

Identify the mission,
objectives and
responsibilities of an
organization with in ...



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Outcome 1

Identify the mission, objectives and responsibilities of an organization with in its environment

Outcome 2

Investigate the economic, social and global environment in which organization operate

Note: Attach this page as first page of your report

METHODOLOGY

This information has been gathered from “ Mr. Sabtin” operational manager of Faysal Bank Limited university road near DAY TO DAY Shop Peshawar.

“ Mr. Sabtin” was considerate enough to give us detailed information about the Bank. He also introduced us to his colleagues at the office who gave us the record of the various fields of the Bank.

PURPOSE OF THE ASSIGNMENT

This assignment was assign to us with certain objectives in mind. The purpose and objectives were to study the working of a real world organization practically. To equip students with the insight of organization and analyze the practical aspects of the working of Business Environment and developing the student’s capability of applying the concepts on the organization hence learning by doing. To observe the mission, objectives, social welfare policy, industrial policy and macroeconomic policy of the Faysal Bank.

P1 M1 D1:- Identify the mission, values and key objectives of the chosen organization and assess the influence of stakeholders.

Give your judgements about the organizational performance in achieving its objective and also satisfy its stakeholders.

Justify a choice of a new mission statement & salient features.

Organization:-

An organization is an arrangement of people, pursuing common goals, achieving results and standards of performance. Basically, an organization in its simplest form is a person or group of people intentionally organized to accomplish an overall, common goal or set of goals. Business organizations can range in size from one person to tens of thousands.

Organizations are social units with a purpose. Normally there should be a purpose for the birth of an organization. Each organization comes into existence with a purpose specific to its genesis. For example we have a galaxy of organizations such as governments, government agencies, corporations, business organizations, universities, ' trade associations, trade unions, hospitals, schools, theatres, municipal corporations, prisons, slaughter houses, professional societies and a host of several other bodies. Each has its own purpose to live in the society. (www. businessdictionary. com)

Mission: –

Mission or Purpose is a precise description of what an organization does. It is a definition of “ why” the organization exists currently. Each member of an

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organization should be able to verbally express this mission. Additionally, each person needs a mission for his or her life.

A mission statement focuses on the how of your business. It defines the purpose of the business. It outlines the reason for being for your business and provides some understanding of how your business will be operated-the Strategy. Mission ‘ describes the organization’s basic function in society, in terms of the products and services it produces for its clients. “ The specific role that organization plans to fulfill the within society over the long-term and therefore limits the scope of its operations by implicitly excluding areas outside its stated mission.” (www. entrepreneur. com)

Values: –

A value is a belief, a mission, or a philosophy that is really meaningful to the company. Values define the group beliefs, and rules that control the management of the company. It represents the organizational philosophy and support to the basic mission of an organization. An organization with stronger Values base can be very successful in the future for long-term and can achieve the organizational goals in timely manner. Values have impact on each and every activity of the organization and must be define by the top management of the organization in very careful manner. (www. wikipedia. com)

Objectives: –

Objectives give the business a clearly defined target. An objective is something you want to achieve. Business objectives are something, which a business organization wants to achieve or accomplish over a specified period

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of time. These may be to earn profit for its growth and development, to provide quality goods to its customers, to protect the environment etc. These are the objectives of business.

Faysal Bank Limited:-

Introduction of Faysal Bank Limited:

Faysal Bank started operations in Pakistan in 1987, first as a branch set-up of Faysal Islamic Bank of Bahrain and then in 1995 as a locally incorporated Pakistani bank under the present name of Faysal Bank Limited. On January 1, 2002, Al Faysal Investment Bank Limited, another group entity in Pakistan, merged into Faysal Bank Limited which resulted in a larger, stronger and much more versatile institution.

The strength and stability of Faysal Bank Limited is evident through the Credit Rating assigned by JCR-VIS Credit Rating Company Limited of “ AA” (Double A) for long to medium term and “ A-1+” (A One Plus) for short term.

(Faysal Bank, Annual Report 2009)

Faysal Bank Mission: –

Achieve leadership in providing financial services in chosen markets through innovation. To Develop and deliver the most innovative products, manage customer’s experience, deliver quantity service that contributes to brand strength, establishes a comprehensive advantage and enhances profitability, in this way providing value to the stakeholders of the bank. (www. faysalbank. com)

Faysal Bank Values: –

Our daily code of conduct is exemplified by eight core values:

Four threshold values – at the heart of our brand.

Four differentiator values – values that set our brand apart.

Threshold Values: –

Team Work

Respect

Integrity

Professionalism

Differentiate Values: –

Passion

Innovation

Responsiveness

Compassion

(www.faysalbank.com)

Faysal Bank Objectives:-

Faysal Bank has the following objectives:-

Prime focus to earn profit by providing values to its customers.

To provide superior services to its customers.

To provide assistance in the development of the commerce and trade industry.

Focus on blending skills and experience towards creating an enabling environment.

Core focus is to inculcate a culture of collaboration intended to deliver world class customer service.

To promote and boost up business sector inside the country.

To provide the employment opportunities in the country.

To provide loan and advances to help out in self employment schemes

To earn profit for the bank itself and for its stakeholders.

To create maximum economic value for shareholders through constant relationship focuses on financial services.

(Operational Manager of Faysal Bank)

Stakeholders:-

Stakeholders are individuals or groups who have an interest in an organization's ability to deliver intended results and maintain the viability of its products and services. In the development of a firm's mission and vision is a good place to start, but first, of course, you must identify critical stakeholders, get a handle on their short- and long-term interests, calculate

their potential influence on your strategy, and take into consideration how the firm's strategy might affect the stakeholders (beneficially or adversely).

Stakeholders can be internal as well as external

Internal Stakeholders:-

Internal stakeholders are individual or groups inside a business or an organization can be employees and management. Members can also be internal stakeholders.

External Stakeholders:-

External stakeholders are individuals or groups outside the business who are interested in the decisions an organization makes. They might even have an effect on that organization or business, External stakeholders can be:

*Standard agencies *pressure group *Suppliers

*Customers *Professional bodies *Local community

*Government *young people *etc

Stakeholders overall include:

*Owners or shareholders *Managers

*Employees *Customers

*Government *Suppliers

*Communities *Investors

Some stakeholders may have more than one interest in a business. An employee might also be a stakeholder. Managers are employees of the business, a customer might be a member of a local community but yet they can be stakeholders. Stakeholders in a business will usually benefit from their involvement with the organization. Employees will earn money which they can spend on goods and services. Customers will consume the goods and services supplied by the business and the government will collect tax from the organization. (Wikipedia)

M1:-

The main purpose of any commercial bank is to deposit money and to advances loans to general public of the country. Besides that the bank also provides certain other facilities in order to maintain its stability and also achieve the higher customer level. As in today's banking industry a tough competition is going on so it's very difficult for any bank to satisfy and retain their customers. In meanwhile the retention and satisfaction of the customers is playing a vital role in the achievement of any organization.

As the Faysal Bank is working on the mission that “ achieve leadership in providing financial services in chosen markets through innovation”. So the Faysal Bank is providing every product and service with the changing perception of the minds of the customer through innovation. Due to this innovation the Faysal Bank is providing a variety of products and services to their customers throughout the country in order to attain their objectives of providing superior level of services to their customers.

Businesses play an important role in developing the economy of any country so the businesses must be facilitated in order to boost up the economy.

Faysal Bank is playing vital role globally in Trade Financing through its network, affiliates and correspondents. The Bank offers standard loan and trade financing facilities in order to boost up the corporate businesses in the country. These facilities include the short-term and long-term funds, letter of credit and Bank Guarantees and other related facilities for trade.

Human resources are the main assets in the achievement of objectives of any organization. Faysal bank is working on this and is providing better opportunities for the talented individuals to start their career and also believes in promoting their careers. The environment of working of the Faysal Bank is standardized one in which the individuals can groom their career. The bank is also providing opportunities for the fresh students by hiring them as Management Trainee.

The Faysal Bank is caring the customer by providing them creative and value added services to customers. So these innovations bring the high profit for both the bank and the associated stakeholders which create high value of their business in the banking industry.

D1:-

Mission Statement for Faysal Bank Limited:-

Focusing on the customer's loyalty by providing standard financial services through developing and delivering innovative products and services keeping in view the stakeholders profitability.

Features:-

Customers loyalty

Financial Services

Innovation

Stakeholders Profitability

Customer Loyalty:-

Objective of the bank is to provide valuable and superior services to customers, so for this the Bank is focusing on close and long term relationship with customers. Their prime aim as to facilitate their customers with more advanced financial services, so to make them loyal.

Financial Services:-

Objective of the bank is to provide assistance for an individual and business, so the bank is providing mixture of financial services to an individual and businesses for the development and promotion of individual's life and commerce.

Innovation:-

The focus of bank is to bring more new ideas in their services to their customers. Which will increase the market share of the bank and will led the bank serve more customers.

Stakeholders Profitability:-

By providing valuable services and innovation it will increase the stakeholder's wealth.

P2 D2:- Evaluate the extent to which an organization achieves the objectives of three stakeholders.

Recommend the broad strategies to achieve stakeholders Objective successfully.

Interest & Objectives of Stake holders:-

Different Stake holders have diverse objective and they have different affects on an organization or business. According to Michael Novak following are seven points that should be kept in mind according to business ethics when developing relations with stakeholders.

Customer satisfaction by providing goods and services of real value.

Reasonable return on the funds entrusted to the business by its investors.

Create new wealth

New job opportunities

Promote invention and creativity

One of the most important is to diverse public interest into different sectors of life.

If these six points are taken care of then a business would serve the common good of the community in several ways.

Concern can occur in business when stakeholder interests are different. Each type of stakeholder is likely to have a set of interests which they want to achieve. It could be argued that:

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Shareholders want regular, secure and high returns.

Managers want responsibility, high rewards and a lack of interference in their actions.

Employees want high earnings, an interesting job and secure employment.

Customers want quality products at low prices and a good service

Suppliers want secure, regular and profitable orders.

Government wants to achieve a large number of goals including growth in the economy and low inflation.

The local community wants thriving local businesses which do not cause problems.

D2:-

strategies:-

In keeping view the objectives of the stakeholder's I have recommend following strategies for the Bank which are given below.

The Bank should provide quality products to satisfy customers need. There must be representative from bank side for the customer's at different branches, due to which customers can easily get awareness about the product and also the Bank should maintain strong relationships with the customers. The prices of the products and also interest rate on loans should not be high. The Bank should invest significantly in research and development to develop new products and manufacturing processes. The

Bank should also keep skilful managerial staff so that they can make a good decision & bring new ideas to develop the products of the bank.

The bank should give promotion on time to their employees. There should be a vacancy for promotion officer in the Bank. The Bank should arrange training for newly recruited employees. Employees should be motivated by giving cash rewards to them so for that purpose the bank must maintain a separate head. The Bank should provide free schooling and medical treatment to their children's. All the dues should be given to employees time by time without any delay.

Shareholder's wants regular profits so If the Bank provides good quality of products then more income will be generated, then in result shareholder's will receives dividends regularly. Most important thing is that shareholder's want security of the business so the Bank should invest continuously in the employees who ensure that they are highly motivated, well trained and is encouraged to encounter the challenges of the future.

P3 M2:- Explain the responsibilities of an organization.

Discuss how much the organization acting responsibility under current circumstances.

Responsible Behavior of an Organization:-

Social Responsibility:-

The social responsibility of an organization may be defined as the obligations that the organization has towards the people and the environment in which the company operate. No organization would ever admit to being socially irresponsible, and many organization claims to act responsibly on social

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issues. Pollution control is a particularly important example of social responsibility by industrial organizations, and some progress has been made in the development of commercial process for re-cycling waste material. British Coal attempts to restore the environment by planting on old slag heaps.

Environmental Responsibilities:-

Public concern with environmental pollution has resulted in government action. Some of this takes the form of tax incentives. For example, the UK government encouraged the use of lead-free petrol by leaving a lower tax than on leaded petrol. Vehicles that emit lower levels of carbon dioxide are charged less road vehicle tax. The government has also proposed taxing waste. The UK Government has made a public commitment to cut carbon dioxide omissions.

Ethics and Business:-

Ethics is about the codes of moral principles that people follow with respect to what is right or wrong. Ethical principles are not necessarily enforced by law, although the law can be incorporate moral judgments (murder is ‘ wrong’ ethically, and is also punishable legally).

Management Responsibilities:-

The stakeholder view suggests that management is responsible not only to the organization’s owners (Shareholders), but also has responsibilities to:

Employees

Customers

Suppliers

Competitors

The Local Community

The general public (and government)

Public Relations and Corporate Image:-

Corporate image describes the public attitude towards a company, or the image of the company in the mind of the general public and, perhaps more specifically, in the minds of potential customers. It is possible to promote a desired corporate image through a combination of public relations, advertising and the experiences and attitudes build up by customers over the year. (For example, the favorable corporate image of Marks and Spencer grew up over many years, without the need for substantial PR or advertising.)

M2:-

There are various ways and methods for an organization to consider so they can act responsible, however those various ways and methods also depend on the kind of organization you are working with. However, the organization we have selected to write upon is the banking sector. Banks are situated at places ideal for customers and are environmental friendly, as building do not pose threats to the environment. Given the nature of the bank work, which is mainly clerical or administrative, employees are not subject to occupational health hazards. However, a variety of occupational risks to health do exist in the banking sector, as in other clerical occupations. It is

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the important for the employees' health that adequate standards of hygiene, cleanliness and comfort are maintained in the workplace.

It is difficult, to single out health risks involved to the banking sector that are not common to other clerical occupations and it is even more difficult to isolate any special problems in this area for employees of multinational banks. In the majority of cases, foreign and domestic banks are moreover governed by the same legislative standards with regard to health and safety and hygiene in workplaces, which are said to be respected by foreign banks and enforced through inspection at regular intervals. In a number of countries, particularly in Europe, enterprises of a certain size are obliged by law to set up a joint committee on safety and health to monitor the application of legal provisions, point out deficiencies and make suggestions for improvements. Many of the large banks have gone far beyond the legal prescriptions in their concern for protecting their employee's health. For example, in a number of cases they have organized training sessions for employees on safety and health problems, precautionary measures in the workplace, fire prevention and other security matters.

Ethical codes are rooted in a wider value system, as to what is right or wrong. Companies do have ethical responsibility and are not protected by limited liability from the consequences of their actions. A company's record and the perception of its ethics affect its reputation and ensure long term success or failure.

The financial community has a history of placing moral considerations above legal or opportunistic expedients. But we are often exposed to moral

dangers. Banker's role is one of stewardship based on trust. They are trusted by the people who ask them to look after their money and they have a duty to lend that money responsibly.

Banking is about rewards reflecting real risks and ethical considerations form an important part of their risk taking activities. The welfare of borrowing customer's money, in good times and bad is of major concern in any business proposition. Bank depends on people to run their business and to reflect their ethical standards. Banks have to let their people know what is expected of them.

A bank responsibility extends to Government, customers, shareholders, staff and community. In the future, as the banks face increasingly complex and conflicting issues, their resolve and commitment to ethical behavior will be tested.

P4:- Explain how economic systems attempt to allocate and make effective use of resources.

Different Economic System:-

There is a huge list of economic systems some of which are as under:-

Capitalism

Socialism

Mixed Economy

Capitalism:-

In a capitalist economic system most productive assets are held by private owners, and most decisions about production and distribution are made by the market rather than government command. Capitalism thus suggests a system of economic regulation that involves minimal state involvement. Nonetheless, even the most capitalistic economic systems contain some governmental supervision. The government must establish basic institutional rules, such as contract law. The government must also legislate to correct “ market failure or situations where the unregulated market does not work well. Most importantly, in any democratic system a large number of interest groups continually petition the government for laws that bias market processes in their favors. Perhaps the Supreme Court’s most important function as regulator of capitalism is to define the appropriate constitutional limit of governmental interference with individual, market driven decision making. (Brewster, 1998)

Socialism:-

An economic system in which the production and distribution of goods are controlled substantially by the government rather than by private enterprise, and in which cooperation rather than competition guides economic activity. There are many varieties of socialism. Some socialists tolerate capitalism, as long as the government maintains the dominant influence over the economy; others insist on an abolition of private enterprise. All communists are socialists, but not all socialists are communists. (Dunnet, 1997)

Mixed Economy:-

An economy that combines elements of capitalism and socialism, mixing some individual ownership and regulation, some capitalist countries, France, for example, employ what is often called state capitalism. In this form of a mixed economy, the state becomes a major shareholder in private enterprises. An alternative, employed in Great Britain (more in the past than now), is for the state to own some industries while leaving others in private hands. (Brewster, 1998)

Allocation Resources in the Economic system:-

In capitalism all rights are with owners little involvement of government. Owner always concentrate it own interest. While in socialism all rights and decision are taken under the government bodies every one have there rights. No any difference between any differences between individuals. Every one can get benefit from that economic system while in mixed economy both socialism and capitalism take place. The owner of private organization can get benefit and also single individual.

P5 M3 D3:- Discuss the impact of Social welfare and Industrial policy.

What are the response of an organization towards social & industrial policy and recommended solution.

Social Welfare Policy:-

Social welfare or public charity, organized provision of educational, cultural, medical, and financial assistance to the need. Modern social welfare measures may include any of the following: the care of destitute adults; the treatment of the mentally ill; the rehabilitation of criminals; the care of <https://assignbuster.com/identify-the-mission-objectives-and-responsibilities-of-an-organization-with-in-its-environment/>

destitute, neglected, and delinquent children; the care and relief of the sick or handicapped; the care and relief of needy families; and supervisory, educational, and constructive activity, especially for the young.

Industrial Policy:-

Industrial policy, government-sponsored economic program in which the public and private sectors coordinate their efforts to develop new technologies and industries. Government provides the financial support and capital to the private sector by direct subsidies, tax credits, or government-run developmental banks. Industrial policy emphasizes cooperation between government, banks, private enterprise, and employees to strengthen the national economy.

Impact of Social Welfare Policy on Faysal bank Limited:-

There are some social welfare policies which are given below:-

Providing different facilities for the employees like flexi loans to the employees.

Providing free education and medical treatment for their employees.

Providing loans for the development of education and health in the country.

Provides internships facility for the fresh students.

Provides funds in case of natural disaster in the country.

Impact of Industrial Policy on Faysal Bank Limited:-

The main impact on FBL is if the government of Pakistan increase the interest rate of Pakistan so the all banks will impacts on this decision of government Due to more interest profit will decrease and people will buy less services and facilities from the selected organization.

M3 & D3:-

Social Welfare Policy:-

The impact of Social Welfare Policy on Faysal Bank is sometime positive and negative. In case of providing free education and medical treatment etc the bank has to spent money which can affect their financial position. While on other hand, by providing these facilities students get motivated. The Bank provides facility of internship to fresh students to develop their practical skills. Faysal Bank provides Gratuity Fund to their employees. The Bank provides fund to IDP's, earthquake/flood affected people, in case of natural disaster in the country.

Industrial Policy:-

Industries are growing in this leading age so the Faysal Bank is also one of the leading Bank in the banking sector of Pakistan. The Bank provides variety of products of standardized nature which encourages the bank position to be stable in that sector. Against other competitors in the Banking sector, the Faysal Bank has provided innovative products and services to their customers and to business. Providing loans to businesses and encouraging different businesses and providing standard services by Faysal

Bank is representing that the bank has given full response towards the industrial policy.

Solution:-

According to my research Faysal Bank is not yet facing any major problems regarding Social Welfare Policy and Industrial Policy.

P6:- Evaluate the impact of macroeconomic policy and its influence.

Macroeconomic Policy Measures:-

Macroeconomic is one of the two most general fields of economics that literally means managing economics at large. It deals with the entire economy's performance, total amount of goods and services produced, decision making, structure and etc. It can be national, regional, or global economy. It includes the study of GDP, unemployment rates, and general behavior of prices to understand how the economy works. It also develops models for analysis of national income, inflation, savings, investment, international trade and etc. (Dunnet, 1997)

Fiscal Policy:-

Measures employed by governments to stabilize the economy, specifically by adjusting the levels and allocations of taxes and government expenditures.

When the economy is sluggish, the government may cut taxes, leaving taxpayers with extra cash to spend and thereby increasing levels of consumption. An increase in public-works spending may likewise pump cash into the economy, having an expansionary effect. Conversely, a decrease in government spending or an increase in taxes tends to cause the economy to

contract. Fiscal policy is often used in tandem with monetary policy. Until the 1930s, fiscal policy aimed at maintaining a balanced budget; since then it has been used “ countercyclical,” as recommended by John Maynard Keynes, to offset the cycle of expansion and contraction in the economy. Fiscal policy is more effective at stimulating a flagging economy than at cooling an inflationary one, partly because spending cuts and tax increases are unpopular and partly because of the work of economic stabilizers.

(Dunnet, 1997)

Monetary Policy:-

Measures employed by governments to influence economic activity, specifically by manipulating the money supply and interest rates. Monetary and fiscal policy are two ways in which governments attempt to achieve or maintain high levels of employment, price stability, and economic growth. Monetary policy is directed by a nation’s central bank. In the U. S., monetary policy is the responsibility of the Federal Reserve System, which uses three main instruments: open-market operations, the discount rate, and reserve requirements. In the post-World War II era, economists reached a consensus that, in the long run, inflation results when the money supply grows at too rapid a rate. (Dunnet, 1997)

Impact of Monetary Policy on Faysal Bank Limited:-

The supply of money will reduce, and the flow of money will be a smaller amount due to all this it will affect the business performance. Decrease in business actions will decrease buying power of people and income rate. Due

to more interest profit will decrease and people will buy less services and facilities from the selected organization.

Impact of Fiscal Policy on Faysal Bank Limited:-

Due to rise in rate of taxation the selected organization has to pay extra taxes, and due to this it will cause reduction in investment because of less earnings and high taxes. The enlargement in the government expenses or payments will increase employment rate as well as the purchasing power of the people means they will spend more. This will cause rise in demand of hospital facilities and services.

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Faysal Bank Website

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