

MISSION STATEMENTS AND ANALYSIS OF THEIR CONTENTS: A STUDY OF SOME SELECTED BANKS IN NIGERIA

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ABSTRACT

The study is an attempt to identify the components of the mission statements of some selected banks and also to examine the extent to which these banks fulfill their mission statements. A total of 37 banks' mission statements were analyzed, while 81 copies of questionnaire were administered to eight of them. Nineteen different components were identified while the responses showed that most of the selected banks were making efforts to fulfill their mission statements.

INTRODUCTION

The success of any organization depends on the vision of its leaders and the extent to which its vision is translated into a broadly defined mission and implemented accordingly. The translation of mission statement into achievable goals and objectives by the organization leaders enhance effectiveness and performance. According to Lynch (1997), small businesses, government institutions and non-profit organizations have all come to realize that the development of a mission statement is a prerequisite for strategy development. Organizational mission, therefore, gives direction to organizational leadership thinking and action.

The study is an attempt to present the mission statements of 37 banks in Nigeria, identify the components of their mission statements and appraise the extent to which eight of them are fulfilling their mission. In order to achieve these objectives, the paper is divided into six sections as follows: introduction, definitions of mission statement, process of developing mission statement; mission statement and analysis of the contents of selected mission statements, and summary and conclusion.

Conceptual Framework *Meaning of Mission Statement*

Mission statement is viewed as the broadly stated definition of basic business scope and operation that distinguishes one organization from others. It is unique to the organization in question and distinguishes one organization from others (Kotler, 1998, Perce II, 1982). The mission statement outlines the broad directions that briefly summarize the reasoning and values that lie behind the organization. There are different views on the form, purpose and content of mission statement. Prasad and Doz (1987), for example, suggested that companies should concentrate on short and concise statements of their strategic intent. However, Pearce II and David (1987) found that successful organizations mission statements were more comprehensive than that of the less successful firms, which tends to focus on simple product/market. According to David (1989), mission statements often include various components such as customers, products of services, locations, technology, concern for survival, philosophy, self-concept, concern public image and concern for employees. Innovation and creativity were singled out in Fafowora (1998) as being possible for the growth of an organization. While creativity is thinking up / ideas, innovation is doing new things, ouch (1998) also identified social possibility or what David (1989) referred as concern for the public as very important. He sees corporate social possibility as an obligation to act in ways it serve both its own interests and the of its external public, that is, the

stakeholders, in the person and groups who are affected in one way by the behaviour of an organization. He suggested that a social audit can be used at regular intervals to systematically assess and report organization resources commitments and action accomplishments these and other areas of social performance. The implication from the suggestion above is that each organization ought to regularly evaluate each comment of its mission statement to be able determine to what extent it is fulfilling its provision statement.

Process of Developing Mission Statement

In formulating the organizational mission, specific attention must be given to the nature of organization, while focusing on customers' needs and how to satisfy such needs. The basic value and belief of the organizational leadership has an important role to play in formulating an enduring mission statement. In developing a standard mission statement, the organization must bear in mind the following:

The Stakeholders: The interest of the various stakeholders must be put into consideration. In modern-day business, ownership is separated from management, managers will be interested in maximizing their own benefits. There is need to strike a balance among the various stakeholders such that the mission statement will specify the value placed on each stakeholder in the affairs of the firm. Table I below shows the expectation of different stakeholders, which must be balanced.

The owners of the business have invested their fund; their primary expectation is a reasonable return from their investment and added value to their investment. **The employees'** expectation is reasonable pay, work satisfaction and well-motivated work environment and incentives. **The Customer's** expectations include provision of quality service at reasonable and affordable prices. Satisfaction of customer's expectation will bring about higher return to the organization. **The Creditors** are also not left out, as the mission statement must assure them of prompt payments at reasonable time. There must be a commitment of organization in fulfilling its financial obligation promptly. **The Suppliers** expect prompt payment of supplies in order to establish a long-term relationship, as this will create goodwill between the organization and its suppliers. **The Community** wants to be assured of safety and security of the organization products and service. The various banks that operate within the society obtained all their input from the society and release their output into the society. It is reasonable for the various banking organizations to be committed to the development of the community by complimenting government efforts in some key areas such as health, sporting activities, scholarship award and a host of others. **Government** policy must be implemented with seriousness. The competitive environment can only be maintained when competitive activities are operated within the framework of the law. The formulation of the mission statement must take into consideration these conflicting interests of the various stakeholders.

Table 1		
Stakeholders and Their Expectations		
Stakeholders	Expectations	
	Primary	Secondary
Owners	Financial return	Added value
Employees	Pay	Work satisfaction
Customers	Supply of good and Services (at reasonable prices)	Quality
Creditors	Credit worthiness	Payment on time
Suppliers	Payment	Long-term relationship
Community	Safety and security	Contribution to community
Government	Compliance	Improved competitiveness

Source: Lynch, R. (1997:482) Corporate Strategy, London: *London Financial Times*.

The Culture of the Leaders: The mission statement is greatly influenced by the people behind the scene. The values and beliefs of the owners will reflect in the formulation of the mission statement. Their commitment and belief in the mission statement will affect how the other members of the organization will embrace it. It must be embedded into the organizational culture, such that the mission statement guides the behaviours of the organization's members.

The Extent of Ethical Consideration

This again will affect the mission statement. Most mission statements specifically address the issue of business ethic. For any organization that desires long-term survival, it must understand and uphold the ethical values of the society.

Methodology of the Study

The annual reports of the banks under study were those available in the library and those obtained from part-time students of Distance Learning Institute, University of Lagos. Furthermore, structured questionnaire were used for data gathering. The structured questionnaire provides for uniformity of responses, while it also allows for easy analysis and comparison. A total of 120 copies of questionnaire were administered to the eight selected banks {15 for each bank} out of which a total of 81 were retrieved and analyzed, using simple percentage and frequency tables.

Discussion of Findings

Mission Statements and Organizational Strategy

It has been stated earlier that mission statements determine the organization strategy. The mission statement ought to point out what business the organization is into and how it intends to uniquely carry out its business. The Zenith Bank Nig. Plc Mission Statement is:

We have created a professional environment where individuals are encouraged to display their creativity, which would translate into greater wealth creation for our clients

"The mission statement recognized: creativity among the organizational members, which has been properly recognized to take advantage of the dynamic environment. No wonder the organization is one of the leading banks in Nigeria. *The Financial Times* of London, inferred Zenith

Bank Plc with "the Banker of the year 2005 Award", as reported by *The News* of September 2005. This high level of performance has been maintained consistently for upwards of five years.

Guaranty Trust Bank Plc, also known for aggressiveness is also making impact within the financial sector. A mission statement must be stated with clarity so that no confusion occurs when goals and objectives of the organization are to be set. The mission statement of one of the banks studied for example is, "We provide unrivalled 'support for business through generations". This kind of mission statement is ambiguous. It may be difficult to come up with reasonable objectives, but the mission statement must be clearly stated; it must specify the nature of support given to business.

Table 2
Banks and their Mission Statements

	Name of Bank	Mission Statement	Component of Mission
1	First Bank (Nig.) Plc	Remain true to our name by providing the best financial service possible	<ul style="list-style-type: none"> • Service quality
2.	Zenith International Bank Nig. Plc.	We have created a professional environment where individuals are encouraged to display their creativity, which would translate into greater wealth creation for our clients	<ul style="list-style-type: none"> • Customer • Workforce • Creativity
3.	Union Bank Plc.	To be the foremost financial institution with the most Satisfied customers	<ul style="list-style-type: none"> • Customer satisfaction • Leading institution
4.	Oceanic Bank	To provide excellent and comprehensive services to our customers in a friendly environment using qualified and experienced personnel with appropriate technology	<ul style="list-style-type: none"> • Customer service quality • Workforce • Technology
5.	Inland Bank Nig. Plc	To be a leading financial institution guided by high ethical/ professional standards using appropriate technology, a motivated workforce to provide excellent service delivery and quality return to all stakeholders	<ul style="list-style-type: none"> • Ethical standard • Technology • Workforce • Quality service • Stakeholder
6.	Prudent Bank Plc.	We have chosen the symbol of relationship as our corporate byline. We desire to be a friendly and caring bank through a conscious and sincere approach to customer care. We hold dearly the ethos of customer satisfaction, that is the reason why we are in business.	<ul style="list-style-type: none"> • Customer relationship
7.	Gulf Bank of Nig. Plc.	To build a bank that is driven by the desire to always exceed every expectation of our customers through a highly motivated and professional team applying state-of-the-art technology to maximize returns on stakeholders investments while being conscious of our social responsibility	<ul style="list-style-type: none"> • Customers service quality • Workforce • Technology • Shareholders • Social responsibility
8.	United Bank for Africa (UBA)	To provide first class service to our customers delivered by well trained and highly motivated people motivated by the best technology generating superior	<ul style="list-style-type: none"> • Customers service quality • Workforce • Technology • Shareholder • Social responsibility

		returns to shareholders while positively impacting on the community served.	
9.	Society General Bank Nig. Ltd.	<p>To be recognized as providing in best financial service through a team of committed, experienced and customer service oriented professionals supported by first class technology and cost efficient operations.</p> <p>To satisfy our chosen customers with superior quality and value, and be known as a bank that our employees and customers are proud to be associated with.</p> <p>To achieve growth and above average returns for stakeholders from the pro-active management of our business and a studied awareness of new opportunity.</p>	<ul style="list-style-type: none"> • Customers service • Workforce/employees • Quality service • Growth • Shareholders returns • Open New Opportunity • Proactive management • Technology
10.	Standard Trust Bank	To attain and maintain leadership of the financial services sector in Africa through providing consistent superior solutions; creating our stakeholders while abiding by the utmost professional standards	<ul style="list-style-type: none"> • Leadership • Superior service • Stakeholders • Ethics/professional standard
11.	Standard Chartered Bank Nig. Ltd.	To be recognized as the provider of choice to our chosen target market and to offer the highest quality products and services in an environment of integrity and professionalism.	<ul style="list-style-type: none"> • Quality product quality service • Integrity
12.	Intercontinental Bank Ltd.	We are committed to creating highly profitable financial services, providing innovative, efficient and professional services to corporate and individual clients worldwide while demonstrating a high sense of social responsibility in all our activities	<ul style="list-style-type: none"> • Diversified financial services to customers • Social Responsibility • Innovative

13.	Hallmark Bank	At Hallmark, we have a commitment to serve. This means achieving excellence in banking by living up to our name HALLMARK a guarantee of quality. Our goal is to provide superior Banking service in all aspect of our business to the customer and ultimately our shareholders	<ul style="list-style-type: none"> • superior DanKing service • Customer satisfaction • Shareholder satisfaction
14.	Equatorial Trust Bank Ltd.	To be a highly referenced, efficient courteous and innovative bank that combines modern information technology with technical competence to foster an enduring partnership with our customers	<ul style="list-style-type: none"> • Innovative • Technology • Customer workforce
15.	Cooperative Development Bank Plc	Our mission is to produce highly personalized and consistently reliable range of banking and financial service tailored to meet client needs in our carefully defined target markets.	<ul style="list-style-type: none"> • Customer • Custom product
16	NAL Bank Ltd.	To be a leader in the provision of excellent, broad-based banking service to a select clientele, earning consistently high returns for our shareholders through a team of high skilled professionals, using appropriate technology in a motivating work environment	<ul style="list-style-type: none"> • Customer • Shareholder • Skilled workforce • Technology • Leader
17.	Platinum Bank Ltd	To be a model and innovative financial services institution, where, together with passion, we create superior value for our customer by redefining services standard.	<ul style="list-style-type: none"> • Innovative • Superior value for customers • Service standard
18.	FSB International Bank Plc.	We have maintained a clear focus which is to serve our increasing customer base by delivery of world class banking services to them in a seamless and hassle-free manner.	<ul style="list-style-type: none"> • Customers service • Quality
19.	Trade Bank Plc.	To provide personalized and efficient banking approach, using appropriate technology and qualitative manpower	<ul style="list-style-type: none"> • Customer • Workforce • Technology
20.	Lead Bank Plc.	We provide unrivalled support for business through generations.	<ul style="list-style-type: none"> • Ambiguous
21.	Eko International	To provide efficient customer services through highly motivated professionals	<ul style="list-style-type: none"> • Customer • Workforce

	Bank Nig. Plc.	aided by advanced technology while remaining a responsible corporate citizen	<ul style="list-style-type: none"> • Technology • Social Responsibility
22.	First Atlantic Bank	To delight our customers through the innovative use of technology and people, thereby creating wealth for our stakeholders.	<ul style="list-style-type: none"> • Customers • Technology • Workforce/Innovative • Stakeholders

23.	Magnum Trust Bank	To create an enduring relationship through provision of financial services and solutions that surpasses customer's satisfaction	<ul style="list-style-type: none"> • Customer relationship • Service standard
24.	Regent Bank Plc.	Investor friendly commercial banking using contemporary information technology and motivated workforce to provide the highest standard of customer services	<ul style="list-style-type: none"> • Customer • Technology • Workforce • Quality service
25.	Ze. Bank Ltd.	To be the first-choice financial service provider in all the markets we operate in with a commitment to providing professional upscale financial solution to a discerning target through a deft use of technology and a culture of service excellence to ensure the optimal development and growth of all our stakeholders.	<ul style="list-style-type: none"> • Product quality • Technology • Quality service • Stakeholders

Contents of the Mission Statements: A Critical Analysis

David (1989), in his study, found nine components of mission statements, namely, customers, products or services, locations, technology, concern for survival, philosophy, self-concept, concern for public image and concern for employees.

Table 3
Frequency of Component of Mission Statement

Components of Mission Statements	(Frequency)	%
Customer	31	83
Service Quality	21	58
Workforce	14	39
Technology	13	36
Stakeholders	8	22
Shareholders	7	19
Social Responsibility	7	19
Ethical/Professional, Standard /Integrity	7	19
Innovative/Creativity	3	0.08
Profitability/High Profit	3	0.08
Product Quality	3	0.08
Relationship		0.03
Proactive		0.03
Custom Product		0.03
Winning All Times		0.30
Security of Investment		0.03
Leading		0.03
Growth		0.03
Target Market		Selected

The current study has expanded components of mission statements totaling 19, as shown in Table 3. Top on the list is the concern for customers; about 31 out of the 37 studied banks specifically expressed their concern for the customers. A closer look at the other six showed that three generalized by using the stakeholders, one used: target market, while one, did not specifically reflect customers or stakeholders, claiming to "remain true to our name by providing the best financial services possible" and one has an ambiguous mission statement.

The quality of service to the customers was the second on the list with 21 or 58% of the sample specifying that as their core concern. Before the proliferation of financial institutions in Nigeria, customers" were subjected to long queues and uncultured bank workers. The emphasis of banks on the improved service has brought about an improved service to customers with many banks asking customers to report cases of unsatisfactory service to the manager.

Similarly, emphasis on workforce and technology is well pronounced, recording 39% and 36%, respectively. The quality of human capital has a serious implication on the ability of banks to live up to their mission statements. Most of the banks emphasized the importance of the workforce. The mission statement used words like "motivated workforce", "qualified", "experienced", "well-trained", etc. No organization can give quality services to customers except the workforce is well motivated. The workforce needs modern equipment to work with, especially to deliver added value to the customers, hence the emphasis on employment of modern technology to improve the quality of service. Most banking services have been computerized; hence it is possible to give better services to customers as a result of improved technology.

The concern for stakeholders and shareholders also received wide attention of the mission statement, accounting for 22% and 19%, respectively. An organization cannot close its eyes to the interest of stakeholders in the formulation of their mission statements. Concern for creativity and innovation showed that about 36% of the mission statements included these components. These components are vital to the growth of any organization. Creativity and innovation in product and service delivery is required regularly if the organization must have competitive advantage within the market environment (Fafowora, 1998).

Profitability and product quality were not seriously emphasized, particularly product quality, since banks are service industry, most mission statements emphasized the service quality rather than product quality. The emphasis is not placed on profitability but it is implied. If organizations can create an added value through enhanced customer satisfaction, profit will necessarily result.

Table 4 shows the total respondents from the banks under study. About 81 or 67.5% of these completed the questionnaire. All the respondents claimed to know and understand the contents of the mission statement of their banks. Knowledge of the mission statement is the prerequisite for achieving its objectives.

Table 5 presents the responses to the question seeking to know whether the management often shares the content of the mission statement with the staff.

Table 4
Name of Banks Selected and Number of Respondents

Name of Bank	Number of Respondents	%
Union Bank of Nig. PLC (UBN)	12	80
WEMA Bank PLC (WEMA)	11	73
United Bank for Africa PLC (UBA)	11	73
First Bank of Nig. PLC (FBN)	10	66
Oceanic Bank Inter. PLC (Oceanic)	10	66
Guaranty Trust Bank PLC (GT Bank)	10	66
Zenith International Bank PLC (ZENITH)	09	60
Global Bank PLC (GLOBAL)	08	53

Table 5
Periodic Sharing of the Contents of Mission Statement

Name of Bank	Very Often	Often	Rarely
UBN	7 (58%)	5(42%)	-
WEMA	9 (61 %)	2 (39%)	-
UBA	5(45%)	6 (55%)	-
FBN	7 (70%)	3 (30%)	-
OCEANIC	2 (20%)	8 (80%)	-
ZENITH	8 (89%)	1 (11%)	-
GLOBAL	-	2 (25%)	6(75%)

From the result, it is obvious that all the banks, except one, "very often" and "often" share the mission statement with their staff. The implication of this is that all the staff are aware of what their banks are out to do to remain in business, and management is doing everything to communicate this to them. The study further reveals that the management often makes each staff to see how his/her duties directly or indirectly contribute to the attainment of the organization's mission. Top management has the responsibility to communicate as effectively as possible the mission statement to all stakeholders in the organization. Effective communication of the mission statement could be achieved through periodic training of the employees, social gatherings marking the end of the year, and all available avenues open to the management.

Table 6 shows how the duties of each staff are directly linked with the mission statement. The implication of this is that management often ensures that each staff sees the importance of his role to the success of the organization. It is obvious from this result that majority of the banks

Table 6
Linking of Staff Duties to Mission Statement

Name of Bank	Very Often	Often	Rarely
UBN	9 (75%)	3 (25%)	-
WEMA	5 (45%)	6 (55%)	
UBA	3 (75%)	8 (73%)	
FBN	5 (50%)	5 (50%)	
OCEANIC	8 (80%)	2 (20%)	
GTB	6 (60%)	4 (40%)	
ZENITH	9 (100%)		
GLOBAL	7 (87.5%)	1 (12.5%)	

ensure that staff understand their roles and the goals of the organization. It is safe, therefore, to conclude that most operators of banking business are conscious of their mission statements and doing their best to ensure its fulfilment.

Generally, the mission statements of some organizations are too compressed to give clear understanding of their strategic intent while others are so elaborate that in-depth understanding of their strategic intent could be clearly understood even by a layman. Every organization must choose whether to have an elaborate or concise mission statement. Whichever one is chosen, it must be clearly stated and not subject to misinterpretation. Organizations must make efforts to ensure the fulfilment of their mission statements.

Summary and Conclusion

This paper has been able to present the mission statement of 37 banks in Nigeria. Brief definitions of mission statement were given while various components of mission statements were presented and briefly discussed. It is worthy of note that no matter how well conceived and well written the mission statement may be if it is not religiously implemented, it would not influence/enhance the performance of the organization. Among the banks whose mission statements are discussed, some are not currently in operation, not because they do not have a well written mission statement, but because of the possible gap between their mission statements and their implementation.

This paper has been able to show that the banking industry is aware of the reason for its existence, since the top managements ensure that employees understand the mission statement and each employee's job is linked to it. There is need to go further to isolate each component of the organizational performance. It is, therefore, recommended that a further study be carried out on the various banks to investigate the extent to which they fulfil each component of the organization's mission statement and to compare their performance to the industry's average.

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