PERFORMANCE MEASURES FOR THE 21ST CENTURY

[ABSTRACT]

Nitza Geri  The Open University of Israel, nitzage@openu.ac.il
Raanana, Israel

ABSTRACT

Aim/Purpose  Contemporary organizations and business models challenge traditional performance measures. Some of these measures may not be relevant, and all of them may not be appropriate for measuring some of the critical factors that organizations should focus on in the current business environment.

Background  This research-in-progress examines the relevance of traditional performance measures, and uses an interdisciplinary approach for identifying effective known as well as new measures, which reflect the important issues for contemporary organizations. The issue is examined from multiple perspectives, including financial and cost accounting, operations management, strategy, and social responsibility.

Methodology  This research-in-progress is based on mixed methods, which include conceptual theoretical analysis of alternative performance measures, as well as quantitative analysis of secondary data, such as financial statement reports.

Contribution  The study is expected to identify the most relevant performance measures that organizations should focus on. Furthermore, it will suggest new performance measures that will reflect contemporary technological developments as well as global social values.

Findings  The expected findings are to identify which known performance measures are still relevant and which ones might be misleading, and to suggest new performance measures.

Recommendations for Practitioners  The findings of this study may enable organizations improve their performance by measuring the important factors that predict their ongoing success.

Recommendation for Researchers  Researchers should consider an interdisciplinary approach for identifying effective performance measures.

Impact on Society  Improved performance measures would enable extended value creation by organizations, which would increase the wealth of society at large.
Future Research
As new business models emerge, it would be worthwhile to continue the evaluation of the relevance of traditional performance measures, as well as the effectiveness of new ones.

Keywords
performance measurement, management accounting, Theory of Constraints (TOC), attention economy, cost accounting, value creation, financial statement analysis

BIOGRAPHY

Nitza Geri is an Associate Professor at the Open University of Israel, Department of Management and Economics, and Head of the Research Center for Innovation in Learning Technologies. She holds a B.A. in Accounting and Economics and a Ph.D. in Technology and Information Systems Management from Tel-Aviv University. Nitza is a CPA (Israel) with over 12 years of business experience. Her research interests focus on the value of information and knowledge: strategic information systems, information economics, attention economy, knowledge management, value creation, Theory of Constraints, and effectiveness of e-learning. Personal site: http://www.openu.ac.il/en/personalsites/NitzaGeri.aspx