green concept which can be reflected in three aspects: Ethical behavior, being socially responsible, and protecting the environment. Whleen and Hunger (2012) mentioned that there are nine components to assess mission statement measures in small and medium sized enterprises (SMEs), . These components are purpose, product or service, competitive advantage, scope of operations, philosophy, vision, and sense of shared expectations, public image, and focus on technology, creativity and innovation.

Valerij Dermol (2012) identified that mission statement is a managerial tool which has the power of directing the behavior in a company. Based on a sample of 394 Slovenian companies the study has explored the relationship between the existence of a mission statement and company performance. The evaluation of the mission statements of Omani firms has showed that the sample firms generally did not include the needed components in their mission statements. However, the readability level of those documents was optimal overall (Rajasekar James, 2013). David Meredith E., David Forest R. and David Fred R. (2014) have used content analysis of nine mission statements to provide direction for researchers to examine statements, and practitioners to create and modify statements, from a customer perspective. This study provides a theoretical foundation for researchers to examine mission statements from a customer perspective. K G Rajani and K V Vijay Lakshmy (2014) have done a study on the mission statements of 10 banks in India. Where prime importance is given to their customers and technology is least important.

Sandana Maxwell (2014) has attempted to establish the effect of mission and vision, environmental scanning and the formality of the strategic planning process on the performance of SMEs by applying quantitative research approach through a self-administered survey questionnaire. The main findings of the study suggest that, the mission and vision statements, environmental scanning and the formality of strategic planning have a positive effect on the performance of SMEs. Alawneh Ammar Ali (2015) has aimed at assessing mission statements of 13 Jordanian banks. The results indicate that banks are very interested to possess mission statements. The results also provide no support to the correlation between mission statements' components and performance.

The study was conducted to investigate the relationship between mission statement and company performance in the banking sector in Nigeria. That study shows that with purpose-driven mission statement, companies' turnover, customers' satisfaction, social responsibility and shareholders' equity can be achieved (Ogbari Mercy E., Oke Adunola Oluremi, Ajagbe Musibau Akintunde, T. Isiavwe David, 2015). Arefin Md. Shamsul, Rajib Md. Salah Uddin and Bhuiyan Md. Yeasir Arafat (2018) have identified missing links of mission statement with its probable impact regarding this, it deals with the content analysis of mission statement of pharmaceutical industry of Bangladesh.

The present study has attempted to analyze the contents of mission statement in the private commercial banks of Bangladesh.

Objectives of the study

- To show the content analysis of the mission statements in the private commercial banks.
- To identify the significant content in the mission statements.
- To focus on the comparative analysis regarding the disclosure of contents.

Methodology of the study

This study has collected the mission statements from the annual report of 28 private commercial banks as sample banks (Table – 02) in Bangladesh. The study has attempted to analyze the content of mission statement of the sample banks on the basis of the scale of 1= statement does not include the component, 2=Statement includes the component in vague terms and 3= statement includes the component in specific terms. The sample is classified into conventional private commercial banks and Islamic Shariah based private commercial banks. represents 70% % of the total population. Data has been processed during the period of May 2018 to July 2018. Content analysis (Zikmund, 2003) has been done to show the presence of the contents in the mission statements of the sample banks. Secondly, the percentage term has been used to show the presence of the content in the mission statement. And finally, the study has used average score to identify the most significant content in the mission statements of the sample banks.

Categories	Population	Sample
Conventional Private Commercial Banks (CPBs)	32	22
Islamic Shariah Based Private Commercial Banks (IPBs)	08	06
Total	40	28

Table – 02: Sample Size of the Study

Results and Discussion

The author has presented the content analysis (Appendix – I) of the mission statement in the sample banks. Table – 03 shows the presence of contents in the mission statements in the conventional private Banks. Two conventional private commercial banks disclose 100% components in the mission statement. These are Brac Bank Limited and Jamuna Bank Limited.

SL. No.	Name of Banks	Presence of Components (Score out of 9)	Percent (%)
1.	AB Bank Ltd. (ABBL)	4	44%
2.	Bank Asia Ltd. (BAL)	7	78%
3.	Brac Bank Ltd. (BracBL)	9	100%
4.	City Bank Ltd. (CBL)	7	78%
5.	Dhaka Bank Ltd. (DBL)	7	78%
6.	Dutch Bangla Bank Ltd. (DBBL)	5	56%
7.	Eastern Bank Ltd. (EBL)	6	67%
8.	The International Finance Investment and Commerce Bank Ltd. (IFICBL)	7	78%

9.	Jamuna Bank Ltd. (JMBL)	9	100%
10.	Mercantile Bank Ltd. (MBL)	3	33%
11.	Mutual Trust Bank Ltd. (MTBL)	7	78%
12.	National Bank Ltd. (NBL)	8	89%
13.	National Credit & Commerce Bank Ltd. (NCCBL)	7	78%
14.	One Bank Ltd. (OBL)	5	56%
15.	Premier Bank Ltd. (PRBL)	7	78%
16.	Prime Bank Ltd. (PBL)	6	67%
17.	Pubali Bank Ltd. (PBBL)	7	78%
18.	Southeast Bank Ltd. (SOBL)	7	78%
19.	Standard Bank Ltd. (STBL)	4	44%
20.	Trust Bank Ltd. (TBL)	8	89%
21.	United Commercial Bank Ltd. (UCBL)	4	44%
22.	Uttara bank Ltd. (UBL)	8	89%

Table – 03 : The presence of components in the mission statements of CPBs
Source: Mission Statements of Annual Report 2016

Among the Islamic Shariah based private commercial banks (Table – 04) only one banks Social Islami Bank Limited has presented all nine contents prescribed by David.

SL. No.	Name of Banks	Presence of Components (Score out of 9)	Percent (%)
1	Al-Arafah Islami bank Ltd. (ALBL)	7	78%
2.	Export Import Bank Ltd. (EXIMBL)	7	78%
3.	First Security Bank Ltd. (FSBL)	6	67%
4.	Islami Bank Ltd. (IBL)	3	33%
5.	Shahajalal Islami Bank Ltd. (SIBL)	7	78%
6.	Social Islami Bank Ltd. (SOIBL)	9	100%

Table – 04: The presence of components in the mission statements of IPBs
Source: Mission Statements of Annual Report 2016

From the detail content analysis (Appendix – I) the study has found that 82.14% banks have given most emphasis on self-concept (Table – 05) i.e. the banks are always searching competitive advantage by offering new products and services to the valuable customers. As the author has found that both the contents have been presented by 22

banks in their mission statements. It is also mentioned that 75% of the sample banks are emphasizing on profitability, growth and public image to survive in the long run.

Components of mission statement	No. of banks emphasizing the components	% of the sample banks
Customers	22	78.57%
Product/services	22	78.57%
Location/market	12	42.86%
Technology	15	53.57%
Profitability, growth & survival	21	75%
Philosophy	18	64.29%
Self-Concept	23	82.14%
Public Image	21	75%
Employees	16	57.14%

Table – 05: Number of banks disclosing nine contents

Finally the author has used average score (Table – 06) to identify most significant Content in the mission statements. Based on the average-score result, the most significant content (average score = 2.50) is customers in case of conventional private commercial banks. On the other hand, products/services (average score = 2.83) are the most significant in case of Islamic shariah based private commercial banks. Simultaneously, location/market is not given priority in the conventional private commercial banks and self-concept is less significant in Islamic shariah based private commercial banks as these two content show lowest average score i.e. 1.95 and 1.83 respectively.

Name of Contents	CPBs	IPBs
Customer	2.50	2.50
Products/services	2.45	2.83
Location/market	1.50	2.00
Technology	1.95	2.33
Profitability, growth and survival	2.32	2.33
Philosophy	1.91	2.67
Self-concept	2.32	1.83
Concern for public image	2.23	2.33
Concern for employees	2.09	2.33

Table – 06: Average score of mission statement analysis

The findings of the study show that the banking industry is lagging behind to disclose the content of mission statement prescribed by David. Only three banks out of sample banks of this study disclose all the components (100%). Self-concept is disclosed by 23 banks to be competitive in the banking industry in the long run. Finally, the study has found product/service as the most significant content in the mission statement of the sample banks.

Conclusive Remarks

A mission statement acts as an integrated communication tool that conveys an organization's policies, procedures, plans, and strategies, thereby guiding the behaviors and decisions of management and subordinates to the general public. The banks that are giving maximum importance to their main stakeholders, the Customers. They are increasingly taking competitive advantage by offering innovative products/service with modern technologies. Banks now a day make maximum use of computer technology. Most of the innovations that they have made are purely depended on Technology. So, including that component in the mission statement also demands much attention. On a whole, it can be advised that mainly Technology and Products/ Services must be taken into consideration in the mission statements. The mission statements, as they are supposed to reflect true picture on the business of a firm, it would be appreciable if these suggestions be considered and followed up.

Appendix – I : Content analysis of mission statements

Name of Banks	Customers	Product/ services	Location / market	Technology	Profitability, growth & survival	Philosophy	Self concept	Public Image	Employees
ABBL	1	1	2	1	2	1	2	1	1
BAL	3	3	1	3	3	2	2	1	3
BracBL	2	3	3	1	3	3	2	3	3
CBL	3	3	1	3	1	2	3	3	2
DBL	1	3	2	3	2	2	3	1	3
DBBL	1	3	1	1	3	2	2	3	1
EBL	3	1	1	2	1	2	2	3	3
IFICBL	3	3	1	1	3	3	3	3	3
JMBL	3	3	2	3	3	1	2	2	3
MBL	2	1	1	1	3	1	3	1	1
MTBL	3	3	2	2	2	1	3	2	1

NBL	2	3	2	2	2	2	2	3	1
NCCBL	3	3	3	3	3	1	2	3	1
OBL	3	2	1	1	1	2	1	3	3
PrBL	3	3	1	3	3	3	3	3	1
PBL	3	1	1	3	2	2	2	2	1
PBBL	3	3	1	3	2	1	2	2	3
SOBL	3	3	1	1	3	3	3	3	3
STBL	1	1	2	1	3	1	3	1	2
TBL	3	3	1	3	3	3	2	2	3
UCBL	3	2	1	1	1	1	2	2	1
UBL	3	3	2	1	2	3	2	2	3
AIBL	3	3	1	3	1	3	3	2	3
EXIMBL	3	3	2	3	3	3	1	2	1
FSBL	1	3	2	1	3	3	1	3	3
IBL	2	2	1	1	1	1	1	3	1
SIBL	3	3	3	3	3	3	2	1	3
SOIBL	3	3	3	3	3	3	3	3	3

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