

When KPIs miss the point

THE modern workplace is becoming increasingly obsessed with numbers. Targets are quantified, performance ranked, and progress expected to be visible through key performance indicators (KPIs).

Being KPI-driven is not the problem in itself. The problem comes when KPIs become so dominant that judgement, context and common sense are pushed aside.

More deliverables are seen as greater productivity, more reports as better accountability and more initiatives as greater impact. But work does not happen in a spreadsheet.

The problem begins when measurement becomes more important than what actually matters. And the problem could become more pronounced as artificial intelligence (AI) makes measurement cheaper, faster, and more pervasive.

AI can generate dashboards, reports, and performance indicators in seconds. What it cannot do is decide which of them are worth generating. The danger is confusing visible activity with value. Technology can

accelerate work. It cannot decide what work is worth doing.

In 2025, global professional services organisation Ernst & Young released its EY Work Reimagined Survey, which found that 81% of Malaysian employees using generative AI reported significant time savings, yet 68% said their workload had increased.

Saving time does not automatically mean reducing pressure. When AI makes it easier to measure everything, the temptation is to demand everything. Time saved simply becomes more tasks, higher expectations, and tighter targets.

This is where KPI-driven cultures can create a dangerous illusion. An organisation can become extremely busy without becoming more effective. Employees can attend more meetings, produce more reports, and tick more boxes, while the quality and impact of

their work remain unchanged.

The first question should not be, "what else can we measure?" but "what outcome are we trying to create?"

Second, organisations should ask whether the target is realistic given available resources, capabilities, and circumstances.

Third, organisations should distinguish activity from achievement. Counting reports, meetings, applications, or initiatives may demonstrate effort, but these are often outputs rather than meaningful outcomes.

Fourth, KPIs should be reviewed when circumstances change. A target designed for one environment should not become permanent simply because it was written into a performance framework.

Most importantly, numbers need context. A 100% target achieved under difficult conditions may represent extraordinary performance. Conversely, one achieved

through excessive overtime or compromised quality may not represent success. Good leadership requires more than measurement. It requires judgement.

KPIs can tell us whether a target has been reached. They cannot tell us whether the target was wise in the first place. Those who set KPIs should remember that people do not work for numbers. Numbers should help organisations understand whether their work is creating value. When measurement becomes the mission, an organisation risks losing sight of its purpose.

The challenge is not to become less KPI-driven. It is to stay thoughtful about what KPIs are driving. As AI makes measurement easier, judgement becomes more important, not less. Numbers are useful. Wisdom makes them meaningful.

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Opinion