DOI: https://doi.org/10.30525/978-9934-26-307-1-12

Tatiana Furculița
Candidate of Economic Sciences
State University of Moldova

PERFORMANCE MEASUREMENT SYSTEMS IN PUBLIC ADMINISTRATION

Summary

For several decades in the field of public administration, there has been a major interest in the implementation and use of performance measurement systems, systems which, in the opinion of some specialists, constitute the foundation of both increasing the responsibility of civil servants and improving the performance of public institutions. Although it is unanimously accepted that measuring the performance of public institutions contributes to "better governance", there are many public institutions or organizations that do not use this type of measurement, sometimes due to justified reasons and sometimes not. In this sense, theoretical but also practical studies alarmingly highlight two aspects related to performance measurement in public institutions: on the one hand, there is no major and real concern and interest on the part of public institutions in the use and implementation of performance measurement systems, and on the other on the other hand, the implementation of performance measurement systems and even the actual measurement of performance is done improperly, haphazardly, without interest and without support from the officials and managers of these institutions – this last situation putting the public institution in a state of confusion, turmoil and frustration. Thus, paradoxically, in many public institutions we are dealing with a performance measurement system that does not contribute at all to the improvement of aspects regarding the institution – improving the quality of the services provided and/or increasing the efficiency and effectiveness of internal processes.

Introduction

In order to be able to discuss the problem related to the definition of performance measurement systems, of what a performance measurement system means, it is not without interest to first discuss what a system means and how the term system can be defined.

Generally speaking, a system can be defined as a set of elements that are in interaction relationships. Also, just like the definition, the system can represent a unitary organized entity, composed of two or more interdependent parts, components or subsystems, delimited from the environment by identifiable

borders – borders that represent the interface between the system and the environment.

For our purposes, we will conclude that from the perspective of the characteristics that a system assumes, this term can be defined in the following way:

1. The system has a structure that is defined by its parts and processes;

2. The system assumes the existence of some sets or aggregations of entities, linked and united as a whole, interacting with the environment;

3. The system is a generalization of reality in which real or abstract entities can be used;

4. The different parts of the system have a functional and structural relationship between them;

5. Any system involves input elements – for example: matter, energy, products, which are processed, consumed, transformed, based on these transformational processes resulting in certain outputs;

6. Systems are structures of theoretical explanations that try to analyze and describe in a general way a phenomenon, be it physical, economic or social and are based on framework models, which explain both the relationship between the environment and the system, as well as the relationship between the elements of the system;

7. Due to the complex nature of the interdependencies and existing relationships both between the environment and the system, as well as between the elements or entities that make up the system, most of the models on which these systems are based also assume a feed-back regulation loop, loop in which the outputs regulate the inputs.

From the point of view of interaction, all systems are mechanisms that transform input into output through a certain internal mechanism, which differs from system to system. The input is represented by energy, matter or information and ensures the sustenance of the system.

From the perspective of the general theory of systems, we can conclude that performance measurement systems can be defined as those systems designed to measure and highlight performance. In this sense, from the perspective of the general theory of systems, obviously any performance measurement system can be defined as a transformational process intended to measure and highlight the performance of an organization and in which the results of the performance measurement can be considered as the output of the system, obtaining these results being actually the result of transformation processes of some input elements (inputs).

If we think that any performance measurement obtained by an organization primarily means the involvement and use of both human resources and financial, material and informational resources, we can conclude that: „performance measurement systems represent all the human, financial, material, informational

or any kind of resources involved and/or transformed, which lead to the clear highlighting of the performance of an organization" [12, p. 48].

Considering the fact that the most important resource involved in performance measurement is the human resource, the quality of performance highlighting depends on the quantity and quality of this type of resources. Basically, people are the ones who determine what exactly needs to be measured, what data and what type of data processing needs to be used, „what" needs to be done and „how" the specific measurement activities need to be implemented. In this sense, performance measurement systems can be defined as the totality of thought and action efforts undertaken consciously and planned by a group of people aimed at highlighting the level of performance achieved by an organization.

At the same time, if it is taken into account that in addition to the resources involved, measuring the performance of an organization also means the repetitive and planned development of specific processes and activities, another definition, which in our opinion captures the essence of the concept, considers performance measurement systems as „the totality of specific processes and actions, carried out consciously, repeatedly and planned and which are carried out involving a certain amount of human, material, financial, informational resources, which lead to highlighting the performances achieved or the level of performance achieved by an organization" [12 , p. 48].

Another approach by which a performance measurement system can be defined is the managerial dimension. In this case, viewed from the aspect of managerial processes, respectively of the managerial system, performance measurement systems appear as subsystems of managerial systems, intended to be real managerial tools used in measuring, evaluating and monitoring different aspects and organizational dimensions.

Part 1. General considerations regarding performance measurement models

In general, about performance measurement models it can be said that they are used to define and build different types of measurements necessary to highlight the performance of an organization.

In this sense, we can give the example of the company DuPont, which at the beginning of the 20th century, used the „financial ration pyramid" model to highlight performance, a model that linked a wide range of financial indicators with aspects regarding income or investments. This model was a hierarchical, explicit measurement structure that included measurements at different organizational levels [11, p. 59].

The models, and especially the framework models, still offer certain indications, principles, stages that must be taken into account when designing and implementing any performance measurement system.

Another characteristic of the models mentioned above, which in our opinion represents an essential characteristic, refers to the fact that these models focus on the correlation and integration of different performance measurements that concern different aspects such as: internal processes, the activities carried out, structures and strategies, financial aspects, human aspects or other dimensions that an organization behaves. For example, many framework models consider that performance measurement systems must take into account the organization's strategy and strategic objectives, respectively the organization's vision and the interests of shareholders and/or other interest groups (customer segments, suppliers, employees).

Other framework models consider that organizational structures have a major influence within performance measurement systems, not only in terms of interactive terms between system and structure, but also in terms of ensuring a capacity to supply resources or mode of operation of planning [13, p. 795].

Speaking about the framework models, we should also mention the framework model of Flamholtz (1983) which describes a meta-perspective of control, measurement and process monitoring systems, in which the main subsystems of this system: internal operations, planning , evaluation and measurement are integrated and correlated with the organizational structure as well as with the organizational culture.

According to this model, the three elements (process control and measurement system, organizational structure and culture) are represented in the form of concentric series of circles with the subsystems that make up the aforementioned system in the center.

Although internationally there is a multitude and an extremely large variation of models and framework models, used to highlight and measure performances, the performance measurement systems used by organizations are predominantly based on a relatively small number of such models. This has a possible explanation in the fact that many models are based on constructions with a high degree of both analytical and abstraction, or due to the too simplistic character with a high degree of generalization [12, p. 52].

Speaking about the models that are the basis of performance measurement systems, certain specialists identify in their studies a number of key characteristics that these models must have in order to help organizations define their performance measurement systems.

Thus, in the opinion of specialists Mike Kennerly and Andy Neely, any model that is the basis of performance measurement systems must present the following characteristics [19, p. 96]:

1. First of all, these models must present, through the proposed set of performance measurements, a balanced image of the organization from the point of view of internal processes and interaction with the external environment;

2. Secondly, the models used should highlight the general performance of the organization as simply and as succinctly as possible, respectively lead to an implementation as simple as possible.

Regarding the models that underlie the construction of performance measurement systems, Kit Fai Pun and Anthony Sydney White (2005), offer in their studies a classification of the first ten known models that underlie the most common performance measurement systems (Table 1):

Table 1

The main reference models underlying performance measurement systems

No.	Proposed framework models	References
1	Reporting techniques & strategic measurement analysis – SMART	Lynch and Cross, 1991
2	Performance measurement questionnaire –PMQ	Dixson and colectivul, 1990
3	Fitzgerald's performance measurement model	Fitzgerald and the collective, 1991; Fitzgerald and Moon, 1996
4	The Balanced Scorecard – BSC	Kaplan and Norton, 1990, 1996, 2000
5	Results of Comparative Business Scorecard – CBS	Kanji, 1998; Kanji and Moura, 2002
6	Prism of performance – PS	Neely and the collective, 1996, 2000; Bourne and the collective, 1998, 2000
7	The Consistent Performance Measurement Systems – CPMS	Flapper and the collective, 1996
8	Integrated Performance Measurement Systems – IPMS	Bititci and the collective, 1997, 1998
9	Dynamic Performance Measurement Systems – DPMS	Bititci and the collective, 2000
10	Integrated Performance Measurement Framework – IPMF	Mendori, 1998, Mendori and Steeple, 2000

Source: [8]

Also related to integrated performance measurement models, in their studies, P. Rouse and M. Putterill showed that the dominant feature of performance measurement models is the diversity of dimensions chosen for measurement, the range of presentation and exposure being extremely large starting from simple schematic representations and ending with detailed descriptions [13, p. 793].

In our opinion, explaining and analyzing performance measurement only from the perspective of sets of corporate processes, strategies and dynamic

systems that are standardized by type of business or organization, presented schematically can lead to derisive aspects and confusion.

On the other hand, too much complexity in the description as well as too abstract detailing, full of complex mathematical formulas can also become too unintelligible and extremely confusing. Thus, considering the above, we consider that any attempt to find a model for performance measurement is almost impossible, something demonstrated, moreover, by contemporary reality. Analyzing various models that are the basis of performance measurement systems, we came to the conclusion that there are two large classes (proper framework models and respectively illustrative models) regarding the framework models used in performance measurement systems.

The classification elements taken into account by us concern both the presentation and explanation of the attributes and dimensions presented by the models as well as the chronology of their appearances (Table 2).

Table 2

Classification of the main framework models of performance measurement

The main Framework models	The illustrative models
1. Antony (1965) – strategic planning, managerial control, operational control 2. Altman (1979) – data, analysis, action 3. Keegan and the collective, (1989) - cost/non-cost, external/internal 4. Lynch and Cross (1991) – external/internal measures centered around the market, developed in cascade, related to production 5. Azzone and Smith (1991) – measuring the link between quality, cost, flexibility, customers, supply management with process elements 6. Fitzgerald and the collective (1991) – results, determinants 7. Kaplan and Norton (1992) – reporting from financial, internal, customer and learning and growth perspectives 8. Smith (1997) – added value and non-value, generative influencing factors 9. Otley (1999) – objectives, strategies, performance targets, information flow 10. Kennerly and Neely (2000) – performance perspective: contribution and satisfaction of shareholders, strategies, processes, capabilities.	1. Forrester (1968) – industrial dynamics 2. Beer (1972) – the viable systems model 3. Flamholy (1983) – the central control system, organizational structure, culture and organizational environment 4. Nanni and the collective (1992) – organizational policies, systems, practices 5. Browen (1996) – inputs, processses, outputs, outcomes, goals 6. Bititci and the team (1997) – performance measurement from the perspective of viable systems 7. Ghalayini and the team (1997) – management modeled on the specifics of the company, process improvement.

Source: [12]

In the following, we will analyze the main framework models that are the basis of the performance measurement systems and which, in the author's

opinion, lend themselves to being used by organizations in the field of public administration.

Thus, I chose to briefly present the following models:

1) Fitzgerald's model;
2) Keegan's model;
3) The scoreboard model – balanced scorecard;
4) Lynch and Cross's model;
5) Kennerly and Neely's model – the performance prism.

Part 2. Fitzgerald's model

The purpose of Fitzgerald's model is to propose that each manager or leader of an organization in the service sector develop his own set of performance measurements along six dimensions to continuously monitor his competitive strategy.

In his opinion, this set of performance measurements are always in interaction and influenced by the competitive environment, the competitive strategy and the type of service provided, three contingent variables determining „why", „what" and „how" performance should be measured [1, p. 35].

In explaining the model, Fitzgerald starts from the role of the managerial information system, which in his opinion should help managers to provide the necessary information for planning, organization and decision-making. Also, this type of system should be a support, both for corporate objectives and a support for strategic control or operational control. In this idea, performance measurement, based on the managerial information system, must be centered around control, i.e. performance measurement being part of a reverse control loop (feedback type loop) intended to stimulate the most appropriate actions of the organization (Figure 1).

In general, the information of the management information system, which should include financial and non-financial information, should provide a direct line of control as well as a feedback loop of control by investigating the variation along the 6 dimensions of performance. It is important to note that the six generic dimensions of performance, according to Fitzgerald's model, are divided into two large conceptual categories (Table 3), respectively the first category reflecting the success or result of choosing a strategy, and the second category aggregating as determinants.

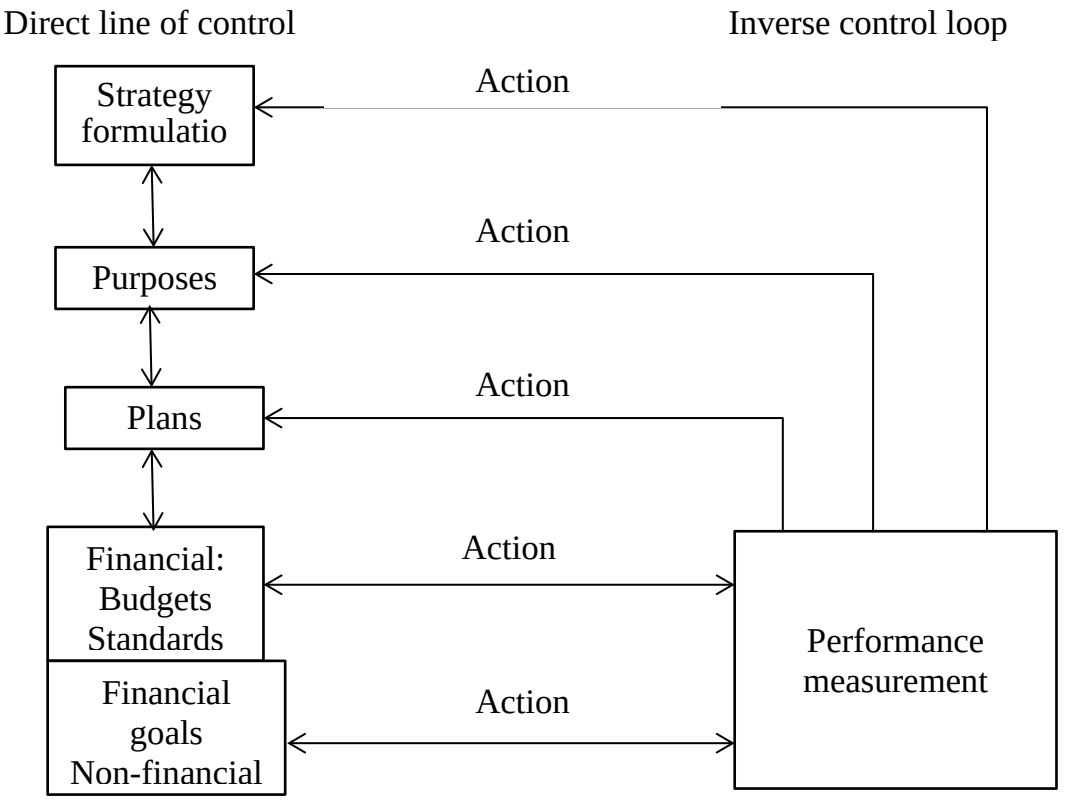

Figure 1. Fitzgerald's model of direct/ indirect control

Source: [1]

Table 3

Dimensions of performance measurement used by Fitzgerald's model

Dimensions of performance		**Type of measurements**
Results	Financial performance	1. Profitability 2. Liquidity 3. Capital structure
	Competitiveness	1. Market position 2. Increase sales 3. Measuring the consumer base
Determinants	Use of resources	1. Productivity 2. Efficiency
	Services quality	1. General service indicators: trust, responsibility, aesthetic appearance, cleanliness, comfort, kindness, communication, competence, accessibility, validity, security
	The innovation	1. Performances of innovation processes 2. Performances of individual innovations
	Flexibility	1. Volume of flexibility 2. Flexibility in speed of delivery 3. Flexibility of specifications

Source: [1]

It should be noted that for the design of the range and type of indicators of the determinants of performance measurement, Fitzgerald proposes to take into account three major variables, namely the type of service offered by the organization, the competitive environment and the chosen strategy. In conclusion, in our opinion, the model emphasizes that in an organization the emphasis must be placed on the interactive combination of the two types of control, respectively on the correlation of the direct control line (feed-forward) with the reverse control loop (feed-back), performance measurement being viewed as part of the inverse control loop.

Part 3. Keegan's performance measurement model

In building his performance measurement model, Keegan D.P. it starts from the fact that performance measurement in an organization must be integrated vertically and horizontally with the functions of internal processes as well as with aspects related to the organization's activities.

In his opinion, performance measurement should provide and ensure the link between the organization's activities and its strategic plans.

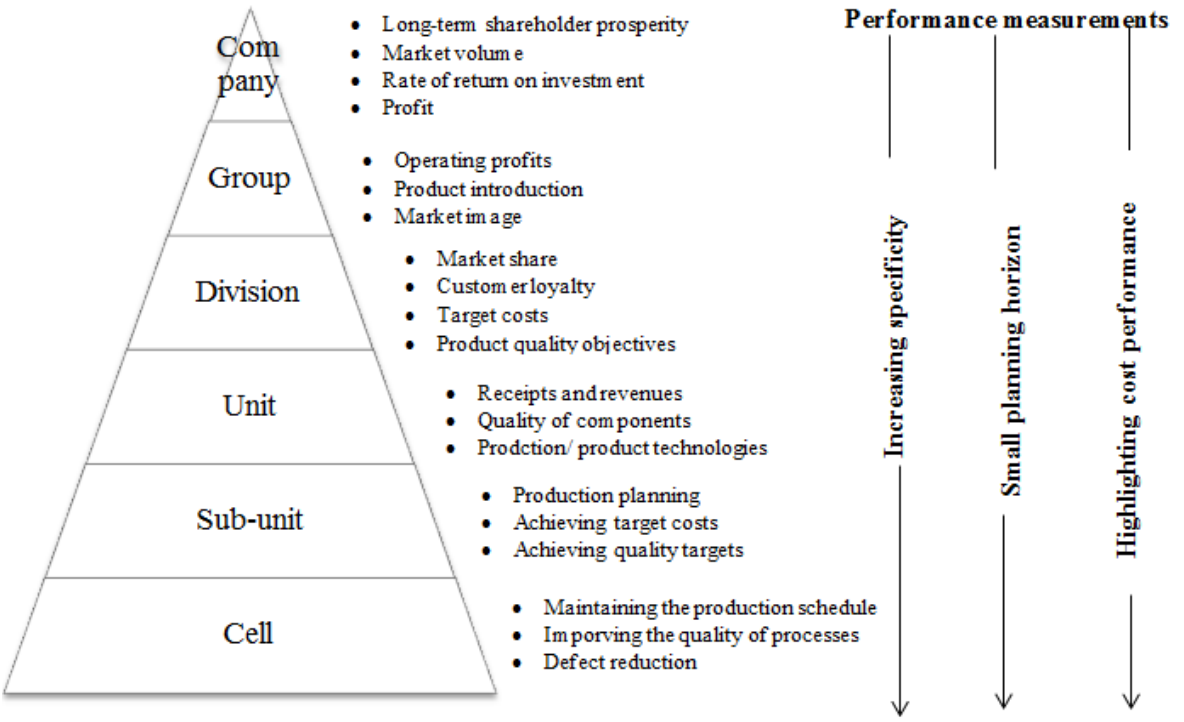

Figure 2. Hierarchy of performance measures

Source: [7]

In this sense, D.P. Keegan and his team proposed a first model (Figure 2) in which the measurement of performance extends along the entire structure of the organization, respectively on hierarchical levels, each level being assigned certain performance measurements [7, p. 45].

Another aspect that the model discusses is the aspect related to performance measurements, measurements which in the form present in the model are a combination of four large categories of measurements.

Starting from the fact that performance measurements should support the organization's environment from the perspective of the multiple dimensions it carries, the model proposes categories of performance measurements (Figure 3):

1) internal performance measurements of the organization;
2) external performance measurements of the organization;
3) performance measures related to or based on cost;
4) performance measures related to or based on non-cost.

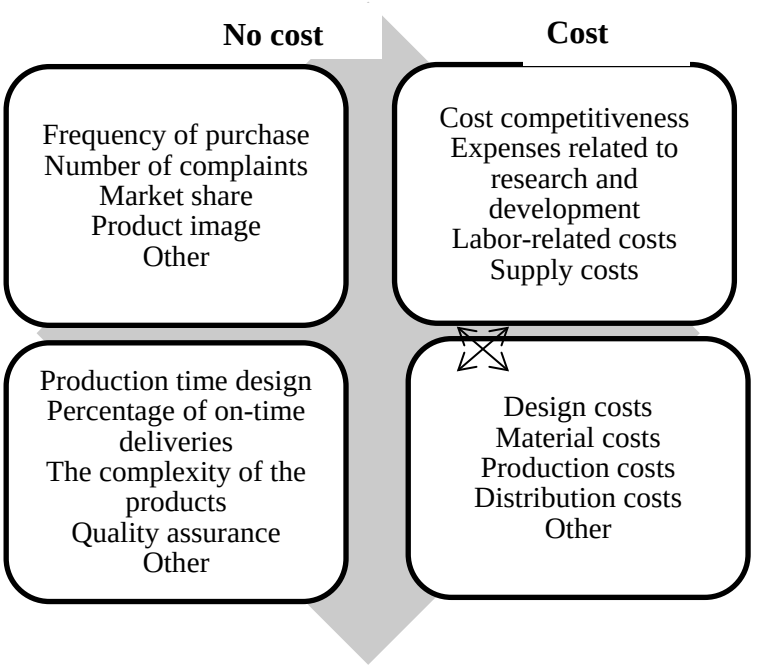

Figure 3. The four categories of performance measures

Source: [7]

The model presented above highlights, therefore, three major aspects related to performance measurement and highlighting:

− First of all, performance measurements should take into account the organization's strategies and the multidimensional character of the organization's environment.

− Second, any performance measurement system must be based on integrated performance measures and aggregated hierarchically and horizontally across the organizational structure, with each subdivision tasked with establishing its own performance measures as it deems appropriate for her.

− Third, any performance measurement system should be built on both cost and non-cost metrics.

In conclusion, Keegan's performance measurement model allows to highlight better not only the current performance of the organization but also offers the possibility of highlighting the performance in relation to the organization's competition or competitors (benchmark).

Part 4. The mod of Lynch and Cross

The model developed by Lynch and Cross represents a structural model for a new information network that is considered to be the basis of the SMART control system. The model is presented in the form of a pyramid, the SMART pyramid, and is based on the combination of quality management with internal processes and operations of the organization (Figure 4).

According to what was presented by the two specialists, the model is based on two concepts, namely the concept of objectives and the concept of measurement.

The central idea of this model was to convert strategic objectives, by detailing from top to bottom (based on customer priorities) while measurements start from bottom to top along the four pyramid levels [9, p. 30].

Therefore, the pyramid offers, as a model, a structure in both directions of a communication system necessary to establish a strategic vision in the organization.

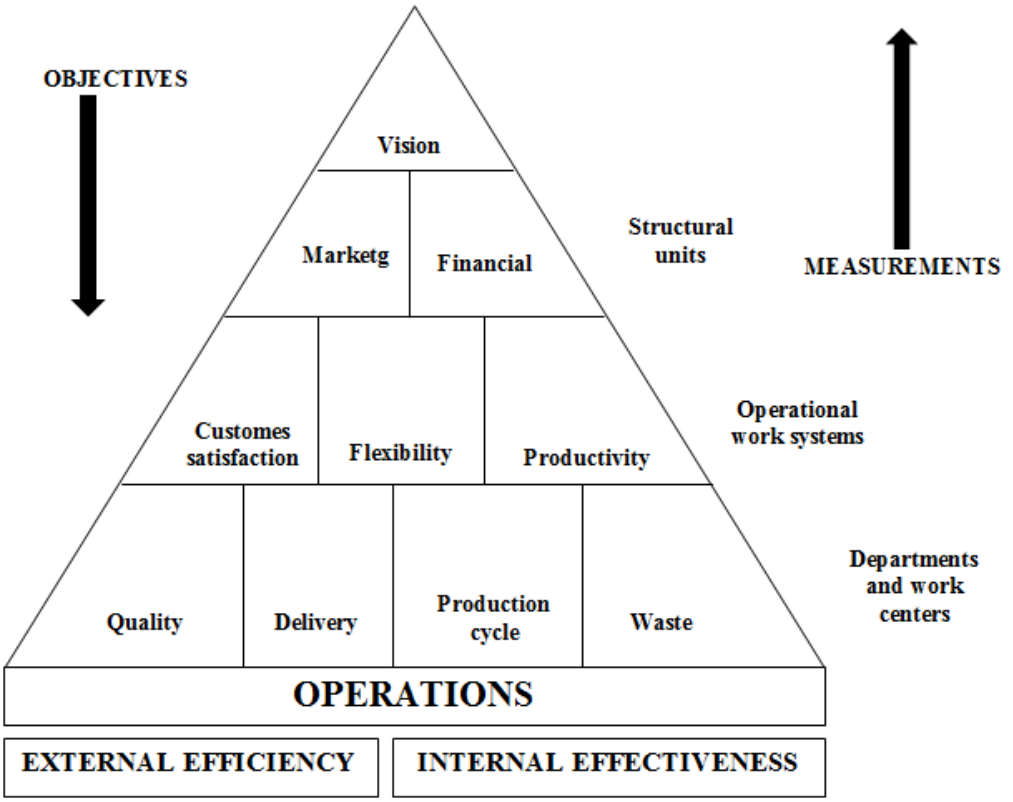

Figure 4. Reprezentarea grafică a modelului SMART

Source: [9]

In the conception of the authors of the model, the objectives must start, respectively derive from the corporate vision. These objectives must then be transposed at the level of structural units.

For example, for the second level, the structural unit, the detailing of the objectives in the form of financial and/or market goals (market position held, profit or financial income) must be taken into account.

The third level of the pyramid is defined as an operational work system – BOS (Business Operating Systems), a system designed to support the organization's strategy.

These systems are detailed in terms of „customer satisfaction", „flexibility" and last but not least in terms of „productivity".

Operational systems should, according to the model, include the functions, activities, processes, policies and work procedures necessary to support the system as well as to implement a strategy for the development of production or distribution of products or the provision of services on a certain specific market.

Operational work systems are considered the starting point for measurement and control within departments. These systems link the performance of each department, the overall performance of the organization and the overall strategy of the organization.

Also these systems should allow departments to focus on measuring efficiency and effectiveness as a form of their performance.

It should be noted that at the level of operational work systems, "customer satisfaction" actually means how well consumers' expectations are met regarding the quality of the products or services provided. In terms of productivity, it refers to the degree to which activities and resources are used effectively in ensuring a high degree of customer satisfaction.

The next level, level four, should provide the basis for specific operational measures. Thus, at the level of the departments, the objectives must be converted or transposed into operational criteria such as: „quality", „delivery/ supply", „production or processing time", „production cost". Obviously, these criteria must be defined by each department separately according to its specifics.

These criteria should also ensure the transposition of the direction of the strategy in the actions of the department. The objective of any department is to increase the quality and speed of delivery, while reducing processing or production times and/or reducing waste.

Part 5. Gopal Kanji's Model of Business Excellence

In the construction of the model, Kanji starts from the fact that for many organizations the successful solution to remain „leader" in a competitive, dynamic and extremely unpredictable environment is related to the need for the

organization to reach a certain level of excellence, in four big areas or aspects of the business. Thus, for full success on the market, organizations must:

- to maximize shareholder values;
- to reach a certain level of excellence in the process;
- to improve organizational learning;
- to delight the shareholders and other groups of interest or influence.

It should also be noted that each of the areas mentioned above must be seen as a continuous cyclical form whereby each area is continuously improved:

- Shareholders' satisfaction helps to generate income, as well as to satisfy investors;
- The increase in income helps to increase investment funds in processes and learning;
- Better processes and learning help people satisfy stakeholders and create a successful business.

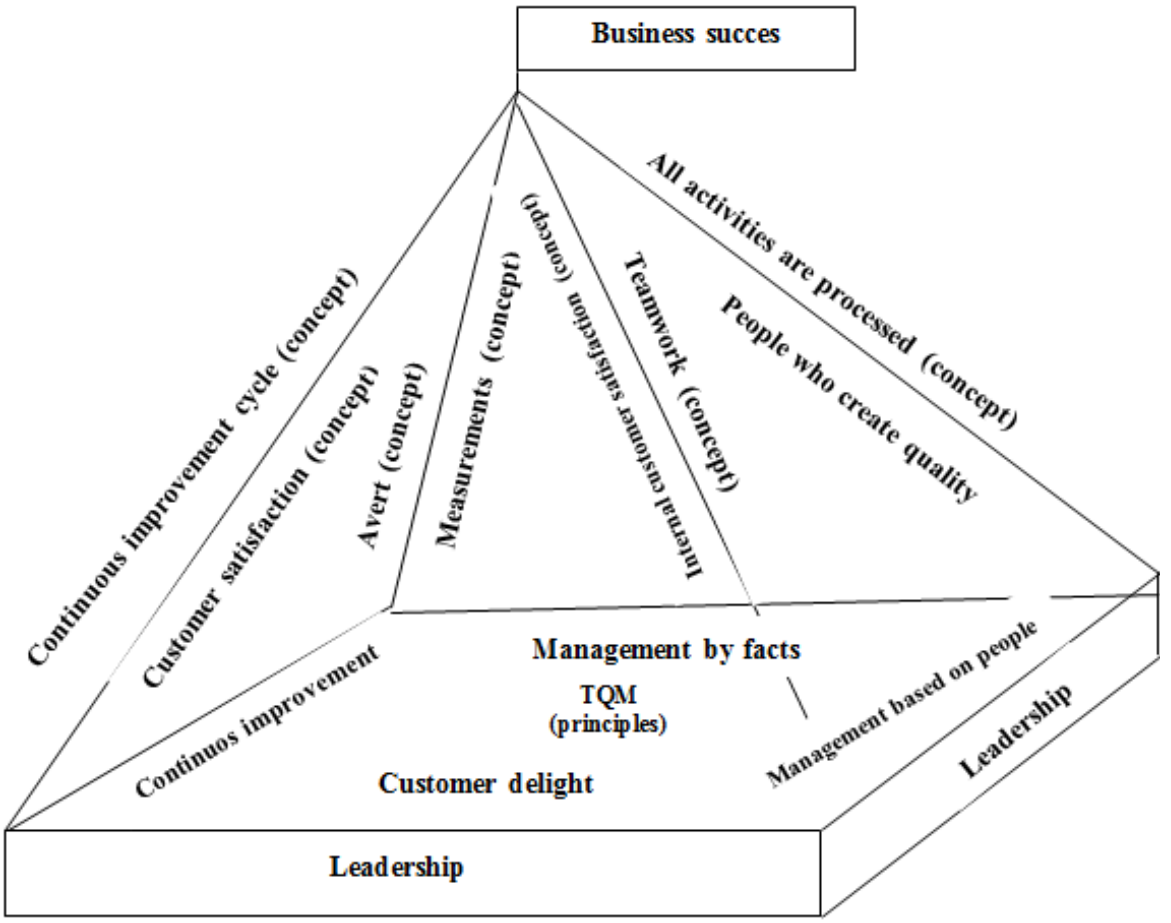

Figure 5. Graphic representation of the business excellence model

Source: [2]

Kanji's model, in a general description, incorporates, using a generic model of TQM, several factors considered critical for success, factors that must be measured, evaluated and monitored, in the form of a success index.

According to the model proposed by Kanji (Figure 5), measuring the success of the organization consists in measuring eight concepts called by the author „essential concepts", resulting from the elaboration of the four principles, principles which are in agreement with the principles of TQM and which, also, in their turn, spring from the transposition of the leadership vision of managers [2, p. 635]. Moreover, to measure the success of an organization (the success of a business), Kanji also proposes a structural model in which, in addition to the clearer detailing of the elements of success, the causal relationships between them are also highlighted (Figure 6).

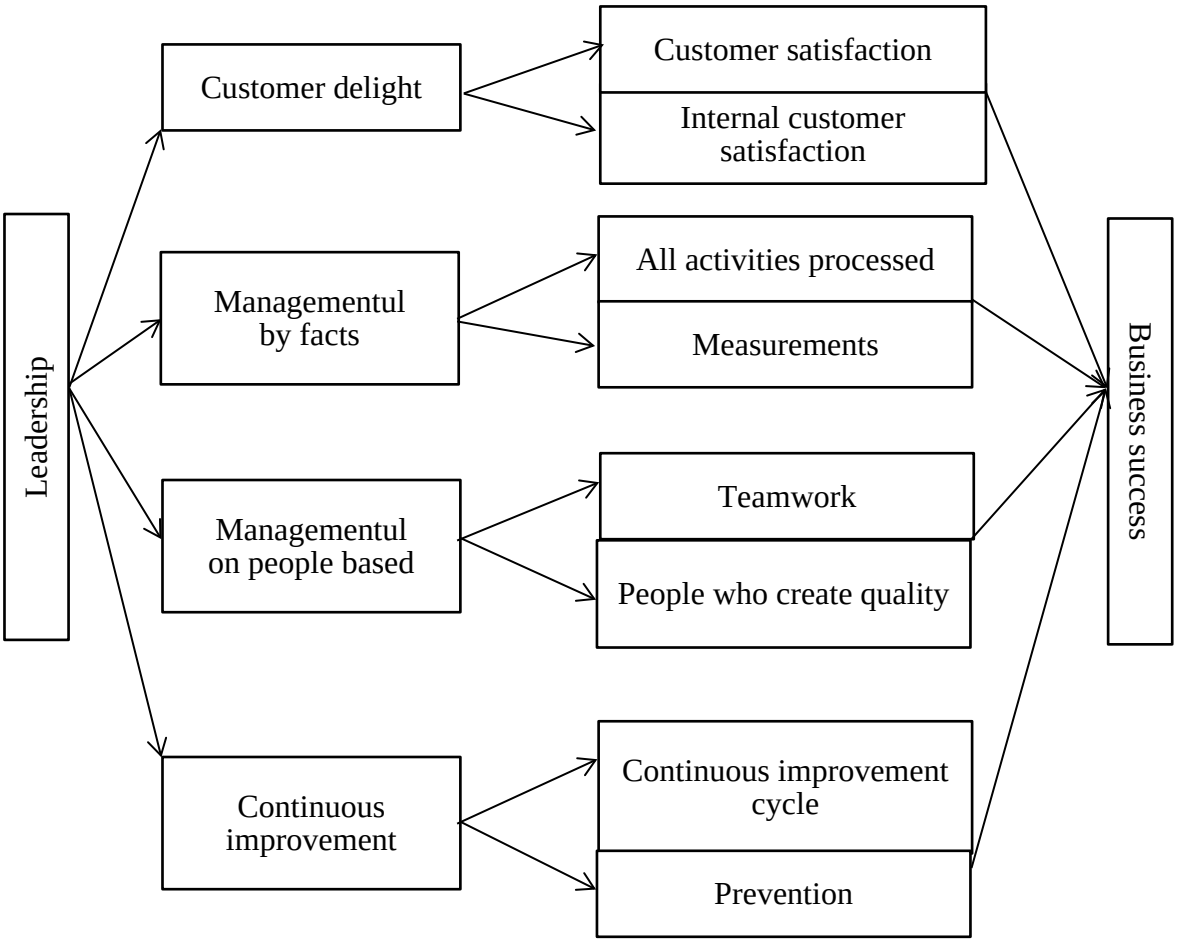

Figure 6. The Structural Model of Success Criteria and Factors

Source: [3]

Thus, based on the identification and highlighting of the success factors proposed by the model, in Kanji's opinion, each organization has the task of building a success index (Business Excellence Index) – BEI, an index that is

built on the basis of detailing the essential concepts of success mentioned above (each organization having the freedom to detail the criteria depending on the specifics of the business and its characteristics). In fact, the proposed success index represents an average between the measurement of customer, employee and shareholder satisfaction and other measurements regarding the organization (the level of quality as well as the level of process improvement).

In our opinion, the importance of this model lies in the fact that it presents the causal links between the concept of organizational success and the factors that generate this success.

On the other hand, the importance of this model resides in the fact that it is not limited to explaining in a general way what the excellence and performance of an organization means, but also proposes a way to quantify the two concepts mentioned above. Moreover, the success index proposed based on this model is an essential step in helping organizations to clearly quantify and monitor their success.

Part 6. The performance prism model of Neely and Adams

This model starts to explain performance measurement, from the idea that "it is not possible to create values for shareholders without creating values for other interest groups – stakeholders". The performance prism model concerns the measurement of performance through the prism of satisfying the requirements and needs of interest groups – stakeholders.

In the conception of the model, performance measurement should be related not only to the requirements and interests of shareholders, but also to the needs and requirements of customers/consumers, as well as to those of employees and suppliers. All these interest groups, generically speaking, are part of the „stakeholders" category. In addition to the categories stated above, any performance measurement should also highlight community and legislative satisfaction.

Therefore, the central idea for explaining performance measurement is measuring and highlighting the satisfaction of interest groups (Figure 7).

In the opinion of the authors of the model, highlighting the performance from the perspective of the satisfaction of the interest groups must go through certain stages, stages that start from the establishment by the organization of the requirements and interests of these groups and end with the establishment and implementation of the capacities necessary to satisfy the interest groups.

In this sense, the model proposed by Neely and Adams considers that, in order to define performance measurements, each organization must answer clearly and precisely the following questions:

− Satisfaction of interest groups – who are the main interest groups and what are their demands and requests?

− Strategy – what are the strategies that must be implemented to satisfy the demands and grievances of the interest groups?

− Processes – what are the important processes and activities to be carried out by the organization in order to satisfy the demands and grievances of the interest groups?

− Capacities – what are the capabilities and resources needed to be involved in the important processes and activities of the organization?

− Contribution of interest groups – what is (or should be) the contribution that each interest group must make to maintain and develop capacities?

The answer given to the above questions, at the organizational level, provides a succinct but pertinent picture of the organizational performance level.

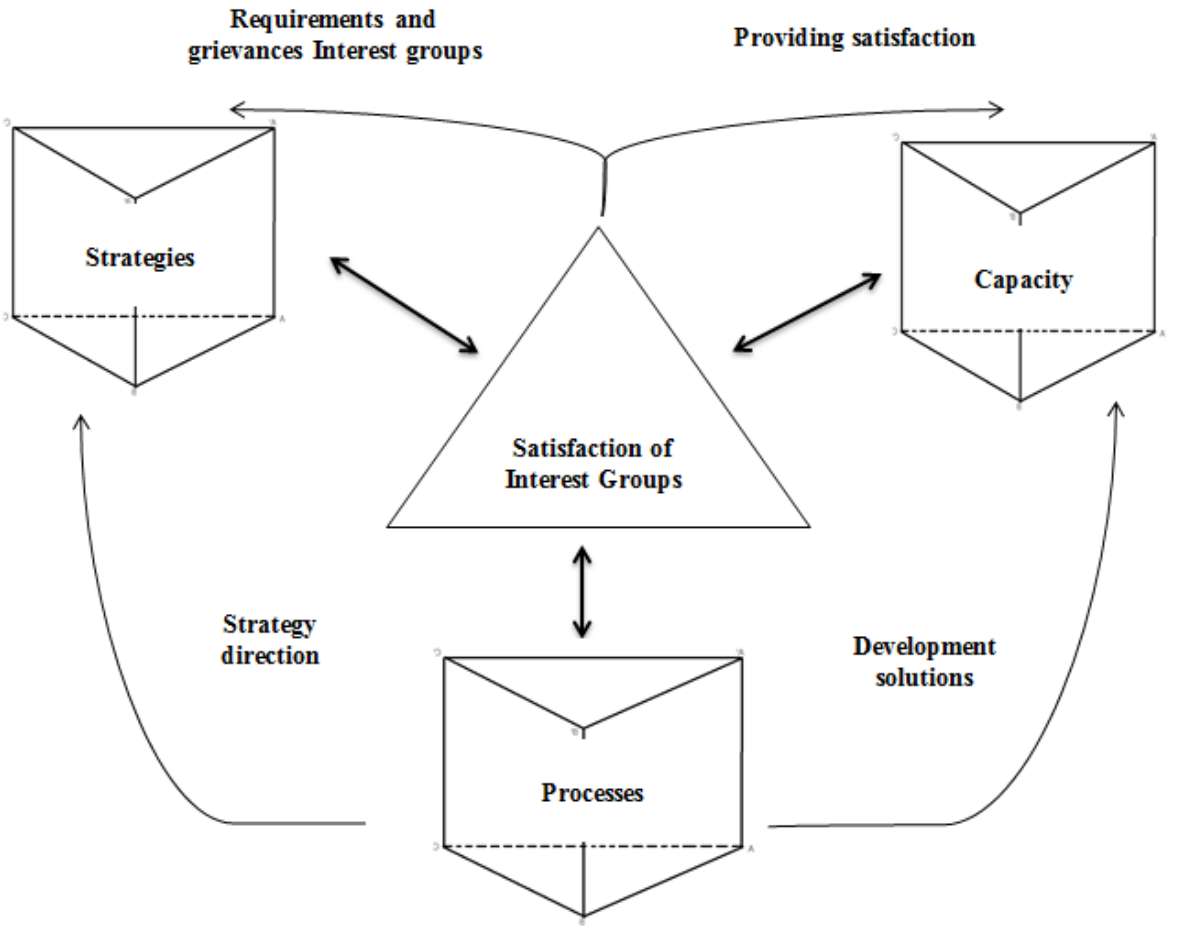

Figure 7. Graphic representation of the performance prism model

Source: [10]

At the same time, the answer given to the questions reflects, to a large extent, the areas of interest from the performance point of view that directly influence the results of the organization.

Part 7. Kaplan and Norton's Balanced Scorecard model

Specialists place the emergence of the Balanced Scorecard model in the context of the insufficiency of financial indicators: changes in production methods and factors, the increase in the weight of intangible assets, the evolution of value creation strategies from the management of tangible assets to knowledge-based strategies [4, p. 96].

In essence, the BSC model (Figure 8) is a set of indicators, financial and non-financial, which proposes that the measurement of the organizations' performances is carried out by balancing and inter-conditioning four forces, using a breakdown of the organization based on processes and activities. An important element in the construction of the model, which also constitutes one of the particularities of the model compared to other performance measurement models, is the „learning and development" perspective.

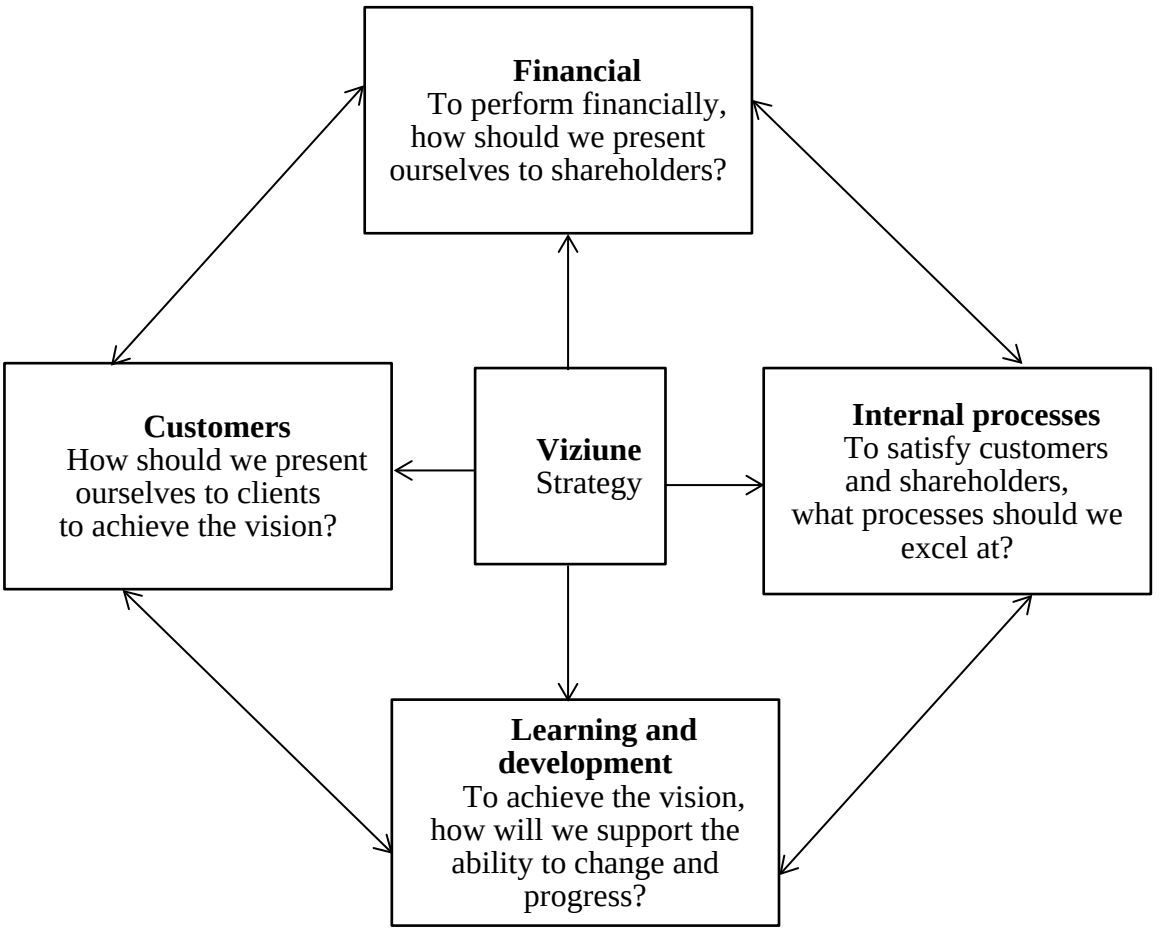

Figure 8. Articulating the elements of Balanced Scorecard type model

Source: [4]

The essence of the BSC model (Figure 8) involves tracking performance indicators through four perspectives [4, p. 96]:

1) the financial perspective – shows whether the creation, implementation and execution of the strategy leads to increased profit. The strategy is seen primarily from the shareholder's point of view;

2) customer perspective – managers identify customers and market segments in which the company will compete. Value creation is analyzed from the customers' perspective;

3) the perspective of internal processes – it involves tracking the internal processes that have the greatest impact on customer and shareholder satisfaction;

4) learning and development perspective – identifies the infrastructure on which the organization will create improvement and development. We want to create a climate that supports change, innovation and development.

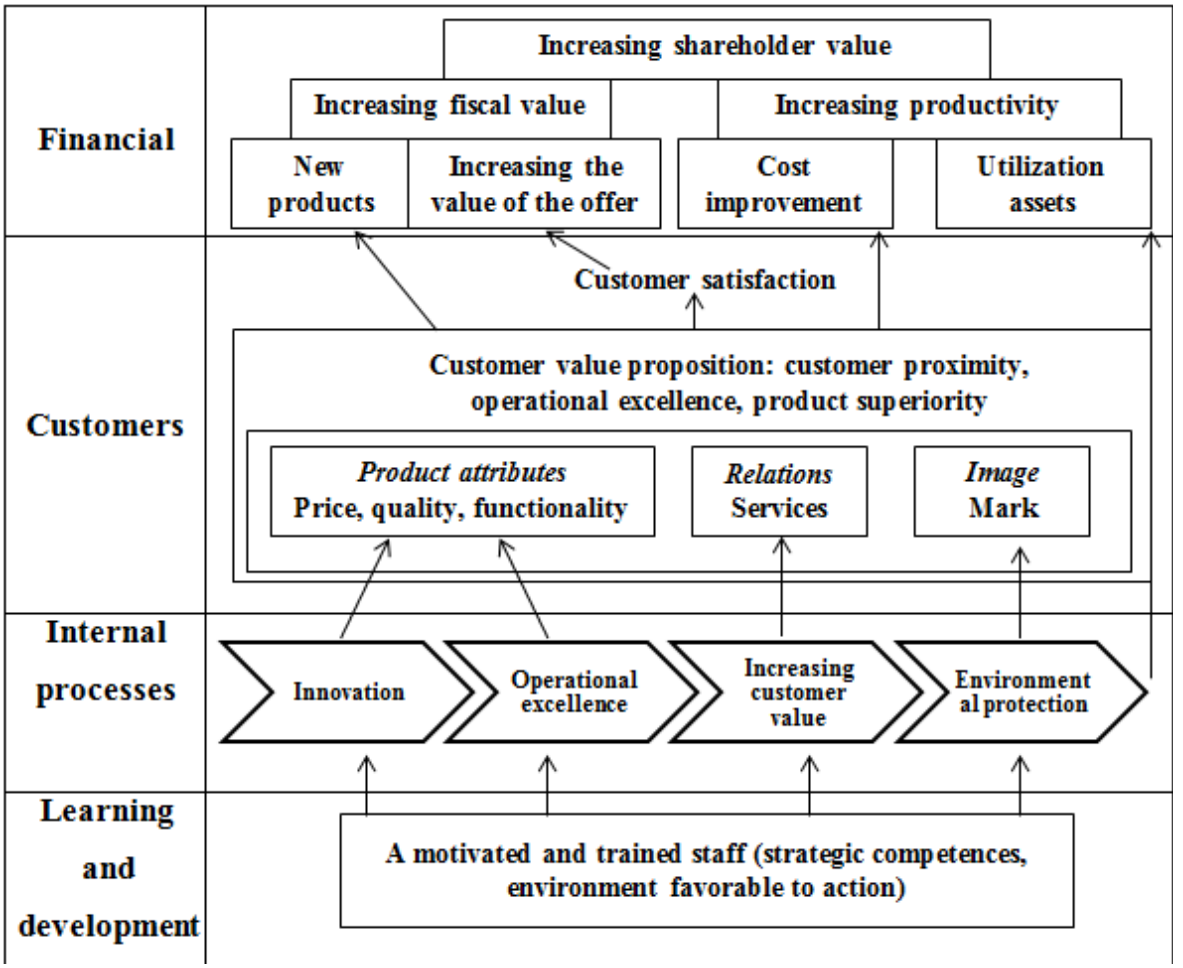

Figure 9. Prezentarea perspectivelor în BSC conform Kaplan și Norton

Source: [5]

In the opinion of the two specialists, the competition and the characteristics of the environment force organizations to „permanently improve skills in order to provide value to customers and shareholders" [4, p. 95]. Learning and

development come from three sources: people (monitored as satisfaction, turnover, training, skills), systems (availability) and organizational procedures [4, p. 95]. Also, this perspective represents the „foundation of any strategy" and managers define here the skills and abilities, the technology and the climate necessary to support the strategy.

Later, in their studies, Kaplan and Norton (2004) put special emphasis on intangible assets, which they divide into human capital (skills), informational capital (informational system) and organizational capital (the firm's ability to mobilize and support the change process required by the strategy).

In our opinion, the BSC model, presented by Kaplan and Norton, suggests that any performance measurement system must have a multidimensional view of performance – the four perspectives, managers having to establish both their objectives and specific performance measurements in close correlation with the organization's vision and strategy.

Therefore, in order for a performance measurement system to be identified as a strategic management system, the indicators of the performance measurement systems must be linked to the strategy and, moreover, ensure its communication.

The specific indicators of the four perspectives must, at the same time, ensure a balance between the financial and non-financial aspects of performance, as well as between efficiency and effectiveness as its dimensions.

In our opinion, the importance of the BSC model lies in the fact that it helps to manage the internal and external environment of the organization, ensuring:

1) managing the internal environment by continuously improving performance, by supporting the implementation of complex strategies and controlling an organization with a degree of decentralization, by supporting organizational learning and change;

2) managing the external environment by observing demand, competition, by analyzing the supply chain and relationships with partners.

Conclusions

As a first conclusion, we can state that performance measurement systems are of major importance for the organization and for managers.

In our opinion, any performance measurement system developed/ implemented in an organization can have the following purposes:

− as a performance improvement system – involves improving performance by managing current processes;

− as a strategic management system – it represents more than superior results because it ensures a better strategy, by refining it;

− as a system for tracking external responsibility – complements the internal orientation of the first two approaches with attention to the external

environment. This system allows a better incorporation of partners' expectations and the discovery of external sources of learning.

From a conceptual point of view, we appreciate that the performance measurement system is a complex, multidimensional concept that includes several aspects and organizational dimensions. In this sense, from the point of view of definition, we believe that performance measurement systems can be presented and described in two broad perspectives:

1) the analytical perspective: the totality of specific processes and actions, carried out consciously, repeatedly and planned and which take place involving a certain amount of human, material, financial, informational resources, which lead or contribute to the highlighting and monitoring of the obtained performances or the level of performance obtained by an organization.

2) managerial perspective: managerial tool intended for monitoring, evaluating and highlighting both the performances recorded by organizations and the causes and negative aspects in the organization.

Another conclusion related to performance measurement systems is related to theoretical performance models. In this sense, we can say that nowadays, due to the evolution of the way of looking at and thinking about performance measurement, any system of measuring the performance of an organization, regardless of the degree of aggregation of the measured performance indicators, the method and methodology of measurement chosen and /or implemented, is based on certain theoretical models and/or framework models, developed over time by specialists and which propose the development of certain general solutions regarding „what" and „how" an organization should measure the achieved performance.

In our opinion, the importance of models in the design or construction of performance measurement systems resides in the fact that these models propose a general and overall vision of performance measurement, developing general indications regarding the aspects and dimensions of performance that must be measured by the organization and, not lastly, the way in which the different dimensions of performance must be found within the performance measurement systems, in order to highlight the performances obtained as accurately as possible.

Therefore, regarding performance measurement systems, we believe that any development and implementation of such systems should be based on those theoretical performance models that explain the multidimensional concept of performance.

We can also conclude that performance measurement systems, regardless of form, should be based in such a way that both the general performance of the organization (general performance indicators) and the performance of its subdivisions or other organizational aspects (performance indicators specific).

Another conclusion related to performance measurement systems is related to the type of performance indicators used by these systems. In this sense, we can conclude that any performance measurement system implemented or developed by an organization should include as performance measurement indicators both financial performance indicators and non-financial performance indicators. Moreover, as it appears from the above, most theoretical performance measurement models suggest that performance measurement must be carried out, along with financial performance indicators, also through non-financial performance indicators. In this sense, many of the theoretical performance measurement models, currently used, propose as performance measurement indicators, among other indicators, the measurement of customer and employee satisfaction, indicators regarding the level of product quality and/or the scrap rate, indicators related to research-inventive aspects (for example, the number of inventions or patents), indicators regarding the position on the market compared to the competition (such as the competitive position on the market in relation to other profile companies), indicators of intellectual capital (as for example the number of employees with higher education, the level of concerns related to the continuous professional and intellectual training of employees), all these indicators being classified as non-financial performance measurement indicators.

Also, related to the choice and purpose of using performance indicators, we can conclude the following: the selection of these indicators should take into account the perspective from which the analysis of the organization's performance is carried out. In this sense, we believe that for the realization of reports on results or other reporting to shareholders, in general, financial performance indicators should be chosen, indicators that are relevant for investors on the capital market. At the same time, however, for managers, equally important indicators should be, along with financial indicators, non-financial indicators. As a result of the above, our recommendation is that, depending on the organization's objectives, respectively the conjunctural situation and environmental factors, the organization should adopt performance measurement systems that:

− to include and be based on financial indicators as well as non-financial indicators, so as to reflect as realistically, clearly and multidimensionally as possible, the organization's performance;

− to be dynamic and flexible, so that they can be adapted and modified over time depending on the different situations in which the organization finds itself;

− to allow not only the evaluation of the performance but also to facilitate the monitoring of a continuous improvement;

− to be a motivating factor for employees and a means of increasing their degree of involvement.

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