

On Target To Achieve Nothing (first published in the Observer 27 August 2000)

On a recent Radio 4 Today programme a Liberal Democrat spokesman was invited to criticise the Government's use of targets for managing the public sector. At last, I thought, someone is going to point out that targets don't get us what we want.

Alas, the spokesman could only suggest that they should be used better. The fact is that targets don't help us get to where we want to be. Worse, they actually obviate the possibility by making people focus on the wrong things. In the police, schools, health service and local authorities targets are hindering performance rather than fostering improvement.

What I had hoped the spokesman would say was that the whole idea of targets is flawed - that their use in a hierarchical system engages peoples' ingenuity in managing the numbers instead of improving their methods. Peoples' attention turns to being seen to meet the targets - fulfilling the bureaucratic requirements of reporting that which they have become 'accountable' for - at the expense of achieving the organisation's purpose.

In simple terms, all this effort constitutes and causes waste - inefficiency, poor service and, worst of all, low morale.

The notion of a target is plausible. In principle, there is nothing wrong with individuals having targets that they may set themselves - lose weight, run further, get another job, earn more money. But targets in a hierarchical system is that it is imposed with authority, by people who are generally detached from the work being carried out. Targets are therefore arbitrary. They may suit a plan, but they do not start from a knowledge of capability - what the system predictably achieves and why.

What the spokesman should have said was that instead of targets people need measures that lead to questions of method - 'How can we do this better?'

World class organisations have already learned this lesson. They reject the traditional 'cost-production' model of management, under which managers are separated from work and make decisions based entirely on budgets.

To engage people in improvement world-class organisations use measures that relate to purpose, not budget, and which taken over time, since they know that all performance exhibits variation. Because such measures draw peoples' attention to what is predictably being achieved and why, the nature of their discussions turns to method. Better measures are at the heart of a better way of managing. What would Taiichi Ohno, the architect of the Toyota Production System, the exemplar of world-class manufacturing, make of, for example, the Government's approach to improving the performance of the NHS? Ministers say that capacity needs to be increased and so are investing significant extra resources. Ohno taught that Capacity equals work plus waste. By adding more resources, the Government intends the system to 'do more work', in Ohno's formula. But he would insist that a better way to remove waste - adding resources to a wasteful system just compounds inefficiency.

Nor are 'waste-busting' initiatives much help in a system that is managed and measured with targets. The targets are a major cause of waste, consuming peoples' time in artificial activity and, worse, deflecting their attention from what they ought to be doing.

Ohno's insight is that waste can only be removed when managers learn to manage the overall flow of work rather than functions within it. This comes as no surprise to the people who do the work - some health authorities have radically improved the way they respond to patients' conditions by re-designing their processes to cut out multiple visits and waiting. Simply, patients get what they need more quickly.

To the surprise of traditionally-minded 'production' managers - who assume that putting expertise at the point of transaction will increase costs - this results in lower costs and improved service.

Unfortunately, these initiatives will often not show up in the Government's measures because they are based on flow, not measures of individual functions like numbers of operations or appointments - the things being targeted. To concentrate on function always impedes flow, a paradox that managers find difficult to come to terms with.

Government promises it will pay attention to 'the customers' experience' of the health service. Patients would prefer they paid attention to how well the service treats and prevents disease. Patients and staff need neither charters, visions, values and any of the rest of the 'modern' management.

I had hoped that the spokesman would point out that the people who work in our public services want to focus on their purpose. Doctors and nurses want to treat patients; police want to prevent and detect crime. They need help with measures and means, not cajoling to focus on arbitrary activities through hierarchical power. And I hoped he would have strengthened his case by pointing out that when their

purpose has effectively become 'serve the hierarchy' rather than 'improve the work' people get disheartened and demoralised.

The extent of this phenomenon is alarming. Talk to anyone about their experiences of public services and there is a pattern; of people being prevented from focusing on purpose by the requirement to concentrate on what the hierarchy has decided is important. To put it bluntly, people are dying while the health service is being distorted by targets.

Targets are capricious. While they are assumed to provide a spur to improvement, they actually make performance worse. The next time we hear about the Government's use of targets is raised we should be asking why they have not been abandoned.

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