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The Role of Mission Statement in Strategic Management: A Case of Service Industries in Choma District of Southern Province, Zambia

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Abstract: *The mission statement is an important organizational tool that forms the foundation for all other organizational objectives and strategies. Furthermore, it helps a firm present itself favorably to the public and identify and respond to various stakeholders. Mission statements vary in length, content, format, and specificity. Most practitioners and academicians in strategic management suggest that an effectively written mission statement exhibits nine characteristics or mission statement components. Since a mission statement is often the most visible and public part of the strategic management process, it is important that it includes most, if not all, of these essential components. Hence, the purpose of this research was to establish the role of organizational mission statements in the strategic management process of service industries so as to ensure they are managed better to result in improved and competitive entities in Choma district. This research was premised on the descriptive qualitative method of analysis. The use of the qualitative method allowed the researchers to measure variables and the effects of one variable on another precisely, particularly when the causal relationships between variables are complex. The study sampled entrepreneurs in the service sector based in Choma district. Data was obtained from the respondents by means of questionnaires. Frequency tables, graphs, figures, and pie-charts were used to analyze the research data. Data was also analyzed by the use of software; Statistical Package for Social Sciences (SPSS, version 26) and Microsoft Excel (version 16). The findings indicated that strategic management is considered an integral part of strategic management in most organizations. A clear correlation was established between the existence of the clearly stated written mission statements and the organizational performance.*

Keywords: *Business Strategies, Entrepreneur, Mission Statement, Organizational Tools and Strategic Management.*

1. INTRODUCTION

In the realm of strategic management, a mission statement plays a crucial role in guiding an organization's actions and decisions. It serves as a concise declaration of an organization's core purpose, values, and goals. A mission statement is a concise declaration that communicates an

organization's purpose, identity, and values (William, 2001). It serves as a fundamental component of an organization's strategic management process, guiding decision-making and actions. A mission statement defines the primary reason for an organization's existence. It outlines the core purpose and identity of the organization, helping stakeholders, including employees and customers, understand what the organization stands for and what it aims to achieve. According to Wright (2002), mission statements play a crucial role in guiding the development of an organization's strategic plan. When crafting strategic objectives and goals, decision-makers refer to the mission statement to ensure alignment with the organization's overarching purpose. A well-crafted mission statement provides a clear sense of direction to the organization. It helps leaders and employees focus on activities and initiatives that are consistent with the organization's mission, avoiding distractions or deviations from the core purpose. Mission statements act as decision-making filters (Penrose, 2011). When faced with choices or opportunities, organizations can evaluate them against the mission statement to determine if they align with the organization's core values and objectives. A mission statement serves as a communication tool both internally and externally. Internally, it helps employees understand the organization's vision and purpose, fostering a sense of belonging and motivation. Externally, it communicates to customers, partners, and stakeholders what the organization represents. Organizations with compelling mission statements often find it easier to attract and retain employees who are passionate about the organization's purpose. Employees who resonate with the mission are more likely to be engaged and committed. A mission statement contributes to the development of organizational culture. It sets the tone for the values and behaviors expected within the organization, helping to create a cohesive and values-driven workplace. Mission statements can serve as a benchmark for evaluating the success of an organization. (Kim & Wilemone, 2002) say that by comparing actual accomplishments to the mission's stated goals, leaders can assess whether the organization is fulfilling its purpose. While a mission statement provides a stable foundation, it should also be adaptable to changing circumstances. Organizations may need to revisit and update.

Business organizations are entities that are established to pursue and achieve certain predetermined objectives. Such objectives, which are invariably classified in the literature as organizational goals, are usually formulated and incorporated into the mission statements of the respective organizations. A mission statement refers to a declaration of the reasons for a company's existence as well as a description of its operations. It also provides the framework within which strategies are formulated (Bart, 2000) and is intended to guide future executive actions. The mission statement illustrates the direction and embodies the basic goals, values, and philosophies that are expected to shape the company's strategic posture. It portrays the image the company seeks to project, reflects the company's self-concept, and indicates the principal product/service areas and primary customer needs the company intends to satisfy. Thus organizational mission statement is defined as the fundamental, unique purpose that sets a business apart from the other firms of its type and the scope of its operations in terms of the product and market.

The intensity of global competition, the rapid technological progress, and the changing organizational as well as environmental parameters prompted entrepreneurs to embrace strategic management processes for survival and prosperity (Bartkus et al, 2004). The contemporary complexity and sophistication of business making spurred the adoption of a dynamic approach presented by strategic management. Strategic management entails the process of actualizing a set

of decisions and actions taken in the formulation and implementation of strategies designed to achieve the objectives of an organization. A strategy is an integrated and externally oriented perception of how an organization can achieve its mission (Michael & Kaye 2005). Accordingly, strategic management is made up of strategic planning, implementation, and evaluation as well as control. Strategic management involves long-term, future-oriented complex decision-making necessitating the involvement of top management because of the enormity of required resources to formulate an environmentally opportunistic plan (Edgar & Gearer, 2004). Furthermore, strategic management is a three-tier process encompassing corporate business, functional-level planners and, support personnel. This research makes a serious attempt to investigate the role of the mission statement in the strategic management process.

1.2. Statement of the Problem

Sometimes companies couch their business mission in terms of making a profit. This is incorrect in that profit is more an objective and a result of what the company does. Dijkstra , (2008) says that the desire to make a profit says nothing about the core business arena in which profits are to be sought. Missions based on making a profit do not allow one to distinguish one type of profit-seeking enterprise from another. Thus the business of Toyota is different from that of Coca-Cola even though both endeavor to earn a profit. A company that says its mission is to make a profit begs the question “what will it do to make a profit? Thus the major role of a mission statement is to give the organization its own special identity, business emphasis, and path for development- one that typically sets it apart from other similarly situated companies. Evidently, crafting a mission statement is not as simple as it might seem. Barrow et al (2001) narrate that a strategically revealing mission statement incorporates three elements: what is being satisfied, who is being satisfied, and how the enterprise goes about creating and delivering value to customers and satisfying their needs. Good mission statements are highly personalized and unique to the organization for which they are developed (Forehand, 2000). A mission statement highlights the boundaries of the company’s current business, a logical vantage point from which to decide what the enterprise price’s business make-up and customer focus need to be, and chart a strategic path for the company to take. It is perfectly normal for companies in the same industry to have different missions and definitions Generally, strategic visions have a time horizon of five years or more unless the involving is new market conditions are so volatile and uncertain that it is difficult to see that far with any degree of confidence. Several research works have been produced in this area (Bart, Bontis, and Taggar 2001). Incidentally, almost all of these studies were conducted outside Zambia and were premised on data obtained in an urban setting. The service industry has also attracted the attention of policymakers and researchers because it has been recognized in the last decade as an important source of economic growth and development. However, to date, much of the research focus has tended to be on the position and profiles of service industries. Far less is known about the broad generic problems facing the industry as a whole. There are also knowledge gaps on socio-economic and business realities facing these entrepreneurs, especially in the African context and Zambia in particular. The foregoing stirred the interest of the researcher to undertake a study of this nature in Zambia and in a rural setting. The study is also a fulfillment of the graduation requirement.

1.3. The Purpose of the Study

The purpose of this study was to establish the role of the mission statement in strategic management in Choma District of Southern Province, Zambia.

1.4. Research Objectives

The objectives of the study were to:

- Locate the role of the organizational mission statement in the strategic management process of service industries in Choma District of Southern Province, Zambia.
- Highlight the broader strategic issues impacting upon performance as regards to enterprise activities in Choma District of Southern Province, Zambia.
- Characterize an enabling environment for the service industry enterprises (macro-level) in Choma District of Southern Province, Zambia.

1.5. Conceptual Framework

A mission statement plays a critical role in the strategic management framework of an organization. It serves as a foundational element that guides the organization's strategic planning and decision-making processes. The mission statement acts as a compass for the organization, offering direction and focus (Elliot & Shepherd, 2006). It helps leaders and employees understand the long-term goals and objectives they should pursue to fulfill the mission. In the strategic management process, organizations often have to make choices about where to allocate resources and efforts. The mission statement helps prioritize activities by highlighting what is most important in achieving the organization's mission. Gitman et al (2005) adds that the mission statement serves as a communication tool for various stakeholders, including customers, investors, partners, and the public. It conveys the organization's values and commitments, building trust and credibility. The adopted framework incorporates two elements: the sustainable livelihood (SL) framework approach and the MAIR start-up framework involving four components of motivation, abilities, ideas, and resources as was originally developed by the Business School at Darham University in the 1970s (Darham University, 1995). The focus of the research was on the entrepreneurs themselves and their access to and ownership of resources or assets. Understanding the characteristics, circumstances, and needs of different entrepreneurs, their experiences, and ownership of assets underpin any analysis of an entrepreneur's economic activity. The research looked at the processes and experience of enterprise development. The entrepreneurs and their resource base are seen in relation to those ingredients that are necessary to start and develop a successful business: that is factors such as motivation cum determination, abilities, ideas cum markets, and resources.

1.6. Significance of the Study

By analyzing the role of the mission statement in the strategic management process, it is hoped that the findings of this study would propose solutions to various challenges faced by the service industry in improving management practices and Influence indirectly the business practices akin to the strategic management process. Additionally, the findings would help clarify why an organization exists and what it aims to achieve and it would also help employees understand their roles and responsibilities within the larger context of the mission, which can lead to increased productivity and motivation Moreover, the findings would recommend guidelines to policy framework beneficial to service industry. Further, the researchers hoped that the findings of this study would

add to the body of knowledge on the application of strategic management that can be used by policymakers, academicians, researchers, and non-governmental organizations.

2. RESEARCH METHODOLOGY

2.1. Study Design

This research was premised on the descriptive qualitative method of analysis. The use of the qualitative method allowed the researchers to measure variables and the effects of one variable on another precisely, particularly when the causal relationships between variables are complex. The method also made it easier for the researchers to uncover facts that were previously unknown. Besides, the qualitative method enabled researchers to gain a deep understanding of behavior, decisions, and processes which is essential for the furtherance of scientific knowledge. Descriptive statistics was used where qualitative method illustrated the impact of mission statements in service industries in Choma district, Zambia.

2.2. Research Site

The research was conducted in Choma district of Southern Province, Zambia.

2.3. Population, Sample and Sampling Procedure

In this study, the target population is made up of entrepreneurs in the service sector based in Choma district. A total of 27 out of 54 service enterprises included in the sample responded to the questionnaire. This figure represents a response rate of 50 percent. The researchers drew a sample at random from the quantum of 54 service organizations. A systematic sample was obtained by selecting one unit on a random basis. The additional units were chosen at evenly spaced intervals until the desired number of units was obtained. The desired number of the sample from the population of 54 service industries was 27 organizations. Every 2nd name of an organization was picked to reach a total of 50 percent.

2.4. Data Analysis

The study used mainly the inductive approach with the deductive approach also used to collect and analyze data. The inductive approach was selected in preference to the deductive approach where it was difficult to define the control groups. Within the inductive approach, a questionnaire was used as it was the most suitable for the type of study. An important point to note, however, is that the levels of impact of mission statements in different service companies may not be the same or similar due to socio-economic, economic, organizational, locational, and management leadership factors. Many service industries in Choma district have their mission statements labeled on billboards and positioned on the approaches of their buildings as a way of attracting possible customers. The questionnaires were designed in such a way as to elicit the required information on a number of specific issues such as the availability of the organization's mission statement; particulars of the authors of the particular mission statement; and the motivation behind the formulation of the organization's mission statement. The questionnaires were sent to randomly selected large service companies in Choma district in the interest of both efficiency and effectiveness in the data collection process as the smallest firms rarely publish their financial reports at the end of a financial year. The contents of mission statements were analyzed using statistical package for social sciences (SPSS). This study through content analysis attempted to look at mission statement from the point of view of organizational objectives and values rather than from the reflection of organizational distinctiveness.

2.5. Ethical Issues

Pera and Van Tonder (1996) define ethics as a code of behavior considered correct. Hence, it is crucial that all researchers are aware of the research ethics. The study therefore was conducted with fairness and justice by eliminating all potential risks. Permission from Mongu Council Chairperson was sought to carry out this study. An informed consent was sought before collecting information from the informants and guaranteed them with security of the information they provided. Furthermore, the main objective of gathering such information was made clear to the respondents. The researchers avoided pressuring respondents to take part in the research. Alternatively, permission consent, and assent were obtained from respondents involved in the research and the research topic was strategically selected to ensure that there was no harm whatsoever to the research respondents.

3. FINDINGS AND DISCUSSIONS

The following findings and discussions were presented according to set research objectives:

3.1. The Role of Organizational Mission Statement in the Strategic Management Process of Service Industries

There were two important characteristics that were considered in selecting institutions for the sample. These were the year the organization commenced operation, irrespective of the location, and the number of employees. This helped to understand the effect of the mission statement on the other variables. As illustrated in the table below, many of the organizations commenced operations in the period between 2001 and 2010. This scenario can be ascribed to some growth in investor confidence following the change of government led by an eminent constitutional lawyer. The increase, however, had started in the previous decade (1991-2000) which marked the period of liberalization of the Zambian economy. Few private enterprises were set up during the one-party command economy. The situation is similar to the pre-independence days. The mean number of employees of these organizations was 27. The range was 115 as the maximum and 3 as the minimum.

Table 1: The Years Organizations Commenced Operations

Periods during which companies	Number of companies
1900-1950	3
1951-1960	3
1961-1970	2
1971-1980	2
1981-1990	3
1991-2000	5
2001-2010	9
Total	27

Planning Function

Respondents were first asked whether executives took formal responsibility in planning. The histogram below summarizes the outcome of the question: 45 percent of the respondents agreed while 25 percent strongly agreed to executives' taking formal responsibility in the planning function of the organizations as reflected in figure 1.

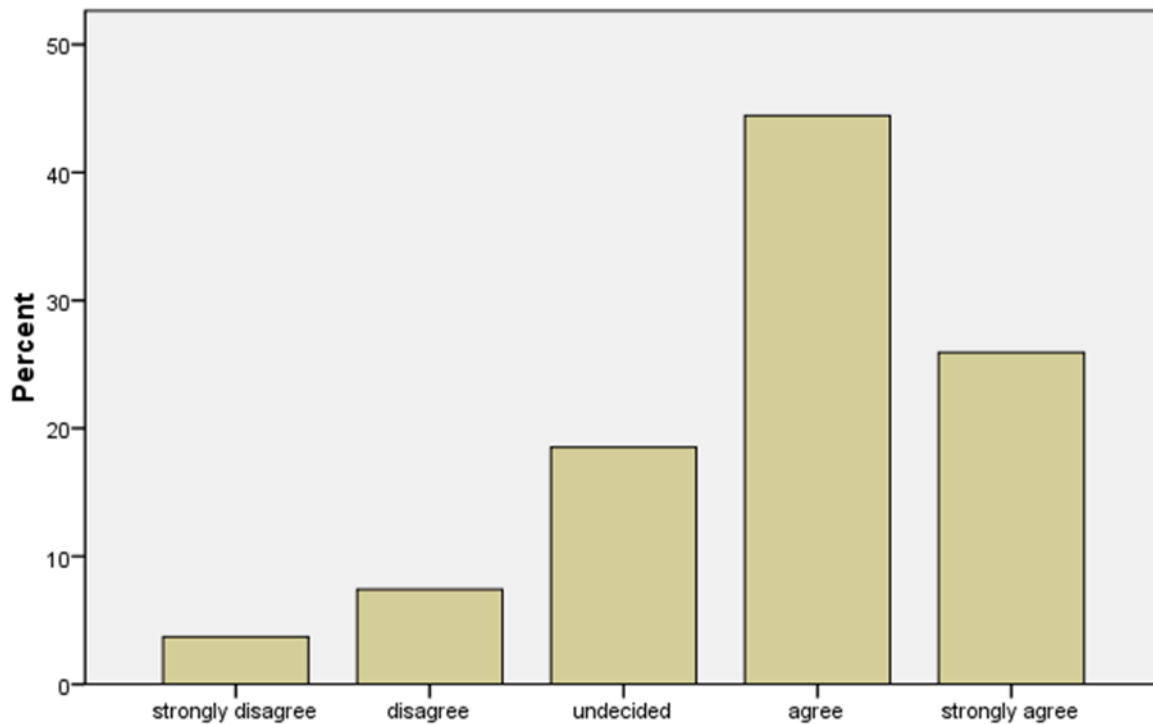


Figure 1: Planning Function

From the figure below (figure 2), respondents gave different roles with regards to organizational mission statement. Some stated that the mission statement serves as the foundation for strategic planning. It defines why the organization exists and what it aims to achieve. This sense of purpose helps guides the entire strategic management process. Furthermore, the respondents mentioned that a well-crafted mission statement helps align the organization's strategic goals and objectives with its core values and purpose. This is supported by Power & Elliot (2006) who says that it ensures that all strategic decisions and actions are in harmony with the overall mission. Moving on, the findings discovered that When making strategic decisions, organizations can refer to their mission statement to assess whether a particular initiative or action aligns with their long-term vision and objectives. It serves as a litmus test for decision-making. On the other hand, some respondents noted that the mission statement serves as a communication tool both internally and externally. It communicates the organization's identity and purpose to employees, stakeholders, customers, and the public. This clarity helps in building a sense of purpose among employees and can attract like-minded customers and partners (Serenko, 2010). Also, when assessing the success of strategic initiatives, the mission statement provides a benchmark. Organizations can measure progress and performance against the mission's objectives to determine whether they are on track. Lastly but not the least, the study found that well-crafted mission statement can inspire and motivate employees by giving them a sense of purpose beyond just earning a paycheck. It helps employees understand the greater significance of their work and how it contributes to the organization's mission.

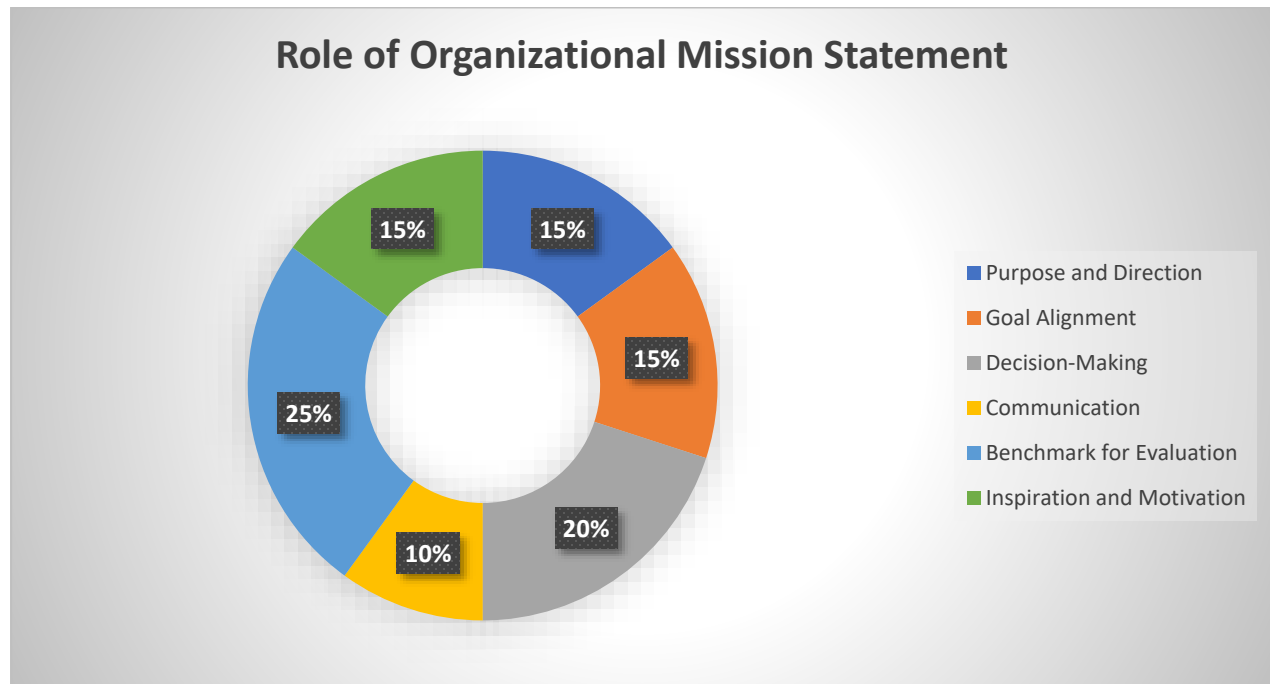


Figure 2: The Role of Organizational Mission Statement in Strategic Management Process

3.2. Broader Strategic Issues Impacting upon Performance as Regards to Enterprise Activities

Table 2: Broader Strategic Issues Impacting upon Performance as Regards to Enterprise Activities

Responses	Percent
Globalization	10%
Technological Disruption	15%
Sustainability and Environmental Concerns	15%
Supply Chain Vulnerabilities	5%
Talent and Workforce Challenges	25%
Financial Sustainability	10%
Competitive Positioning	20%
Total	100

From the table above, the repondents brought out 7 broader strategic issues impacting upon performance as regards to enterprise activities. They noted that as markets become increasingly global, enterprises must consider international trade, geopolitical risks, and the complexities of operating in different countries. Expanding globally can open up new markets but also introduces new challenges (Thompson, 2001). Similarly, rapid advancements in technology, such as artificial intelligence, automation, block chain, and the Internet of Things (IoT), can disrupt industries and business models. Staying technologically competitive is essential. The study further observed that

growing environmental awareness and concerns about sustainability have led to changes in consumer preferences and regulations. Vikas (2010) adds on to say that enterprises need to adapt by incorporating sustainable practices into their operations. The respondents also pointed out that events like natural disasters, pandemics, or geopolitical tensions can disrupt global supply chains. Building resilient supply chains and diversifying sources of supply are strategic imperatives. Moving on, the findings narrated that attracting and retaining skilled talent is crucial for enterprises. Issues related to labor shortages, diversity and inclusion, and the future of work require strategic attention. Managing financial resources, including debt, equity, and cash flow, is essential for long-term success. Balancing short-term profitability with long-term financial stability was a strategic challenge which was mentioned in the questionnaire. The respondents therefore added that enterprises need to continually assess and adapt their competitive strategies. This involves understanding competitors, identifying unique value propositions, and positioning the company effectively in the market.

3.3. Enabling Environment for the Service Industry Enterprises

The figure below (figure 3) shows responses from the respondents concerning areas which can enable the environment for service industry enterprises. The respondents stated 5 factors as shown in figure 3 above. The findings indicated that there is need to facilitate market access for service enterprises by reducing trade barriers and fostering international partnerships. Encourage exports of services to increase revenue streams (Weightman, 2008). Additionally, the findings noted that there is need to implement policies that encourage entrepreneurship and innovation within the service industry. This includes incentives for research and development, intellectual property protection, and innovation hubs. Furthermore, the study found that investing in education and training programs to develop a skilled workforce tailored to the specific needs of the service sector was cardinal in the sense that continuous learning and upskilling are essential given the rapid technological changes in this industry. The respondents also pointed out that there is need to ensure that service industry enterprises have access to affordable capital through various financial instruments, such as loans, grants, and venture capital, to support their growth and expansion. Lastly, the respondents suggested that there is need to develop clear and transparent regulations that facilitate business operations while ensuring consumer protection and fair competition. Simplify licensing processes and reduce bureaucratic hurdles.

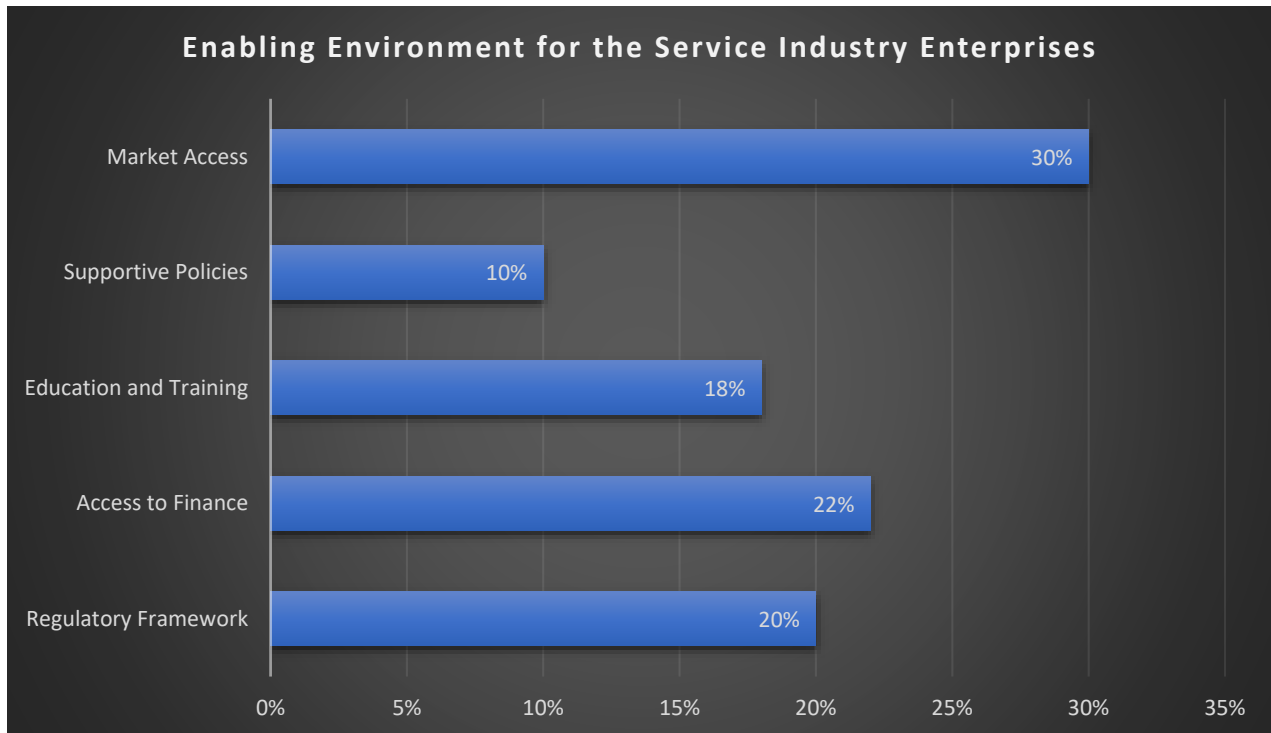


Figure 3: Enabling Environment for the Service Industry Enterprises

4. CONCLUSION

Creating an enabling environment for service industry enterprises involves a multi-faceted approach that encompasses legal, financial, technological, and social aspects. Governments, industry associations, and stakeholders should work together to create a conducive ecosystem that supports the sustainable development of the service sector. The formulation and implementation of mission statements is an essential part of strategic planning and strategic management. This foregoing is in harmony with the findings of Johnson & Scholes (2002) who asserted that management in various organizations used mission statements when developing long-term objectives for the survival of their organizations. A formal mission statement provides a driving force behind the organization's other plans and more specific objectives. A mission statement is a formal commitment to the vision that incorporates the company's strategy. Corporate strategy relates to the future formula and structure of the company, and affects the rationale of the company and the business in which it intends to compete. Operational or functional strategies are concerned with how various functions of the organization contribute to the achievement of the strategy. It examines how the different functions of the business. (marketing, production and finances) support the corporate and business strategies. Such corporate planning at the operational level is oriented and most activities are concerned only with the ability to undertake directions. Overall, corporate planning is concerned with the scope of an organization's activities and the matching of these to the organization's environments, and the ventures and expectations of its various stakeholders.

5. RECOMMENDATIONS

The following are actions that should be taken on the basis of the findings of this study:

- Organizations in Mongu district need to allocate adequate financial resources in the formulation and implementation of mission statements because the latter constitute a reference point for strategic management.
- Organizations management are further encouraged to benchmark the development of long term objectives and strategies for organizational survival on mission statements.
- Organizations in Mongu district should foster partnerships between businesses and educational institutions to align training with industry needs.
- Organizations in Mongu district should establish and enforce quality standards for service providers to build trust and reputation.
- The government should improve physical infrastructure like roads, ports, and airports to facilitate service delivery.

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Author's short biography

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Chanda Chansa Thelma specializes in Civic Education and has taught Civic Education at the university level for seven years now. Currently, she is lecturing on Civic Education, Political Science, Religious Studies, Social Sciences Research Methods, and Educational Research at Rockview University in Lusaka, Zambia. She holds a Doctor of Philosophy degree in Civic Education, Master of Arts in Civic Education, Bachelor of Arts Degree; in Civic Education & Religious Studies, Diploma in Education, and several Educational Certificates. Currently, she is a Coordinator for Open Distance Learning at Rockview University.