

SUMMARY OF MASTER'S DISSERTATION

Student Identification Number	<input style="width: 80%; height: 30px;" type="text"/>	Name	Kuniaki Wakabayashi
<p>Title</p> <h3 style="text-align: center;">A Methodology for Developing Process Key Performance Indicators</h3>			
<p>Abstract</p> <p>In Japan, utilization rate of nonfinancial performance measurements is growing. Recent investigations have demonstrated that the percentage of companies that has utilized nonfinancial performance measurements is over 90%. One of the background non-financial measures came to be used, because there is a limit to financial indicators.</p> <ul style="list-style-type: none"> ① Short-term (investments in intangible assets and investment over the medium to long term is neglected) ② It is late when aggregated ③ It is not possible to make the monitoring of action, because it is too aggregated <p>However, other studies have pointed out following problems with respect to nonfinancial performance measurements.</p> <ul style="list-style-type: none"> ① Allocation of resources that are not based on financial results ② An arbitrariness and a bias in the compensation plan ③ Increase of man-hours and cost <p>In this Study, I use Process Key performance Indicator (KPI) as particularly important indicators in nonfinancial performance measurements and focus attention on Process KPIs.</p> <p>In the first, I used a problem structure analysis to clarify the problem. In the Second, I made requirements analysis to set the purpose of study. In the Third, I did empirical analysis to verify the hypothesis. It is a problem that there is no axis of process KPI selection process by a problem structure analysis. Then, I performed requirements analysis in order to clarify the axis. As a result, it was extracted three conditions that are required for the process KPI.</p> <ul style="list-style-type: none"> ① Correlation between process KPIs and goal indicators is high and results ② Number of process KPIs is less ③ Indicators that embody the action (The distance is far from goal indicators) <p>I was verified that whether it is possible selection of indicators to meet the three requirements through empirical analysis. In the initial hypothesis, it is reasonable to suppose that it is difficult to meet requirements, because there is a trade-off in three requirements.</p> <p>The results of empirical analysis, I found that the hypothesis is denied. Even if the hierarchy of process KPIs has increased, the correlation coefficient does not decrease necessarily. I also found that the number of process KPIs highly correlated is not many. In addition, it has been found that it is possible to increase the correlation coefficient by group segmentation.</p> <p>In conclusion, only companies that can be acquired and analyzed in detail the process KPIs data should consider the implementation of process KPIs. In other companies should not strictly follow the relationship between goal indicators and process KPIs, as it may result in adverse effects.</p> <p>In this study, empirical analysis is based on one company. So there is a need for that validation in other industries with different business environment, characteristics.</p>			
<p>Key Word(5 words)</p> <p>Key performance Indicator, Process Key performance Indicator, Management, Nonfinancial Performance Measurement, Business Process Reengineering</p>			