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# Measurement

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## From the Editor

Insight, wit, wisdom, perception, acumen — whatever you call it — is everywhere. Sometimes it spills out of the mouth of a three year old; other times it's splashed as graffiti on old factory walls.

Its apparent style is to surprise and catch you a bit off guard. It plays *Gotcha!* Not that it means to. Far from it. In fact, it is just ... there. Almost innocent. The best is simple ... even better, pure and simple.

Last week it caught up to me, stopped me in my tracks, and tickled me.

*After enlightenment, laundry.*

I love it. Perfect. In three words, it captures what we have been doing in management education. Our approach has been to provide insight and strong theory but we recognize that all our learners must face very practical issues in their day-to-day worlds.

In every program we develop, in every education plan we design, in every training session we lead, we are *wisely practical* in our style.

*Marilyn Baetz, editor*

## About the Author and the Article

Over the years, many things have been written — and debated — about goals. There are probably only two things that can't be disputed: *Either you have them or you don't; either you'll achieve them or you won't.*

One of the most hotly contested aspects of the discussion on goals is whether, or to what degree, they should resolve themselves into objectives which are measurable.

The author is a passionate supporter of setting goals and objectives but believes there are four possible problems that can occur when more measurable objectives are being written.

Stephen then offers five guidelines with respect to measurement that will help organizations be as rich in information as it is in data.

Stephen Baetz is a principal of LIVE Consultants Inc., the organization sponsoring this publication.



*Stephen Baetz*

# Made To Measure

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Anniversaries and birthdays have a strange way of causing us to take stock of what in our lives has changed. Then and now are held up for comparison and, somewhere in the mix of perception and emotion, we dare to determine how we have grown.

And so as we completed a full two decades as management educators, we did the same thing — an audit of what has and hasn't changed since 1974.

It's a long list on the change side. Technology finally has succeeded in extending the power of the brain ... the era of deep management hierarchy has come to an end ... organizations are becoming connected to their customers ... employee participation is now seen as a strategic advantage and not as a necessary nuisance to get buy-in ... waste and inefficiency are viewed as intolerable. Responsiveness is valued more than policy, initiative more than procedure.

The lexicon of management is radically different as well. Sure enough, control is still listed under the C's — but with a much smaller entry — so is cross-functional co-operation, customer-focus, cost containment, change, collaboration, culture, and creativity — all with long and exhaustive explanations.

But on the side of what hasn't changed, the list is much shorter. In fact, one of the only issues that has sustained itself over the past 20 years revolves around goals. Throughout that time, there have been supporters and detractors, each for their own good reasons.

I happen to be a supporter who passionately believes that goals have the potential to focus the attention of everyone in the organization. But that is only their first virtue.

Goals focus strategy.

Goals define what is a good and bad decision — good decisions move you towards your goal; bad decisions move you away from your goal.

Goals provide a promise that helps you make it through tough times.

Most of the detractors agree with the virtues but where they have difficulty is at the next step — setting objectives which are specific and

measurable. It's the measurement part that creates the anxiety. And, I suppose, understandably so. There are sufficient examples where measurement has decreased morale, created defensiveness, discouraged improvement initiatives, and added to cynicism. For those reasons, many detractors have steered away from even setting goals because they fear it will lead to measurement and a potential horror show.

What are the possible problems with measurement?

It seems there are four.

## **Possible Problem #1: Measuring what is important to us**

All too often, we only measure to meet the internal needs and requirements of the organization. Sometimes to respond to the requests of accountants, other times to senior management. And if we only do that, we run the risk of being a very efficient organization without any customers.

What we ought to be doing is measuring what is important to our customers *first*. Then we should be putting measures in place to assess how well we satisfy the customer. Last of all, we should be putting measures in place to meet our internal needs.

If we *only* measure what is important to us, there will be scepticism: employees fear they will be part of an efficient organization that doesn't understand a customer.

## **Possible Problem #2: Believing that every initiative has to be measured or it isn't worthwhile doing**

There's a truism in management that says what gets measured, gets managed. The observation is accurate as far as it goes. However, we ought not to infer that if we don't measure something, it won't get managed. It just isn't as easy to keep focused.

It seems foolish to measure everything. There are some corporate activities that ought to be done just because they are the logical

thing to do and improvements in those areas can be observed without using some objective measuring device.

The overzealous want to deny value-driven decisions and fail to realize that there are some things you do because they're the right or fair thing to do, not because you can measure a benefit objectively.

### **Possible Problem #3: Using the results as a weapon**

If an employee has the impression that measurement information is going to be used to beat them up, they will wisely resist developing any measurements. Why would a person ever want to co-operate with a process that is going to harm them?

The detractors of measurement can recount chapter-and-verse examples of how measurement systems have been used to only identify the poor performers and scold them. Either that, or the numbers are used — without explanation — to justify yet another reorganization.

### **Possible Problem #4: Thinking that knowing will automatically change behaviour**

Some people conclude that if everybody "knows the numbers" they will systematically change their behaviour. But that statement is only partially accurate. The more accurate observation goes something like this: without information I am less likely to think a change is necessary but once I recognize the need for change I will need training, support, reinforcement, and a clear understanding of what the benefits are before change happens.

But all too often the assumption is that measurement and the numbers that are generated are sufficient stimulators for changing behaviour. They aren't.

Knowing my weight doesn't change my behaviour ... it only starts me thinking about the need for change.

The detractors of measurement have seen too many organizations measure, distribute the information, and then berate people for not taking the action which seems so obvious.

### **Taking Measures on Measures**

Despite the possible problems, there are too many benefits not to set goals and then objectives that are specific and measurable. We should do so, however, with the concerns of the detractors in mind.

First, measure what is important to your customer and, if possible, what *will* be important to your customer. That has to be the starting point. Businesses are in business to find, serve, and satisfy customers. So understanding that customer and what will create on-going satisfaction is square 1. Then you can measure the performance of those who relate directly to the customer and finally measure what is important to the rest of the organization.

Second, learn the lessons of real-life Business 101: there is no magic in the numbers ... the magic is in the discussion that is created. Only once an organization or team talks about *why* the numbers are what they are can any useful action occur.

Third, stop trying to measure anything that should be done because it is right and fair to do. Just do it because it is right and fair.

Fourth, recognize that measurement is only part of the change process. Information about performance is usually only a trigger and a feedback system about whether you are still on track ... but still necessary. Reinforce the need for changed behaviour with clear messages, support, training, and encouragement.

Fifth, remember that there is a difference between data and information. Many organizations are data rich but information poor because either they fail to recognize there is a difference or they fail to look for patterns and find out the whys behind the numbers.

In the lexicon of leadership, measurement is right next to management.

# Management Development Surveys

There's a simple truth about education and development:

*What is done before determines what will happen after.*

What preparation is done by a participant prior to attending a program or seminar will influence how much application occurs after the program is completed.

One of the most useful pre-program readiness techniques is Management Development Surveys. Prior to attending a program, participants ask six co-workers to complete a survey which describes the participant's behaviour relative to the program objectives. The participant also completes one. The surveys are then scored and a comprehensive report is sent to the participant.

By comparing their self-rating with the co-workers' rating of the them, the participant is able to determine where development ought to occur for them.

The benefits?

- When participants arrive at programs they are clear about what they need to learn. There's no wasted time or energy trying to figure out what is a learning priority.
- Participants arrive ready to ask questions that are important to them.
- When the program is over, participants know what are the most important skills to apply ... and they can get at it right away.

That's pay off!

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