INTERACTION AMONG FIRM STRATEGY, BOARD CONTROL ROLE, INFORMATION ATTRIBUTES IN ASSOCIATION WITH FIRM PERFORMANCE

Presented By

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Submitted in total fulfillment of the requirements of the degree of

Doctor of Philosophy

School of Business
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29 May, 2012
STATEMENT OF SOURCES

To the best of my knowledge and belief, the work presented in this thesis is original, except as acknowledged in the text. All sources used in the study have been cited, and no attempt has been made to project the contribution of other researchers as my own. Further, the material has not been submitted, either in whole or in part, for a degree at this or any other university.

Christopher Robert Gunther
ABSTRACT

This study develops and tests a theory that an interaction exists amongst the information attributes of strategic performance measurement systems (SPMS), the board control role and the organisation's strategy as measured by a composite index of firm performance (Muth & Donaldson, 1998). Research suggests that organisational control is accomplished through performance evaluation, which emphasises the information aspects of control (Eisenhardt, 1985). In addition it is argued that there is a parallel between the use of organisational control systems (financial control and strategic control) by boards and top management teams (TMTs) (Goold & Quin, 1993; Gupta, 1987; Hitt, Hoskisson, & Ireland, 1990). What is unclear is the role information aspects may play. A significant three-way interaction exists when performance is observed by the accounting return EBIT, but is, however, not significant when associated with shareholder returns as the performance measure. The findings contribute to board SPMS practices, information attributes, and the corporate governance literature.
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ACKNOWLEDGMENTS

Firstly, to my supervisor Lyndal Drennan, who I have enormous respect for, I am eternally grateful for your sound advice and direction.

I am also appreciative of the encouragement and tough love from Mark Spence, my Administrative Supervisor.

To my loving wife Kerry and my three very special daughters Angelique, Dominique and Skye, thank you for the sacrifice and understanding. Also to the rocks in my life, my Dad and my sister Cathy.