

The Impact of Mission Statement on Performance: An Exploratory Study in the Jordanian Banking Industry

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This study aims at assessing mission statements in the Jordanian banking industry. More specifically, it explores mission statements in terms of components and their impact on performance. The content analysis of mission statements for 13 banks was carried out to meet the research objectives. Both descriptive and inferential analysis techniques were utilized. The results indicate that banks are very interested to possess mission statements. However, regarding to the content, it seems that no equal attention has been given to the components of mission statements. The results also provide no support to the correlation between mission statements' components and performance.

INTRODUCTION

Several studies have reported the increasingly role of strategic management and its impact on organizational performance (Whleen & Hunger, 2012). Mission statement is considered as an essential part of strategic management process (Cochran, et al., 2008; Morphew & Hartley, 2006). It primarily serves as a managerial tool that forms the basis for the strategic management phases: formulation, implementation, and evaluation (Bart, et al., 2000; Bryson, 1995; Ireland & Hitt, 1992; Pearce & Roth, 1988; Stone, 1996). Earlier studies have clearly addressed the importance of mission statement. Moreover, its strategic role is well-documented and supported in the associated literature of business management studies in general and strategic management studies in particular (Ireland & Hitt, 1992; Staples & Black, 1984; Sufi & Lyons, 2003).

Given that a mission statement is perceived as the starting point for shaping and directing the entire organization, it has obtained a great attention by both academic and practitioners. Actually, studies of mission statement were found in the early of 1970s (Sufi & Lyons, 2003). Empirically, Iseri – Say et al. (2008) found that more than 84% of managers believe that the mission statement among the most important managerial tool. Another empirical study revealed that mission statements and values were ranked among the top managerial tools since it plays an integral role in firms by helping organizational members to emphasize on objectives and to work together on the same direction (Rigby, 1994).

With respect to the role of mission statement, Pearce and David (1987) stated that there are three major roles: to establish the foundation for strategies, plans, and work activities priorities; to set the basis for the organizational design and structure; and to justify why an organization exists. Additionally, it helps a firm to distinguish itself from rivals in terms of corporate identity (Leuthesser & Kohli, 1997), legitimacy and direction (Want, 1986).

There are three main reasons for organizations to have mission statements; it is a cornerstone in the strategic planning (Pearce, 1982; Pearce & David, 1987; Staples & Black, 1984; Stone, 1996), as a tool of

communication to public, as well as an internal communication tool by steering the decisions making process, directing and coordinating organizational activities, and managers behaviors (Bart & Tabone, 1999; Campbell & Nash, 1992; Collins-Jarvis, 1997). In other words, mission statement works mainly as a communication tool and expresses future objectives (Bartkus et al., 2000).

Several benefits of mission statement have been reported in the related literature including communicating a sense of the firm's direction and purpose, serving as a control mechanism to keep a firm on track, making a wide range of day-to-day decisions and to inspire and motivate employees (Bartkus et al., 2000).

There are several imperative features and characteristics of mission statement. For instance, mission statements vary in their length, number of words, general or specific (Bart & Hupfer, 2004). Several studies (David and David, 2003; Davies and Glaister, 1997; Kemp and Dwyer, 2003) suggest that mission contains almost 100 words in length. Moreover, mission statement must be free of financial expression, numbers, percentages, ratios or objectives (cited in David et al., 2014). Fred (2003) recommends 200 words as an ideal length of mission statements. The mission statement contents must be reflected in actions behavior (Bartkus and Glassmn, 2007). An effective mission statement is also an important issue that should be given a great deal of consideration. In this issue, Ackoff (1986) claims that an effective mission statement should be challengeable, contains measurable goals, differentiate the firm from its competitors, inspirational and pertinent to all stakeholders. King et al., (2010) contend that a well designed and a comprehensible mission statement plays a critical role on setting objectives effectively and on quality of plans' formulation. Lynch (2000) maintains that an effective mission statement should be specific, flexible, distinctive, attainable and realistic. Sattari et al., (2011) assert that a comprehensive, readable, concise, clear mission statement is very essential to obtain the expected benefits and the desired outcomes. Vandijck et al., (2007) point out that a well designed mission statement works as an energy source, guide decision making and employees' behaviors.

In the current business environment there is a rapidly growing literature on mission statement and more considerable to mission statement has been given not only by profit but also by non-profit organizations (Cochran et al., 2008; Krik et al., 2010; Gilson, 2012). These include educational organizations (James & Huisman, 2009; Palmer & Short, 2008), religious organizations (Zandstra, 2012), healthcare organizations (Forenhand, 2000; Vandijcke et al., 2007). Furthermore, the attention extends to small-and medium-sized organizations (Analoui & Karami et al., 2002).

RESEARCH PROBLEM

There is a wide assumption of a strong linkage between mission statement and organizational performance. A review of the related literature have revealed that the research of mission statement and performance can be divided mainly into three aspects: the impact of existence and nonexistence of mission statement on performance, the content of mission statement, and the impact of mission statement components' on performance (Dermol, 2012). Generally speaking, studies show consistent results in terms of main components. In relation to the impact of mission statement on performance studies still show mixed results. While some of them show positive relationships, the others show negative relationships (O'Gorman & Doran, 1999). Indeed, the literature has not demonstrated an adequate evidence to substantiate this assumption yet, and the relationship between mission statement and performance is still a problematic issue, unclear, and ambiguous (Bart & Hupfer, 2004; Dermol, 2012; Desmidt et al., 2011). This might be attributed to the paucity of empirical studies between mission statements and performance as have been reported by several studies (Dermol, 2012; Desmidt et al., 2011; Williams, 2008).

In general, based on the previous discussion it is worth to noting that few empirical studies have been conducted in developing countries in particular. In this matter, several studies have recommended to investigate mission statements in different environments and in different industries (Jandaghi & Miyandehi, 2011; Peyrefitte & David 2006). Accordingly, this research was carried out in Jordan as a one of the developing countries by focusing on the banking industry. The Jordanian banking industry is one of the most important industries in Jordan. It plays a critical role in Jordan's economy. In the last decade, it

has been considered one of the biggest contributors to Gross Domestic Product (Ameinfo, 2007; Zaway, 2007). The Jordanian banking industry comprises twenty-four banks, which are divided into two groups. The first group includes both local commercial banks and Islamic banks; the second group includes foreign banks. This study is limited to the local commercial banks and Islamic banks. The banking industry was chosen because there is a scarcity of studies about mission statement in the Jordanian banking industry. Furthermore, published data about the banking industry, such as daily and weekly newspapers, monthly publications and annual reports are accessible from various sources such as banks' reports and their websites. To the best knowledge of the researcher this is one of the first exploratory studies in Jordan that has paid attention to mission statements, their existence, content, and their impact on performance in the banking industry.

RESEARCH OBJECTIVES

- To describe mission statements in terms of their length, number of words, and sentences.
- To identify the main components of mission statements and their existence levels in the Jordanian banking industry.
- To examine the relationship between the components of mission statements and performance in the Jordanian banking industry.

LITERATURE REVIEW

Definition of a Mission Statement

In the relevant literature there are several definitions of a mission statement. While some definitions focus on its purpose, others focus on components and scope of operations (Rajasekar, 2013). Mission statement as a written formal documents that attempts to capture an organization's unique and enduring purpose and practice (Bart & Tabone, 1998). In simple words, a mission statement "tells two facts about a company: who it is and what it does" (Fasly, 1989, p.3). Similarly, Cochran et al., (2008) state that mission statement "is a declaration of an organization's businesses or reason for being" (p. 27). In straightforward words, "a mission statement reveals what an organization want to be and whom it wants to serve" (Fred, 2003, p. 59). Based on the previous definitions, mission statement can be defined as a statement that justify and specify the reason for an organization existence. Moreover, mission statement can convey that the scope of operations and activities are customers, products or services, location, values and philosophy. In short, according to Palmer and Short (2008), these aspects of mission statement reflect "how firms see themselves and how they want others to view them" (p. 454).

Components of Mission Statement

In relation to the components of mission statement it has been noticed that some mission statements are broad include many components while others are narrow include only few components. One of the first earlier studies that aimed at identifying the components of mission statement was conducted by Pearce (1982) who asserts that the products or services, market and technology are the main three components of mission statement, followed by a study conducted by Pearce and David (1987) who reported eight essential components of mission statement: customers, products or services, market, technology, attention for survival, growth and profitability, philosophy, self-concept, and public image. David (1982) believes that there are three main components of a mission statement: product or service, market and technology. In his study, Want (1986) suggests five components of mission statements: purpose, business aims, corporate identity, company policies, and values. According to Campbell and Tawadey (1992), the main components of mission statement are: customers, products or services, location, technology, survival, philosophy, self-concept, public image, and employees. Piercy et al., (1994) concluded that the holistic mission statement should primarily include four parts: philosophy, product or market scope, key values and the identification of key success factors in the related

marketplace or industry. According to Sufi and Lyons (2003) based on a comprehensive review of literature of the components of mission statements found the most common items are: concern for customers, communication, survival, values, employee care, quality/innovation, public image, business, location and self concept purpose, identity or image, differentiation factors, corporate values, products, markets, concern for survival, growth, profitability, company philosophy, employees and social concern.

Whleen and Hunger (2012) mentioned that there are nine components to assess mission statement measures. These components are purpose, product or service, competitive advantage, scope of operations, philosophy, vision, and sense of shared expectations, public image, and focus on technology, creativity and innovation. In the context of small and medium sized enterprises (SMEs), Analoui and karami (2002) found, mission statement that includes: long term profit, survival and growth, customer satisfaction, core technology, market, company values and philosophy, product and services quality, public image, geographic domain, self-concept, and concern for suppliers are the main components of mission statement.

Recently, due to the current business conditions and global economic and environmental conditions, King et al., (2010) contend that a mission statement must be, revised, updated and aligned to cope with current changes and developments of environment. They believe that mission statement should be more universal and should contain new components such as going green concept which can be reflected in three aspects: Ethical behavior, being socially responsible, and protecting the environment. In spite of the various studies and opinions about the components of mission statement, it can be noted that there is a general agreement regarding the most important elements of mission statement (Williams, 2008).

Mission Content and Performance

Several studies have been carried out to explore the assumed relationship between an organization's mission statement and performance (Stone 1996). David and David (2003) argued that mission statement has a substantial impact on both employee's performance and organizational performance. Nonetheless, research of the impact of mission statement on performance is still rare and quite problematical (Kirk & Nolan, 2005). Moreover, empirical results show contradictory results (Atrill et al., 2005; Palmer & Short, 2008). In fact, small number of studies have sought either to establish a direct linkage between existence and non-existence of mission statement and organizational performance, or between the components of mission statement and performance (Alavi & Karami, 2009; Bart & Baetz, 1998; Kirk & Nolan, 2005; Pearce & David, 1987).

In a study conducted by Alavi and Karami (2009) indicated that 72% of the examined CEO's believe the existence of formal and written mission statement has a great impact on enhancing organizational performance. Gharleghi et al., (2011) have found a positive relationship between mission statement characteristics (clearness, completeness, reality, practically, the amount of employees and managers awareness, the amount of the acceptance, flexibility, attention to stakeholders, and distinctiveness of the mission statement) and organizational performance. Dermol (2012) examined the relationship between mission statement and performance in 394 Slovenian companies; the results showed that value added performance as a measure of performance is the only measure associated with existence of mission statement, while the other measures ROA and ROE did not have relationships with mission statements' components.

Palmer and Short (2008) analyzed mission statement of Association to Advance Collegiate School of Business (AACSB) schools in USA. The main results indicate that business school missions lacked of comprehensiveness. They concluded that the differences in performance in business schools were attributed to mission components. Similarly, Alavi and Karami (2009) found the existence of mission statements is associated with organizational performance. Collins and Porras (1991) in their study showed that firms that revealed mission statements and corporate philosophy do better than firms without. They concluded that mission statement has a significant positive impact on motivating employees and attaining competitive advantage. Likewise, Green and Medlin (2003) found a significant positive relationship between the financial performance and the quality and completeness of mission statements. For that

reason they concluded that mission statement has a significant impact in improving financial performance.

On the other hand, notwithstanding that some studies have not found a relationship or weak between mission statement's components and performance. For instance, a study conducted by Bartkus et al., (2006) indicated that there is no positive relationship between most components of mission statements and firm performance. However, the only component among others that have a positive association with firm performance is values and philosophy component. Williams (2008) investigated the link between mission statements and financial performance of Fortune; a 1000 firms on the 2006 list by assessing the components of mission statement of higher-performing and lower performing firms. The results show while the mission statements of higher performing firms included more components (eight of nine) in their mission statement comparing to lower performing firms, the differences were only significant for three (survival, public image and employees) of nine components. Analoui and Karami et al., (2002) demonstrated that high performer organizations do not necessarily have a more comprehensive mission statement than the lower performer organizations.

Bart et al. (2001) acknowledged that while there is a positive relationship between mission statement and non-financial measures of performance representing by satisfaction, behavior, commitment and mission – organizational performance, there is no relationship between financial performance and mission statement. A study conducted by Sufi and Lyons (2003) also revealed a significant positive relationship only between mission statement and annual turnover among other measures of performance (return on equity and net profit margin). Sidhu (2003) found a positive relationship between performance and missions statements. However, he confirmed that the relationship was weak. Another remarkable evidence of the weak relationship between mission statements and performance can be seen through the work of Desmidt et al., (2011), a first recent systematic review study covered the last 20 years of empirical research of mission statements and performance. The result of meta-analysis technique of 14 studies has indicated a small positive effect of missions' statements on financial performance. They also found based on the content analysis of mission statement and performance, that there are no differences in the performance of organizations that have mission statement and organizations' without, where the positive relationship is limited to exist between mission statements and non-financial measures.

Another recent study conducted by Amran (2012) to examine the relationship between mission statement and performance in Malaysian companies also reported mixed results. The main results few of Malaysian companies concern on revealing their mission statements. With respect to the impact of components: purpose, values, self-concept, concern for suppliers, society and vision statement the results show mixed results. More specifically, there is no relationship between the ROA and any components mission statements'. On the contrary, with respect to the ROE there is a significant relationship between ROE and the purpose, values, self-concept, concern for suppliers, and society components of mission statement. Finally with earning per share EPS the only component of examined components of mission statement that has a significant relationship with it is purpose. Based on the previous discussion the following two hypotheses were drawn for this study:

H 1: There is a positive relationship between mission statement components (customer, product or services, location, technology, growth, profitability, and survival, philosophy self-concept, and public image) and organizational performance (ROI).

H 2: There is a positive relationship between mission statement components (customer, product or services, location, technology, growth, profitability, and survival, philosophy self-concept, and public image) and organizational performance (ROE).

RESEARCH METHODOLOGY

In order to achieve the research objectives, a comprehensive review of the related literature about mission statement, its components, and its impact on performance was conducted. The mission statement

of each bank was obtained from the websites of banks in Jordan that are listed in Securities Depository Center (SDC) in 2014. Websites are widely used in similar type of studies (Palmer & Short, 2008; Rajasekar, 2013; Valerij, 2012). Content analysis approach was adopted in this study. Content analysis is defined "a research method that uses a set of procedures to make valid inferences from text" (Weber, 1990, p. 117). Accordingly content of mission statement was reviewed and analyzed by adopting Pearce and David's (1987) typology that involves eight components as shown in Table 1. This typology is widely adopted and recommended to be used by several studies (e.g., O'Gorman & Doran, 1999; Palmer & Short, 2008; Williams, 2008).

After the collection of mission statements, a printed copy of mission statements was distributed, assessed and coded independently by two raters, and then together to resolve any discrepancies or differences. Both raters have a wide knowledge in business management and strategic management. A scale of 0-3 was adopted to evaluate the mission statement (0: mission statement does not include the component; 1: mission statement includes the component in a low degree of clarity; 2: mission statement includes the component in a moderate degree of clarity; and 3: mission statement includes the component in a high degree of clarity). The following scales were used to interpret the results (0 – 1: poor; 1- 2: moderate; 2 – 3: High).

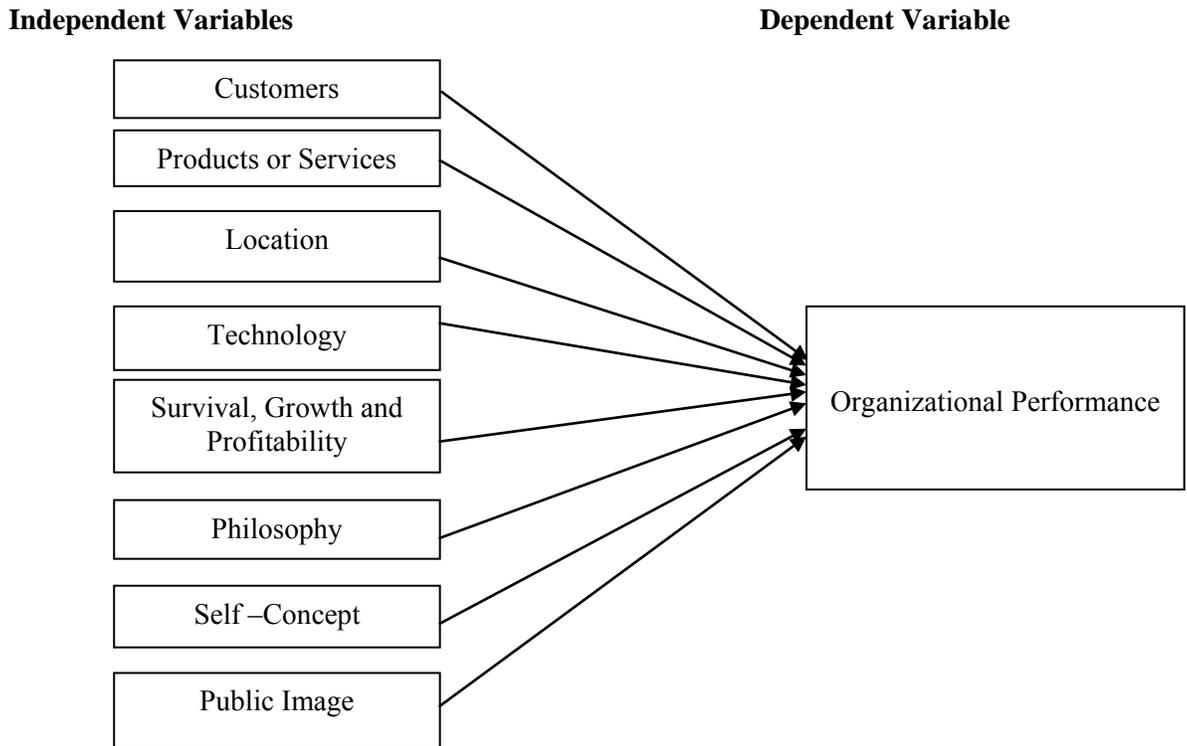
The population of the study includes all banks in Jordan that are listed in Securities Depository Center (16 banks). SPSS software was used to conduct a set of descriptive statistical methods such as frequencies, percentages, measures of central tendency and dispersion. Finally a correlation analysis was performed to test the hypotheses.

TABLE 1
EIGHT KEY COMPONENTS OF MISSION STATEMENT IDENTIFIED
BY PEARCE AND DAVID'S (1987)

1	The specification of target market and customers.
2	The identification of principle and /or services products.
3	The identification of geographic domain.
4	The identification of core technologies.
5	The expression of commitment to growth, survival, and profitability.
6	The specification of key elements of the company philosophy, that is, its basic belief, values, aspirations, and philosophical priorities.
7	The identification of the company self-concept, namely, the firm's view of itself and its competitive strength.
8	The identification of the firm's desired public image.

In terms of companies performance measures, two financial measures were used the Return on Investment (ROI), and Return on Equity (ROE). Average values of ROI and ROE for years from 2009-2013 were collected from annual reports from the banks' websites. Financial measures are widely used in this type of studies (Alavi & Karami, 2009; Bart & Baetz, 1998; Valerij, 2012). Thus, the model of this study includes two types of variables the independent variables (components of mission statement) and the dependent variables (the financial performance measures ROI and ROE) as shown in Figure 1.

FIGURE 1
THEORETICAL MODEL OF THE STUDY



What Differentiates This Study?

To the best knowledge of researcher, there is no reported literature about the relationship between mission statements and performance in Jordan, more specifically in the banking industry. Hence, this study is one of the first studies if not the first that shed the light on mission statements in the Jordanian banking industry. Furthermore, the results of this study are based on the entire population while most of studies depend on samples.

FINDINGS AND DISCUSSION

Descriptive Analysis

The research population is composed of 16 banks. The descriptive analysis shows 13 of 16 (81.25%) of banks have their mission statements. This percentage is very similar to Alavi and Karami (2009) of 82%, Analoui and Karami (2002) of 78%, Baetz and Bart (1996) of 86% studies. Thus, this indicates that the Jordanian banks are aware of the importance of the mission statement existence. It seems that the banks give an appropriate attention to have their mission statements and an increasing awareness of the importance of mission statement.

In terms of the length of mission statements there no common agreement regarding the length of mission statements. Furthermore, what have been published about the length is very limited. However, it has been reported by Want (1986) that a mission statement can be in the form of a brief paragraph to tomes. According to the Total research, Strategic Marketing Services (1999) an ideal mission statement ranges from 7 to 1000 words. Similarly, Jauch and Glueck (1998) argue that in general mission statement ranges from 7-1000 words. Bart and Baetz (1998) based on their experience suggest that a mission statement should be short, simple and straightforward. However, they do not determine a specific number

of words or sentences. They argue that a short mission statement has a straight impact on firm's members. In the same vein, David et al., (2014) argue in favor to a short mission statement, based on various points of view; an ideal mission contains almost 100 words in length. Fred (2003) recommends 200 words as an ideal length of mission statements. The length of mission statements analysis of the studied banks in this study as shown in Table 2 demonstrates that the length of sentences range from 1-5 sentences and the number of words ranges from 16 to 145 words. The results signify that five banks have one sentence statement, four banks have two-sentence statements, one bank has three-sentence statements, one bank has four sentences statements and finally two banks have five sentences statements.

TABLE 2
THE NUMBER OF SENTENCES AND WORDS OF MISSION STATEMENTS

	Name of the Bank	Number of Sentences	Number of Words
1	Islamic Bank	3	93
2	Kuwait Bank	2	69
3	Jordan Commercial Bank	2	53
4	Housing Bank	2	34
5	Ajib	1	38
6	Jordan Dubi Islamic Bank	1	26
7	Etihad Bank	4	145
8	Abc Bank	5	75
9	Invb	1	28
10	Capital Bank	2	55
11	Bank of Jordan	1	39
12	Ahli Bank	5	79
13	Araba Islamic Bank	1	63

Based on the results it can be noticed that the mission statements of banks are very short , all of them are less than 100 words except one bank, and the average of words = 61.30, average of sentences = 2.30.

Content Analysis

The content analysis of mission statements as shown in Table 3 shows that the components of mission statements range from a low to moderate degree of clarity. Regarding the customer component, the results indicate that the 92% of banks include customer in their mission statements. As described in the strategic management, determining the target consumer is very critical for strategy formulation. However, unexpectedly in terms of clarity only 8% of banks have a high degree of clarity while the rest of the percentages of frequencies are distributed between moderate to low degree of clarity (46%) and (38%) respectively. In relation to customer this is not in line with Sufi and Lyons (2003) and in line with the study of Rajasekar (2013).

In terms of products or services, the results indicate that all banks include product or services in their mission statement. Overall, products or services are very essential for strategy formulation and to identify the nature of business. 62% of frequencies have shown that this component has been mentioned with moderate degree of clarity. While 15% is associated with a high degree of clarity and 23% associated with a low degree of clarity.

Concerning market, it can be seen that it is not clearly mentioned. The results demonstrate that more than half (54%) of banks include this component with a low degree of clarity. The rest of percentages were distributed equally between moderate and high degree of clarity at (23%). The most interesting results related to technology component as shown in Table 3. It seems that (54%) of banks do not mention

this component in their mission statement. The results also indicate even though for those banks that give concern for these components, it can be noticed that the degree of clarity ranges from low to moderate degree and only(8%)of banks have a high degree of clarity (one bank). In relation to location and technology, the results in line with the studies of Vandijck et al, (2007) and Amran et al, (2012). Location is also consistent with the studies of Campbell et al, (2001) and Sufi and Lyons (2003).

It can be seen from Table 3 that (69%) of banks have a moderate degree of clarity in their mission statements in terms of survival, growth and profitability. The rest of banks are in favor to a high degree of clarity (23%) comparing to (8%) of banks with a low degree of clarity. The result is in line with the strategic management literature that survival, growth and profitability components are very important for businesses (Sufi & Lyons, 2003; Peace & David, 1987).

Referring to the philosophy and public image components, the results indicate that (46%) of banks have mentioned both in a low degree of clarity, and (15%) of banks have mentioned them with a high degree of clarity. (39%) of banks have mentioned public image with a moderate degree of clarity and (31%) of banks have mentioned philosophy with a low degree of clarity. The total percentages of public image are (85%). This result is consistent with Pearce and David who found public image to be (87%). Finally, in relation to self-concept, the results indicate that this component of mission statement has obtained the highest degree of clarity (31%) and (46%) with a moderate degree of clarity, a low degree of clarity (15%) and not mentioned (8%) as shown in Table 3. These results are not consistent with previous research (Sufi & Lyons 2003).

The majority of banks include the components of mission statement except technology. However, the degree of clarity for the all of them is ranging from low to moderate. This suggests that the banks in Jordan do not and describe clearly the components in specific details in their mission statements. In short, unequal concern has been given to components of mission statements. This result is in line with Vandijck et al., (2007) who find firms did not include the required components of mission statements with same degree of clarity. The results are also consistent with the study of Rajasekar (2013) who discovered that firms did not include the required components of mission statements in their mission statements. The results could be attributed to little awareness of the contents of mission statements, or might be related to the superficial knowledge of individuals who write the mission statement.

TABLE 3
PERCENTAGES' OF MISSION STATEMENT COMPONENTS FREQUENCIES

Component	Frequencies				Mean	S.D	Rank
	Not mentioned	Low	Moderate	High			
Customer	8%	38%	46%	8%	1.54	0.776	4
Product or Services		23%	62%	15%	1.92	0.641	2
Market		54%	23%	23%	0.92	1.256	6
Technology	54%	15%	23%	8%	0.85	1.068	7
Survival, growth and profitability		8%	69%	23%	1.15	0.555	5
Philosophy	8%	46%	31%	15%	1.54	0.877	4
Self-concept	8%	15%	46%	31%	2	0.91	1
Public Image		46%	39%	15%	1.69	0.75	3

The mean, standard deviation and the ranking of each component of mission statement are presented in Table 4. The results demonstrate that the self-concept component is at the highest rank (mean = 2, SD = 0.91), followed by product or services component at (mean = 1.92, SD = 0.64), followed by public image component at (mean = 1.69 , SD = 0.75), then philosophy component at (mean = 1.54, SD= 0.877) and customers at (mean = 1.54, SD = 0.776), survival, growth and profitability component at (mean = 1.15, SD= 0.55), Market component at (mean = 0.92, SD = 1.256) and finally, technology component is the lowest rank at (mean = 0.85, SD =1.06). It can be noticed that the means of all components are less than the mean score 2 of the scale which means that the clarity of the mentioned components ranges from a low to moderate degree. The standard deviations of the components are around 1 or less(ranging from 1.256 to 0.85), which reflects a consensus agreement between the raters in terms of the clarity of the components. Based on the results, it can be concluded that the degree of clarity of components of mission statements is ranging from moderate to low. While the self concept, product or services, public image, customer, philosophy, and survival, growth and profitability are mentioned in mission statements with a moderate degree of clarity, the market and technology are mentioned with a low degree of clarity. It might be attributed to several factors such as to the belief of the importance of having mission statement and to show them in their websites' regardless of the length and the content of mission statements. This is strongly supported since the majority of the Jordanian banks are very interested to have mission statement 13 banks from 16, and the degree of clarity ranges from low the moderate.

Hypotheses Testing

The Pearson correlation analysis test was used to examine the relationship between the components of mission statements and performance. With respect to the relationship between the components of mission statement and ROI, the results indicate a positive relationship with technology, market, product or services and public image. The results also indicate a negative relationship between the customer and philosophy. However, despite that these relationships are positive they are actually weak and insignificant as shown in Table 4. Thus, Hypothesis 1 is not supported. In relation to the correlation between the components of mission statements and ROE, it can be seen that components such as public image, product & service, customer, market and technology have positive relationships, while the philosophy and self-concept have negative relationships. However, the relationships are also weak and insignificant. Thus, hypothesis 2 is not supported. Overall, based on the correlation analysis tests between the components and the indicators of performance (ROI and ROE), both research's hypotheses are rejected. On the one hand, the results of the study have been supported by several studies (Dermol, 2012; Bartkus et al., 2006, Bart et al., 2001; Sidhu, 2003; Sufi and Lyons; 2003; David; 1989; Colm and Roslyn; 1999; Analoui and Karami et al.,2002; Klemm et al. 1991).On the other hand, the results are inconsistent with the findings of several studies (Green and Medlin; 2003), Palmer and Short (2008) Alavi and Karami(2009), Pearce and David (1987) Collins and Porras(1991), Rarick and Vitton (1995). There some possible explanation of the lack of a positive relationship between the components of a mission statement and performance, they attributed to the managers' belief that mission is a required part of strategy formulations that we must present in our reports and websites regardless of the content. This is strongly supported by earlier findings of this research where majority the of banks have their mission statement while the components are not clearly expressed. Another possible explanation could be attributed to the nature of the Jordanian banking industry as a highly concentrated industry where is very difficult to measure the impact of mission statement on financial performance, in other words, to a great extent the performance especially financial measures might be determined by other factors such as history, reputation and size of banks that have more influential role on performance.

TABLE 4
CORRELATIONS RESULTS BETWEEN COMPONENTS OF MISSION
STATEMENT AND PERFORMANCE

Components of Mission Statements	ROI	ROE
Customer	-0.088	0.182
Product & Services	0.162	0.225
Market	0.316	0.175
Technology	0.251	0.284
Survival, Growth And Profitability	0.088	0.134
Philosophy	-0.390	-0.135
Self-concept	0.092	-0.138
Public Image	0.164	0.390

CONCLUSIONS

The importance of a mission statement is derived from its strategic impact on organizational performance. In fact, the related literature about mission statement and its impact on performance still shows inconsistent results. Moreover, the empirical research is still few as we have seen earlier. Accordingly, this research was undertaken to fill some gaps in this research area. The main intent of this research was to examine the content of mission statements in the Jordanian banking industry. In particular, it provides a general description about mission statements, the existence level of the components, and the relationship between the components of mission statement and performance in the Jordanian banking industry. In view of that, the content analysis of mission statements of 13 banks were conducted, and their relationships with performance were examined.

The findings indicate that the majority of banks as found 13 out of 16 banks (81.25%) have their formal mission statements. The findings also show that mission statements of banks are short and simple. In fact, all of banks' mission statements are less than 100 words except one.

With respect to the existence level of the components of mission statements, based on the results of the current study, it was found that not all components are clearly written in mission statements. The existence levels for the components range from low to moderate. The component of self-concept received the highest mean score (2) of all components, while the component of technology received the lowest mean score (0.85). In light of that, it can be concluded that no equal attention has been given to the eight components of mission statements.

Finally, the findings do not support to the researches' hypotheses. The correlation analysis demonstrated a weak and insignificant positive relationship between the components and banks' performance. Therefore, it is possible to conclude that there is no a strong positive relationship between the components of mission statement and performance in the Jordanian banking industry.

RECOMMENDATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The findings indicate that a further research about a mission statement, its content, and impact on organizational performance is required before obtaining a definitive answer. The replication of the same model of the study in the banking industry will be more useful to compare, validate, and to generalize the results of the present study. Furthermore, it will be very useful to replicate this study in other industries or

larger samples. The findings indicate the Jordanian banks have shown awareness of mission statement as the results indicated 13 from 16 banks have shown their formal written mission statement. However, surprisingly, there is unequal attention to the components of mission statement as the results indicate the existence level is low to moderate. This result raises attention to look into the mechanism of mission statement formulation, who formulates them and their qualifications.

Using other measures such as behavioral measures besides financial measures might be more appropriate to measure organizational performance instead of using financial measures only. As stated by Desmidt (2011, p. 479) "the question can be raised if the indicators of financial performance are suited to assess the effectiveness of mission statements". While the results showed no support to the relationship between the mission statements and performance. In spite of research's results, in my opinion, banks should have a meaningful statement that includes the most important components of mission statements and represent them clearly. Since mission statement are very essential part in strategy formulation and an effective communication tool.

LIMITATIONS

It should be acknowledge that this research is subject to some methodological limitations. First limitation, even though the study covers the whole population of the banking industry in Jordan, the size of the population is very small, 16 bank only. The second limitation, the banks' performance measures were measured merely by financial measures which might inadequate to uncover the relationship between mission statement and performance. The third limitation is related to the assessment of mission statement, which was carried out by two raters only. Finally, the results of the study are not compared to other studies, because to the best of my knowledge the relationship between mission statement and performance has never been undertaken in Jordan. It is hoped that this research and its empirical results presented here will be considered a cornerstone for future research, providing a basis for future research in examining the relationship between mission statement and performance.

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