
Guest editorial: business performance measurement and management

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Abstract

Presents a number of papers from the Performance Measurement Association conference held in July 2002. Reveals that all the papers investigate developments in the field of performance measurement and management since the Kaplan and Norton Balanced Scorecard was first introduced.

About the Guest Editor

Mike Bourne, BSc, BCom, MBA, PhD, CEng, MIEE, ACMA is Director of the Centre for Business Performance at Cranfield School of Management, Cranfield University. The Centre's mission is to develop thought leadership in business performance and comprises 18 faculty, visitors, researchers and administration staff. After a career in industry, including roles in production management, IT, HR and general management, he joined the University of Cambridge in 1995 as an Industrial Research Fellow, moving to Cranfield in 2000. His research has focused on the design, implementation and use of performance measures and measurement systems, and the development of manufacturing strategy and resource based perspectives. He is principal investigator of the EPSRC grant "Managing through measures" and co-investigator of the IMRC grant "Predictive performance". He edits *The Handbook of Performance Measurement* published by Gee and the journal *Measuring Business Excellence*. He speaks and consults widely on performance measurement and management and is a Director of Anglia Business Resources Ltd.

It is over ten years since Robert Kaplan and David Norton's *Harvard Business Review* article appeared on the balanced scorecard and the field has moved on from a general dissatisfaction with financial performance measures to a much more sophisticated understanding of performance measurement and management.

This special issue is primarily the result of the Performance Measurement Association (PMA) conference held in Boston last July and we selected a number of the most promising papers for development and publication in this special issue. As Bernard Marr and Gianni Schuima's citation analysis below shows, it is still a very disparate field with the "balanced scorecard" concept being by far the most cited approach. However, one would expect this from a relatively new field, which cuts across most of the traditional academic disciplines. Therefore this special issue of *Management Decision* contains a set of papers one would not normally expect to find together in a subject based journal as the intension of the conference was to draw together academics working in the field from a wide variety of disciplines.

We start with Marr and Schuima's literature and citation analysis as an introduction to the field. The next two papers focus on the implementation and use of performance measures in business. André de Waal writes about the behavioural factors he has identified that play an important role in the implementation and use of performance measurement systems from detailed case study work in three Dutch organisations. This is followed by a paper by Monica Franco and Mike Bourne that reports the findings of interview research with 24 experience performance measurement professionals on why some companies are better able to manage through measures than others.

The next group of papers focuses on the measurement of different aspect of performance. Johannes Schmitz and Ken Platts contrast intra-company and supply chain performance measurement and consider the implications in light of their study of European vehicle manufacturing supply chains. Jill MacBryde and Kepa Mendibil describe their experience of developing and using a framework for measuring and managing the performance of teams. Jo Calandro and Scott Lane propose a

new performance measure for the insurance industry integrating operating activity into a measure more comprehensive than the underwriting ratio.

Three papers follow this on the use of performance measures in the public sector. Lin Fitzgerald and James Storbeck consider the position of the UK water regulator and the use of frontier efficiency techniques in performance measurement. Jarmo Vakkuri and Pentti Meklin examine the impact of culture on the use of performance measurement in a university setting. Louise Lemieux-Charles, Wendy McGuire, François Champagne, Jan Barnsley, Donald Cole and Claude Sicotte explore the motivations behind the use of performance measures at multiple levels within health care organisations.

The final four papers are more theoretical in nature. Bernard Marr, Oliver Gupta Stephen Pike and Göran Roos highlight the significant misalignment between knowledge management requirements in epistemological terms and individual's perception of organizational knowledge management activities, linking this to the problems companies experience extracting value from knowledge management initiatives. Kurt Verweire and Lutgart Van den Berghe argue the case for including maturity as an additional dimension in our understanding of integrated performance management. Paul Rouse and Martin Putterill develop a series of principles as a basis for developing a theory of performance measurement. Finally, Mark Wilcox and Mike Bourne conclude with reflections on the current state of the art in performance measurement and the possible role that prediction should play in our use of performance measures and in performance management.

In conclusion, I would like to thank Professor Umit Bititci, Dr Stan Brignal, Robert Erskine, Professor Ken Euske, Professor Steve Evans, Lin Fitzgerald, Dr Karin Grasenick, Dr Mike Kennerley, Oliver Krause, Professor Shanling Lee, Dr Jill MacBryde, John Mills, Professor Jae Min, Professor Elspeth Murray, Professor Andy Neely, Professor David Otley, Dr Zoe Radnor, Professor Peter Richardson, Professor Göran Roos, Dr Andre de Waal and Dr Mark Wilcox for their comments and their help with refereeing the papers.



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