CONTENTS

	List of Figures	xvi
	List of Tables	xxi
	Foreword	xxiv
	Preface and Acknowledgements	xxvi
	List of Abbreviations	xxviii
A	RT I	
eı	formance Measurement: The Essentials of Key	
	formance Indicators	1
1	Performance Measurement: Key Performance Indicators	
	Concepts	3
	Introduction	4
	Key Performance Measures	6
	Key Result Areas (KRAs)	11
	Preparing Key Result Areas for Individuals	13
	Preparing Key Result Areas for an Organisation	15
	Key Performance Indicators (KPIs)	16
	Relationship between KRAs and KPIs	21
	Conclusion	21
	References	25

2 Performance Management Concepts and Related Tools	26	Failure Mode and Effects Analysis (FMEA) Procedure	92
Introduction	27	Current Reality Tree	96
Overview of Performance Management and Tools	30	Root Cause Analysis: Finding the Cause of	
Aligning Organisational and Employee Needs	32	Performance Issues	99
Achieving Sustainable and Enhanced Performance	,	Conclusion	101
Management	35	References	103
Performance Management Tools	39		
Management Dashboards	41	4 Performance Management Framework	104
Balanced Scorecards	44	Introduction	105
Performance Analytics	45	Creating the Right Organisational Environment	107
Strategic Planning	46	Developing a Proper Management and	,
Budgeting and Forecasting	48	Leadership Approach	107
Benchmarking	50	Developing the Right Type of Organisational Commitment	113
Business Excellence Models	52 52	Enhancing Employee Participation	120
Six Sigma	56	Developing and Sustaining Employee Engagement	122
Enterprise Risk Management	58	Enhancing Communication within the Organisation	127
Project/Programme Management	61	Employee Development and Training	132
Performance Reporting	65	Performance Measurement Framework: Is There a	
Conclusion	67	Difference between Public Sector (and Non-Profit	
References	68	Entities) and Private Sector?	135
		Performance Management Framework	145
3 Root Cause Analysis and Its Impact on Performance		Conclusion	150
Management Management		References	151
Introduction	70		.,.
Development of Root Cause Analysis	71		
Tay Bridge Disaster	72	PART II	
New London School Catastrophe	73	Performance Management Toolbox: Methods for Determining	
,	73	Key Performance Indicators	155
West Gate Bridge Tragedy Challenger Space Shouttle Minfortune	74		
Challenger Space Shuttle Misfortune Sakichi Toyoda and Others	75	5 Strategic Management and Business Planning as a Basis	
	76	for Establishing KPIs	160
Root Cause Analysis	78	Introduction	162
5-Whys Approach	79	Strategic Planning as a Performance Management Tool	164
Challenger Interview Method	81	Prerequisites for Selecting Strategic KPIs	165
Role Playing Method	82	Financial and Non-Financial Strategic KPIs	167
Process Maps (Flowcharts)	83	Suggested Financial and Non-Financial Strategic KPIs	175
Ishikawa Diagram or Fishbone Diagram	85	Business Planning as a Performance Management Tool	188
Other Root Cause Analysis Methods	88	Defining the Budget for the Organisation	190
Rapid Problem Resolution (RPR) Problem		Measuring Business Performance: KPIs for Budgeting	
Diagnosis	88	and Forecasting at Departmental (or Responsibility	
Failure Mode and Effects Analysis	90	Unit) Level	193

	Standard Cost Systems and Variance Analysis as KPI	
	Measuring Tools	207
	Variance Analysis as KPI Tools	209
	Example: Standard Cost Approach Using Variance	
	Analysis as KPI Tools	210
	Performance Analytics as a Performance Management Tool	221
	Performance Management in a Data-Driven Organisation	225
	Analytical Insights to Boost Business Performance	231
	Performance Analytics in the Public Sector	235
	Performance Analytics in Managing Projects	249
	Performance Reporting as a Performance Management Tool	275
	Performance Reporting Deployment	276
	Performance Reporting Principles	280
	Conclusion	295
	References	295
6	Critical Success Factors for Establishing and Applying KPIs	
	Introduction	299
	Types of Critical Success Factors	300
	Implementing Critical Success Factor Model	303
	Strategic Objectives	307 310
	Strategy	310
	Identify CSFs	312
	Define KPIs	313
	Determine the Critical Information Set	313
	Example One: Applying the Critical Success Factor	ر.ر
	Methodology Framework	314
	Example Two: Applying the Critical Success Factor	3.4
	Methodology Framework	320
	Example Three: Applying the Critical Success Factor	
	Methodology Framework	322
	Conclusion	325
	References	326
7	Balanced Scorecard and Benchmarking:	
	Basis for Applying KPIs	327
	Introduction	328
	Balanced Scorecard	332
	Roadmap for Applying the Balanced Scorecard	<i></i>
	Methodology	221

	Example: Applying the Balanced Scorecard	
	Methodology – Private Sector	342
	Applying the Balanced Scorecard Methodology in the	
	Public Sector	347
	Example: Applying Balanced Scorecard (BSC)	2 ,,
	Methodology in the Public Sector	353
	Benchmarking	365
	Benchmarking Classification	367
	The Benchmarking Process	372
	Benchmarking Challenges	376
	Conclusion	377
	References	378
8	Six Sigma: Basis for Continuous Process Improvement	380
	Introduction	381
	Establishing Goal Values for Six Sigma	384
	The Key Principles of Six Sigma	389
	The Six Sigma Methodology	391
	Six Sigma Case Studies	396
	Six Sigma Methodology: Reducing Inventory Levels	396
	Six Sigma Methodology: Reducing Call Centre Responses	398
	Conclusion	399
	References	401
9	Business Excellence Models, Enterprise Risk Management,	
	and Programme Management as a Basis for Performance	
	Improvement	402
	Introduction	404
	Development of Business Excellence Models	405
	Business Excellence Model	406
	Emergence of Other Business Excellence Models	410
	Varying Approach to Implementing Business	
	Excellence Models	411
	Other Business Excellence Models Framework	416
	Other Considerations Regarding Business Excellence Models	418
	Enterprise Risk Management	419
	Enterprise Risk Management Theory and Concepts Difference between Risk Management and	420
	Enterprise Risk Management	422
	Advantages of an Enterprise Risk Management Framework	
	Auvantages of an Enterprise Kisk Wanagement Framework	422

Integrating Strategy and Performance into Enterprise	
Risk Management	423
Implementation of the Enterprise Risk Management	
Framework Outlook for Enterprise Birly Management 5	425
Outlook for Enterprise Risk Management Framework Programme Management	427
Key Attributes of Programme Management	428
Programme Management Operational Aspects	429
Programme Management System of Measurement	430
Conclusion	431
References	435 436
PART III Practical Application of Performance Management Tools and	
Future Trends	439
Application of the Book of the	
O Application of the Performance Management Tools: Private Sector	
Description of the Organisation	442
Operating Segments of Organisation	443
Other Organisational Characteristics	443
Organisational Risk Factors	444
Financial Condition and Results of Operations	446
Application of the Performance Management Tools: Private Sector	449
	454
Strategic Planning as a Performance Management Tool Financial and Non-Financial Strategic KPIs for GeoMed	454
Limited KPIs for Budgeting and Forecasting at Departmental	456
Level for GeoMed Limited	467
Standard Cost Systems and Variance Analysis at	, ,
Component Level for GeoMed Ltd	472
Selected Component Information	473
Interpretation of Variance Analysis Findings	474
General Lessons Learnt from the GeoMed Ltd Case Study Other Applicable Performance Management Tools for	477
GeoMed Ltd	478
Conclusion	479
References	479

11	Application of the Performance Management Tools: Public	
	Sector	480
	Description of Selected Governmental Organisation	481
	Applicable Strategic Performance Management KPIs for	
	the Public Service	482
	Cross-Sectional Categories of KPIs for Public Service:	
	National Level	485
	Finance Category	487
	Operations Category	490
	Public Services Category	491
	Citizens Category	493
	Human Resources Category	495
	Cross-Sectional Categories of KPIs for Public Service:	
	Ministerial Level	496
	Cross-Sectional Categories of KPIs for Public Service:	
	Departmental Level	508
	Conclusion	523
	References	524
12	Performance Measurement and Management: Future Trends	525
	Introduction	527
	Remodelling Performance Management	531
	Performance Management Transformation	537
	Contemporary Performance Management and	
	Measurement Trends	541
	Artificial Intelligence: The Future in Performance	
	Management	557
	Conclusion	565
	References	566
	Index	569
	THOUSE THE STATE OF THE STATE O	509