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Firm performance: From dimensions to measurement

La performance des entreprises : Dimensions et outils de mesure

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Abstract

This article provides an in-depth exploration of corporate performance, surpassing conventional financial measures to encompass economic, social, and environmental dimensions. By analyzing various aspects, from strategy to human performance, it sheds light on the contradictions and interactions inherent in modern business management. Challenging the limited traditional conception of performance focused on financial indicators, the study opens up to a more nuanced perspective, considering the overall impact of corporate activities on society. Delving into the dynamics between strategy and performance, the article reveals tensions arising from conflicting strategic choices, emphasizing the importance of considering social responsibility alongside profit maximization. Particularly, the analysis of human performance highlights the crucial role of human resources in achieving organizational goals. In conclusion, the article emphasizes the need for a conceptual evolution of the term "performance" towards a holistic approach, integrating interdependent factors, urging businesses to adapt to a multidimensional landscape to ensure sustainability and make a positive contribution to society while emphasizing its main measurement tools.

Keywords: Firm Performance; Financial Performance; Social Performance ; Performance Measurement ; Dimensions.

Résumé

Cet article offre une exploration approfondie de la performance des entreprises, dépassant les mesures financières conventionnelles pour englober des dimensions économiques, sociales et environnementales. En analysant divers aspects, de la stratégie à la performance humaine, il met en lumière les contradictions et les interactions inhérentes à la gestion moderne des entreprises. Remettant en question la conception traditionnelle limitée de la performance axée sur les indicateurs financiers, l'étude s'ouvre à une perspective plus nuancée, considérant l'impact global des activités des entreprises sur la société. En se penchant sur la dynamique entre la stratégie et la performance, l'article révèle les tensions résultant de choix stratégiques contradictoires, soulignant l'importance de considérer la responsabilité sociale en parallèle avec la maximisation des profits. Particulièrement, l'analyse de la performance humaine met en avant le rôle crucial des ressources humaines dans la réalisation des objectifs organisationnels. En conclusion, l'article insiste sur la nécessité d'une évolution conceptuelle du terme "performance" vers une approche holistique, intégrant des facteurs interdépendants, incitant les entreprises à s'adapter à un paysage multidimensionnel pour assurer leur durabilité et contribuer positivement à la société tout en mettant l’accent sur ses principaux outils de mesure.

Mots clés : Performance de l'entreprise ; performance financière ; performance sociale ; mesure ; dimensions.

Introduction

Business performance, far from being reducible to financial figures, emerges as a rich and complex concept, traversing various dimensions that shape organizational success. This complexity, highlighted by Baret (2006) and Yvon Pesqueux (2005), reflects the multidimensional nature of contemporary business activities. Performance, encompassing economic, social, and environmental aspects, becomes a "catch-all" integrating competitiveness, profitability, solvency, and organizational efficiency. To grasp this diversity, this exploration delves into the different dimensions of performance, ranging from strategy to human performance, each adding its nuance to this intricate tapestry. Thus, a crucial issue arises: "how to design measurement systems that integratedly reflect the various economic, social, and environmental dimensions of performance, surpassing unidimensional evaluation?" Fundamental questions emerge about how these multiple dimensions interact, complement, or sometimes contradict each other. How to reconcile financial imperatives with social and environmental concerns? How to measure human performance beyond traditional indicators? These inquiries guide our research in the quest for a profound and nuanced understanding of business performance.

The objective of this article lies in the search for innovative and adaptive approaches to the design and management of performance measurement systems, capable of addressing contemporary challenges faced by businesses.

The performance of businesses represents a complex and multidimensional challenge, reflecting the diversity of goals and criteria inherent to each entity. Meanwhile, researchers have invested significant efforts in delineating the concept of performance. Indeed, the literature remains perpetually incomplete, and the discourse on corporate performance endures. This article seeks to enrich the discussion by providing an in-depth exploration of business performance, surpassing conventional financial measures to encompass economic, social, and environmental dimensions. Moreover, it emphasizes the proliferation of the most commonly used performance measurement tools.

Initially, we will examine the main dimensions of business performance, emphasizing the need to move beyond unidimensional evaluation in favor of an integrated approach. Indeed, according to Baret (2006), performance is defined as an "aggregation of economic, social, and environmental performances," thus highlighting its polyhedral nature and the necessity of combining various interdependent indicators.

Subsequently, we enumerate some of the key models of performance measurement systems (PMS) that have emerged over time, each contributing to the understanding and evaluation of organizational performance.

1- Dimensions of Business Performance

Business performance is dissected into several essential dimensions, each making a significant contribution to the overall understanding of organizational success. We will explore these dimensions, including strategic, competitive, organizational, economic and financial, commercial, as well as human and social performance. Each of these dimensions represents a crucial aspect of performance, shedding light on the inherent complexity in modern business management.

Marcel Lepetit (1997) defines it as "a multidimensional, economic, social and societal, financial and environmental aim (or goal), which concerns both businesses and human societies, as much as employees and citizens." In this regard, performance can take various forms, and below, we will enumerate its main types.

1.1 Strategic Performance:

According to Marmuse (1997), strategic performance relates to the evaluation of the effectiveness of implementing the company's strategy to achieve its long-term objectives. It measures an organization's ability to achieve positive and sustainable results by aligning its actions and resources with its vision, mission, and strategic objectives.

Strategic performance no longer confines itself to short-term financial results. It has expanded its scope to include the creation of long-term value for all stakeholders of the company, including shareholders, customers, employees, and suppliers.

In this context, strategic performance requires a clear, coherent, and relevant formulation of the company's strategy, as well as effective implementation at all levels of the organization. It involves optimal resource allocation, sound decision-making, flexibility in the face of environmental turbulence, and the creation of sustainable competitive advantages to ensure longevity (G. Hamel and C. Prahalad, 1994).

Furthermore, according to Atkinson et al. (1997), who assume that the modern organization is a network of explicit and implicit contracts with its stakeholders, their model aims to meet the needs and expectations of secondary stakeholders (suppliers, employees) related to processes to achieve primary objectives for shareholders, customers, and the community.

It is noteworthy that strategic performance is unique to each company and depends on its type of activity, the complexity of its environment, market share, and its own resources and competencies. Good strategic performance can manifest as increased revenue, market share growth, increased profit, continuous innovation, and potentially effective risk management. This implies a strong positive correlation between the strategic intention of leaders and the performance of their companies (J.-C. Mathé and V. Chagué, 1999).

Moreover, strategic performance, also known as long-term performance, ensures longevity and maintains a distance from competitors through a sustainable competitive advantage. The determinants of its implementation are multiple, including business growth, a well-formulated strategy, a good corporate culture, team dynamics, customer satisfaction, effective management style, and better environmental mastery (J. Barette and J. Bérard, 2000).

However, R. Dixon et al. (1990) emphasize that the excessive use of these different factors can also lead to failure due to issues such as resource depletion, environmental pollution, and gaps in creating long-term value. This aligns with the perspective of P. Drucker (2001), who believes that excessive rationality in decision-making and organizational management can generate negativity and inefficiency. This rigid and calculative approach to rationality in management may overlook essential elements, particularly the human dimension, which can harm social relations and organizational dynamics. Excessive focus on rationality can lead to an oppressive organizational culture, employee demotivation, and a loss of adaptation to environmental turbulence.

Therefore, despite the risk of failure associated with extremism, it is worth noting that the combination of the determinants mentioned earlier ensures long-term performance.

1.2 Competitive Performance:

Competitive performance refers to a company's ability to stand out from its competitors in the market. This involves achieving a better market position, a significant market share, profitable returns, and a sustainable competitive advantage over competitors.

According to Porter (1981), competitive performance requires a clear, coherent, and differentiated positioning strategy. It involves exploiting incomparable and unique competitive advantages that allow the company to stand out from its competitors and meet customer expectations in an appealing manner. This requires analyzing internal strengths, competitor strategies (their strengths and weaknesses), as well as market opportunities and threats.

Competitive advantage, in turn, is a cornerstone in the process of competitive performance and represents the set of distinct resources and capabilities of a company, such as cutting-edge technologies, low production costs, an extensive distribution chain, and strong customer relations.

Therefore, it is prudent to calculate indicators that assess the company's value compared to its competitors and identify potential areas for improvement, such as market share, revenue growth, profitability, customer satisfaction, price comparisons, etc.

In conclusion, competitive performance follows a continuous and evolving objective. Hence, companies must constantly analyze their market position and innovate to maintain a sustainable competitive advantage. In this regard, L. Guéret-Talon and J. Lebraty (2006) emphasize the need for constant anticipation to ensure the enduring performance of the company.

1.3 Organizational Performance:

Organizational performance is assessed in terms of coordination and information sharing. It represents an organization's ability to achieve its goals and optimize its results. In today's workplace, organizational performance can be defined as a company's capacity to attain its objectives in a state of constant change.

Organizational performance is measured at various levels of the hierarchy and can be evaluated for individuals, groups, and the organization as a whole (Knies, Jacobsen, and Tummers, 2016). Some authors (Kalika, 1988; Kaplan and Norton, 1992, 1993; Morin et al., 1994) broaden the scope of the results concept, suggesting the inclusion of a variety of indicators, including product and service quality, productivity, customer satisfaction, work climate, employee engagement, etc.

Furthermore, organizational performance is "the ability of an organization to determine and implement effective strategies within the framework of its pursued objectives" (Bouquin, 1997; Kalika, 1988). In this regard, he proposes four factors to understand this type of performance: adherence to formal structure, coordination between departments, quality of information flow, and structural flexibility.

To all these factors, L. Kombou and J.-F. Ngokevina (2006) add the influence of the leader's power. Despite the relevance of these factors for structural efficiency, they do not provide a clear definition of organizational performance.

1.4 Economic and Financial Performance:

For a long time, economic and financial performance has been the benchmark for evaluating companies. However, it remains insufficient to provide a comprehensive view of the company's situation. Financial performance could be defined as the achievement of good profitability, satisfactory growth, and value creation for shareholders. It may also refer to the survival of the company and its ability to achieve its objectives (R. Calori et al., 1989).

Indeed, the economic and financial performance of a company refers to its ability to generate strong financial results and profits. It is assessed using financial measures such as revenue, net profit, profit margin, profitability, cash flows, etc. These financial indicators are commonly used to evaluate the economic and financial performance of a company and make strategic decisions.

While this economic and financial aspect has long been the reference for performance and company evaluation, the quantitative logic it entails no longer ensures the competitiveness of the company. Recently, traditional indicators of financial performance are gradually giving way to value creation indicators (Caby and Hirigoyen, 2001; Degos and Ouvrard, 2012). In this regard, EVA, popularized by the Stern firm, has led to a series of "new" ratios such as ROE (Return On Equity), ROCE (Return On Capital Employed), EBIT (Earnings Before Interest and Taxes), EBIDTA (Earnings Before Interests, Taxes, Depreciation, and Amortization), MVA (Market Value Added), etc. These justify the importance of a "shareholder" behavior in a context of value creation (Levratto and Paulet, 2005).

As for sustainable economic and financial performance in the long term, it is attributable to non-financial factors such as customer loyalty, employee satisfaction, internal processes, and the degree of innovation in the company (Cumby and Conrod, 2001). It is related to the survival of the company and measured by the profitability of investments and sales, profitability, productivity, asset turnover, efficiency, etc. It incorporates the creation of value for the customer, shareholder, and investor satisfaction (Chakravarthy, 1986).

1.5 Commercial Performance:

Commercial performance, aiming to create value for the customer and increase market share, also known as marketing performance, is linked to the satisfaction of the company's customers. This satisfaction should be a concern for leaders as it serves as an indicator of the company's financial well-being (C. Bughin, 2006). It is defined as "the ability of the company to satisfy its customers by offering them goods and services of good quality that meet their expectations." It can be evaluated through various metrics such as increased sales, the company's market share, customer satisfaction, the number of recruited and loyal customers, revenue growth, gross operating surplus, commercial margin (O. Furrer and D. Sudharshan, 2003), and more.

For this commercial performance to be sustainable, companies must focus on developing quality and means to ensure customer satisfaction (A. Cardoso 2003), customer service, and the advice given to them (J. Bely et al., 2003; K. Appiah-Adu and S. Singh, 1999), service associated with the tangible product, as this service is a source of value for the consumer, total customer orientation, and continuous innovation (Lee Sungho et al., 2006).

All these actions enable companies to offer value to customers, especially in a highly competitive environment. The company creates this value when it successfully meets the customer's expectations as precisely as possible (A. Lejeune et al., 2001). To maximize this value for customers and become the best in their market, M. Treacy and F. Wiersema (1999) propose three paths to excellence for companies: operational excellence, excellence in product performance, and excellence in relationships. In the same vein, P. Pinto (2003) emphasizes that regardless of its nature, performance must be sustainable, demonstrating the company's ability to consistently deliver satisfactory performances in terms of growth and margin over an extended period.

1.6 Human and Social Performance:

Social performance goes beyond purely economic and financial aspects to embrace new dimensions, including social, environmental, and ethical considerations. It is the "aggregation of economic, social, and environmental performances" (Baret, 2006). Indeed, it is a central concept in business ethics research (J. Igalens and J.-P. Gond, 2003).

Furthermore, social performance is considered a key indicator of sustainability and corporate social responsibility. According to Elkington (1997), social performance involves meeting the needs and expectations of stakeholders and creating a positive impact on communities and society.

The Social Performance Task Force (SPTF), launched in 2005, has arrived at a consensus definition: "Social performance is the effective translation into practice of an institution's social goals, in accordance with recognized social values. These goals include sustainably serving an increasing number of poor and excluded people, improving the quality and relevance of financial services, enhancing the economic and social situation of clients, and ensuring social responsibility towards clients, employees, the served community, and the environment."

Several researchers have attempted to define CSR principles through modeling, including Carroll's model (1979), Wood's model (1991), and Clarkson's model (1995).

In essence, overall performance represents a "multidimensional goal or aim: economic, social and societal, financial and environmental, concerning both businesses and human societies, including employees and citizens" (Marcel Lepetit, 1997).

According to C. Marmuse (1997), this performance can be measured by the nature of social relationships affecting the quality of collective decision-making, the significance of conflicts and social crises (number, severity, harshness), employee satisfaction levels, turnover as an indicator of employee loyalty, absenteeism, and delays at work (signs of demotivation or boring, dangerous, or difficult work), the social climate of the company as a subjective assessment of the atmosphere within the company and its constituent groups, the functioning of representative employee institutions (works councils or establishment committees), the functioning of quality circles (the number and results of actions), and participation in decision-making.

Ultimately, to achieve the desired overall performance, it is crucial to embrace CSR to ensure long-term value creation for all stakeholders. This performance is defined by multi-criteria and multi-actor indicators, moving beyond a somewhat singular measure (Bouallegui, 2013).

These various dimensions of corporate performance are often interconnected. A balanced approach that considers several of these aspects can contribute to a more robust and sustainable overall performance. The chosen performance measures will depend on the specific objectives and strategy of each company.

In conclusion, it is important to note that performance is an all-encompassing term because it includes multiple dimensions, hence the difficulty in finding a conventional definition as it relies on the judgment and perception of each researcher. Furthermore, performance now depends on the vision of the company, its strategy, and its objectives. Therefore, it should be measured by combining several dimensions and not merely focusing on its financial aspect.

The performance of the company has gone through several periods to reach its global aspect, ensuring sustainable development, moving from the functions of productivity, profitability, and profitability to the vision of CSR. Thus, measuring performance cannot be reduced to a single indicator but rather requires a balanced combination of several factors. The pursuit of overall performance demands a clear strategic vision, organizational flexibility, social responsibility, and the ability to innovate. Companies must adapt to this multidimensional reality to ensure their sustainability and contribute positively to the broader community. By exploring these different dimensions, we gain an in-depth understanding of the complexity and richness of the concept of corporate performance in the dynamic landscape of contemporary business.

2- Tools for Measuring Corporate Performance

Performance measurement plays a crucial role in the dynamic landscape of organizational management, prompting a constant search for more holistic approaches aligned with the complexity of contemporary challenges. This section delves into some of the major models of Performance Measurement Systems (PMS) that have emerged over time, each contributing to the understanding and evaluation of organizational performance. From Fitzgerald et al.'s (1991) Performance Measurement Matrix to Kaplan and Norton's (1992) Balanced Scorecard, from Lynch and Cross's (1995) Performance Pyramid to Neely et al.'s (2001) Performance Prism, these models offer diverse and complementary perspectives on performance measurement. Exploring these models helps capture the evolution of approaches, highlighting the strengths, limitations, and practical implications of each.

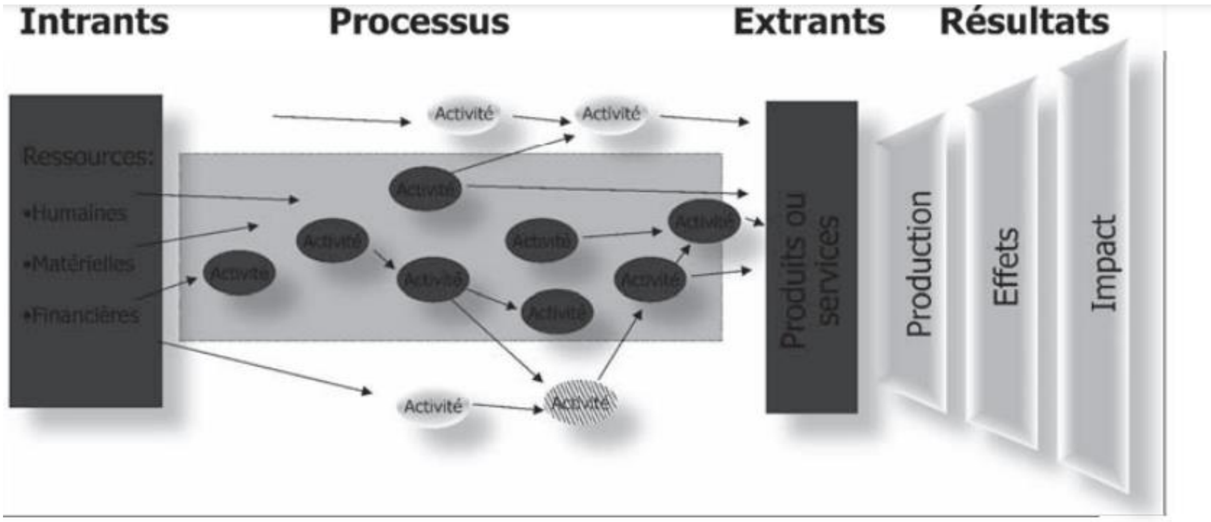
In this section, we will examine the primary models of Performance Measurement Systems (PMS) identified in the literature, emphasizing their respective strengths and limitations. These varied approaches serve as valuable references for businesses seeking to establish a PMS that meets current expectations in performance management.

To this end, a variety of models are available to try to grasp performance evaluation. Notable among them are Fitzgerald et al.'s model (1991), Kaplan and Norton's model (1992), Lynch and Cross's model (1995), and Neely et al.'s model (2001).

2.1 Organizational Performance Measurement Matrix: Fitzgerald et al.'s Model (1991)

The authors proposed two types of performance measures: outcomes (such as financial results and competitiveness) and determinants of outcomes (such as quality, flexibility, resource utilization, and innovation). In their view, any performance measurement system should be designed considering these two categories of indicators, and any outcome-related performance measure should be analyzed in relation to determinant-related performance measures. In reality, there is a chain of outcomes that explains organizational performance, as illustrated in **Figure 1.** Ideally, we want to be able to witness the achievement of these outcomes.

Figure 1: Results Chain



However, these outcomes are the result of prior efforts (activities articulated in processes) that have often been undertaken long before the expected successes are achieved. Therefore, it is known that performance measures related to activities are predictors of the achievement of external outcomes. In many cases, it may be necessary to simultaneously measure the activities and resources invested in connection with the intended outcomes. These indicators can anticipate the future performance of the organization and thus recognize the contribution of each stakeholder in carrying out the activities.

The significance of this distinction (outcome and determinant of outcome) lies in highlighting the fact that the obtained results are a function of the organization's past performance concerning specific determinants. In other words, results are lagging indicators, whereas determinants are leading indicators.

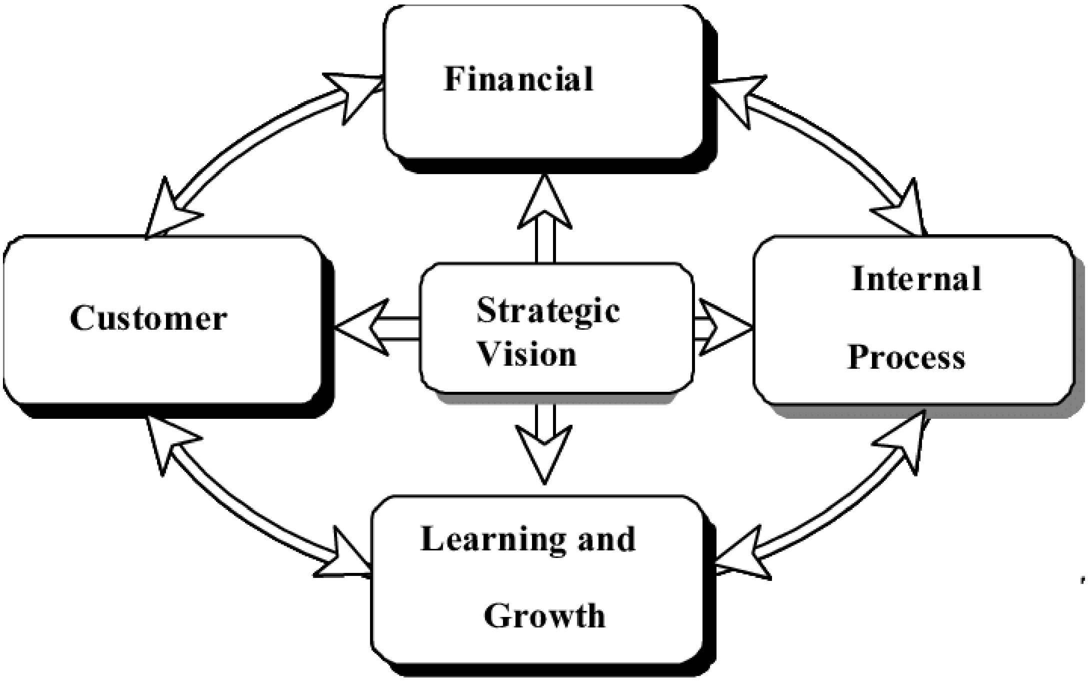
2.2 Balanced Scorecard: Kaplan and Norton's Model (1992)

The Balanced Scorecard is a strategic management tool designed to clarify and translate strategy into action. Its goal is to address challenges associated with relying solely on financial measures. The Balanced Scorecard emerged in response to two major issues: the increasing difficulty for companies to translate strategy into action and connect operational control to strategy, and the proven inability of traditional economic and financial measures to track a company's performance, especially when companies have significant intangible assets. While financial measures have been widely used for many years, new frameworks have emerged in recent years, expanding organizational perspectives beyond traditional financial measures (Kaplan and Norton, 1992).

Introduced in the early '90s, the Balanced Scorecard has garnered significant interest among businesses in recent years, sparking immense attention in academic and industrial communities as well (Barnabe & Busco, 2012; Malina, Norreklit & Selto, 2007).

As a result, financial data alone is no longer sufficient to explain value creation. The Balanced Scorecard, derived from the proposed methodology, aims to provide top management with a comprehensive information system that enables them to grasp the multidimensionality of performance.

Figure 2: Kaplan and Norton's Model



As shown in the above figure, according to this approach, overall performance is broken down into the following four perspectives: financial, customer, internal business processes, and learning and organizational development. Each dimension will be based on demonstrating the achievement of the goals pursued by each axis using an appropriate set of performance measures. Here are some examples of measures for each axis:

- Financial Axis: Return on capital employed, Economic value added, Sales growth, Cash flow.
- Customer Axis: Customer satisfaction, Loyalty, Acquisition, Profitability, Market share.
- Internal Business Processes Axis: Includes measures throughout the internal value chain for:

  - ✓ Innovation - measures the company's ability to identify future customer needs.
  - ✓ Operations - measures quality, cycle time, and costs.
  - ✓ After-sales service - measures warranty, repair, and handling of defects and returns.
- Learning and Growth Axis: Includes measures for people (employee retention, training, skills, morale) and systems (measures the availability of critical real-time information needed by front-line employees).

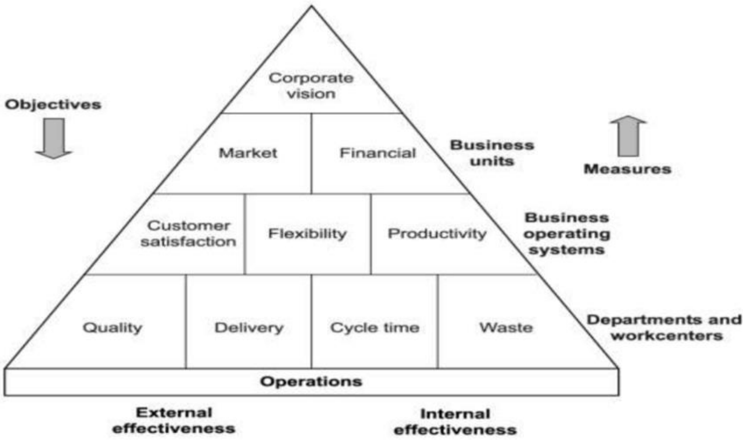
The model proposed by Kaplan and Norton is undoubtedly the most popular approach. The model is logical, well-suited for all types of organizations, and provides a balanced view of organizational performance. However, some criticisms have also been noted. In particular, it is acknowledged that the Balanced Scorecard is a model primarily intended for top management. The links between the four dimensions of performance are not clearly defined (Neely et al., 2000), and this approach does not integrate the competitive perspective (Neely et al., 1995). Furthermore, it provides few performance indicators at the operational level (Hudson et al., 2001).

2.3 Performance Pyramid: Lynch and Cross Model (1995)

To address the challenge of strategically shifting operations from the Balanced Scorecard, Lynch and Cross's (1995) pyramidal approach has the advantage of establishing a connection between hierarchical and operational visions of performance.

This approach provides a tool to harmonize performance measures, aligning operational management with strategy by integrating organizational objectives into operational performance measures. It organizes the overall performance of the organization into a hierarchy of three distinct levels (see figure below): the vision and organizational strategy, translated into financial and marketing objectives; the link between overall performance and business units through three essential operational activities and processes (customer satisfaction, flexibility, and productivity); and the four activities impacting organizational performance, namely quality, delivery, cycle time, and waste.

Figure 3: Lynch and Cross Model (1995)



This approach promotes a continuous connection between the company's leadership, business units, and the top of the organization. Objectives are defined by the leadership, and the performance measures of business units are reported up to the top of the company. Once a common result is established at the highest level of the organization, the measurement system focuses on defining operational indicators (Hudson Smith et Smith, 2007), meaning local indicators.

The development of operational measurement allows the organization to distinguish between performing activities and those requiring support, becoming a means to improve the internal distribution of functions or activities. However, it is important to note that this approach does not provide an exhaustive list or a specific form of performance measurement indicators to use in the model.

2.4 Performance Prism: Neely et al. Model (2001)

A team of researchers led by Neely and colleagues (2001) developed a performance measurement model called the Performance Prism, which is based on five interconnected perspectives: stakeholder satisfaction, strategy, processes, capabilities, and stakeholder contributions related to the organization. This approach allows for a holistic consideration of various aspects of organizational performance and a better understanding of the interrelationships between these key perspectives. Figure 4 schematically presents this conceptual structure of the Performance Prism.

Figure 4: Neely et al. Model (2001)

The Performance Prism represents a second-generation measurement framework meticulously crafted to facilitate the delineation of performance measures, a crucial process in the judicious selection of appropriate metrics. This comprehensive measurement framework systematically tackles fundamental business inquiries applicable to a diverse spectrum of organizations, spanning both for-profit and non-profit entities. It explicitly formulates pivotal queries, prompting leaders to contemplate the interconnections among metrics, a nuanced approach not inherently advocated by other frameworks.

According to Neely et al. (2002), the Performance Prism introduces three significant advancements when compared to preceding proposals and models:

- It shifts the focus beyond a singular stakeholder group, in contrast to earlier models that concentrated solely on one or two groups, typically shareholders and customers.
- It acknowledges the potential alignment of strategies, processes, and capabilities with stakeholder interests.
- It aligns not only the expectations of shareholders with those of the company but also vice versa.

Grounded in the relationship between measurement and strategy, the Performance Prism is visually represented as a geometric prism, comprising five facets. Each facet of the prism serves the purpose of addressing distinct organizational inquiries, deemed essential for managers to comprehensively evaluate the complexities associated with managing organizational performance.

The Performance Prism presents a rigorous framework for organizations to effectively manage their performance. Diverging from traditional frameworks, it necessitates a thorough analysis of stakeholders and their requirements before strategizing. Furthermore, it scrutinizes the processes and capabilities essential to support the strategy before determining appropriate performance measures. This approach aims to foster consistent alignment between performance and the organization's strategy across all levels, catering to the diverse needs of a broader spectrum of stakeholders.These multiple tools illustrate the diversity of measures used to assess different aspects of business performance. Indeed, the choice of measures will depend on the strategic objectives of the company, its industry, and relevant success criteria to provide a more comprehensive view of the health and success of a business.

Conclusion

The concept of corporate performance has evolved beyond traditional boundaries, now encompassing a diverse array of dimensions. Beyond financial indicators, it extends to spheres such as customer satisfaction, social and environmental sustainability, and human resources management. This contemporary perspective necessitates a holistic approach, emphasizing the importance of interaction between economic, social, and environmental dimensions. Consequently, performance cannot be apprehended through a single indicator but rather through a balanced combination of interdependent factors. The pursuit of overall performance demands a strategic vision, organizational flexibility, social responsibility, and an ability to innovate. In this complex environment, companies must adapt and integrate these multiple dimensions to ensure their longevity and make a positive contribution to society. As we explore these various facets, our in-depth understanding widens to encompass the richness and complexity of the concept of corporate performance in the dynamic context of contemporary business. Performance measurement holds a crucial place in this landscape, driving a constant search for holistic approaches aligned with the complexity of contemporary challenges. This section examines some of the key models of Performance Measurement Systems (PMS) that have emerged over time, each contributing to the understanding and evaluation of organizational performance. From Fitzgerald et al.'s (1991) Organizational Performance Measurement Matrix to Kaplan and Norton's (1992) Balanced Scorecard, Lynch and Cross's (1995) Performance Pyramid to Neely et al.'s (2001) Performance Prism, these models offer diverse and complementary perspectives on performance measurement, capturing the evolution of approaches and highlighting the strengths, limitations, and practical implications of each.

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