

Linking Mission Statements Components to Management Effectiveness

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Abstract

This study examines mission statements and management effectiveness in “first generation” insurance companies in Nigeria. Content analysis method has been applied with the mission statements and data collected from annual reports (2013-2018) of six insurance companies. In terms of the data analysis, Pearson correlation and descriptive statistics have been employed. The results suggest that the mission statements’ components including the product/service, growth orientation, competences, public image and personnel are crucial for management effectiveness proxied by two ratios of return on equity (ROE) and return on assets (ROA). The study, therefore, recommends that businesses must include in their mission statements, product/service, growth orientation, competences, public image and personnel mission statement components. The study drawback is the small sample size. The study has also proposed area for further research and managerial implications.

Keywords

Content Analysis, Management Effectiveness, Return on Assets (ROA), Mission Statements, Return on Equity (ROE).

Introduction

Mission statement (MS) is a unique approach of communication on the rationale and purpose of establishing an organisation. The missions set the businesses apart from their competitors (Pearce & David, 1987; Campbell & Yeung, 1991) and shape their strategic posture (Nwachukwu & Zufan, 2017). The mission statement focuses on a number of crucial aspects of business operations such as philosophy, competencies, customer’s