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**BUSINESS PERFORMANCE MEASUREMENT USE
IN A SMALL-TO-MEDIUM ENTERPRISE:
A CASE STUDY**

A thesis presented in partial fulfillment of the requirements

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Doctor of Business and Administration

in

Management

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Abstract

This thesis presents findings from a three-year action research case study undertaken to address gaps in our understanding of performance measurement use at the senior management team and board level of small-to-medium sized enterprises (SME). The literature review highlights the complex nature of performance measurement and discusses significant frameworks developed to assist organizations manage their performance. The review revealed that the majority of research is directed into performance measurement design and implementation. Studies into performance measurement use, especially in SMEs, are rare. Gaps in the existing literature are identified.

Action research was chosen as the methodology for this study as it allowed the researcher to be a member of the team planning, acting, observing and reflecting (learning) from each action research cycle to improve the existing performance measurement system and use within the case study company. The mode of access, ethical considerations, and the evolution of the research project are described. The advantages of this method are discussed, as are the limitations of generalizing from this single case action research study.

A detailed description of the case company is presented and the case study mirrors the timeline of the research. The results have implications for both practice and research. The implications for the practice of performance measurement in SMEs are organized under four groupings: strategy, structure, use and risk management. In respect to contributions to scholarship, the study suggests the importance of identifying key indicators as companies' progress towards embedding a performance measurement system. Furthermore, to improve the risk management profile of SMEs, research is encouraged to investigate relationships between how companies frame their performance measures during the design phase of introducing a new performance measurement system, and in particular, the relationship between an organization's attitudes towards success, failure, risk management and performance measurement.

Keywords: *Performance Measurement Use, Small-to-Medium Enterprise (SME), Risk Management, Dashboard Reporting, Failure, Framing*

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This thesis is dedicated to my extremely supportive wife, Janet,
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