

"Goals or Objectives that drive wrong behavior"



Weekly Learnings 31 / 2023

I was on a flight last week. See the pictures below, they tell the story. All airlines in India are doing this now, they herd you to the aircraft gate and hope that the aircraft will depart on time. I have seen this consistently over time, they transfer you from the waiting area to the standing area in the aerobridge. And this made me reflect on this week's learning note.

I have seen behaviour change when one goal drives something in an organisation. Some examples to think about:

1. All sales teams are given discounts to disburse to encourage wider distribution. Many sales teams combine the sales into one retailer and give the benefit to all.
2. Every business case and most projects are judged on ROCE and IRR. All managers tend to inflate certain numbers to get the proposal approved.
3. Every company reports attrition numbers to the board. I have always seen the company report attrition as regrettable attrition, higher education attrition, movement due to family reasons attrition etc. The fact is attrition and sub-reporting are a way to sidestep the real issue since they want to show as low a number as possible.
4. All business schools report the average salary for every batch. There is not one accepted measure across B Schools and the number reported is always suspect and could do with better transparency.
5. Innovation is another area which is a measure that drives wrong behaviour and reporting.
6. Turnaround time in service is another measure that gets stretched and drives wrong behaviour.

So, why does this happen?

This happens because no one wants to tell the truth in the organisation or accept that the measure could be off. This leads to a ra ra culture which everyone benefits from.

Watch out for the measures that you are tracking. If the airline measured consumer experience vs just on-time departure, then the score would be really bad.

PS: My flight was late by 30 minutes after making us stand in the aerobridge!!

Am sure you have your own examples.

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