Performance & Impact

Why KPIs Don't Change Decisions

The Missing Link Between Strategy, Performance, Reporting, and Governance

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June 2026

A Familiar Frustration

Strategic plans are developed. KPIs are established. Dashboards are reviewed. Annual reports are published. Yet many Boards and leadership teams continue to ask a deceptively simple question: **Are we actually making progress?**

This question often emerges during strategic planning discussions, Board meetings, performance reviews, and annual reporting cycles. Organizations may have no shortage of data, indicators, or reports. Yet decision-makers are not always confident that these elements provide a clear picture of progress, outcomes, or organizational effectiveness.

This is not usually a measurement problem. More often, it is an integration problem.

When Reporting Stops at Reporting

Most regulators regularly produce KPI reports, dashboards, operational updates, and annual performance summaries. These reports are often reviewed and discussed. However, when decisions need to be made—whether to adjust priorities, respond to emerging risks, reallocate resources, or revisit strategic assumptions—the connection between performance information and action is often weaker than expected.

Performance information may increase awareness without meaningfully influencing decisions. Reporting becomes something that is presented rather than something that actively shapes organizational direction. This is where many performance systems begin to break down.

Three Common Disconnects

Across regulators, several recurring patterns appear.

- Strategy is not fully translated into outcomes
- Strategic plans often contain thoughtful priorities and objectives.

- What is less common is a clear definition of success.

Without measurable outcomes, organizations may struggle to determine whether progress is actually occurring.

What would success look like—and how would we know?

Performance Measures Focus on Activity Rather Than Impact

Many performance systems measure workload, service volumes, timelines, and completed initiatives. These measures are valuable. However, they do not always indicate whether strategic objectives are being achieved or whether public-interest outcomes are improving. Organizations can therefore report significant activity while remaining uncertain about impact.

Reporting and Decision-Making Are Weakly Connected

Performance information is often reviewed separately from strategic discussions. Reports are presented. Questions are asked. The meeting moves on.

What is less common is a deliberate process that connects performance information to:

- strategic priorities;
- governance discussions;
- risk decisions;
- resource allocation; and
- organizational learning.

Without these connections, reporting may inform awareness without influencing action.

Measurement Is Not the Same as Performance

Most regulators already have performance measurement. Far fewer have an integrated performance system. The difference is simple.

- Performance measurement focuses on collecting and reporting information.
- Performance systems focus on using information to support decisions and improve outcomes.

The strongest organizations connect four elements:

Strategy → Performance → Reporting → Decision-Making

Strategy defines intended outcomes.

Performance measures track progress.

Reporting provides visibility.

Decision-making uses that information to guide action.

When these connections weaken, performance information becomes less useful regardless of how many indicators are collected.

The Capacity Behind Performance

Strong performance systems are not created by adding more KPIs or producing more reports. They are created by strengthening the organizational capabilities that connect information, decisions, and outcomes.

The Integrated Strategy–Performance System™ (ISPS) examines four interconnected dimensions:

1. Data, Intelligence & Measurement Capacity
2. Strategic Direction & Outcomes
3. Governance, Reporting & Decision Use
4. Organizational Learning, Transparency & Adjustment

Together, these dimensions help determine whether performance information functions primarily as a reporting exercise—or as a decision-support system.

Why This Matters Now

Expectations of regulators continue to evolve. Boards want clearer evidence of progress. Governments expect stronger accountability. Registrants and the public increasingly expect transparency regarding outcomes and impact. Demonstrating activity is no longer enough. Organizations are increasingly expected to demonstrate effectiveness. Meeting those expectations requires more than additional reporting. It requires stronger integration between strategy, performance, reporting, governance, and decision-making.

A Question Worth Asking

As organizations prepare strategic updates, annual reports, performance reviews, and Board discussions, one question is worth considering: **Do our KPIs influence decisions—or primarily support reporting?** The answer may reveal more about the strength of an organization's performance system than any individual indicator ever could.