



Measurement Mania

by Bob Whipple, MBA, CPLP

Some organizations are consumed by measurements everywhere. The old adage is that "what gets measured gets done" is both true and very hurtful for performance if the measures are not well constructed. Reason: if you measure the wrong thing, it will actually drive people to do things that are directly opposed to what you are trying to accomplish. If you do not believe me consider the following examples.

In an effort to increase revenue, a computer company decided to measure the number of calls made by the sales force. History showed that the level of sales was correlated to the number of calls. When the measure was instituted, sales people realized they could make more money by making more calls, even if the calls were short and did not produce actual sales. The result was a reduction in revenue. Make sure all your measures are driving the right behaviors.

An organization was concerned that the "employee satisfaction" numbers were slipping in the Quality of Work-Life Survey. The HR manager read that satisfaction in many organizations is highly correlated to the amount of development conducted in the organization. To improve satisfaction, they mandated at least 50 hours of training for every employee.

The problem was that the managers implementing the training did not deploy it well. They forced people to go to meaningless training in order to make the 50 hour mandate. They did not backfill for employees when they were out for training, so when the employees returned to work, they found a huge mess. "Employee satisfaction" actually got worse, even though the measure (number of training hours) showed they met the goal. Make sure your program to improve one measure does not drive a more important measure to get worse.

A plumbing supply house was interested in improving customer satisfaction, so they increased the lighting in the showroom and arranged for better snow plowing of the parking lot. It turns out the real customers were more interested in getting all of their

parts delivered to the jobsite exactly on time. The store was measuring the wrong variables.

It is so easy to fall into these traps when inventing measures. The antidote is to always verify that every measure is doing the following things:

1. Actually measuring what is important
2. Driving the right behaviors
3. Not easy to manipulate or "game"
4. Easy for people to understand
5. Producing the desired results

The verification step is extremely important to do before, during, and after implementation of a new measure. If you forget to do this, it is entirely possible that a well-intended measure is working at cross purposes to your objectives.

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