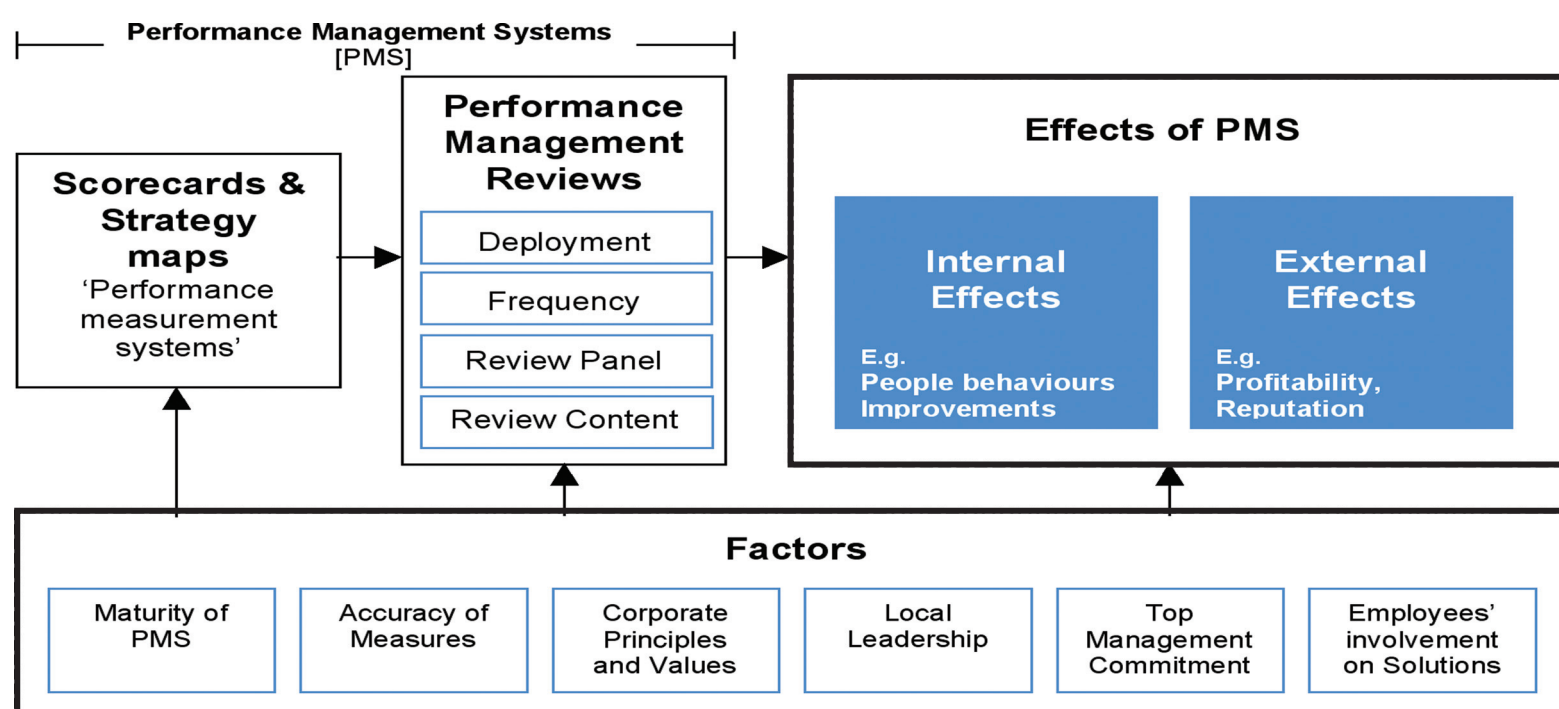


How to Maximise the Effects of Performance Measurement and Management Systems

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Rationale

Over the last 15 years many companies have invested large amounts of time, effort and money implementing and redesigning their performance measurement systems (PMS). But, What value do performance measurement systems add?

Research Aim

To study how performance measurement and management systems (PMMS) affect the way organisations perform. In doing so, it is important to identify the positive and negative effects of PMMS and the factors that moderate their results.

Our Findings

- PMMS have internal effects 'those expressed in the way the organisation performs' and external effects 'those expressed on company's reputation, profitability and customer satisfaction'.
- Internal effects of PMMS support the achievement of external effects; and improvement of company performance.
- 38 internal effects of PMMS were identified.

- Internal effects fall into four categories; i.e. strategy management, organisational behaviour and people issues, organisational capabilities and operations and tactical issues.
- The effects on 'organisational behaviour and people issues' have strong impact over external effects, where the company's profitability and reputation pertain.
- The findings identified factors that influence the effectiveness of PMMS. Organisations can use these factors to optimise the positive effects of PMMS and diminish the negative effects.

The proposed model requires organisations to be more open and understand the effects of PMMS to maximise the factors that influence companies' results.

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