The Numbers Game: the Mistake of Replacing High-Valued Goals with Measurable Goals

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ABSTRACT

Our culture is enamored with numbers and measuring. We measure return on investment, scholastic achievement, political trends and calories. This paper explores the possibility that our commitment to measuring may be blinding us in our efforts to achieve high-value goals.

The Numbers Game in Management Literature

One of the common beliefs in management is that you must be able to measure any meaningful outcome. A common mantra is, “If it can’t be measured it can’t be managed.” This concept may seem to be obviously correct. However, there is a fundamental problem with this idea, and that is directly the result of the myth of numbers. The myth of numbers is seen when we give excessive value to things that can be measured or counted. It seems that we have a culture that is committed to a belief in numbers. From childhood, we have learned to love to count things, and we believe that when something can be counted then it somehow has more reality and more significance. But we need to be wary. Often, when we count something or measure something we are missing the fundamental essence of what we are counting or measuring. One of the places that this is found in management literature is in the discussions of setting measurable goals.

In his classic paper, Steven Kerr explored the folly of rewarding one outcome while hoping for a different outcome (Kerr, 1975). Generally, we can expect to get the outcome that we are rewarding, so the first outcome can be expected, and the outcome that we are hoping for will not be seen. To illustrate his concept, Kerr used the example of an orphanage administrator, who is rewarded for the number of children for whom he or she is caring, while the community is hoping that the administrator will successfully place the children in adoptive homes. The first outcome is the larger number of children, and the hoped for outcome is a smaller number of children. In this scenario, the administrator can be expected to increase the number of children that are cared for by the orphanage, so that the reward to the administrator will also increase.

The central thesis of this paper is different from that discussed by Kerr. In both of the orphanage outcomes, the goals were identified by number of children in the orphanage. In the folly of rewarding A while hoping for B, the problem is a failure to define the goal. This can be corrected by precisely exactly recognizing the goal that is desired. In this paper the problem that is discussed is the failure to recognize that the desired goal often resists measurement. To illustrate, in the orphanage example that Kerr discussed, both of the goals were measurable. Both goals focused on the number of children in the orphanage. The desired goal was to minimize the number of children in the orphanage by active adoption efforts, while the rewarded goal resulted in an increase in the number of children. This paper suggests that perhaps neither of these measurable goals is the goal that is truly desired. I suggest that the real goal might be high quality care for the children in the orphanage, and high quality placement of the children into loving nurturing supportive homes. Once again, the essence of the goals that we really want to achieve may be lost in our desire to measure the outcome of the goals. Many of our goals that have the greatest value are also goals that resist measuring.

In his textbook on Organizational Behavior, Newsstrom states that, “Goals need to be as specific, clear and measurable as possible so that employees will know when a goal is reached. Asking employees to improve, to work harder or to do better is not very helpful, because that kind of goal does not give them a focus and target to seek. Specific goals (often quantified) let them know what to reach for and allow them to measure their own progress.” (Newsstrom, 2007).
I agree with Newstrom that goals need to be as specific as possible. This specificity can be accomplished with thorough discussion of the goals and the value of achieving them. However, I contend that many high valued goals resist being measured, and when measuring is enforced, the high valued goals are replaced with lower value goals that are more easily quantified.

Locke and Latham have a forty year old stream of publications on Goal Setting Theory and task motivation and performance. They have concluded, “With goal-setting theory, specific difficult goals have been shown to increase performance on well over 100 different tasks involving more than 40,000 participants in at least eight countries working in laboratory, simulation, and field settings…...The effects are applicable not only to the individual but to groups, organizational units, and entire organizations.” (Locke and Latham, 2004)

I agree with the general conclusions of Locke and Latham. Specific difficult goals can be expected to increase performance. However, the risk continues to exist of replacing the valued hard-to-measure goal with a more specific more easily quantifiable goal, and the research would still show that the more easily quantifiable goal results in an increase in performance. But is this the performance that we really want, or simply a measurable substitute for that performance?

Fred Luthans suggests that, “specific goals have been found to be more effective than vague or general goals, such as “do your best,” as well as no goals at all. Specific goals result in higher levels of performance. For instance, salespeople would have goals in dollar amounts or units of volume, production departments should have targeted and defined goals in terms of numbers, percentages, and dates, and all other department should incorporate measurable objective or specific metrics and dates rather than things such as “try as hard as you can,” or “try to do better than last year.” (Luthans, page 361)

Luthans also argues, “Goals help clarify the sense of purpose and mission that is essential to success in the workplace. … Goal difficulty and goal specificity have been found to be strongly related to task performance across a wide variety of tasks and settings. This is because specific and challenging goals serve to focus employees’ attention on exactly what is to be accomplished and to bring out their best performance. Moreover… goals must be specific and measurable so that employees know exactly what the goal is and can track the progress toward goal achievement.” (Luthans, page 370)

Of course the author agrees that goals have great value in clarifying the sense of purpose and mission that is so important for individual and organizational success. But I disagree that goals must be measurable. Many high-value goals are simply not easily quantifiable, and to require measurement of a non quantifiable goal will simply lead to replacing that goal with another goal, one that is measurable, but one that is fundamentally different from the specific high-value goal that is replaced.

Many other authors have written similar conclusions that echo the ideas of Luthans, Locke, Latham and Newstrom. Perhaps one of the most widely popular notions in this area is the concept of SMART goals. The acronym SMART stands for Specific, Measurable, Achievable, Realistic and Timely. These five characteristics of excellent goals appeal to our logic and common sense. The characteristic that is challenged now is the second characteristic, Measurable. Perhaps one of the strongest statements about the requirement that a goal be measurable is found in the popular series of Dummies books website that discusses SMART goals. When discussing the Measurement characteristic, they state, “What good is a goal that you can’t measure? If your goals are not measurable, you never know whether your employees are making progress toward their successful completion. Not only that, but it's tough for your employees to stay motivated to complete their goals when they have no milestones to indicate their progress.” (Dummies website)

I counter argue that while it is true that measurable goals have significant value, so do goals that are not measurable. I argue that any theory that denies the great value of a goal simply because it cannot be measured or quantified is a theory that needs improvement.

**Examples of the Numbers Game in Management**

There is a myth of measuring that permeates the practice of management and it is based on the fallacy of numbers. It is true that measuring helps to facilitate effective management, but caution should be exercised in determining exactly
what needs to be measured, and in deciding what behaviors should be rewarded. Additionally, managers should realize that the most important elements of their work often cannot be measured, and this should not stop them from recognizing and working with these most important elements.

For example, in measuring the output of a professor’s work, we might count the number of refereed articles that have been published, or we might count the number of students that have been registered in that professor’s classes.

But do either of these numbers fully reflect fundamental value of the professor’s output? What about the quality of the articles or the influence of the articles? What about long-term lasting impact of the teaching?

The quality of the articles might be measured by establishing a set of tier rankings for the journals in which the professor’s articles are published, and then counting the number of articles at each tier level. There is still a fundamental problem with the myth of numbers here. If we simply count the number of articles at a specific tier, the assumption is that every article in that tier has equal value, and that is obviously not true. But it is easier to simply count, and this is where the mistake is made. We don’t simply want numbers. We want quality and impact and value, and these are attributes that challenge measurement.

The value of a professor’s teaching might be measured by counting the number of students or counting the number of classes that are taught. This is easy enough to do, because counting is easy. But there is a fundamental problem here as well. We want the teaching to have meaningful impact and long-lasting duration, and there is no easy way to measure these, so we substitute by using an easier measurement, and in doing so we are falling victim to the fallacy of numbers.

A well-known world-wide church sends out missionaries throughout the world to teach and baptize new members. The missionary’s level of success is often measured by the number of people that are baptized. This is easy to count, but once again the fallacy of numbers is encountered. When the easily countable activity (baptisms) is the primary activity that is rewarded, then the employee (missionary) learns how to play the game and problems are guaranteed to develop. In that church there are shortcuts to increasing the number of baptisms and these shortcuts lead to dysfunctional behaviors. Quite often the investigator is not properly or completely taught, or is not completely prepared for the commitment of baptism. But the missionary is not rewarded for these outcomes, because these outcomes are too difficult to measure. Instead the missionary pushes for baptism because this is the outcome that his or her leader rewards. The unprepared investigator is baptized and the missionary is rewarded and all too often the unprepared investigator soon stops participating in the church. The numbers look better, but the reality is that the dysfunctional behavior motivated by the fallacy of numbers has hurt the individual investigator and has hurt missionary and has hurt the church. The real goal here might be true conversion, but this real goal is obviously very difficult if not impossible to measure, and the power of the fallacy of numbers has substituted a dysfunctional measurable goal in place of the real goal.

Very often the essence of what we want to have accomplished is like the conversion in that church. We often do not even recognize the real goal, because we believe that, “If it can’t be measured it can’t be managed.” The essence of what we want to have accomplished is often not countable or measurable. Some of the attributes associated with our fundamental goals can be measured, but these measurable attributes should not be allowed to substitute for the real goals.

CONCLUSION

Measuring the successful completion of a goal has great value. However, when the high-value goal is resistant to measuring, we should still recognize the value of the goal and not yield to the temptation to substitute for it a more easily quantifiable goal. Our value system should lead the way in goal setting, not the ease with which a goal might be measured. Numbers are very important, but our value system is much more important.

3A story is told about a marine biologist. Following a night of heavy storms, he is taking a walk along the beach. The storms have washed thousands of starfish onto the sandy beach, and they are now dying. He is thinking about the enormous numbers of dying starfish. As he walks, he comes upon a young boy who is throwing the starfish back into the ocean, one at a time. He tells the boy that what he is doing is pointless, he isn’t even making a dent in the enormous number of dying starfish. The boy smiles and throws another starfish into the water and replies that it made a difference to that starfish, and then picks up another starfish to throw into the ocean.
REFERENCES


Setting SMART Management Goals, found on Dummies.com on SMART Goals: http://www.dummies.com/how-to/content/setting-smart-management-goals.html.