

RELEVANCE OF ORGANIZATION MISSION TO ITS GROWTH IN A DEVELOPING ECONOMY

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Abstract

The complexity of today's business environment coupled with increasingly competitive marketplace calls for clearly defined organizational mission. This paper reviews the concept of organization mission and discusses its relevance to the growth of businesses in a developing economy. The paper concludes that well-defined organizational missions forms the basis for the development of all subsequent goals and plans and enhance employee motivation and organizational performance.

Keywords: Organisation mission, growth

Introduction

An organizational mission is an organization's reason for existence (Daft, 2005). It often reflects the values and beliefs of top managers in an organization. A mission statement is the broad definition of the organizational mission. It is sometimes referred to as a creed, purpose, or statement of corporate philosophy and values. A good mission statement is very important in a developing economy; to inspire employees and provides a focus and direction for setting lower level objectives. It should guide employees in making decisions and establish what the organization does.

Theoretical Framework

The mission is the organisation's basic function in society, in terms of the products and services it produces for its customers (David & Fred, 2003). Mission statements are crucial for organizations to prosper and grow. Studies suggest that they have a positive impact on profitability and can increase shareholder equity (Radtake, 2006; Bart & Tabone, 2008). Unfortunately, other studies indicated that almost 40 percent of employees do not know or understand their company's mission (Bart & Tabone, 2008).

While mission statements vary from organization to organization and represent the distinctness of each one, they all share similar components (Miller, 1997). Most statements include descriptions of the organization's target market, the geographic domain, their concern for survival, growth and profitability, the company philosophy, and the organization's desired public image. An example of a good mission statement is: "Our mission is to become the favourite family dining restaurant in every neighbourhood in which we operate. This will be accomplished by serving a variety of delicious tasting and generously portioned foods at moderate prices. Our restaurants will be clean, fun, and casual. Our guests will be served by friendly, knowledgeable people that are dedicated to providing excellent customer service." This mission statement describes the target market, which are families and the geographic domain of neighbourhoods. It clearly states how it expects to be profitable by offering excellent customer service by friendly, knowledgeable people. When defining the mission statement it is important to take into account external influences such as the competition, labour conditions, economic conditions, and possible government regulation. It

is important to remember however, that mission statements that try to be everything to everybody end up being nothing to anybody.

Companies should have mission statements that clearly define expected shareholder returns and they should regularly measure performance in terms of those expected returns (David & Fred, 2003). If the major reason for a business's existence is to make a profit then it stands to reason that expectations of profit should be included in the organization's mission. This means that management should reach a consensus about which aspects of the company's profit performance should be measured. These might include margin growth, product quality, market share changes, competitive cost position, and capital structure efficiency.

A mission statement sets the boundaries for how resources should be allocated and what strategic and operational goals should be set (Robbins, 2007). The mission statement should acknowledge the company's strengths and then inform employees where to direct their efforts in order to take advantage of those strengths. Before writing a mission statement organizations should take a look at how they are different from the competition, whether it is in technology, image and name brand, or employees. It can often be thought of as a recipe for success because it not only defines the organization's accomplishments but it also provides employees with directions to help them develop plans and look for opportunities for improvement.

The organization defines what is acceptable behaviour through the mission statement (Robbins, 2007). Values and beliefs are the core of a strong mission statement. Another example: "Quality and values will secure our success. We will live by our values, have fun, and take pride in what we do. Our values are to maintain a work environment where people enjoy coming to work, to serve our guests and exceed their expectations, and to be profitable and result oriented." This mission statement is simple and straightforward. It does not, however, specify the products or target market. The mission statement also provides meaning to the organization by stating not only what goals the company wants to achieve but also why it wants to achieve these goals. It is not effective unless it is challenging and forces workers to establish goals and means to measure the achievement of those goals. A mission statement should inspire employees and get them involved in the organization. It has been called the glue that holds the organization together through shared values and standards of behaviour. A mission statement should be relevant to the history, culture, and values of the company (Miller, 1997).

Implications to Management

It is often helpful to allow company-wide input when creating a mission statement. This "bottom up" approach results in greater commitment to the organization and a better understanding of the organization. Employees from throughout the organization can help identify the core values of the company. In order to encourage employee participation, many companies have created competitions inviting employees to submit suggestions. Cash prizes are sometimes provided as an incentive for creative and inspirational statements. Some companies find it useful to invite customers to assist in writing a mission statement because they can provide an honest perspective. Another option is to review mission statements from other companies. This can help provide ideas as the writing process begins.

A mission statement is worthless unless it has the support of the employees in the organization (Ganu, 2013). It will only be successful if each employee commits to its success and internalizes it. Once the statement is completed it is extremely important that the organization not put it on the shelf to collect dust. It should be shared with the entire company. The introduction of the mission statement should come directly from top management in order to set the example. Organizations should be creative in making employees aware of the mission statement. Placing it strategically in locations where employees gather will increase awareness and remind them of the goals of the organization. Videos outlining the details of the new mission statement are often useful; however, it is critical that employees have the opportunity to discuss the statement with members of management. Setting up meetings with members of management and frontline

employees can often help uncover areas where the company does not meet the standards set by the mission statement. Communicating the mission statement to customers will make them feel valued and important. It can be sent to customers in a mass mailing or posted on signs in areas those customers frequent. It sets forth the goals of the organization so customers know what to expect when doing business with the company.

Conclusion

In conclusion, mission statements provide a sense of direction and purpose. In times of change and growth they can be an anchor and a guide in decision making. The mission of an organisation gives it a focus and a strategy for the future. A well-defined organisational mission forms the basis for the development of all subsequent goals and plans and enhance employee motivation and organisational performance. They have become the cornerstones of organizations (Bart & Tabone, 2008). Defining an organization by what it produces and who it satisfies are major steps towards creating a sound and stable mission statement. Setting a company apart from the competition is probably one of the biggest advantages especially in a developing and competitive economy.

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