

# Content Analyses on Mission Statements of the Commercial Banks in Kyrgyzstan

Asst. Prof. Dr. Seyil Najimudinova (Kyrgyz-Turkish Manas University, Kyrgyzstan)

## Abstract

The concept of mission is still popular both in academic environment and business practices. Mission statements have been accepted as an important part of the strategic management process for organizations of all types; be it public sector, not-for-profit, private, for profit, a multinational or a SME. This paper aims to study the content of mission statements of Top10 commercial banks in Kyrgyzstan. The main objective of this study is to identify whether the mission statements of commercial banks contain components suggested Pierce and David (1987) and Bart and Tabone (1999). Data was based on content analysis of the mission statements and other related statements found on commercial banks' web sites. Another secondary data on general profile of commercial banks are obtained from their web-sites and other open to public resources. The results show all (11) numbers of components are not incorporated in the mission statements of commercial banks totally. According to obtained data it was done Top 3 rating of commercial banks according to their mission statements. The level of popularity of mission statement components displays the following: products or services, geographic location, statement of purpose and customers are the most of frequent occurrence components. Components like concern for public image, concern for growth and profit, and philosophy are less popular mission components. In the future this study can throw fresh light on researches on other industries and to make relationship between good mission statements and the performance of commercial banks.

## 1 Introduction

The concept of mission is still popular both in academic environment and business practices. Pearce and David (1987) stated that developing a mission statement is an important first step in the strategic planning process. Nowadays some authors attempt to find new dimensions and facets of mission statement, for instance, examine mission statements from a customer perspective, although historically mission statements have been used almost exclusively in a management context (David et al, 2014). Since 1993 until 2015, mission statement is highly popular management tool on a level with CRM, strategic planning, benchmarking, balanced scorecard (Top10), used by a large number of executives, regardless of the geography and the economic development level of the country where enterprises operates (Rigby and Bilodeau, 2015). This survey based on data of more than 13,000 respondents from more than 70 countries in North America, Europe, Asia, Africa, the Middle East and Latin America. Most of the executives in emerging markets demonstrate high satisfaction levels from the effects of mission statements on the business performance.

Hereby, *in the business context, the roots of mission statements can be traced back to Selznick's leadership in Administration (1957) and Drucker's The Practice of Management (1954) (Kosmützky, 2012:60).* According to some authors the strategy school of mission owes its birth to an article, 'Marketing Myopia' by Ted Levitt which appeared in the Harvard Business Review in 1960 (Campbell and Yeung, 1991:10).

Nowadays mission statements have been dominantly accepted as an indispensable part of the strategic management process for organizations of all types; be it public sector, not-for-profit, private, for profit, a multinational or a small and medium scale enterprise (Darbi, 2012:95). The companies with a mission statement expected to be more successful than those without one, and successfully completing the mission statement process demonstrates that a company can think reflectively, plan carefully, work collaboratively, and make informed decisions (Williams, 2008:98).

Much of literature studies and empirical researches on mission statement contents, often with the aim of linking these elements to company performance (Pearce & David, 1987; Bart & Baetz, 1998; O'Gorman & Doran, 1999; Analoui and Karami, 2002), especially its financial performance (Williams, 2008; Jung & Pompper, 2014). Recent years have seen increased attention to the connections between mission statements and other organizational practices like organizational citizenship (Wang, 2011); marketing positioning (Finley, et al, 2001); high-quality work-life practices (Blair-Loy, et al, 2011); corporate social responsibility (Jung and Pompper, 2014), marketing strategy (David et al. 2014); employee behavior (Darbi, 2012). In reference to the geography of researches on mission statement indicates following countries and authors: in case of USA (Pearce and David, 1987; Bolon, 2005; Williams, 2008; Blair-Loy, et al 2011; Stemler, et al, 2011; Wilson, et al, 2011; Orozco, 2012); of Canada (Bart & Tabone, 1998; Bart & Baetz, 1999; Finley et al, 2001); of Turkey (Acuner & Genç, 2008; Köseoğlu, 2008; Erol & Kanbur, 2014); of UK (Analoui and Karami, 2002; James and Huisman, 2009); of Eastern Africa (Kibuuka, 2001); of South Africa (Garg, 2014); of Germany (Kosmützky, 2012); of Croatia (Tanković, 2013); of Oman (Rajasekar, 2013); of Bangladesh (Tuhin, 2014); of Slovenia (Biloslavo, 2004; Dermol, 2012); of Ghana and West Africa (Darbi, 2012); of Macedonia (Marjanova & Fotov, 2014); of Ireland (O'Gorman and Doran, 1999). The industrial or sectorial differentiation of researches on mission statement is pretty various: in case of education

(Finley et al, 2001; Kibuuka, 2001; James & Huisman, 2009; Stemler, et al, 2011; Wilson, et al, 2011; Orozco, 2012; Kosmützky, 2012); electronic industry (Analoui and Karami, 2002); health and pharmaceuticals (Bart & Tabone, 1999; Bolon, 2005; Azizi and Hosseinabadi, 2014); banks (Tuhin, 2014); mining (Garg, 2014); of confectionary industry (Marjanova & Fotov, 2014); in case of international airlines (Kemp and Dwyer, 2003). This paper contributes to above literatures by studying the content of mission statements of commercial banks in Kyrgyzstan.

## 2 Mission Statement: What It Defines and What It Gives

Varied definitions of mission statement have been presented by the researchers. Nevertheless, the mission is predominantly accepted as the *raison d'être* or *ikigai* (in Japanese) of a company or organization (Виханский, 1998; Akgemci, 2007; Thompson and Strickland, 2006; Hill and Jones, 2010). It reflects back the reason or basis for existence of any organization. Campbell and Yeung (1991:11) called the mission as cultural 'glue' which enables an organization to function as a collective unity and it consists of strong norms and values that influence the way in which people behave, how they work together and how they pursue the goals of the organization. According to Ritson (2008) mission is a formal commitment to the vision that incorporates the company's strategy (Ritson, 2008). Mission is an enduring statement of purpose that reveals an organization's product or service, markets, customers and philosophy (Pearce and David, 1987:109). In general, mission statement should include the basic function or tasks of an organization, particularly why it exists, the nature of the businesses it is in (Ritson, 2008). Moreover, uniqueness of mission statement differentiates and distinguishes one organization from other similar institution (David and David, 2003:11; Bolon, 2005:2; Morden, 2007:177). Mission is mostly accepted as fundamental statement of purpose and direction, which defines the place of the organization within its environment (Morden, 2007:177). Tanković, (2013:333) assumed mission usually reflects the values and priorities of strategic decisions and outlines the vision and future organization's direction. As well it may reflect the values and culture of founder and decision-makers as these have evolved over the life of the organization (Morden, 2007:177). Specifically, the mission defines the long-term vision of the organization in terms of what it wants to be and whom it wants to serve (Dobson et al. 2004:10). Bart and Tabone (1998:19) defined a mission statement as a written and formalized document trying to emphasize an organization's unique and enduring purposes. In addition, mission statements can emerge from internal needs and preferences and as adjustments to environmental pressures or challenges (Bolon, 2005:23). Besides not all firms use the term 'mission statement', but may instead refer to their 'credo', 'core values', 'corporate philosophy', or 'guiding principles (Blair-Loy, et al, 2011:429). Forenamed statements often address stakeholders, including shareholders, management, employees, customers, and society. Why do organizations use a mission statement as one of the most popular management tool? To find an answer to this question many researchers approach miscellaneously. Bart and Tabone (1998:19) stated a mission statement as a central to every organization's management and hence it serves two main purposes: to provide a focused guide for decision making and to motivate and inspire employees toward common objectives. The motivational role of mission statements in directing and focusing employees, and inspiring them to perform at high levels echo back in other studies (Blair-Loy, et al, 2011:429; Rajasekar, 2013:132). Specifically, creating and using a mission statement can foster a shared value system, a focus on common objectives, teamwork, behavioral guidelines, and emotional commitment to the company (Mullane, 2000:449). Top management must be committed to the mission crafting process, and organization members must be involved to produce a mission that will evoke emotional response (David et al, 2002:449). In addition, the mission statements stand to communicate a public image of the firm to important stakeholders (Germain and Cooper, 1990). Morden (2007:177) suggests using a mission statement to define the scope of the organization in terms of location and positioning; its approach to people; and its strategies towards markets, operations management, quality, and service. Well-established mission statement can project a sense of worth, intent, and shared expectations, and should state intrinsic value of the organization's products and services (David and David, 2003:11). The mission statement facilitates decision making, planning, creating effective strategies, and formulating policies for the short and long term (Rajasekar, 2013:132). Desmidt and Heene (2003:7) stressed on not just listing an extensive list of values with the sole purpose of adorning the annual report or organizational website. In authors' opinion, mission statements must mirror those values that are embedded in the organizational culture. A mission statement allows the firm to articulate a strong vision for the organization and to communicate that to its growing number of employees and professional managers (Analoui and Karami, 2002:14). Nowadays, mission statements still serve as common corporate reporting tools (Williams, 2008). Without an effective mission statement, a firm's short-term actions may be counterproductive to long-term interests (David et al. 2014:107). Finally, mission can be the building block for a corporate strategy and healthy basis for strong corporate culture.

## 3 Crafting Mission Statement

A lot of resources have been created to assist organizations with crafting the effective mission statement. It is very important to develop the mission statement very carefully and comprehensively. For instance, Hamel and Prahalad (1994:133) used "a sense of mission", "strategic intent" and "sense of destiny" interchangeably, and

focused on pathos and passion as main components in mission statement. They focused on making a real difference in the lives of customers. David and David (2003) stated the mission statement needs to be longer than a phrase or sentence, but not a two-page document, it should not be overly specific; it should not include dollar amounts, percentages, numbers, goals, or strategies. Too much detail can alienate managers and stifle creativity. In the narrow sense of the mission statement, it just contains texts embodying organizational tasks, organizational goals and purposes and distinct organizational images (Kosmützky (2012:69). To the wide extent, a mission statement is something comprehensive and in-depth. One of the most-cited authors Pearce and David (1987) argued that high-performance companies have exhaustive mission statements containing eight key components, as follows: specification of target customers and markets, identification of principal products and/or services, identification of geographic domain, identification of core technology, expression of commitment to growth, survival, and profitability, specification of key elements of the company philosophy, identification of the company's self-concept, and identification of the firm's desired public image. Ackoff (1987) stressed on five must-have characteristics in mission statements: a) it should contain a formulation of the firm's objectives that enables progress toward them to be measured; b) it should differentiate it from other companies; c) it should define the business that the company wants to be in; d) it should be relevant to all the firm's stakeholders; e) it should be exciting and inspiring.

Campbell and Yeung (1991:16) underlined that a strong mission can exist when the four elements of mission reinforce each other: purpose (why the company exists), strategy (the competitive position and distinctive competence) and values (what the company believes in) and behavioral standards (the policies and behavioral patterns that underpin the distinctive competence and the value system). Afterwards Bart and Baetz (1998) identified nine key components of mission statements, a list that is modified somewhat: purpose/raison d'être, values/beliefs/philosophy, business strategy/distinctive competence/competitive position, behavior standards and policies, corporate level aims/goals, self-concept/ identity, public image, location, technology, concern for survival. In 1999, Bart and Tabone enlarged this list to 23 components appending financial and nonfinancial objectives, specific customers served, product/services offered, concern for satisfying customers, concern for employees, concern for suppliers, concern for society, concern for shareholders, statement of vision. At the same time O'Gorman and Doran (1999) specified eleven main characteristics for a successful mission: concern for survival, product/service, concern for customer, geographic domain, company philosophy, concern for quality, self-concept, public image, customer/market, concern for suppliers, core technology. According to Analoui and Karami (2002) a typical mission statement contains long term profit, survival and growth; customer satisfaction; core technology; market; company philosophy and values; product image; geographic domain; self-concept; and concern for suppliers. In addition to readability and availability of mission statement Desmidt and Heene (2003:9) suggested following prerequisites must be fulfilled in order to have effective mission statement: a) well-conceived, it has to reflect the actual values of the organization; b) well-communicated, all members of the organization have to be aware of the existence of the mission statement; c) well-comprehended, all organization members have to understand the mission statement; d) well-supported, it has to be embedded in the systems, procedures and policies of the organization. Dobson et al. (2004:10) discussed on a good mission statement components and recommended following: the purpose of the organization – a statement of the principal activities of a business or organization; its principal business aims – its mission as regards the position it aims to achieve in its chosen business; the key beliefs and values of the company; definitions of who are the major stakeholders in the business; the guiding principles that define the code of conduct that tells employees how to behave. Managing mission is ongoing process and not many companies can articulate the behavior standards that drive their mission without working at the problem over a number of years (Campbell and Yeung ,1991:20). Indisputably a good and well-established mission statement can provide the source for outlining and drafting business objectives that the organization endeavors to reach.

#### **4 Research Methodology**

This paper aims to study the content of mission statements of commercial banks in Kyrgyzstan. The main objective of this study is to identify whether the mission statements of commercial banks contain components suggested Pierce and David (1987) and Bart and Tabone (1999). Data was based on content analysis of the mission statements and other related statements found on commercial banks' web sites. If 20 years ago mission statements were seen often in company newsletters, speeches, annual reports, brochures, posters, and even on the backs of business cards (Fairhurst et al, 1997:244), nowadays this kind of information can be found in corporate web-sites. As it is known content analysis is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use (Krippendorff, 2004:18). Content analysis can be used to identify the intentions and other characteristics of the communicator; reveal the focus of individual, group, institutional, or societal attention; and reflect cultural patterns of groups, institutions, or societies (Weber, 1990:10). Azizi and Hosseinabadi (2014) argued the content analysis method can be used for surveying the quality of the mission statement, which is a well-known and trustworthy process for studying the appropriateness of the mission statement. In analyzing mission statements of organizations content analysis is one of the mostly used methods

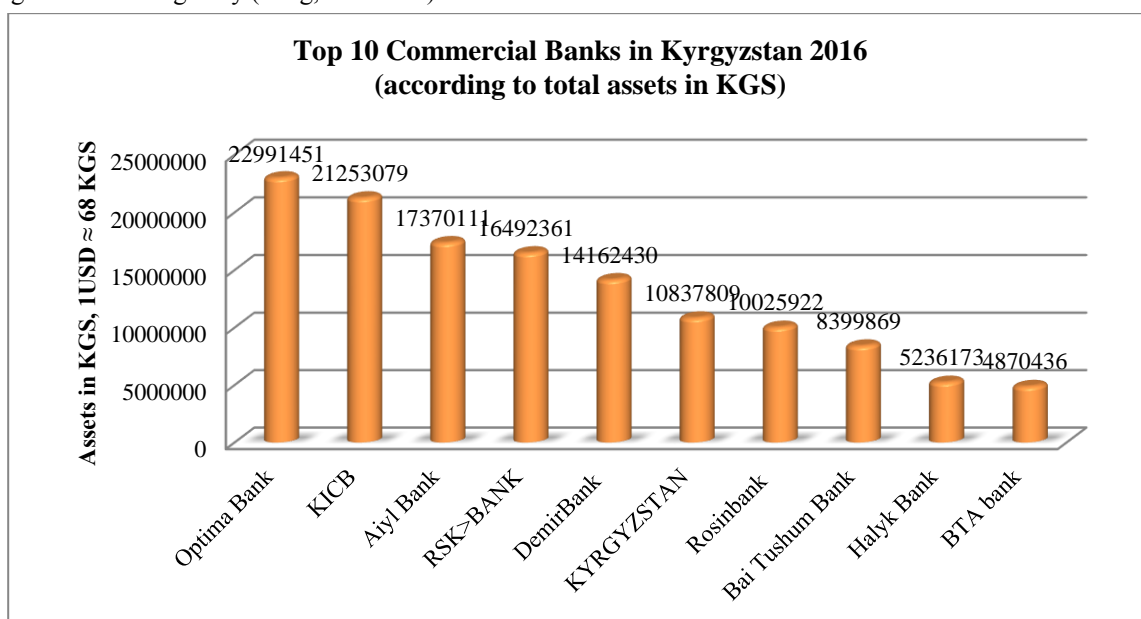
(Pierce and David, 1987; Kemp and Dwyer, 2003; Biloslavo, 2004; Tuhin, 2014; Azizi and Hosseinabadi, 2014; David et al., 2014; Garg, 2014).

#### 4.1 Research Sample

After the independence in 1991 and because of appropriate environment for establishing banks, the banking system in Kyrgyzstan developed rapidly. In mid-1994 20 banks were functioning in Kyrgyzstan in the form of joint-stock companies or commercial banks (Kloc, 1994). As of March, 2016, 25 commercial banks (with 323 branches) have operated on the territory of the Kyrgyzstan. The total assets of the banking system are KGS 176.7 billion. The total deposit base of the banking system constituted KGS 94.2 billion. The financial sector of Kyrgyzstan is largely dominated by commercial banks. The weight of foreign contribution in the capital of banking system amounted to 45.6 % of paid up assessed capital or KGS 7.8 billion (National Bank of Kyrgyz Republic Data, 2016).

This study includes Top10 commercial banks according to their amount of total assets. This index is one of the most important criteria to evaluate the stability and efficiency of the bank.

As above - mentioned corporate websites were the core instrument used for data collection in this study. Websites for each of these companies was screened to find the mission, vision, mission, values or related statements. The reason for using all of them was that many organizations use the terms mission, vision, principles, approach, values and goals interchangeably (Garg, 2014:307).



**Figure 1.** Top10 Commercial Banks in Kyrgyzstan According to Total Assets, 2016 **Source:** From Financial Statements of Commercial Banks Given in Their Web-Sites

#### 4.2 Research Scale

As literature review shows content components outlined by Pearce and David in 1987 are still found in current mission statements with enough regularity and consistency. Pierce and David's scale consist of eight components. This scale was extended to 11 components adding some items offered by Bart and Tabone (1999).

#### 4.3 Research Findings

Among Top10 commercial banks' web-sites 8 of them includes mission statements information in English, 6 of them in Kyrgyz, and all of them in Russian, only one bank reflects information in Japanese. Besides, three of respondents (RosinBank, Kyrgyzstan Bank and Aiyl Bank) have corporate periodical newsletters which were used as a resource. The results of this study are presented in Table 1. It shows that all (11) numbers of components are not incorporated in the mission statements of commercial banks totally.

Mission Statement Components	Optima Bank	KICB	Aiyl bank	RSK>bank	DemirBank	Kyrgyzstan	Rosinbank	Bai Tushum Bank	Halyk Bank	BTA bank
Statement of purpose/raison d'être <i>What is the reason that justifies the existence of your company?</i>	√	√	√	√	√	√	√	√	√	-
Customer: <i>Who are the target customers?</i>	√	√	√	√	√	√	√	√	√	-
Products or Services: <i>What are the principal products or services?</i>	√	√	√	√	√	√	√	√	√	√
Geographic location / markets: <i>Geographically, where does the company compete?</i>	√	√	√	√	√	√	√	√	√	√
Core technology: <i>What technology does company use in current?</i>	√	-	-	√	√	√	√	√	-	-
Concern for survival, growth, and profit: <i>Is the company committed in terms of financial success and future existence?</i>	-	√	-	√	-	-	√	-	√	-
Philosophy/Values <i>What are the primary views, beliefs, desires, and ethical priorities of the company?</i>	√	-	-	√	-	√	-	√	-	-
Self-concept: <i>What are the key competitive advantages of the company?</i>	-	√	√	-	√	-	-	√	√	√
Concern for public image: <i>Is the company sensitive to the well-being of society, community and environment?</i>	√	√	-	-	-	√	-	√	-	-
Concern for shareholders: <i>Is the company committed to shareholders and their interests?</i>	√	√	-	√	√	-	-	√	-	-
Concern for employees: <i>Are human resources a valuable asset of the company?</i>	√	√	-	√	√	√	-	√	-	-
<b>Number of components found in mission statements</b>	9	9	5	9	7	8	6	<sup>1</sup> <sub>0</sub>	6	3
√ indicates that the commercial banks have mentioned this component in their mission statements.										

**Table 1.** A Comparison of Mission Statement Components of Top 10 Commercial Banks

Further it is presented detailed cases from corporate mission statements and exemplary textual statements as well.

- Statement of purpose/raison d'être. What is the reason that justifies the existence of your company? Almost all (N=9) respondents included in their mission statements this component.  
*to make a contribution to the development of the economy of the Kyrgyz Republic by providing the Kyrgyz private sector with medium to long-term financing (KICB).*  
*to facilitate the development of agro-industrial sector by satisfying demand of farmers and population of the Kyrgyz Republic in available and high-quality bank services and products» (AIYL BANK).*  
*to become the leading bank on the market for retail services and the small and medium-sized businesses segment through the provision of high quality and popular services and focus on client needs (RSK Bank).*  
*to promotes social and economic development of the Kyrgyz Republic by providing access to a wide range of banking services and innovative financial solutions for businesses and agricultural producers to ensure their stable growth (Bai Tushum Bank).*

2. Customer: Who are the target customers? Mission statements of almost all respondents do not address to certain customer segment. Only Aiyl Bank stresses that it *“is one of the biggest banks in the country and at the same time is the main finance and credit institution, providing loans for agricultural sector during 14 years”*. KICB stated that *‘... loans to the manufacturing sector comprise more than 55% of total loans and the remaining portion of the credit portfolio is spread among tourism, agriculture and trade’*. Optima Bank shared that *‘...in more than 50 departments throughout the Kyrgyzstan serve more than 102 000 customers’*.  
*In addition to lending, KICB provides deposit products, current accounts, money transfers and foreign exchange operations. In 2006 the bank launched retail banking operations and offers mortgage and consumer loans, small and medium business loans.*  
*...is a leading retail bank, which offers individual biggest range of banks services like consumer credits, money transfer in national as well as foreign currencies with and without bank accounts, money deposits, full range of payment tools — plastic cards of international systems EuroPay International, Visa International and more (BTA Bank).*
3. Products or Services: What are the principal products or services? As commercial banks are service companies, in their statements they focused on their wide-range banking services. All respondents are more definitely in specifying their services.  
*In addition to lending, KICB provides deposit products, current accounts, money transfers and foreign exchange operations. In 2006 the bank launched retail banking operations and offers mortgage and consumer loans, small and medium business loans.*  
*...is a leading retail bank, which offers individual biggest range of banks services like consumer credits, money transfer in national as well as foreign currencies with and without bank accounts, money deposits, full range of payment tools — plastic cards of international systems EuroPay International, Visa International and more (BTA Bank).*
4. Geographic location / markets: Geographically, where does the company compete?  
*...is a sound and stable financial institute, a bank with a good balance sheet structure, diversified credit and deposit portfolio and well-balanced geographical coverage throughout the Kyrgyzstan (Optima Bank).*  
*To date, the bank has a developed infrastructure and is a multi-credit institution provides credit and settlement services to more than 20 000 businesses, organizations and commercial structures located in the territory of the Kyrgyz Republic (KYRGYZSTAN).*
5. Core technology: What technology does company use in current? Commercial banks are service companies however their efficiency depends on technology they use. Core technology component was specified more in details by Bai Tushum Bank *“...has been introducing innovative technologies and service channels to make banking user friendly”*
6. Concern for survival, growth, and profit: Is the company committed in terms of financial success and future existence? As known commercial banks are financial institutions, and financial success and future financial plans expected to be cornerstone in their mission statements. Only 4 of respondents mentioned in their statements their concern on profitability and financial success.
7. Philosophy/Values: What are the primary views, beliefs, desires, and ethical priorities of the company? Four respondents included in their statements clear expressions of their philosophy, principles and values.  
*...Our values are simplicity, accessibility, innovation, reliability, confidence, long-term partnership, openness and transparency, corporate social responsibility, financial inclusion (Bai Tushum Bank).*  
*...Our values are honesty, transparency, respect, collaboration, freedom, confidence, justice (Optima Bank).*
8. Self-concept: What are the key competitive advantages of the company? Five of respondents included in their statements more detailed information about their strengths and distinctive competences. This component is mostly reflected in their credos.  
*“A reliable bank” More than 30,000 depositors trust in us (KICB)*  
*“Closer to you” (Aiyl Bank)*  
*“The People’s Bank” (RSK BANK)*  
*“We value the trust. We deliver the values” (Bai Tushum Bank)*  
*“Bank for the whole country!” (Kyrgyzstan Bank)*  
*“Bank for your life” (DemirBank)*
9. Concern for public image: Is the company sensitive to the well-being of society, community and environment? Five of respondents included in their statements more comprehensive information about their concern on well-being of society, community and environment. Mostly they stated on their Corporate Social Responsibility, specifying more on their charity programs, ecological sensitiveness etc. Some brief excerpts:  
*...to contribute into the ecological development of the Republic by developing green programs. Bank also issues easy (preferential) credits, such as: loans for education, housing heat-insulation and energy savings (KICB).*  
*...we are committed to care about our clients’ welfare growth, maximally satisfying their needs. We clearly understand our social responsibility and we are dedicated to the development of the communities in which we live (Optima Bank).*
10. Concern for shareholders. Is the company committed to shareholders and their interests?

All respondents are joint-stock companies and it means they are business entities where different stocks can be bought and owned by shareholders. In joint-stock companies, shareholders are the most critical stakeholders. Concern on shareholders and commitment to their interests are included only in 5 cases.

*...to be focused on the needs and requirements of our customers and partners and to be recognized as the best commercial bank for the high quality of service, new products and services and an attractive return to shareholders of the Bank (DemirBank)*

*....is based on principles of respect for the interests of all stakeholders (customers, shareholders, employees, partners and society as a whole), openness and transparency, social responsibility, compliance with the business culture and business ethics, monitoring and achieving high results in business activity (RSK Bank).*

*Bank builds fair and transparent relationships with customers, shareholders, partners and employees, and strictly follows the laws, ethical norms and international business practices (Bai Tushum Bank).*

#### 11. Concern for employees. Are human resources a valuable asset of the company?

Six of respondents included in their mission statements this component. Some excerpts are following:

*The most important value of the Bank is the friendly, solid team of the like-minded people focused on implementation of the Bank's mission and goals. Key component of success and faultless reputation of the Bank in the financial market is highly skilled and motivated personnel with relevant education degrees and work experience in financial sector.... The objective of the trainings is development of practical skills with the help of which each staff member can raise the quality of services provided (Bai Tushum Bank).*

*Bank considers its employees the most valuable assets of the organization and tries to involve the Bank of the best professional and experienced specialists. The Bank also offers positions to graduates and students of the best universities in the country, fresh ideas and suggestions which may have a positive impact on the Bank's activities (Demir Bank)*

*To provide continuous training for our staff to assure high performance services and create a good atmosphere within the bank and motivate our staff to be the employer of people's dreams; management sets for individuals aiming at joining the professional team of KICB: high professional qualification, initiative, motivation and willingness to support the corporate culture and values of the Bank; (KICB)*

*Caring about the welfare of clients and partners, employees, society and the country as a whole; (RSK Bank)*

Table 1 shows how respondents are consistent in their mission statements. According to obtained data it is possible to make some kind of Top 3 rating of commercial banks' mission statements. Bai Tushum is the most consistent in their mission statements (10 components) and good at crafting well-established mission statements. Optima Bank, KICB, RSK>Bank are in second position according to their statements (9 components), Demir Bank and Kyrgyzstan Bank are in third position (8 components). BTA bank is less unequivocal and more superficial in their mission statement. They should pay more attention to other components which were out of their sight.

Mission Statement Components	Number of Respondents	Percentage	Rating
Products or Services	10	100%	1
Geographic location / markets	10	100%	
Statement of purpose/raison d'être	9	90%	2
Customer	9	90%	
Core technology	6	60%	3
Self-concept	6	60%	
Concern for employees	6	60%	
Concern for shareholders	5	50%	4
Concern for public image	4	40%	5
Concern for survival, growth, and profit	4	40%	
Philosophy/Values	4	40%	

**Table 2.** Mission Statement Components Rating in the Case of Commercial Banks in Kyrgyzstan

The components suggested by Pierce and David (1987) Bart and Tabone (1999) were partly included in mission statements of commercial banks in Kyrgyzstan. Table 2 shows the level of popularity of mission statement components. Products or services, geographic location, statement of purpose and customers are the most of frequent occurrence components. Components like concern for public image, concern for growth and profit, and philosophy are less popular mission components.

## 5 Conclusion and Discussion

Both yesterday and today the mission statement is pretty popular management tool. As literature review shows mission statement is something unique that differentiates one organization from another. It is statement of purpose and direction, which defines the place of the organization within its environment. Mission statement is *raison d'être* of any organization and it must be addressed toward both internal and external stakeholders. Perhaps there is no ready formula for crafting mission statement and finding best expresses the collective purpose and values of organization. The results show despite commercial banks are financial institutions, and financial success and future financial plans expected to be cornerstone in their mission statements, only 4 of respondents mentioned in their statements their concern on profitability and financial success. Despite all respondents are joint-stock companies and in joint-stock companies, shareholders are the most critical stakeholders, concern on shareholders and commitment to their interests are included only in 5 cases. Components like concern for public image and philosophy are less popular mission components.

A mission statement can be misused and thus appear outdated, inefficient, or even foolish (Mullane, 2002:454). Nevertheless, there are some theoretical helpful instruments successfully implemented in other cultures and industries (Pierce and David 1987 and Bart and Tabone, 1999). Of course, every organization will craft and design their mission statements regarding to their background, corporate culture, experience, collective mentality etc. A properly designed mission statement including all components discussed in this study pretends to become one of the most important strategic tools. All respondents mirror their mission statements in their corporate sites. In the future this study can throw fresh light on researches on other dynamically emerging industries in Kyrgyzstan and to make relationship between good mission statements and the performance of commercial banks.

## References

- Ackoff, R. L. (1987). Mission statements, *Planning Review*, Vol.15, pp.30-31
- Acuner, T. ve Genç, K.Y. (2008) Türkiye' nin ve Avrupa' nın Büyük İşletmelerinin Misyon ve Vizyon Açıklamalarının İçerikleri Bakımından Karşılaştırılması, *16. Ulusal Yönetim ve Organizasyon Kongresi Kongre Kitabı*, İstanbul Kültür Üniversitesi, 16-18 Mayıs, Antalya, ss. 320- 324.
- Akgemci, T. (2007) Stratejik Yönetim, Gazi Kitabevi, Ankara
- Analoui, F.,and Karami, A. (2002) CEOs and development of a meaningful mission statement, *Corporate Governance*, Vol. 2, pp.13-20
- Azizi, S. and Hosseinabadi, V. (2014) A Content Analysis of the Mission Statements of Iran, Turkey, India and United States Pharmaceutical Companies, *Management & Marketing*, vol.12, issue 1, pp. 52-66
- Bart, C. K., & Baetz, M. C. (1998) The Relationship between Mission Statements and Firm Performance: An Explanatory Study, *Journal of Management Studies*, 16(1-3), pp.64-77.
- Bart, C. K., and J. C. Tabone. (1999) Mission statement content and hospital performance in the Canadian not-for-profit health care sector, *Health Care Management Review* 24 (3): 18-29.
- Biloslavo, R. (2004) Web-based mission statements in Slovenian enterprises, *Journal of East European Management Studies*, Vol. 9, No. 3 (2004), pp. 265-277
- Blair-Loy, M., Wharton, A.S. and Goodstein, J. (2011) Exploring the Relationship between Mission Statements and Work-Life Practices in Organizations, *Organization Studies*, Vol.32 (3), pp. 427-450
- Campbell, A., & Yeung, S. (1991). Creating a sense of mission, *Long Range Planning*, 24(4), pp.10-20
- Darbi, W. P. K. (2012) Of Mission and Vision Statements and Their Potential Impact on Employee Behaviour and Attitudes: The Case of A Public But Profit-Oriented Tertiary Institution, *International Journal of Business and Social Science* Vol. 3 No. 14, pp. 95-109
- David M.E., David, F.R. and David F.R. (2014) Mission Statement Theory and Practices: A Content Analysis and New Direction, *International Journal of Business, Marketing, and Decision Sciences*, Vol.7, No1, pp.95-110
- David, F.R. and David, F.R. (2003) It's Time to Redraft Your Mission Statement, *Journal of Business Strategy*, 24(1), pp.11
- Dermol, V. (2012) Relationship between Mission Statement And Company Performance, *International Conference on Management, Knowledge and Learning*, 20-22 June 2012, Celje, Slovenia
- Desmidt, S. and Heene, A. (2003) Mission statements: in search for ameliorated performance through organisation – employee value congruence, *First workshop of the EGPA Study Group on Ethics and Integrity of Governance*, Oeiras, Portugal, September
- Dobson, P., Starkey K. and Richards J. (2004) Strategic management: issues and cases, 2<sup>nd</sup> Edition, Blackwell Publishing



- Drucker, P. (2008). Management, Revised edition, Harper Business
- Erol, Y. and Kanbur E. (2014) Entrepreneurial Characteristics of Turkey's Top 100 Industrial Enterprises According to Their Mission and Vision Statements, *Business and Economics Research Journal*, Vol.5 No 3, pp. 149-165
- Fairhurst, G. T., Jordan J.M., and Neuwirth K., (1997) Why Are We Here? Managing the Meaning of an Organizational Mission Statement, *Journal of Applied Communication Research*, Vol.25, pp.243-263
- Finley, D.S., Rogers G. and Galloway, J. R. (2001) Beyond the Mission Statement: Alternative Futures for Today's Universities, *Journal of Marketing for Higher Education*, 10:4, pp.63-82
- Garg, A. K. (2014) Content analysis of mission statement of mining companies in South Africa, *Problems and Perspectives in Management*, Volume 12, Issue 4, pp.305-311
- Germain, R. and Cooper, M. (1990) How a Customer Mission Statement Affects Company Performance, *Industrial Marketing Management*, Vol. 19, pp.47-50
- Hamel, G. and Prahalad, C.K. (1994) Competing for the future, Harvard Business School Press, Boston, Massachusetts
- Hill, C.W. L. and Jones G. R. (2010) Strategic Management Theory: An Integrated Approach, 9<sup>th</sup> Edition, South-Western Cengage Learning
- James, H. and Huisman, J. (2009) Missions statements in Wales: the impact of markets and policy on congruence between institutions, *Journal of Higher Education Policy and Management*, Vol. 31, No. 1, pp. 23–35
- James, H. and Huisman J. (2009) Missions statements in Wales: the impact of markets and policy on congruence between institutions, *Journal of Higher Education Policy and Management*, Vol.31:1, pp.23-35,
- Jung, T. and Pompper D. (2014) Assessing Instrumentality of Mission, Statements and Social-Financial Performance Links: Corporate Social Responsibility as Context, *International Journal of Strategic Communication*, *International Journal of Strategic Communication*, Vol.8: 79–99, 2014
- Kemp, S. and Dwyer, L. (2003) Mission Statements of International Airlines: A Content Analysis, *Tourism Management* Vol. 24, pp. 635–653
- Kibuuka, H.E. (2001) Vision and Mission Statement in Christian Higher Educational Management in Eastern Africa, *Journal of Research on Christian Education*, 10:1, pp. 87-114
- Kloc, K (1994), The Banking System in Kyrgyzstan, Center for Social & Economic Research, Research Paper, Warsaw
- Köseoğlu, M.A. (2008) İşletmelerin Var Olma Sebeplerini Nasıl İfade Ederler? KOBİ'lerin Misyon İfadeleri Üzerine Bir Araştırma, *Yönetim ve Ekonomi*, Cilt: 15, Sayı:2, ss. 89-97
- Kosmützky, A. (2012) Between Mission and Market Position: Empirical findings on mission statements of German Higher Education Institutions, *Tertiary Education and Management*, Vol.18:1, pp.57-77
- Krippendorff, K. (2004) Content Analysis: an introduction to its methodology, 2<sup>nd</sup> edition, Sage Publications.
- Marjanova, T. J. and Fotov, R. (2014) Corporate Mission: Much Ado about Nothing or Essential Strategic Step?, *Conference Proceedings of the International Journal of Arts and Sciences*, Valletta, Malta, 2-6 March 2014, pp.170-182
- Morden, T. (2007) Principles of Strategic Management, 3rd Edition, Ashgate Publishing
- Mullane, J.V. (2002) The mission statement is a strategic tool: when used properly, *Management Decision*, Vol.4 (5), pp.445
- O'Gorman, C., and Doran, R. (1999) Mission statements in small and medium-sized businesses, *Journal of Small Business Management*, Vol.37, (4), 5pp.9-66
- Orozco, R. (2012) Framing Hostilities: Analysis of Mission Statements from Segregated Chicana/o Schools, *Journal of Latinos and Education*, Vol.11:2, pp.80-93
- Pearce, J. and David, F. (1987) Corporate Mission Statements: The Bottom Line, *Academy of Management Executive*, Vol. 1, No. 2, pp. 109- 115
- Rajasekar, J., (2013) A Comparative Analysis of Mission Statement Content and Readability, *Journal of Management Policy and Practice*, Vol. 14(6), pp.131-147
- Rigby, D. K. and Bilodeau, B. (2015) Management Tools and Trends Survey 2015, Bain and Company Inc
- Ritson, N. (2008) Strategic Management, Bookboon, 2<sup>nd</sup> edition, ISBN 978-87-403-0506-7

- Stemler, S.E. Bebell D. and Sonnabend L.A. (2011) Using School Mission Statements for Reflection and Research, *Educational Administration Quarterly*, 47(2), pp. 383–420
- Tanković, A.Č. (2013) Defining Strategy using Vision and Mission Statements of Croatian Organizations In Times Of Crisis, *Economic Research-Ekonomska Istraživanja*, Vol.26,sup1, pp.331-342,
- Thompson, A.A. and Strickland A.J. (2006) Strategic Management: Concepts and Cases, 11<sup>th</sup> edition, McGraw-Hill
- Tuhin, M.H. (2014) Content Analysis of the Banks' Mission Statements: A Study of Bangladeshi Listed Banks, *Journal of Management and Science*, Vol.4. No.1, pp.30-36
- Wang, Y., (2011) Mission-Driven Organizations in Japan: Management Philosophy and Individual Outcomes, *Journal of Business Ethics*, Vol. 101, pp.111–126
- Williams, L.S. (2008) The Mission Statement: A Corporate Reporting Tool with a Past, Present, and Future, *Journal of Business Communication*, Vol. 45, No 2, pp.94-119
- Weber R.P. (1990) Basic Content Analysis, 2<sup>nd</sup> Edition, Sage Publications
- Wilson, J.L., Meyer, K.A. and McNeal, L. (2011) Mission and Diversity Statements: What They Do and Do Not Say, *Innovation High Education*, Vol. 37(2), pp.125-139.
- [www.nbkr.kg](http://www.nbkr.kg) web-site of the National Bank of the Kyrgyz Republic
- [www.stat.kg](http://www.stat.kg) web-site of the National Statistical Committee of the Kyrgyz Republic
- [www.akchabar.kg](http://www.akchabar.kg) financial portal
- Corporate web-sites of commercial banks in Kyrgyzstan
- <https://www.optimabank.kg/en/>
- <http://www.ab.kg/en/>
- <http://www.rsk.kg/en/>
- <http://en.kicb.net/>
- <http://demirbank.kg/en>
- <http://www.cbk.kg/en/>
- <http://www.rib.kg/ru/>
- <http://www.baitushum.kg/>
- <http://www.halykbank.kg/en/>
- <http://www.btabank.kg/en/>