

H4 Consulting Brief

Target Blinkers

Key performance indicators direct work in publicly funded organisations by defining specific targets and measures that are used to assess success. KPIs are clear signals of what is most important, which can encourage workers to exclude other important considerations that are consistent with the organisation's broader principles and objectives. Wearing blinkers helps drive focus, but only by making people partially blind to the bigger picture.

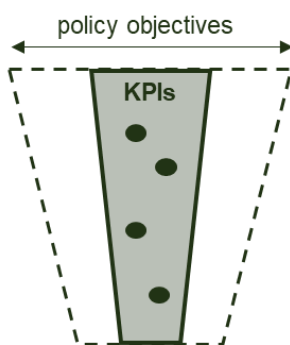
Workers are motivated, and encouraged, to meet KPI targets to demonstrate the success and value of their work. KPIs are often the sole proxy for broader organisational objectives and are a useful way of prioritising and aligning effort in complex organisations with many competing demands on their resources. KPIs are also useful to direct work across large teams with different, relatively specialised, functions, especially if teams are geographically dispersed.

KPIs are particularly effective in driving behaviour where explicit incentives are attached to achieving targets. Organisations that commission work from others, for example, often use KPIs to focus delivery efforts and incentivise performance, with payments being, at least partially, conditional on meeting targets.

KPIs can be less effective to direct or measure highly complex or interconnected work. Too many, often conflicting targets, send confusing signals about what is most important for workers. Too few, overly simplified targets, may be rejected as invalid by workers and ignored altogether.

Too much focus on a narrow range of KPIs can concentrate effort in ways that reduce public value. Workers wearing 'target blinkers' can overlook other important considerations or opportunities to create public value that might not directly affect a target. Especially when funding is attached to narrow, prescriptive KPIs, this can encourage behaviour with unintended or perverse consequences, reducing the likelihood of achieving broader policy objectives.

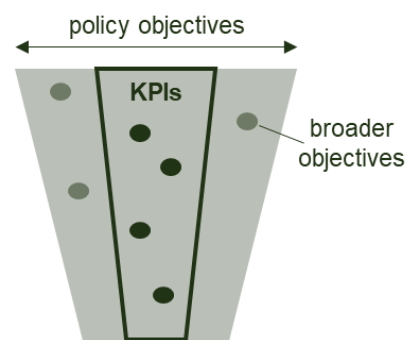
KPI target blinkers



Most people who work in publicly funded organisations are motivated by shared principles, not just hard measures of individual performance. Building on these shared principles to define, agree, and reflect broad policy objectives can give context and shape to a small set of measures that highlight key priorities. These KPIs can signal and measure important outcomes, without crowding out intrinsic motivation to innovate and improvise to add more value in ways that are consistent with the organisation's mission.

Publicly funded organisations can both guide and empower skilled workers by building on their intrinsic motivations as well as externally defined targets. This can help to shape a culture that sees targets as a means to deliver the vision of broad policy objectives.

broader objectives recognised



In a world with infinite wants and finite resources, clear signals are essential to help workers prioritise their efforts. Linking those signals with broader objectives, leaving some space for the judgement of skilled workers to pursue those objectives, creates a coherent narrative aligned with workers' intrinsic motivations.

A framework of shared objectives also takes pressure off KPIs to capture everything of value in the work of a publicly funded organisation. This makes it possible to define a smaller list of targets that offer emphasis and important information to support decisions, rather than blinkers that blind workers to the bigger picture. Creating public value is a complex business. To mobilise both focused efforts and restless, public value seeking imaginations, we need targets that guide workers who share a clear vision of broad objectives.