

Vision and mission statement of mauritius commercial bank

[Finance](#), [Banks](#)



Abstract

This paper attempts to analyse the vision and mission statement of The Mauritius Commercial Bank (MCB) Ltd. A brief description of the organisation is given, followed by the vision and mission statements, where the statements are analysed thoroughly and critics have been made. Those critics have been identified while reading the Vision and Mission statements respectively, it can also be seen that we have applied the SMART criteria in order to analyse the vision statement and concerning the mission of the group we have analysed it through the various steps that the company is undertaking to achieve its goals and objectives.

Keywords: Banking, Vision Statement, Mission statement, MCB Ltd,

Introduction

The Mauritius Commercial Bank (MCB) Ltd, one among the leading bank that exist in Mauritius and which was incorporated since 1838. At present, MCB ltd has its branches all around the island. The Bank came across serious financial difficulties on many occasions during its first hundred years of existence. In spite of various national and international financial crisis, cut throat competitions over the years from ten other commercial banks, two world wars, and natural calamities, ' The Mauritius Commercial Bank Limited' succeeded in expanding its activities, trebled its capital and in 1920 in Curepipe opened its first Branch. Nowadays, the bank plays a vital role in the economy of the country by expanding its unflinching support to trade, agriculture, the textile industry, tourism and other sectors as well as

individual customers, at its head office and also throughout its 42 branches and counters in Mauritius and in Rodrigues. The MCB Ltd is said to be a “bank with a heart”, for this purpose as every successful business has a vision and mission statement, so do the MCB Ltd.

The Vision of MCB Ltd is to be the obvious choice for financial services in the region and beyond. The vision statement triggers the desires to launch the MCB Ltd as the touchstone position for the provision of financial services in the state and even further, in order to meet the increasing needs of its customers operating in the global economy. For this to be possible the general public must have full confidence on the bank, for example the recent case of MCB/NPF could have been fatal for MCB Ltd but that was not the case as the bank managed to reduce and nearly eliminates all the risk associated with.

The Mission statement is to pursue the voyage towards excellence. The mission statement gives evidences to the unrelenting loyalty to best practices in the provision of financial services throughout the group against the backdrop of creating shareholder value. The MCB has a tradition of being a leader of getting use to modifications and innovating to suit customer needs, therefore, its vision, mission and corporate values are aligned to maintain this position. They know that their future success will depend on their capacity to deliver a broad variety of services quicker, cheaper and in a more professional manner to their increasingly sophisticated and global customers. To achieve this, the bank is investing massively in technological and as well as human resources.

Objective and Purpose of study

To analyse and understand the meaning of vision and mission statements of a company.

To analyse and understand the vision and mission statements of MCB and its implementation.

To suggest improvements that can be brought to the vision and mission statements of MCB.

Literature Review

Each and every organisation has their own vision and mission statements which are set according to the company's actual performance and objectives that it want to achieve in the future.

Vision: “ Defines the desired or intended future state of an organization or enterprise in terms of its fundamental objective and/or strategic direction. Vision is a long term view, sometimes describing how the organization would like the world in which it operates to be. For example a charity working with the poor might have a vision statement which read “ A world without poverty”” (Wikipedia, 2010).

Mission: “ Defines the fundamental purpose of an organization or an enterprise, succinctly describing why it exists and what it does to achieve its Vision” (Wikipedia, 2010).

Organizations usually summarize goals and objectives into a mission statement and/or a vision statement. Others begin with a vision and mission and use them to plan for the goals and objectives.

While the existence of a shared mission is very useful, many strategy specialists question the requirement for a written mission statement. However, there are a lot of models of strategic planning that begin with mission statements, so it is useful to examine them here (Wikipedia, 2010).

Forest (2003) analyses the mission statements and defines them as “enduring statements of purpose” that distinguish one organization from other similar enterprises. It suggests that a well-crafted mission statement can provide advantages or benefits to a company. Also it states that the mission statements have to be longer than a phrase or sentence, but not a two-page document, and not overly specific with regard to values, percentages, numbers, goals, or strategies. Hence, it concludes that better mission statements will give rewarding payoffs, meaning enhanced personal and business performance

Studying how to merge people and resources together in harmony to achieve a common goal remains one of the most difficult tasks facing management today. The importance of developing a corporate mission statement with a glowing vision to enhance and create organisational purpose is addressed and how different organisational cultures affect the employees' vitality is examined. From the vision springs a parallel view of all the employees in the organisation towards the company's goal. Contribution

from both the company's customers and employees ensures adoption of the purpose and keeps the purpose dynamic and fresh. This leads to innovation, co-operation, and success of the organization (Reyes and Kleiner, 1990).

In addition, executive's members should try to promote or motivate its employees in order to achieve its vision. As per Eigeles (2003) he has conducted an analysis that's represents the structure method helping organizational facilitators to work efficiently with their clients. Though it is not possible to motivate and encourage top executives team efficiently to willingly generate true vision and mission and implement these in the organization for achieved both improved performance and harmony.

Tarnow (1990), introduces a method to enhance existing mission and vision statements. The set-up of the initial statement is changed to (1) suggest an action, (2) identify this action only vaguely, and (3) include a social categorization. He also, discusses some consequences of the Unifying Action Declarations, including examples from experiential group events and from a high tech consulting firm. The resulting " Unifying Action Declarations" agrees leaders to use group formation forces to help motivate task performance.

Nowadays, all developing businesses experience difficulties during organizational transitions (Churchill and Lewis 1983). The evolution from a small entrepreneurial organization to a " mature" business organization is characterized by a large amount of important internal and external changes (Hambrick and Crozier 1985; Churchill and Lewis 1983). The small business

frequently finds that success attracts the attention of others; new small start-ups and/or large competitors may enter the market (Porter 1980). Rises in growth may call for increase into overseas markets. Internal changes comprises of the introduction of professional management to handle the increasingly complex organization; the introduction of outside equity to finance growth (Welsh and White 1981); and the introduction of organizational systems and procedures.

Internal changes such as rises in sales volume, in employees, and in organizational formality and complexity require small business operators to change their role within a changing organization (Hambrick and Crozier 1985). The quest of growth usually requires the owner/manager to learn new skills and change from a “ doer” to a “ manager” (Churchill and Lewis 1983). Small businesses often fail to grow because the manager fails to make this transition (Willard, Krueger, and Feeser 1992).

Through the growth process, the small business manager becomes increasingly eradicated and distant from employees (Hambrick and Crozier 1985; Churchill and Lewis 1983), and discovers that his or her strong entrepreneurial vision is no longer shared by new staff, new professional managers, and new investors. One of the survival strategies is to introduce financial and strategic planning and control systems into the organization (Gable and Topol 1987; Bracket and Pearson 1985). Vital to these planning and strategic management systems in large organizations is the introduction of a mission statement. In their much orientated work, Pearce and David (1987) argue that the mission statements of higher performing large

companies are more comprehensive than those of less successful firms. The idea behind this article is to explore whether high growth small and medium-sized enterprises (SMEs) in Ireland are characterized by more comprehensive mission statements.

However, there is a lack of new evidence for the acclaimed and assumed positive effects of mission statements. A few studies have provide limited empirical support to the idea that mission statements are valuable and contribute to higher profits (Rarick and Vitton 1995; Klemm, Sanderson, and Luffman 1991; Germain and Cooper 1990; Falsey 1989; Pearce and David 1987). These studies totally assume that mission statements are a determinant of success, before addressing the possibility that successful organizations are more likely to adopt formal systems and procedures that involve the writing of a formal mission statement.

Another research base on SMEs is that of Analoui and karami (2002), who said that developing a mission statement has been considered a crucial factor in the formulation of business strategy in organisations. The mission statement encourages a sense of shared expectations in employees and, not surprisingly, it has recently been regarded as increasingly important in small- and medium-sized enterprises (SMEs) in the electronic industry. One major motive for this is the growing involvedness and energetic competitive environments in which these enterprises have operated and managed to find them.

Mission statements have become a managing instrument most commonly used by chief executive officers (CEOs) over the last decade. One exercise that both academics and practitioners have judged strategically serious to the success of an enterprise is the development of a meaningful mission statement. This article discovers the awareness of CEOs of their mission statement in SMEs. The study, between investigating the existence and content of the mission statements and, as a result, it determines the relationships (if any) between a SME's development of a meaningful mission statement and selected performance outcomes of the firm.

Also, from Mullane (2002) perspective, managers are divided in their allegiance to the firms' mission. Some managers swear by their mission statement while others swear at theirs. Facts from two firms, with existing research indicate that this disagreement originates in the manager's view of mission statement. Managers that see mission statement as tools that can influence the inner working of the organizations are likely to understand the mission's usefulness. Managers that put their mission statement on display and expect them to magically transform organizational behavior are likely to be frustrated and see them as an exercise in futility. It has been found that insight from two managers who take the first view provides specific steps managers can utilize to harness the benefits of their mission statements.

Wickham (1997), states that a sense of mission can be a powerful force in shaping and guiding an entrepreneurial venture. He has discussed how it focuses the entrepreneur's vision and gives it a real strategic direction. Clear as an official mission statement it can be used to bring together disparate

stakeholder groups within the organization. Imagines that it also acts as an “aide-mémoire” for communicating what the scheme has to offer customers, suppliers, and potential employees. He also, states that a clear mission can also help in attracting investment. It catches the attention of possible investors and proposes professionalism in management approach. However, if it is to be successful, the mission must be right for the scheme developed with sympathy to the organization and be communicated effectively.

Moreover, another search had been done on how corporations project their corporate philosophy through ‘Mission Statements’. Despite linguistic and textual analysis of such statements drawn from a sizeable quantity, it allows us to typify the texts as constituting a non-routine, organizational genre, and one that has recently become of some significance. This discussion serves as a basis for a contextual and intertextual analysis of Mission Statements from two well-known US companies.

By detailing the history, underlying principle and role of these Mission Statements that have been indicated of how the texts are rhetorically designed in order to ensure maximum employee ‘buy-in’. In one case the Mission Statement appears as an authorized historical vision to be protected and nurtured; in the other case, the rewriting of the Mission Statement emerges as a collaborative response to crisis. Hence, they discuss on the implications of such findings for contemporary approaches to discourse and genre analysis within institutional linguistics (Rogers and Swales, 1995).

At the same time, Bart (2001) stipulates that mission statements symbolize the cornerstone of most organizational strategies. While much research has been conducted on what the (human intellectual capital) HIC construct might contain, none has attempted to understand the link between mission statements and their impact on the HIC construct. The uncertain results reported in this study begin to fill the invalid one. They illustrate that, mission statements may certainly have a convincing place in the measurement and reporting of an organization's intellectual capital and they demonstrate the need for more research in this regard.

Mission statements by themselves are of very little value. Some organisations have good mission statements, but their management teams frequently lack a sense of purpose. In some companies, management teams have a clearness of vision and interest that is remarkable, without having a mission statement. Mission statements are in themselves not important since they create a management team with a sense of mission which is crucial (Campbell, 1993).

Company Profile

The MCB was incorporated by the Royal Charter in 1838 and Lloyds Bank became the first shareholder of the group. The MCB was the first bank to install ATM's in Mauritius and was the first bank to issue credit cards and till now the MCB has been the most performing listed company with the highest market capitalization on the official list of the Stock Exchange of Mauritius. The MCB has been engaged in promoting various key financial products and services including mobile banking, retail banking product, corporate banking,

private banking, international banking, internet banking service and providing American Express services.

The MCB was the first Mauritian commercial bank to launch the revolving credit loans on the international market. The MCB group has even set up branches in Seychelles, Mozambique, Madagascar, and France amongst others. Present in eight other countries through its subsidiaries, associated company.

The MCB group in Mauritius employs around 2, 600 employees and over 18000 local and foreign investors. The MCB group observe the highest degree of standards concerning integrity and ethical conduct towards its dealings to its stakeholders.

Furthermore, the MCB group has been diversifying in various sectors of the economy behind the philosophy of risk pooling and also providing the highest level of service quality to its customers. Likewise the MCB group is separated into two main parts, namely the bank itself and local and foreign subsidiaries.

The MCB group has a very diligent and highly qualified and devoted board of directors who work toward the satisfaction of different stakeholders and maximising the overall profit of the group.

The MCB group has a very high view on corporate governance practices and in regards to this the MCB group has been consequently been conferred the

bank of the year and because of extensive corporate governance practices, the bank is able to fulfil effectively its vision.

Analysis of the MCB

Vision

The vision of the MCB group is “ to be the obvious choice for financial services in the region and beyond”, whilst its mission is “ pursuing the voyage towards excellence”.

The MCB vision is obviously what the company wants to become which is the ideal aim of the group. The MCB has had a tradition of being a leader adapting to changes and innovating to satisfy customer needs, this is basically the corporate philosophy of MCB. The group has clearly set down this vision as they believe in the fact that the future success will depend on the ability a comprehensive range of services quicker, cheaper and in a more efficient manner so that there is an increase in local customers and foreign sophisticated customers.

This vision of MCB is to build on the competitive axis for further product differentiation and regional diversification. The vision of the company is to offer a broader range of financial services, shifting from the traditional areas of banking through more complex services including asset financing, leasing, investment financing and brokerage services. That is the goal of the group is to serve as a single window to offer a full fledged set of financial services.

The aim of the vision statement is to maximise customer satisfaction and increase customer loyalty. The other arm of this vision is to fully maximise

the diversification strategy whereby it involves strengthening and deepening the presence of the group in international markets which offer substantial investment opportunities which basically help in promoting the image of the group in the international market.

Basically the gist of the competitive strategy and the aim of this vision statement are to substantially increase the contribution of subsidiaries abroad to the overall profit of the group. Ultimately the group believes that more and more the philosophy behind the vision statement is behind achieved this will lead to a better competitive edge and a successful entrenchment of strategies being adopted which could lead to better customer satisfaction and an increase in service quality. The key of course lies in an appropriate balance between the strategies and the vision philosophy.

MCB wants to be a benchmark in the provision of banking services as well as non banking services so that other financial services providers can refer to as MCB as being the “Lion” in the banking business in the local market as well as in the regional market. The MCB believes in provision of financial services which maximises customer satisfaction and bridging the gap between customer perception and customer expectation, that is ultimately bridging the service quality gap.

The cutting force that drives MCB to achieve its vision philosophy is innovation. Innovation is one the values that the MCB adheres to in its

strategies. MCB believes in innovation at all managerial levels which ultimately will help the group to achieve its objectives.

A deduction can be made from the vision statement whereby there is a close link in regard to the corporate philosophy of the group which is to the leader of financial services locally and regionally.

The vision statement of the MCB is all about the following:

Partnerships

Relationships

Innovation

Genuiness

Attitude to risk

Passionate banking.

Partnerships whereby without the help of various investors the group will not be able to become a leader and relationships whereby the bank undertakes long run prospects for both partners. Innovation is all about the values of the group to be the leader and genuiness is to offer differentiated financial services. Likewise attitude is the willingness for the group to take risk so that to enjoy new ventures and passionate banking as the group believes in privileged banking relationships which will help to increase business and word of mouth publicity as well as service quality and customer satisfaction.

The MCB believes in that it is the leadership job to set the vision, which is where the group wants to go. That is why the bank believes in enhancing human resources especially at the board level also so that the vision is clearly defined and met. The group believes in management skills to be able to clearly define the vision philosophy of the group

Vision statement is usually rooted in values that are what drives the organisation to move ahead. The values that are rooted in the vision of the MCB are as follows:

Integrity

Customer care

Team work

Innovation

Knowledge

Excellence

These six values are deeply rooted in the vision of the group. As the group wants to become the obvious choice for financial services in the region and beyond, these values would help the company to archive it.

Are integrity, customer care, team work, innovation, knowledge and excellence found in the vision of the group?

For the group to achieve its vision it is obvious that integrity should be within it and it is a fact for the MCB as for most people is a bank which is known to

be of utmost integrity ranging from its staff to senior level management. Hence this value would definitely help the group to satisfy its corporate vision philosophy.

Concerning customer care, the bank believes in the assurance of quick, dedicated and unrivalled services to its customers. The bank believes in its level of service quality and customer satisfaction. Hence the bank places a lot of emphasis on customer satisfaction.

The bank believes in the approach of collective working and a shared vision together so that different synergies from people can combine together which will give a cutting edge to the group. Likewise, this is to help leveraging individual competencies and skills to various people within the group.

Innovation had been an in-house tradition for the group at various managerial levels which all ultimately help to the product differentiation of financial products offered by the group.

Knowledge philosophy of the group is all about the strong commitment to nurture the human capital through lifelong development and learning towards to achieve the vision of the group.

Excellence is what the group believes to be very important in helping to become the leader in the provision of financial services and also, excellence in all about the mission of the group which is “ pursuing the voyage towards excellence”.

Criticisms of the vision statement

The vision is the corporate aspiration of the group, which describes the long term ambitions and the ideal goal of the group. But, in the vision statement the values are being met but it should satisfy the SMART criteria, that is, Specific, Measurable, Appropriate, Realistic and time bound.

Specific- the vision stalks about to be the obvious choice for financial services in the region and beyond. It is adequately the clear message as to what needs to be accomplished, but the word beyond is restricted. Does beyond means in the international market or in African region or others. Hence it should be clear.

Measurable- The bank will have to develop and assess how the bank is becoming the obvious choice for financial services. Is there any comparative analysis which is done in comparison with other banks?

Appropriate- The vision statement is somehow in accordance with mission as only through excellence the group will be able to be the choice for financial services.

Realistic- the vision statement of MCB is very challenging and high challenging to provide a boost for management to satisfy the corporate philosophy of the vision.

Time bound- in regards to the time frame, no indication has been provided in the vision statement about till when the bank wants to become the obvious choice for financial services.

The vision of the group should be able to be quantified as in the case of the MCB group, will the bank quantify it through the market share or market capitalisation.

The vision of the group to be able to be effective should be a shared vision, that is the vision should be common at various levels of the group and uniformity must apply so as to allow the group to meet its values and when values are met, ultimately this will help to satisfy the vision of the group as visions are deeply rooted in values.

Mission statement analysis of the MCB

“ Pursing the voyage towards excellence”

The mission statement of the group testifies the fact that there is a willingness to adopt best practices in the provision of financial services so that shareholder value increases as well as helping in satisfying the vision statement.

The mission defines the fundamental purpose of the group. It is the philosophy of why the group exists and how it will conduct its affairs to achieve its vision.

The mission statement plays an important role for the group as is the basis for motivating the use of resources within the group. It also develops a basis or a standard for allocating organisational resources and generally develops a shared organisational climate working towards the vision of the group. It also attracts employees who share common set of goals and values to work for the purpose of enhancement of the vision.

The mission statement can be used as a strategic tool for enhancement of the business process. At the MCB group the mission is deeply rooted to the top executive to the middle management level. The mission of the group is to focus on best practices so that the vision is met.

The MCB has been for several years the bank of the year and is one where best practices are highly implemented, that is why the bank is ranked first in corporate governance practices. These best practices help the group to achieve its vision a many people would opt for the MCB in their needs of financial products.

Hence it can be seen that there is a link and there are interrelated components between the vision and mission statement of the group because the mission of the group, which is working towards excellence, will help to achieve the vision of the group.

However the mission of the group should not be static, that is it should change when conditions in the groups' environment change, in which case, the MCB should change its mission. Just focusing on excellence is not enough as there are various intrinsic and extrinsic factors affecting the group. Hence redefining the mission statement becomes a must as the group is growing at a rapid rate and various competitive factors are in the banking business with the entry of new service providers in the field of financial services and retail banking.

The mission statement of the group should include more shared values as they are deeply rooted in the vision of the group.

Internal and External analysis should be performed so that the mission is closely aligned to the vision of the group.

Criticism of Mission Statement

The mission of the MCB for the past few years has been mainly in the quality of its staff so that with a dedicated staff and well trained staff this will lead to customer satisfaction and increasing the level of service quality. This will help to create a better image of the group and helping towards its commitment toward excellence. The MCB believes in the quality of human resources, as it customers are satisfied with the staff and through a dedicated service this will help to make the bank the obvious choice for financial services and help meeting the vision statement.

Likewise, MCB has been investing loads on best practices so that excellence is achieved and ultimately leading to the corporate philosophy satisfaction. Hence, with the adoption of international best practices, the bank has been gaining a positive image in the region and hence again the bank is working towards meeting of its vision.

Furthermore, the bank invests massively in innovating products which all ultimately help in achieving the vision of the group and even through the partnerships of international partners like American Express amongst others is helping the group to build a more positive image in the regional market and the international market.

Recommendation

The Mauritius Commercial Bank (MCB) is a successful Financial services provider. It has been able to provide quality financial product and services to its customers and it is today the largest and oldest banking institution of Mauritius and has made a name in the region. But as it is said “ Nothing is permanent except change” and thus for the MCB to continue to be the pioneer in the Financial Services sector of Mauritius, it needs to continue changing and innovate according to what the customer wants and demands.

A Mission Statement is a declaration as to why an organization exists and defines the business the organization is currently in. Mission Statements concentrate on the present and are a reflection of an organization’s core competencies. The mission statement of MCB is that it wants to move toward excellence. What was excellence years ago is definitely different from what is excellence in the financial sector today. Since the creation of MCB the economic environment around the world has changed. Moreover there have been changes in technologies that have radically changed the way financial products and services are being provided to customers. The working environment itself has changed and so has the behavior of employees and employers. At the same time new legislatives have been introduced in the financial sector and this has resulted in an alteration in the way financial institutions functions and recently due to the financial crisis around the world a lot of financial institutions have been encouraged to change the way they carry out their activities. During the last decades Mauritius itself and its society has evolved. Nowadays people view the financial sector differently to

what they used to years ago. Consequently the MCB must consider all these changes and accommodate its mission around them so as the MCB can grow alongside with its economical, political, legal, cultural and social environment.

A Vision Statement focuses on the future. It states what you want the organization to be. Vision Statements come from the heart as well as the head. A Vision Statement represents a realistic dream for an organization and forces it to take a stand for a preferred future. To be the best choice of everyone is the vision of the MCB. But there may be other things that that can become the aims of the MCB.

It can be easily proved with the market share valu