# Article information:

(PDF) Differentiation Strategy, Performance Measurement Systems and Organizational Performance: Evidence from Australia  
<https://www.researchgate.net/publication/267560915_Differentiation_Strategy_Performance_Measurement_Systems_and_Organizational_Performance_Evidence_from_Australia>

# Article summary:

1. This study examines the mediating role of both non-financial and financial performance measures in the relationship between a differentiation strategic orientation and organizational performance.

2. Firms pursuing a differentiation strategy utilize both non-financial and financial performance measures, which are associated with higher organizational performance.

3. There is a positive association between a firm's strategic emphasis on differentiation and organization performance through the mediating role of non-financial and financial performance measures.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article "Differentiation Strategy, Performance Measurement Systems and Organizational Performance: Evidence from Australia" explores the relationship between a differentiation strategic orientation, performance measurement systems (PMS), and organizational performance in Australian manufacturing firms. The authors argue that while non-financial measures are more relevant for differentiation strategies, financial measures can also play a role in facilitating innovation and creativity.

The article provides a thorough review of the literature on strategy, PMS, and organizational performance. However, there are some potential biases in the study. Firstly, the sample is limited to Australian manufacturing firms, which may not be representative of other industries or countries. Additionally, the study only focuses on two specific aspects of differentiation strategy (product flexibility and customer service focus) rather than considering a broader range of strategic priorities.

Furthermore, while the authors acknowledge that financial measures can be useful in supporting differentiation strategies when used appropriately, they do not provide enough evidence to support this claim. The article would benefit from more detailed analysis of how financial measures can facilitate innovation and creativity in this context.

Another limitation is that the study does not explore potential counterarguments or alternative perspectives on the role of PMS in supporting differentiation strategies. For example, some scholars argue that non-financial measures may be less reliable or objective than financial measures.

Overall, while the article provides valuable insights into the relationship between differentiation strategy, PMS, and organizational performance in Australian manufacturing firms, it could benefit from more nuanced analysis and consideration of alternative perspectives.

# Topics for further research:

* Role of financial measures in supporting differentiation strategies
* Non-financial measures reliability in performance measurement systems
* Differentiation strategies in industries other than manufacturing
* Broader range of strategic priorities for differentiation strategies
* Counterarguments to the role of PMS in supporting differentiation strategies
* Innovation and creativity facilitation through financial measures in PMS

# Report location:

<https://www.fullpicture.app/item/81bc66b297aad522cb3e8a2c320404dc>