

# Performance measurement

[Business](#), [Management](#)



Performance Measurement System What is the role of a performance measurement system? Describe your personal experiences with performance measurement in the workplace.

Performance management system is a set of strategic objectives as well as metrics of performance that organizations apply in order to gauge the productivity of not only individual workers but also for the entire organization (Besanko, Dranove, Shanley & Schaefer, 2010). There is little doubt that performance within contemporary organization has been a growing concern hence the need to have well-developed strategies as well as metrics that include key performance indicators. According to Varma, Budhwar, and DeNisi (2008), the main role of performance management system is to help all stakeholders obtain a comprehensive view and analysis of how their organization is performing within the industry. In a broader perspective, the role of performance management system is to provide a fundamental bloc for enhancing total quality management (Besanko, Dranove, Shanley & Schaefer, 2010). Organizations that employ performance management systems are those that wish to establish the individual, departmental, and organizational performance in a bid to enhancing management to achieve organizational goals.

Amongst the personal experiences with performance measurement is during the recent visit by auditors. The auditors aimed at ensuring that every employee in the organization had not only complied with the requirements of the firm but had also placed in extra efforts to ensure customer satisfaction in addition to growing shareholders' value. The auditors found out that most employees in the organization would go an extra mile to call the clients in

order to offer advisory services with respect to the organization. Being in the Accounting and Finance Department, the auditors wanted to know how the organization was complying with the Accounting Standards as provided for by the IAS and IFRS. Their advice to the department was the need to keep updating financial and accounting data in a bid to ensure that there was accountability and transparency in reporting the same concepts and figures.

#### References

Besanko, D.; Dranove, D.; Shanley, M, & Schaefer, S. (2010). *Economics of strategy*, (5th ed). Hoboken, NJ: Wiley

Varma, A., Budhwar, P. & DeNisi, A. (2008). *Performance management systems: a global perspective*. Oxon, OX: Routledge Publishers.