

STATISTICS AND TARGET SETTING CAN BE A FARCE

(OR, NEVER MIND THE QUALITY FEEL THE WIDTH)

"When you are organized to apply knowledge, set up targets, produce a usable product, you require a high degree of certainty from the outset. All the facts on which you base protocols must be reasonably hard facts with unambiguous meaning. The challenge is to plan the work and organize the workers so that it will come out precisely as predicted. "

(Lewis Thomas, US Physician. The Planning of Science (1974)

Hardly a day goes by without which we are assailed by a plethora of statistics on a variety of subjects such as health matters, waiting lists, life expectancy, voting intentions, genetically modified food, weight or even eating and purchasing habits, and targets to achieve to reduce or increase one area or another. And, have you ever listened to politicians spouting yards of numerical tripe, dutifully produced by political researchers, and allegedly massaged to prove a point, in an effort to defend their policies to the opposition and to the media as a way of confusing the electorate? Perhaps Benjamin Disraeli was right when he suggested,

"There are three kinds of lies: lies, damned lies, and statistics."

(Benjamin Disraeli, (1804–1881), British statesman, author)

Through all the media, polling organizations and the Internet we are 'invited' to cast a vote one way or another on some political, economic, social or technological issue or activity. But, for what purpose and to what end? So that yet more statistics can be produced and targets changed or fudged to meet a previously defined figure? And what do statistics do, improve competitiveness, efficiency and productivity and thus profitability? Of course not, statistics are merely a historical record of what has happened and what is likely to happen if, for example, greater effort is not made to grow a business, if investment is not increased or changes in attitude and delivery introduced.

Sometime back in my dim and distant past, in the 1960's I think, I remember a song, possibly by Danny Kaye, which extolled the virtues of the 'Inch Worm'. To the accompaniment of children's voices reciting the 2 times arithmetical table (I doubt if schoolchildren could do it these days) along the lines 2+2 are 4, 4+4 are 8, 8+8 are 16, 16+16 are 32 the words of the song went, "Inch worm, inch worm, measuring the marigolds, one fine day you'll stop and say how beautiful they are." Who knows, the inchworm's daily target or goal was, probably, to do nothing more than measure the length of each stem or stalk but, being so single-minded, he undoubtedly missed the finer points? To use the hackneyed phrases he didn't find time to smell the roses, wake up and smell the coffee or achieve balance in his daily ritual.

So it appears to be in our personal lives and more especially in business. We have become fond of making lists, setting objectives, producing yards or statistics or setting targets, sometimes for ourselves but, as managers, more often than not for others to achieve. Chairmen, chief executives, directors, especially finance directors, and other managers have, gradually, become obsessed with the desire, the almost messianic urge to identify and set targets based on some misguided premise that the collection of data and the production of statistics in order to set targets is a valuable tool that will, somehow, improve productivity; and, for demanding more and more sets of figures to peruse at board or departmental meetings. To do what, set more targets?

One upshot is that the weight of producing and reporting statistics and targets is burying organizations in paperwork and bureaucracy such that progress and even decision-making is being stunted by guidelines and goal-setting. Worse, concentrating so much time and effort on producing statistics and setting targets so often means that people do not spend enough time doing their actual job.

Indeed, many board level managers, following the latest mantra, are of the opinion that their primary task in life is to set increasingly demanding goals to increase business performance so that 'successful' figures can be entered in the company report. The implication being that everyone, individuals and company overall, must have targets simply to increase shareholder value. Part of the problem is that so much time and effort is expended on setting individual, section, group or divisional targets that the primary objective, that of identifying which indicators are essential for the success of the business, get lost in the detail. But, is that why we all work, to create greater profits to increase dividends to shareholders? Or, are there other reasons?

Also, it is widely touted and accepted that setting over-ambitious targets forces people to work harder and longer; and, that this process also stimulates creative thinking, increases motivation and excites others to reach greater heights! But, is that always the case? By setting ever higher and higher goals the process could increase frustration, smother stimulation and decrease motivation. In the public services sector, for example, more and more targets set by ministers and the collection of data only succeed in increasing the amount of red tape and the level of frustration among staff.

The secret appears to be in knowing how far and how fast people can be or are prepared to be pushed; the danger is that overstepping the mark could lead to disinterest and cynicism. But, having supposedly 'empowered' people by setting targets, collecting statistics and analyzing results might, perhaps, be another form of centralization and control? As the US Physician Lewis Thomas also suggests, when referring to the setting of targets,

"For this you need centralized authority, elaborately detailed time schedules, and some sort of reward system based on speed and perfection. But most of all you need the intelligible facts to begin with, and these must come from basic research."

(Lewis Thomas. US Physician. The Planning of Science (1974))

Regardless, managers have immersed themselves in the business of statistics, percentages and figures rather than concentrate on products, plant and people and meeting customer demands. In the latter case it is suggested that since many customers do not know what they want the objective is to sell them anything just as long as it is one of your products and puts money into the company. Targets and statistics are acceptable if the end result is to define how best to deal with falling sales, with falling output, with failing systems, equipment, machinery or employees. There are of no use if they are only used to compare previous figures.

One problem that might arise, for example, is if a section, a group or a division is set a target of say £250,000 to achieve in a defined timescale and only manages £200,000. How big a failure is that seen to be by the senior management? A failure by £50,000 or by 20 per cent or by one-fifth of predicted earnings sounds huge. And what if the figure is lower? Targets, like appraisal systems and reports, are subjective; the real objective is to maximize profits in order to maintain momentum.

And politicians are just if not guiltier. A large sum of taxpayer's money is spent on management consultants and personal advisers to investigate and estimate how many people might support one policy over another; and yet more time and effort is spent on producing yards of statistics on which school does better than the next in national examinations and others set ridiculous targets for every type of examination.

According to the UK Department for Education and Employment (DfEE) the setting of targets is, apparently, essential to raise educational standards. That is a load of drivel because targets, statistics and league tables do not mean education nor do they mean education standards but increased bureaucracy designed to prove one political point or another and in the process encourages teachers to waste increasing amounts of time gathering data rather than teaching children. Education is when the children in your care actually achieve required percentage levels in examinations and prove that the teacher can teach, the children are learning and that they are able to re-produce information during tests to show they have understood.

What it proves, to me, is that when targets are set and percentages or grades not achieved then the politicians or bureaucrats who set them can, of course, play with the statistics, massage them and in most cases reduce the original target so that more children are seen to succeed. However, if the targets are not being achieved then does it not suggest that either the teacher or the teaching method is failing, or that lumping everyone together based on the confused notion that we all learn at the same pace is the reason why the figures are bad?

One result of such targets, in education for example, is that too much attention is paid to grades or percentages above and below an average figure and teachers and schools, therefore, tend to teach to achieve examination results and not in preparing children for life and work. The first question has to be what is an average ability for a child at a certain age and then determine who is above or below that average level, and then help those who are not succeeding.

Why are politicians and bureaucrats, and even teachers, bowing before the symbols of academic ability as if achieving a place at university is the answer to all our social, economic and productivity shortcomings? And why are parents obsessed with whether little Johnny, Jemima, Jethro, Joanna, Jimmy or Juliette is achieving the reading, writing and mathematical targets set by the government and its advisors? At the end of the day academic targets appear to have been lowered so much that we now have an examination system where no one fails. A ludicrous situation!

This almost neurotic approach to targets is a centralizing process that is destroying thought and begs the question what good are such targets for pupils? And, we have the rather 'loose' desire of politicians to ensure that 50 per cent of children go to University and gain a degree. That is fine, provided there will be job opportunities for 50% of the population to be managers in the future. The questions are in what area, in what subjects and are those subjects relevant to the future of this country and the individual's future employment? But what about the 50 per cent who are not academically minded or gifted and are unlikely to reach the necessary academic targets, are they seen as failures? What is being done to enable that 50% to succeed in life? What colleges of further and higher education are we providing for them and what is the government going to do to ensure that they can have a career, a profession or even employment and can contribute to social facilities through taxation?

There are, apparently, targets for example for reducing the number of drug users, reducing dependence on alcohol and targets for removing asylum seekers from the immigration system, but apparently they are not being achieved and government departments are failing time and again to remove unwanted people, including criminals, from these shores such that our jails are full to overcrowding. What good are statistics and targets doing under these circumstances?

Other target setting areas cover, for example, the number of criminals caught by policemen riding a bicycle or how many speeding motorists were caught and fined. Setting targets for Police Forces, by the Home Office, is fundamental for assessing crime rate detection. We even have government ministers dictating housing target figures for regions and areas of the country without specific knowledge of local conditions.

So much time, money and effort is used to gather information that often not enough time, effort and cash is available to put right the problem of a shortage of teachers, nurses, doctors and operating theatres, or shortage of policemen. Targets from the Department of Health are necessary to determine, for example, how long it takes for a local hospital to fix Mrs Smith's hip or Johnny's broken leg or something more serious. In other words whilst weaknesses or limitations might or are being identified effort, by that one usually means cash and other resources, is not being put into rectifying the defects and so we still have a national health services that is consistently failing to meet the demands of the people, the tax-payers, who provide the money for these services and systems.

In the meantime statistics also show that the NHS is short of qualified nurses and yet many hundreds are being made redundant, that waiting lists to see consultant physicians or consultant surgeons are increasing even though we, allegedly, have more physicians and consultants than ever before but this is not being produced in figures and targets so that the electorate, the ones who pay the bill for the NHS, can see which hospitals are failing to achieve the fudged targets.

Worse among these practices is the setting of targets for surgeons to achieve in operating theatres, even though some are being closed to save money, and general practitioners for seeing patients within a set period of time. The result is that surgeons concentrate on tackling minor operations in order to achieve the targets they have been set by government at the clear expense of more seriously ill patients who needed more complex and longer operations; and, GPs learn to watch the clock and make sure that patients do not overrun their allotted 6 minutes of time to get their medical message and needs across.

Thus, we have the gross spectre of a target-based health system whose sole objective appears to be to get people in and through the system so that boxes can be ticked so that doctors can be paid more money for achieving targets and not actually doing their utmost to relieve pain and suffering. Besides, why on earth should someone who is in pain and discomfort and suffering have to wait at least 18 weeks, in many cases and in different areas of the country, much longer, to get to see a physician and then join another waiting list for tests, examinations and procedures and then join yet another waiting list to see a surgeon, that is if the physicians and support staff are able to identify the medical condition and problem in the first instance?

Joining a waiting list to see a medical practitioner is not being provided with access to healthcare and medical treatment to relieve suffering, it is providing access to a waiting list and nothing more. What on earth has gone wrong with a medical system, and medical practitioners, that appears to concentrate more on ticking boxes than treating patients? What a completely crass system in the 21st century.

Allegedly, the treasury even has targets for setting targets for funding; and the result is a nation that is over-administered, over-regulated, over-taxed, politically over-controlled and more interested in statistics than competitiveness!

This is particularly noticeable with our public infrastructure, which includes roads, the rail network, water and sewage systems, public hospitals, public schools and the necessary trained management and manpower to meet public demand. Apparently and despite government diktat some 20 per cent of clean water is still disappearing through broken pipes; and an increase in passenger numbers is exacerbating the pressure on a dilapidated, under-funded, outdated and under-maintained railway network.

Numerous Quasi non-governmental organizations (QUANGOs) have been established by government to assume a degree of responsibility and accountability for some public services and in the process take responsibility away from government ministers and government departments, and these groups of unelected people have been given many tens if not hundreds of billions of pounds of tax-payers money to do something but no one appears to know what.

These QUANGOs often determine their own targets and produce their own statistics for submission to government ministers and departments to prove that they are doing what they decided they would do and so put themselves in line for various rewards including pats on the back and bonuses.

Indeed, it can be suggested that managing through financial targets blurs the process and people concentrate on the target rather than on achieving company objectives. We, politicians, directors, managers and people, are failing to appreciate and accept that nothing is for free and that if something is to work, not just satisfactorily but effectively, efficiently and competitively, then it demands the necessary effort and investment in people, in processes and procedures and on equipment and facilities.

The setting of targets raises the obvious question, what happens when policemen, surgeons, physicians, headmasters, teachers, QUANGOs or anyone else for that matter in public employ, fail to meet the targets?

Will government ministers suddenly sack underperforming Chief Constables and their senior officers for not having reduced crime figures by catching more murderers, thieves and real criminals and not relying on catching speeding motorists to keep their figures up; or sack fire chiefs and firemen for not putting out more fires or dealing with floods; or fire the people on the board of a QUANGO when the area of public service they are meant to provide fails miserably; or fire physicians for not seeing more patients and fire surgeons for not carrying out the necessary number of operations (but notice I did not say successfully for the patient); or dismiss headmasters and teachers because children in their school and classes failed to achieve a certain number of 'A' level or GCSE level examinations?

Or will the underperforming police forces, hospitals and schools get a black mark and as an additional punishment receive less funding than those which met the targets? Somehow I doubt it because that would exacerbate the situation and do very little to improve the motivation and commitment of policemen, teachers and surgeons. It would seem that the setting of targets and the measuring of those targets, together with the associated bureaucracy and red tape, is effectively stifling progress and failing to meet the demands of customers, be they patients, passengers or the general public.

But, why this almost messianic approach to setting and achieving targets, figures? Is it because accountants, who by definition spend their lives poring over figures and concentrating on the bottom line, are at the highest levels in companies and organizations in UK Plc? Are too many statisticians, theoreticians and marketers, driven by statistics, confusing the issues? Or, is it because if and when senior management is not quite sure of strategy and direction then setting targets or goals is one way of increasing activity, which is then confused with action?

The Millennium Dome at Greenwich is an example of this concentration on statistical analysis. At some time before the 'white tortoise' was built senior managers and politicians, they are equally as guilty, were probably advised by marketing people or statisticians, that the dome could expect 12 million visitors or approximately 22 per cent of the population of the United Kingdom. Quite how the figure was reached appears not to be known but, presumably, the cost of entry was determined as a 'break even' figure based on the estimate of the alleged number of people that were likely to visit the Dome.

In a very short time it was realized that the figure could not be met and so, to reduce the possibility of questions over visitor assessment and costs the attendance figure has been 'fudged' downwards to half of the original estimate. But, yet again, no one is to blame and no one bears the responsibility for having made an absolute mess of something making the country look even more foolish.

The result of all these re-assessments is that the Dome has had to receive successive injections of lottery money, in other words money from the public, to keep the place open and running but not without the loss of senior managers, revenue and loss of face. It begs the question how long is it to continue and to achieve what target? It seems, to me, that setting numeric targets is often a waste of time and effort; they take up a lot of energy to gather information and statistics and appear to do little to make an organization function better.

Of course we must all have aims, goals or objectives, call them what you will, as part of a strategy to achieve in our personal career and private life, but even they can lead to frustration, irritation or even worse if we do not actually achieve what we set out to do and if we cannot find an alternative to the primary goal.

Companies set targets as a means of encouraging employees to greater effort to manufacture and sell more products or provide more services. And, of course it is right that companies should conduct market research and try to identify areas of weakness in their business and put programmes in place in order to re-allocate or concentrate resources. But concentrating solely on achieving targets means that other areas of the business tend to be lost or ignored.

But, having identified shortfalls how many companies, directors and senior managers commit time, effort, money and manpower to resolving them? Companies and organizations no longer appear to concentrate, as W Edwards Demming the father of the quality movement suggested, on quality in operations, quality of engineering, sales and marketing in meeting customer demands and satisfaction and on performance.

Rather they tend to concentrate on mythical percentage targets such as reaching 75.4% of people in the age bracket 18 - 25, or reaching 69% of those over 55, or selling so many thousand widgets to companies in a particular business field or, having so many thousand visitors in a given time frame. Time and effort is then spent on yet more market research and opinion polls, often covering a figure of say no more than 1050 or 1120 people across a region, district or some major town or city to guesstimate whether the figures are being met or not.

The real question is what do you do if you do not achieve those targets, rewrite and re-define your objectives or your mission statement or panic and sack employees in order to reduce overheads so that the bottom-line looks better? All sounds ludicrous and drastic and the type of management exercised in 'target-driven' cultures.

For many ambitious people one objective, no doubt, might be to climb the corporate ladder as far and as quickly as possible and some may wish to make as much money as quickly as possible so that they can retire from work. For others, those with professional qualifications such as doctors, solicitors and other members of the legal profession the primary goal may be to achieve recognition, not notoriety, within their chosen field.

They tend to do this not only by succeeding in a specialized area of their profession but, more often than not, by writing and having published articles and/or books such that they are accepted as an authority in a particular area. The targets they set themselves are ones that they have trained for and believe they can achieve. For others, life goals may be much simpler, although not necessarily easier, like having a happy and successful personal relationship and raising a family.

I recently attended management training courses on motivating others in the workplace and on learning new skills for the manager, both of which mentioned, as part of the programme, the need for managers to set targets, to measure the targets and to provide feedback on whether staff met the targets and to find ways and means of re-assessing the targets if and when they were not achieved.

It seemed to me, after much discussion on this matter, that so much time and effort was being expended on producing the list of targets and prioritizing the targets on a list that less and less time was actually available for managers and employees to complete the tasks. Indeed, consensus appeared to be that many targets might look good on paper but too many were set simply as a means of collecting information to produce a set of statistics but that not a lot of action was taken on the statistics and the conclusions and recommendations.

If all that directors and managers do is set, issue and update a plethora of supposed performance indicators, targets, guidelines, rules and procedures then people will, eventually, be swamped with the bureaucratic process and will be unable to actually do they job they are meant to.

Unfortunately companies and organizations are full of bean-counters and number-crunchers given to devising new ways and means of introducing targets and measuring sticks to bring systems to a grinding halt. The result, in many instances was increased cynicism and decreased motivation.

Another problem with target or goal setting is that that they are set by people who have little or no understanding or appreciation of what it is they are demanding. When such targets are set by non-professionals, that is people who do not actually work in the area and profession, then targets can be meaningless and, more dangerously, buy up important time with form-filling and justification notes. Therefore, unless targets are very clearly identifiable and are seen to be beneficial to the company but also to the individual then, in my view, they are not worth setting.

Too often targets are set in large organizations by target-driven management-types who exist only because of statistics and targets and not on action, and they are either over-ambitious or not attainable and therefore are, at best, completed with not a great deal of effort or, at worse, simply disregarded. Being a 'born-again' cynic that appears to be the basis on which many Chief Executives and directors of companies do if the pay levels, bonuses and shares options issued to them each year are any kind of yardstick.

To be of any use targets have to be realistic and designed for a purpose. Therefore, it makes sense to select the areas that really affect the company or organization and concentrate on those that really reflect performance of the core business of the company; choose areas that might have the greatest impact and can be more easily measured and compared to previous information; and, make sure that action is taken to rectify problems once you have identified weaknesses or shortcomings.

Targets must not be gimmicks designed to placate, patronize or pacify the recipients of services or goods; targets should and must be determined with one sole objective and that is to meet the needs and demands of the intended recipients of the service or good whether customer, client, passenger or patient and, therefore, they must be defined through input from the professionals providing the service and the persons for whom the good or service is provided or bought.

The almost puritanical obsession with targets, league tables, audits, performance indicators and other statistics, as part of the process of centralized and financial control, is delaying decision-making and stifling action and progress. Further, when such goals are set much time and effort is expended on monitoring and reaching the target but once a target is achieved or data collected then there is a general relaxation of effort.

And when targets to reach are based solely on financial reward the level of motivation gradually diminishes the more difficult the figures are to achieve. Conversely, when targets are too low then people, singly and in groups, will reduce effort and output once the target figure is reached. As Professor Charles Goodhart, former Chief Adviser to the Bank of England, suggested about setting targets and measuring them,

"Any observed statistical regularity will tend to collapse once pressure is placed upon it for control purposes."

(Professor Charles Goodhart FBA. Goodhart's Law)

As I understand it, and I may have misread the statement, this theory suggests, basically, that measuring any system disturbs it and the more precise the measurement and the shorter the timescale the greater the unpredictability of the outcome. Apparently Professor Marilyn Strathern FBA simplified Goodhart's Law, as follows,

"When a measure becomes a target, it ceases to be a good measure."

(Professor Marilyn Strathern FBA. Goodhart's Law)

I get the impression that, for example, politicians, businessmen and more particular accountants and marketing moguls, use, or rather manipulate targets and statistics or is it statistics and targets to fulfil their own ends and in an effort to confuse the issue in the first instance. Numbers, percentages, data and other proportions are used, especially by politicians and senior business figures, to re-enforce a particular political point, or attempt to impress business associates or other companies that you are succeeding or achieving something.

But, no one is successful, organizations do not grow and nothing progresses when more time and effort is expended measuring targets and supposed progress and producing statistics. Perhaps the writer and poet Hilaire Belloc was correct to suggest,

"Before the curse of statistics fell upon mankind we lived a happy, innocent life, full of merriment and go and informed by fairly good judgement."

(Hilaire Belloc (1870 – 1953), French-born British writer and poet)

What people, consumers, customers, employees and more especially patients, want to know is how successful is this person, this team, this group, this company or even this government in achieving their objectives whilst meeting my demands. How effective is this group of people in understanding and acknowledging the needs of a community, a village, a town or even a city and meeting those expectations.

How efficient and effective is this general practitioner doctor in understanding my medical problem, how effective is he or she in referring me to a hospital to see a consultant, at the earliest opportunity, to refine the diagnosis and determine the optimum form of treatment or how efficient is this surgeon at not only providing and meeting appointments but in carrying out successful operations and procedures within the earliest possible timescale to alleviate pain and suffering.

What patients want and need to see is a league table of results, just like in football, rugby or even cricket competitions so that it is obvious which is the better player, team or group based on actual performance. The rest of the targets and statistics are pure gibberish! As the American humorist Evan Esar suggested,

"Statistics: the only science that enables different experts using the same figures to draw different conclusions."

(Evan Esar (1899 – 1995), American humorist. Esar's comic dictionary)

Any organization that continually demands data, hoards information, keeps records and statistics and sets targets is showing a sign of weakness and distrust of its employees rather than trusting and motivating. In the end motivation is not simply about achieving targets in order to gain more money because that way leads to clock-watching and form-filling.

In my view very few people are motivated solely by money. Most people want to be able to work in an area that is interesting and that stimulates them, that offers them opportunities for recognition and advancement and that increases their self worth through promotion and pay rises. Regrettably so many companies and organizations in UK Plc have failed to understand and appreciate that happy and motivated employees means improved productivity and competitiveness.

Part of that process is to belong to a structure, an organization that has clearly defined goals or objectives, that has, perhaps, ethical and moral values and that makes the most efficient use of available resources by not setting too many confusing or unattainable targets and causing additional nugatory effort and expenditure by employees. I may have 'over-egged the pud' with examples but this area is important if you are to avoid unnecessary target setting, tie your staff up in red tape and figure chasing and risk alienating employees, possibly customers and suppliers.

Frankly, I have always believed that it is performance, through communication and commitment and not producing a plethora of statistics and targets that are important; that statistics are designed to do nothing more than provide a set of figures so that someone higher up the management tree or a politician can use to make his or her case and confuse any opposition; and, that provided your employees are motivated and rewarded and provided your products are what people want, are competitively priced and promoted then you may achieve what you set out to do. Perhaps one target to set is a reduction in targets and to introduce more active management and leadership!

(5400 words including quotations)

KENNETH P ARMITAGE

May 2000