

KEY SUCCESS VARIABLE AND **MEASURES OF PERFORMANCE**

SHARMA KOMAL

Master of Commerce

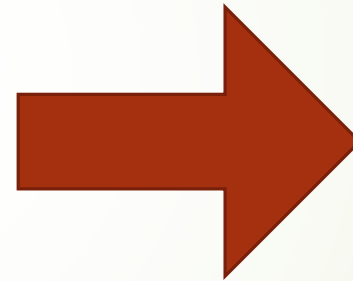
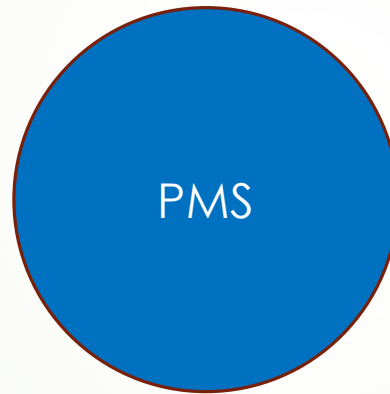
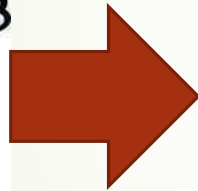
Sheth Damodardas School of Commerce, Gujarat University,
Opp. Gujarat University Library, Navrangpura 380009, India.



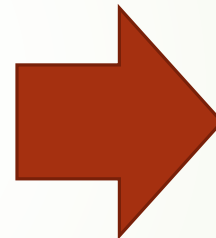
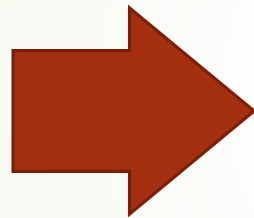
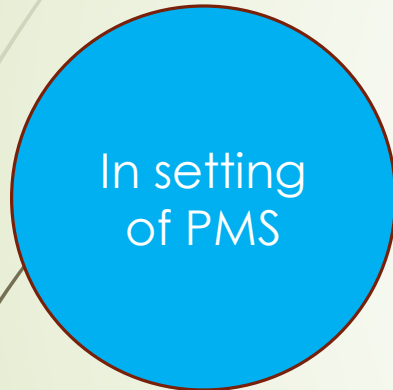
Performance Measurement System

- ▶ **Performance measurement system is the process of collecting, analysing, and/or reporting information regarding the performance of an individual, group, organisation system or component .**
- ▶ PMS is simply a mechanism that improves the likelihood that organization will improve it's strategy successfully.
- ▶ A simple , effective system for determining whether an organisation is meeting objectives.

Performance Measurement System



Performance Measurement System



**Senior management selects a
series of measures**



Performance Measurement System

- Manager's functions to ensure that the work gets done effectively and efficiently . They literally don't "**control cost**" ,they try to influence the actions of the people who are responsible for incurring the cost .
- Under PMS, a blend of financial and non-financial measurements are used at all levels in the organization.
- Financial measures indicate the results of past decisions, whereas non-financial measures are leading indicators of future performance.
- A PMS like dashboard has a series of measures that provide information about the operation of many different processes .
- Example of PMS is Balanced Scorecard.



Performance Measurement System





In order to improve something you
have to change it...In order to
change something you have to
understand it...In order to
understand something you have
to measure it...





*“You Get What You Measure .
Measure The Wrong Thing
& You Get The Wrong Behavior .”
- Jhon H.Lingle.*

Thank you!

