

PERFORMANCE MEASUREMENT KNOWLEDGE: A COMPREHENSIVE LITERATURE REVIEW

Sri Yusriani¹⁾, Ahmad Suja'i²⁾, Ahmad Fadhil³⁾, Charisma Rahmat Pamungkas⁴⁾, Nunung Nurbaeti⁵⁾, Iwan Setiyawan Prambudi⁶⁾, Rika Ismiwati⁷⁾, Deliana Br Perangin-angin⁸⁾, Andriani Julia Effendy⁹⁾.

^{1,2,3,4,5,6,7,8,9)}Postgraduate School, Universitas Terbuka, Indonesia

*Corresponding author: 530079307@ecampus.ut.ac.id

Abstract

This study aims to uncover key dimensions and emerging trends in performance measurement within the dynamic realm of contemporary business. Through a meticulous review of seminal studies, complemented by a Focus Group Discussion, the research methodology was formulated. The paper provides a thorough literature review on performance measurement, exploring multifaceted aspects of performance management across various organizational landscapes. Highlighting gaps in existing research, this article presents a comprehensive research agenda to encourage deeper exploration in the field of performance management. Within the framework of 'Performance Measurement Knowledge: A Comprehensive Literature Review,' 10 foundational papers are discussed, reflecting on varied experiences with Performance Measurement systems and tools based on the researchers' background in diverse industrial sectors.

Keywords: performance measurement; performance management; organizational settings; research gaps; dynamic business environments

Introduction

Performance measurement constitutes a fundamental element of organizational management, shaping decision-making processes and strategic planning. Performance measurement constitutes a fundamental element of organizational management, shaping decision-making processes and strategic planning (Tweedie et al., 2019). The significance of gauging performance has been acknowledged by scholars and professionals across various fields for an extended period. The aim is to amalgamate this extensive knowledge into a unified framework. Instead of delving into the intricacies of individual measures, the emphasis is placed on the design process of the performance measurement system. After thoroughly examining the existing literature, a suggested research direction is presented and keep improving (Neely, A., Gregory, M., & Platts, K. 1995). Context factors, or the environment or setting in which the proposed process of change is to be implemented can exert influence through interactions that occur at multiple levels (individual, interpersonal, organizational, community and societal) within the primary care system Munar et al., 2018).

Performance measurement assesses an organization's efficiency, effectiveness, and quality. It uses specific indicators to gauge the achievement of goals. A well-devised performance measurement system aids decision-making and boosts productivity. Conceptually, Performance measurement extends beyond mere metrics to include qualitative evaluations. Vital components of a sound system include: 1) Key Performance Indicators (KPIs): Quantitative indicators signifying organizational success; 2) Benchmarks: Standards for performance comparison; and 3) Balanced Scorecard: A multi-dimensional tool by Kaplan and Norton (1992) evaluating varied performance areas (Dahal, R. K., Ghimire, B., & Rai, B., 2022).

From prior studies, metrics need to evolve with technological and business changes. Traditional indicators may not fully capture today's performance nuances. Challenges include; the subjectivity in qualitative metrics, integrating diverse performance tools, adjusting metrics for cultural or regional contexts, and aligning metrics with organizational strategy (Kaplan & Norton, 1992; Mio et al., 2022; Vladimir et al., 2020).

The rapid growth of the market has intensified competition in both the manufacturing and service industries. Every company is challenged to develop strategies. One way to determine the right strategy is by making improvements

based on performance measurements and modifications made by the organization over a specific period (Mathis et al., 2006, cited in Sodikin & Wisnubroto, 2017).

Performance measurement is essential for both businesses and governments to evaluate and enhance their existing systems. It allows stakeholders to ascertain whether the system is functioning effectively and appropriately. The outcomes of performance evaluations can serve as a foundation for businesses to make necessary amendments to enhance performance, ultimately improving their competitiveness. Meanwhile, performance measurement methods have seen significant advancements. In recent academic and industry explorations, various novel performance measurement system models have been introduced, including the Balanced Scorecard, Integrated Performance Measurement System (IPMS), and SMART System (Sodikin & Wisnubroto, 2017). Yusriani et al. (2023) conducted a pivotal study examining the effects of self-efficacy and peer support on learning enthusiasm and digital competence within online distance education. A key finding from their research highlighted the significant influence of peer support in enhancing learning enthusiasm. Studies and discussions like the present one underscore the importance of continuous skill enhancement and personal growth.

Drawing from our literature survey on performance measurement, our research aimed to address several questions, including understanding performance measurement from a practitioner's perspective, discrepancies in performance measurement across diverse organizational settings, and how insights from an expansive literature review dovetail with the discourse in this paper. Our approach integrated a literature review supplemented by a Focus Group Discussion. This thorough review delves into the extensive body of knowledge on performance measurement, touching on areas like talent management, diversity management, employee engagement, and the application of sustainability balanced scorecards. A notable contribution of our research is pinpointing existing gaps and suggesting a comprehensive research direction to spur further explorations in performance management. A new consideration that emerges is: "How can organizations integrate sustainability measures, diversity management, and cutting-edge technology into their performance measurement systems to enhance both individual and organizational performance in a dynamic business environment?"

Methods

We initiated our investigation with an extensive literature review on performance measurement. In this study, we embarked on a comprehensive research journey to understand the nuances of performance management, placing a special emphasis on performance measurement. This exploration aided in deepening our comprehension of the predominant theories and methodologies within this domain. From an initial pool of 35 papers sourced from Google Scholar and Science Direct, we selectively reviewed 10 papers, published between 2019 and 2023. These papers were particularly noteworthy, enriching our comprehension of varied performance measurement practices across a spectrum of organizations.

Focus Group Discussions (FGDs)

After our literature review, FGDs were convened. Participants in these discussions were a mix of practitioners and researchers who held managerial roles across different sectors. They were part of a postgraduate program at the Universitas Terbuka. The rationale behind these FGDs was twofold:

- 1) To draw from the varied experiences of the participants and
- 2) To uncover insights that might remain concealed within traditional literature.

Through these discussions, we exchanged knowledge and insights that will be instrumental in enhancing our performance within our respective organizations.

The Focus Group Discussion (FGD), which is also referred to as group interviewing, is essentially a qualitative research methodology. It is based on structured, semi-structured, or unstructured interviews. It offers qualitative researchers the opportunity to interview several respondents systematically and simultaneously (Babbie, 2011).

FGD is applauded and widely used in recent times mainly because of its strength of convenience, economic advantage, high face validity, and speedy results (Krueger, 1988). Many authors also subscribe to the notion that FGD is advantageous because of its purposeful use of social interaction in generating data (Merton et al., 1990, Morgan, 1996). It is the use of social interaction which distinguishes it from other qualitative research methodologies (Merton et al., 1990).

Results and Discussions

From a review of previous studies examining performance measurement across various organizations, a summary has been obtained and is presented in Table 1 below:

Tabel 1. Summary of Previous Studies

No	Author (Year)	Sample	Performance Measurement method	Result
1.	McCrea et al. (2022)	Nearly 4,000 American hospitals from 2008 to 2012	Environmental factors (market competition, interorganizational collaboration, and the racial diversity)	In public hospitals, diversity management is influenced by the racial diversity of clients. The management of diverse non-profit hospitals is influenced by collaboration between organizations and the racial diversity of clients. Meanwhile market competition is the main driver of diversity management in the private sector.
2.	Mio et al. (2022)	65 articles published in ABS-ranked journals in the period 2000-2020	Sustainability Scorecard (SBSC) Balanced	These findings add to the literature on SBSC in management and the field of accounting, providing an overview of current research, charting research flows, indicating potential future research directions, and highlighting some of their managerial implications.
3.	Kravariti et al. (2020)	a talent pool of a Bahraini governmental administrative institution	Talent Management (TM)	<p>First, increase the literature on public sector TM in emerging markets such as the government of Bahrain which seeks to support local talent development through the implementation of TM initiatives;</p> <p>Second, it provides evidence of the key role of line managers as supporters of TM practices and drivers of talent performance;</p> <p>Third, OST predicts that when line managers are supported by their organization, it can have a more positive impact on employee performance.</p>

No	Author (Year)	Sample	Performance Measurement method	Result
4.	Deole et al. (2023)	The association between the changes in the respondents' WFH frequency and working performance during the COVID-19 pandemic in the UK	Standard deviation reports descriptive statistics for all qualifications, occupation, and industry groups	WFH frequency during the pandemic is associated with higher intentions to take up WFH in the future, which may establish WFH as an alternative to the conventional office setting.
5	Martini L.K.B et.al (2019)	The research location was BUMN (SOEs) in Bali. Data is used in the form of primary data and secondary data. The primary data were collected through interviews. The secondary data were balance sheets and income statements for the 2014-2016 period, organizational structure, job descriptions, number of customers, and number of employees.	Reviewing the analysis of the performance of the customer's perspective, the development of customer growth has seen an increase in the number of customers in the 2014-2016 period, an average of 2.3%. It is to show that the company is able to provide quality and satisfying services, thus, the average level of customer satisfaction, the average level of customer satisfaction in each dimension is 50.	This research was intended to know how the performance of corporate government (BUMN) in Bali on period 2014-2016. It was reviewed from a balanced scorecard perspective.
6.	Nudurupati et al. (2021)			This study reveals practical insights for improving performance measurement systems and performance management practices in organisations.

No	Author (Year)	Sample	Performance Measurement method	Result
7	Varianou-Mikellidou et al. (2021)	599 Cyprus police officers in 2019	Work Individual Performance (WIP) tool to consider individual characteristics and working environment, providing practical solutions, guidelines, and recommendations to assist workers and HR stakeholders. The tool can accept new variable to facilitate emerging risks or processes.	The main aim of the paper was to define whether the ability and the performance of the work are affected by factors such as Musculoskeletal Disorders (MSDs) and psychosocial issues. The results revealed, that the WIP tool might be used as an additional tool for measuring the performance of the worker. Furthermore, it was proved to be compatible with Work Ability Index (WAI). The WIP tool was tested on a group of workers in the manufacturing industry, and the paper provides a detailed methodology for the development of the tool and discusses its validation and application in a study involving the police workforce in Cyprus.
8	Alareeni and Hamdan. (2020)	All firms listed in the US S&P 500 during 2009 to 2018, comprising 4869 observations from 505 listed firms.	Return on Assets (ROA) as a sign of firm's operational performance, Return on Equity (ROE) as a sign of financial and market performance.	The paper was aimed to investigate relations of the disclosure of environmental, social and governance (ESG) practices with firms ROA and ROE. The disclosures are positively affecting performance measures.
9	Cousins et al. (2019)	248 manufacturing firms in the UK.	Environmental performance and operating cost performance are two factors that are used to assess organization performance.	This study aims to investigate how ecocentricity and supply chain traceability, two distinctive sustainable supply chain approaches, affect a company's operating costs and environmental performance. Green supply chain management (GSCM) procedures are linked to enhancements in both environmental and financial performance. It was discovered that a strong correlation between GSCM procedures and environmental performance was negatively moderated by high

No	Author (Year)	Sample	Performance Measurement method	Result
10	Freeman et al. (2023)	The paper examined how the performance measurements of technology-focused innovation-based fast internationalizers (TIFIs) evolve as businesses mature using a sample of 42 interviews with Australian entrepreneurs and industry experts.	This implied that the TIFIs are evaluating export performance using both subjective and objective performance criteria.	levels of supply chain traceability. The study looks at how technology-focused innovation-based fast internationalizers (TIFIs) vary in terms of performance metrics as they get older. While more experienced TIFIs use exploitative methods and extra objective, profit-based indicators, younger TIFIs evaluate their export performance using exploratory strategies and subjective metrics. The performance of these businesses is only marginally affected by destructive forces because they continue to prioritize innovation and ongoing industry disruption. There is no general agreement on what defines successful export performance, and several studies have measured it differently based on business objectives, success or failure in global marketplaces, or the results of export marketing efforts. In niche markets, it's crucial to analyze employee retention while assessing performance.

Source: previous researches studied (2023)

This literature review delves into the existing corpus of knowledge on performance measurement, encompassing diverse domains such as talent management, diversity management, employee engagement, and the use of sustainability balanced scorecards.

Talent Management

Kravariti and Johnston (2020) offer insights into talent management in the realm of public sector human resource management. The study underscores the significance of talent management practices and outlines a research agenda to enhance talent management effectiveness within the public sector. Talent management consists of various processes, namely planning, recruitment, placement, orientation, development, assessment, management, and provision of appropriate compensation to all employees owned by the company. In today's talent intensive business

environment, every organization is faced with the challenge of attracting, appraising, training, and retaining talented employees.

Talent management is basically a combination of initiatives carried out by companies to create business advantages by optimizing their talented employees. The key is in the process of identifying, developing, and retaining talented employees to be able to continue to create business advantages for the company. This process should be integrated with regular human resource management processes. The talent management process is designed to ensure that the business develops its competitive advantage through optimal utilization of a small group of individuals in key leadership positions (Mathew, 2015).

Diversity Management

McCrea, Zhu, and Johansen (2022) investigate the influence of external environmental factors on diversity management practices across various sectors. The study emphasizes the importance of adopting context-specific approaches to managing diversity effectively. The basic concept of diversity management or managing diversity in principle is how management in an organization is able to manage the various differences that exist within the organization or company, whether those differences are caused by differences in ethnicity, religion, character and nature, motivation, to differences in the goals you want to achieve. achieved by every part in the organization. In practice, diversity management will involve everyone with different backgrounds into a predetermined value to achieve organizational goals (Köllen, 2021).

Employee Engagement

Park et al. (2018) propound a theoretical framework highlighting work engagement within nonprofit entities, elucidating the key drivers of employee engagement and its ramifications for organizational efficacy. Engaged employees are characterized by their holistic involvement—physical, cognitive, and emotional—in their roles. This encompasses their perceptions about the organization, its leadership, and work conditions, as well as their emotional alignment and physical contributions to the role. Engaged personnel play a pivotal role in realizing organizational visions, strategizing, and delivering business outcomes. Their interactions are marked by mutual respect, trust, and dedication (Sun & Bunchapattanasakda, 2019).

Performance Management Systems

Tweedie et al. (2019) delve into the ramifications of performance management, transcending conventional human resource paradigms. Their insights underscore the imperative for an encompassing comprehension of performance management systems and their influence on the workforce. Performance management is the structured evaluation of an employee's outputs against its established benchmarks, designed to elevate competencies in alignment with organizational objectives. Effective performance management not only enhances employee proficiency but also fortifies the professional ethos, thereby bolstering organizational profitability (Kular et al., 2008).

Global Perspective on Performance Management

Varma, Budhwar, and DeNisi (2023) curate a compendium that sheds light on global perspectives on performance management, enriching our understanding of diverse practices. Performance management globally focuses on setting, evaluating, and refining performance criteria to ensure efficient and effective task completion. Its modern iterations are characterized by its holistic approach, supported by integrated technological advancements that facilitate structured performance evaluation (Aguinis, 2009).

Impact of Changing Business Environment

Nudurupati et al. (2021) explore the ramifications of evolving business terrains on performance measurement and management techniques. Their work underscores how organizations recalibrate their performance metrics in response to the dynamism of external environments. Changes in the external business environment, whether local, regional, or global, invariably present new opportunities. Proactively assessing these shifts can assist businesses in forecasting their potential impacts, facilitating long-term strategic planning.

By examining these diverse dimensions of performance measurement, organizations can enhance their understanding of effective performance management practices and adapt to the evolving business landscape. The identification of research gaps provides valuable opportunities for future exploration and refinement of performance measurement knowledge.

Result of Focus Group Discussion (FGDs)

Based on the outcomes of the Focus Group Discussions (FGDs), it was observed that various tools in performance measurement are employed across different organizations, encompassing both private and governmental entities. This insight aligns with the experiences of the practitioners and scholars involved in this study, as detailed in Table 2.

Table 2. Results of FGDs on August 5, 2023

Managers	Industry/sector	Measurement of performance	Advantages & Ideas
1. R1	Services Distributor Company and NGO	360-degree feedback, Self-Evaluation (fig. in Danish language), Management by objectives (MBO).	Offer a holistic view of the company's performance across different aspects.
2. R2	Public Sector or Government Agencies	Balanced Scored Card Comprehensive	Assess the alignment between company strategy and business activities.
3. R3	Travel e-commerce	Booking metric, financial performance, and 360-Degree Feedback	Identify the whole situation on company and employee level.
4. R4	Public Sector Finance Department	Balanced Scorecard	Help to identify areas that need improvements.
5. R5	Public Sector or Government Agencies	Employee Engagement Surveys	Measure overall morale and commitment of employees.
6. R6	Service and Education Sector	360-Degree Feedback and Time and Task Management Tools	Give comprehensive and multi-perspective view of employee performance.
7. R7	Service Sector in Hospital	Performance review	Encourage communications between employee and their respective manager.
8. R8	Public Sector or Government Agencies	Goal setting and tracking	Clearly defines expectations and objective of each employee.

9. R9	Public Sector or Government Agencies	Balanced score card	Create alignment in business activities and overall business strategy with focus on long term goals.
-------	--------------------------------------	---------------------	--

Source: *FGDs data processed transcribed (2023)*

In both public sector agencies and governmental bodies, performance measurement focuses on evaluating work outcomes and behaviors both periodically and annually. Periodic assessments occur every quarter, with their findings serving as a foundation for future performance enhancements. The e-performance application from the National Civil Service Agency facilitates these performance evaluations. R1 shared her insights, asserting that the common perception of performance measurement differs from reality. It isn't a spontaneous assembly of common actions taken for KPIs, metrics, or measures such as:

- Brainstorming to populate the strategic plan's KPI column.
- Subscribing to extensive KPI libraries or industry databases.
- Creating dashboards populated solely with easily obtainable data.
- Simplifying performance measurement in such ways prevents us from truly benefiting from it, as makeshift approaches rarely yield excellence.

In our organization, we understand performance measurement as an established process (we can see figure 1), leading to:

- A complete KPI creation approach.
- Clear understanding and execution of KPI development.
- Consistent KPI quality due to a standard approach.
- Resource efficiency with minimal redundancy.
- Continuous improvements in KPI design and application.

Figure 1. Training: Performance measurement is a process, docs employee HRM



Source: *FGDs data processed transcribed (2023)*

Example of evaluating our performance measurements in a narrative:

"Is our performance measurement method process-oriented? Generally, this process involves:

Stakeholder engagement for measurement.

Defining outcomes.

Choosing relevant measures.

Detailing measure calculations.

Sourcing data.

Analyzing data for measure values.

Reporting with graphical trends.

Interpreting key measures.

Using insights for performance enhancement.

PuMP is an example of this structured process. However, performance measurement isn't standalone. It's part of the critical organizational renewal process, which, like living organisms, consists of planning, monitoring, and improving phases connected by performance measurement. This process turns qualitative performance gaps into quantitative data, facilitating improvement.

Performance measurement links planning, monitoring, and improvement, providing insights into current vs. planned performance. The proper design of these processes ensures relevant measures rather than random or repetitive ones.

Effective engagement begins with aligning performance measurement with organizational goals. Start by asking:

How do we identify KPIs?

Are there performance issues to address?

How do we integrate measurement with planning and improvement?

Who truly understands performance measurement?

Let's deepen our understanding."

For clarity, performance measurement applications across various organizations are **illustrated in Figure 2 through Figure 10**.

In the field of public services at the Investment Service and One-Stop Integrated Services of East Kotawaringin Regency as our sample, the services provided to the public are web-based services. This service can be accessed independently or directly at our office by getting assistance from a service officer.

Regional authority licensing services are provided through SiCantik Cloud, central authority licensing services are provided through Online Single Submission (OSS), and health licensing services are provided through MPP Digital. MPP Digital is a digital transformation of public services to provide effective services to the community.

Private profit-oriented businesses operate primarily to generate income and maximize profits. As a result, major financial measurements are frequently used to assess organizational effectiveness. Booking and revenue are two essential metrics. Booking metrics measure the number of reservations, orders, or contracts placed by clients. These indicators provide information on the company's ability to attract and retain customers. On the other hand, revenue metrics are critical for assessing a company's financial health. They calculate the revenue earned by sales, services, or products. Total revenue, net profit margins, and year-over-year revenue growth are all important revenue measures (Suryanto & Sujardi, 2020).

Individual employee performance evaluation is critical at the micro level for building a culture of continuous improvement and maintaining alignment with company goals. This may be accomplished by a combination of self-evaluation and manager evaluations. Employees are encouraged to evaluate their own performance against predefined goals and key performance indicators (KPIs). Self-assessments provide employees with a sense of ownership over their progress and development. It's essential to create a structured self-assessment process with clear evaluation criteria (London & Beatty, 1993).

The proposed recommendations provide a roadmap for future research, enriching the field of performance measurement knowledge (Quarshie et al., 2016; Mio et al., 2022). Conducting longitudinal studies becomes critical to understanding the lasting effects of performance management practices on organizational outcomes over time (Golsorkhi et al., 2010). Exploring cross-cultural perspectives offers valuable insights into the influence of cultural contexts on performance measurement practices and their impact on organizational performance (Golsorkhi et al.,

2010). Investigating the role of technology in performance measurement opens new possibilities for data analytics, automation, and real-time monitoring, contributing to more accurate and efficient performance management systems (Nudurupati et al., 2021). Furthermore, delving into performance measurement during crises, such as pandemics or economic downturns, enables organizations to better prepare for unforeseen challenges and develop more resilient crisis management strategies (Rodrigue et al., 2013).

Figure 2. E-performance application

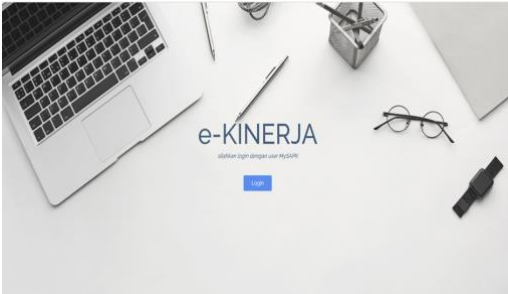


Figure 3. SiCantik Cloud



Figure 4. Online Single Submission Web



Figure 5. MPP Digital Web

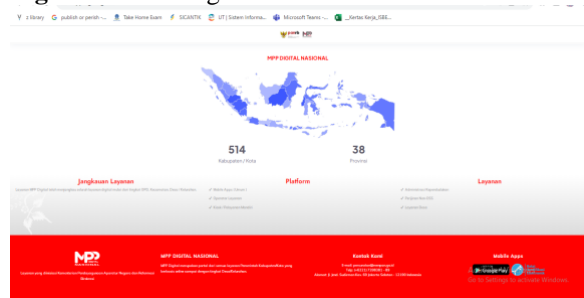


Figure 6. Workday Assessment

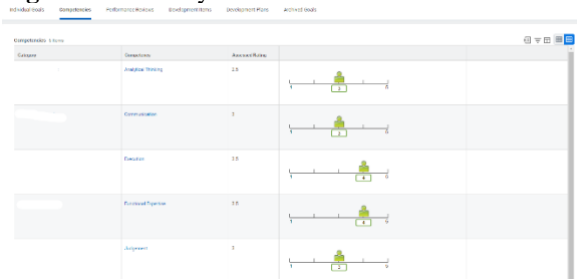


Figure 8. Assessment 360-degree feedback

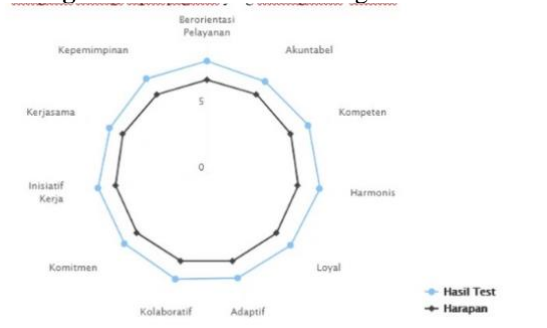


Figure 7. Workday Testimony from Customers

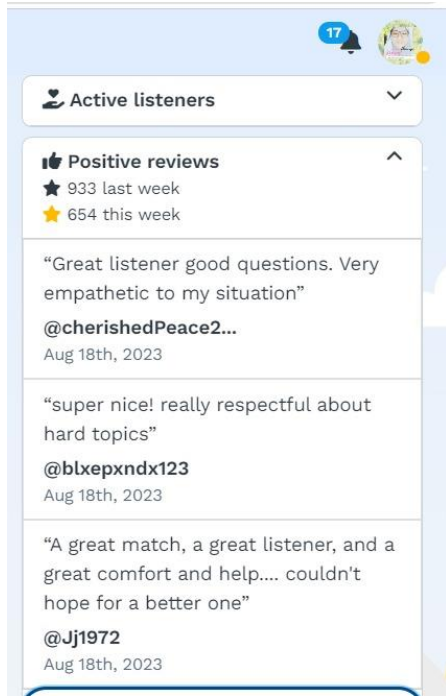


Figure 9. Assessment 360-degree feedback, Management by objectives (MBO) with Performance appraisals and direct praise from area managers



Figure 10. Sample Metrics in a Balanced Scorecard

Organizational Level	Customer Focus	Learning & Growth Focus	Internal Business Focus	Financial Focus
National	<ul style="list-style-type: none"> Market-share National customer satisfaction scores 	<ul style="list-style-type: none"> Employee opinion scores Return per employee 	<ul style="list-style-type: none"> Productivity Efficiency Innovation 	<ul style="list-style-type: none"> Profitability Return on investment/ equity/ capital employed Economic value added
Business Unit	<ul style="list-style-type: none"> On-time delivery Unit customer satisfaction scores 	<ul style="list-style-type: none"> Employee turnover rates Employee availability rates 	<ul style="list-style-type: none"> Total factor productivity Supply chain management 	<ul style="list-style-type: none"> Revenue growth Cost controls Profit margins
Work Unit	<ul style="list-style-type: none"> Mystery shopper evaluations Customer waiting time Product return rate 	<ul style="list-style-type: none"> Grievance activity rate Illness & injury rates Training & development objectives 	<ul style="list-style-type: none"> Equipment availability rate Asset utilization rate Motor vehicle accident rates 	<ul style="list-style-type: none"> Expense budget Revenue protection
Individual	<ul style="list-style-type: none"> Accomplishment of customer satisfaction objectives Customer competencies 	<ul style="list-style-type: none"> Accomplishment of employee development objectives Learning & growth competencies 	<ul style="list-style-type: none"> Accomplishment of business objectives Business behavior competencies 	<ul style="list-style-type: none"> Accomplishment of sales objectives Financial behavior competencies

Source: FGDs data processed transcribed (2023)

Result and Discussion

The literature underscores the necessity for organizational leaders and managers to acknowledge the pivotal role of performance measurement in driving positive outcomes (Quarshie et al., 2016). By integrating sustainability measures, organizations can align their goals with broader societal and environmental responsibilities, ensuring long-term viability and responsible corporate citizenship (Mio et al., 2022). Embracing context-specific diversity management strategies allows organizations to view diversity as a strategic advantage, thereby promoting inclusivity and fostering an innovative organizational culture (Golsorkhi et al., 2010).

When organizations implement employee-centric performance management practices inspired by entrepreneurial characteristics and value autonomy, they cultivate a supportive and adaptable work environment, ultimately enhancing both individual and organizational performance (Tweedie et al., 2019; Park et al., 2018). Moreover, the literature emphasizes the importance of continuously monitoring the evolving business environment (Rodrigue et al., 2013). By doing so, organizations can retain their competitive edge, ensuring sustainable success in the shifting business landscape.

The proposed recommendations offer a roadmap for future research, enriching the field of performance measurement knowledge (Quarshie et al., 2016; Mio et al., 2022). Exploring cross-cultural perspectives provides insights into how cultural contexts influence performance measurement practices and their subsequent effects on organizational performance (Golsorkhi et al., 2010). By investigating the role of technology in performance measurement, new possibilities emerge for data analytics, automation, and real-time monitoring, leading to more precise and efficient performance management systems (Nudurupati et al., 2021).

Furthermore, this comprehensive literature review underscores the significance of a continuous learning and improvement mindset for organizations (Golsorkhi et al., 2010). Benchmarking against industry best practices and competitors allows organizations to pinpoint areas for refinement and optimization (Quarshie et al., 2016; Tweedie et al., 2019). As these organizations begin implementing the recommended strategies, it becomes essential to foster a culture open to change and experimentation (Park et al., 2018; Tweedie et al., 2019).

In the domain of performance measurement, the synergy between research and practice is paramount (Quarshie et al., 2016). Real-time monitoring and feedback enable organizations to swiftly identify performance trends, allowing for timely strategy adjustments (Tweedie et al., 2019). However, as they leverage technology's advantages, organizations must carefully weigh ethical implications, uphold privacy standards, and address potential biases in data analytics to guarantee a fair performance evaluation (Nudurupati et al., 2021). By championing sustainable practices, celebrating diversity, prioritizing employee well-being, and staying responsive to the fluid business environment, organizations can adeptly navigate uncertainties and secure lasting success (Golsorkhi et al., 2010; Rodrigue et al., 2013). As they progress in their performance measurement endeavors, the imperatives of continuous learning, research-practice alliances, and embracing technological progress stand out as key drivers of performance enhancement and ingenuity (Tweedie et al., 2019; Nudurupati et al., 2021). With a proactive and adaptive stance, organizations can harness performance measurement's full potential, guiding their course towards unparalleled excellence and adaptability in a constantly shifting business world.

Prioritizing performance measurement and striving for excellence through data-informed decisions allow organizations to achieve sustainable success, making a positive impact on both the organization and the broader society. Our organizations, operating in different industrial sectors, naturally have variations in performance measurement, tools, and development, largely influenced by each company's policies. Many insights can be derived from performance measurement tools developed for various industries; however, performance measurement varies across different sectors, as noted by Succar, B. (2010, May).

Limitations of the Study

The selection of research papers might not cover all relevant studies, potentially omitting valuable insights. Most of the reviewed literature is from academic journals, potentially overlooking significant findings from grey literature and industry reports. The dynamic nature of performance measurement means that newer research could have emerged post-review. Inherent selection bias and subjectivity in literature review methods might influence the inclusion and interpretation of studies.

Recommendation

Longitudinal studies can evaluate the long-term impact of performance management practices on organizational outcomes. Investigate how cultural factors across different contexts influence performance measurement practices. Delve into the use of emerging technologies like blockchain and smart contracts in performance measurement. Research the integration of environmental, social, and governance (ESG) metrics for more responsible business practices. Study the impact of non-traditional work environments, such as remote work, on performance measurement practices.

Conclusions

In conclusion, this literature review accentuates the crucial role of performance measurement in organizational success. By embracing practical implications, strategies, and future research directions, organizations can leverage performance measurement for sustainable growth, employee well-being, and lasting success in a dynamic business environment. As performance management evolves, remaining open to emerging insights and harnessing knowledge and innovation becomes paramount.

By expanding focus beyond internal practices and collaborating with both academic and practitioner communities, a collective understanding of best practices emerges, leading to standardized performance measurement frameworks applicable across various industries. Upholding ethical considerations and aligning performance goals with societal well-being not only enhances an organization's reputation but also fosters stronger stakeholder relationships. Investing in employee training and fostering a culture of continuous learning empowers employees to contribute to performance measurement success. By championing knowledge-sharing, ethics, and employee development, organizations can adapt to challenges, recognize growth opportunities, and ensure resilience. This literature review offers profound insights into performance measurement practices and suggests avenues for future research. Embracing these insights from the results of FGDs can empower organizations to optimize their performance management practices and enhance their overall organizational efficiency.

References

- Babbie, E. (2011). *The Basics of Social Research*, (5th Edition). WADSWORTH CENGAGE Learning.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Dahal, R. K., Ghimire, B., & Rai, B. (2022). A balanced scorecard approach for evaluating organizational performance of Nepal Telecom. *Management Dynamics*, 25(1), 63-73.
- Deole, S. S., Deter, M., & Huang, Y. (2023). Home sweet home: Working from home and employee performance during the COVID-19 pandemic in the UK. *Labour economics*, 80, 102295.
- Freeman, S., Vissak, T., Nummela, N., & Trudgen, R. (2023). Do technology-focused fast internationalizers' performance measures change as they mature?. *International Business Review*, 102168.
- Golsorkhi, D., Rouleau, L., Seidl, D., & Vaara, E. (2010). What is strategy-as-practice.
- Hart, C. (1998). Hart, Chris, *Doing a Literature Review: Releasing the Social Science Research Imagination*. London: Sage, 1998.
- Kravariti, F., & Johnston, K. (2020). Talent management: a critical literature review and research agenda for public sector human resource management. *Public Management Review*, 22(1), 75-95.
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard—measures that drive performance. *Harvard Business Review*, 70(1), 71-79.
- London, M., & Beatty, R. W. (1993). 360-degree feedback as a competitive advantage. *Human Resource Management*, 32(2-3), 353-372.
- McCrea, A. M., Zhu, L., & Johansen, M. S. (2022). Managing Diversity Differently: The External Environment and Cross-Sector Differences in Diversity Management. *Journal of Public Administration Research and Theory*, 32(2), 436-454.

Mio, C., Costantini, A., & Panfilo, S. (2022). Performance measurement tools for sustainable business: A systematic literature review on the sustainability balanced scorecard use. *Corporate social responsibility and environmental management*, 29(2), 367-384.

Munar, W., Snilstveit, B., Stevenson, J., Biswas, N., Eyers, J., Butera, G., ... & Aranda, L. E. (2018). Evidence gap map of performance measurement and management in primary care delivery systems in low-and middle-income countries—study protocol. *Gates Open Research*, 2.

Neely, A., Gregory, M., & Platts, K. (1995). Performance measurement system design: a literature review and research agenda. *International journal of operations & production management*, 15(4), 80-116.

Nudurupati, S. S., Garengo, P., & Bititci, U. S. (2021). Impact of the changing business environment on performance measurement and management practices. *International Journal of Production Economics*, 232, 107942.

Park, S., Kim, J., Park, J., & Lim, D. H. (2018). Work engagement in nonprofit organizations: A conceptual model. *Human Resource Development Review*, 17(1), 5-33.

Rodrigue, M., Maignan, M., & Boulianne, E. (2013). Stakeholders' influence on environmental strategy and performance indicators: A managerial perspective. *Management Accounting Research*, 24(4), 301-316.

Quarshie, A. M., Salmi, A., & Leuschner, R. (2016). Sustainability and corporate social responsibility in supply chains: The state of research in supply chain management and business ethics journals. *Journal of Purchasing and Supply Management*, 22(2), 82-97.

Sassanelli, C., Rosa, P., Rocca, R., & Terzi, S. (2019). Circular economy performance assessment methods: A systematic literature review. *Journal of Cleaner Production*, 229, 440-453.

Suryanto, F., & Surjadi, L. (2021). Faktor-Faktor Yang Mempengaruhi Financial Performance Pada Perusahaan Manufaktur Di BEI. *Jurnal Paradigma Akuntansi*, 3(3), 1150-1157.

Tweedie, D., Wild, D., Rhodes, C., & Martinov-Bennie, N. (2019). How does performance management affect workers? Beyond human resource management and its critique. *International Journal of Management Reviews*, 21(1), 76-96.

Varianou-Mikellidou, C., Boustras, G., Nicolaidou, O., Dimopoulos, C., & Mikellides, N. (2021). Measuring performance within the ageing workforce. *Safety science*, 140, 105286.

Varma, A., Budhwar, P. S., & DeNisi, A. (Eds.). (2023). *Performance management systems: A global perspective*. Taylor & Francis.

Vladimir, V. F., Mercedes, N. C., Francisca, C. M. M., & José, M. V. D. (2020). Balanced scorecard: Key tool for strategic learning and strengthening in business organizations. *Academic Journal of Interdisciplinary Studies*, 9(3), 1-11.

Yusriani, S., Prambudi, I. S., Gunarto, M., Nurbaeti, N., Lusiati, M., & Suhendro, S. (2023, August). Influence of Self-Efficacy and Peer Support on Learning Enthusiasm and Digital Competence in Online Distance Learning: A Cross-National Study on Workers and MM Program Postgraduate Students. In *Proceedings International Conference on Business, Economics & Management* (No. 1, pp. 410-427).

Succar, B. (2010, May). The five components of BIM performance measurement. In *CIB World Congress* (Vol. 14). Salford: United Kingdom.