The Hidden Dangers of Process Measurement
by Adrian Reed

Abstract
As the expression goes, "if you don't measure it, you can't manage it". Yet, choose the wrong measurement and you'll drive the wrong behavior! In this article, Adrian Reed explores the implications of process measurement, and the danger of setting arbitrary targets.

When it comes to process management, it is often said that "if you don't measure it, you can't manage it". There is strong logic in this statement and this important mantra also applies to the improvement of processes—after all, if we are not measuring how effectively and efficiently a process is performing, how can we be sure whether any change would be beneficial? And if we do not regularly measure the process' performance, how can we be certain whether it is continuing to improve and is staying on track?   Yet, whilst measurement can be extremely useful, arguably, in some organizations it has been given too much focus. Or rather, the focus has been on measuring everything and imposing a blunt set of targets, rather than really understanding the process and monitoring metrics that are truly meaningful.   It is certainly true that it can be tricky selecting meaningful metrics, but it is foolhardy to avoid doing so. If our measures and incentives are not balanced carefully, we might find that our metrics actually lead to less effective processes that actually introduce waste. A process might actually meet its targets, but in doing so it encourages work to be undertaken in a way that causes problems elsewhere.

This probably sounds rather abstract, so let's take an example. Imagine we were investigating process problems within an online retailer, and we noticed that the customer services team seemed to be taking a disproportionately long time to respond to e-mails. It might be proposed that we re-design the process and set a target on the maximum duration that a customer should wait for a response (perhaps a few hours), and it might be suggested that we derive a target that each operator must meet (perhaps the average time spent handling an e-mail should be no more than six minutes). We might even introduce a more advanced workflow system so that the backlog can be monitored in real-time, and work can be easily allocated to a particular individual. Managers might provide incentives for those meeting the targets, and those that constantly do not achieve them might be subject to disciplinary action.

If these were the only targets being pursued, it is likely that difficulties would start to emerge. There is a high level of variability in the types of customer enquiry that can be received via e-mail, and whilst six minutes might seem like a sensible average, there will be some cases that take significantly longer than this. It's quite possible that the sheer luck of the draw means that an individual gets several complex cases on the same day; and if they know they are going to be incentivized if they achieve their target (and given a hard time if they don't) then they are faced with a dilemma. Do they do the right thing for the customer, and miss their target? Or do they find a way of 'cutting corners'?

The organization, by virtue of the targets it has imposed on them has sent them a strong signal. By putting quantity over quality it is telling them to cut corners! Perhaps the person will find a way of 'bouncing' the enquiry back to the customer by asking a superfluous question, or 'bouncing' it on to another team. Yet all of these things simply delay the work, and frustrate the customer. It discourages root causes to be investigated, and it can stifle continuous improvement. However, ironically these types of thing do make the stats look good....

Of course, targets do have their place. However, in order to be effective it is important that we understand the demand flowing into the process, carefully consider the output that the process is aiming to achieve, the quality of that output, and then choose a measure—or typically a set of measures—which we can use to monitor effectiveness and efficiency. Building on the example above, we might still decide that time is important—but that we also want to measure 'number of queries resolved first time' and 'customer satisfaction'. We might also choose to accept that there are peaks and troughs, and steer away from measuring individuals on a daily basis. Crucially, it would be beneficial to seek data on which to base any targets, and ensure this is regularly updated.

Measurement is an important part of process management and improvement, but we should regularly challenge ourselves to ensure we are measuring the most appropriate things, and we should regularly 'sense check' the situation to ensure that the process continues to operate efficiently and effectively.