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Measuring Intangible Benefits Without Lying

A Practitioner's Perspective on the Credibility Gap in Benefits Management



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dressed it in the language of rigour.”*

1. The Dishonesty at the Heart of Benefits Cases

Every major programme I have encountered in the past decade has included intangible benefits in its business case. Improved staff morale. Better decision-making. Enhanced organisational agility. Greater customer satisfaction. These appear reliably in the benefits register, usually towards the bottom, after the hard financial numbers have done their work. And almost without exception, one of two things happens to them: they are assigned a fabricated monetary value to make the total benefits figure more impressive, or they are quietly acknowledged as unmeasurable and never spoken of again.

Neither response is adequate. The first is dishonest. The second is lazy. And between them, they have done more damage to the credibility of benefits management than any other single factor.

The problem is not that intangible benefits are difficult to measure. The problem is that the profession has collectively decided that measurement means monetisation, and that anything which cannot be expressed in pounds or dollars is somehow less real. This is a category error of the first order, and it is one we need to confront directly.

2. Why We Fabricate

The pressure to monetise intangible benefits comes from a specific place: the investment appraisal process. Most organisations use some form of cost-benefit analysis to decide which programmes to fund, and cost-benefit analysis demands numbers. A programme that promises to improve staff engagement by thirty per cent sounds compelling in a strategy document, but it does not survive contact with a discounted cash flow model unless someone converts that thirty per cent into a monetary figure.

So programme teams oblige. They find research suggesting that a one per cent improvement in engagement correlates with a half per cent reduction in staff turnover, calculate the average cost of replacing an employee, multiply through, and arrive at a figure – say, two million pounds over five years. The figure goes into the business case. The investment committee nods. The programme is approved.

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The chain of reasoning that produced that two million pounds is not measurement. It is a series of assumptions, each reasonable in isolation, compounded into a figure that carries a wholly unwarranted air of precision. The correlation between engagement and turnover

may hold on average across industries, but it may not hold for this organisation, in this market, at this moment. The cost of replacing an employee is itself an estimate. The assumption that the programme will actually deliver a thirty per cent engagement improvement is, at the point of the business case, pure aspiration.

None of this would matter if the figure were treated as what it is — a rough indicative estimate with wide confidence intervals. But it never is. It goes into a spreadsheet alongside the hard savings from headcount reduction and process automation, and it is added to the total. The total is what the investment committee sees. The two million pounds of fabricated engagement benefit is indistinguishable from the two million pounds of genuine cost saving.

3. The Alternative Dishonesty

The opposite approach — listing intangible benefits as unmeasurable and moving on — is no less problematic, though it feels more honest. Organisations that take this route typically include a qualitative section in their business case, describing the expected intangible benefits in narrative form, before getting to the real business of the financial analysis.

The effect is predictable. The qualitative section is read once, if at all, and then ignored. Investment decisions are made on the financial numbers. Intangible benefits, having been officially declared unmeasurable, receive no tracking, no reporting, and no accountability. At programme close, nobody asks whether staff morale actually improved, because nobody set up the mechanisms to find out.

This approach has a corrosive secondary effect. It teaches the organisation that intangible benefits are not real benefits — that they are rhetorical decoration for the business case rather than genuine outcomes the programme is expected to deliver. Over time, this erodes the legitimacy of any benefit that cannot be directly observed in the financial statements.

4. A Third Path

The way out of this is to recognise that measurement and monetisation are not the same thing. An intangible benefit can be measured — rigorously, credibly, and usefully — without ever being converted into a monetary value.

Consider staff engagement. We cannot credibly assign a pound value to a percentage-point improvement in engagement. But we can absolutely measure whether engagement has improved. We can survey staff before and after the programme. We can track proxy indicators — absence rates, voluntary turnover, internal transfer requests, participation in discretionary activities. We can establish baselines, set targets, and report progress. None of this requires us to claim that the improvement is worth precisely two million pounds.

The discipline is not in assigning a number. The discipline is in defining what would constitute credible evidence that the benefit has been realised, and then committing to gathering that evidence.

This requires a different kind of benefits framework — one that treats intangible benefits as first-class outcomes with their own measurement approach, rather than as awkward additions to a financial model. In my experience, that framework needs three things.

First, honest categorisation. Not all benefits are the same, and treating them as if they were — all to be expressed in monetary terms — is the root cause of the problem. A useful categorisation distinguishes between benefits that are directly financial (cash savings, revenue increases), benefits that are quantifiable but not financial (cycle times, error rates, customer satisfaction scores), and benefits that are genuinely qualitative (improved decision-making quality, enhanced organisational reputation). Each category demands a different measurement approach, and pretending otherwise is where the trouble starts.

Second, credible indicators. For each intangible benefit, the programme team should define the specific, observable indicators that would constitute evidence of realisation. These should be agreed before the programme starts, not reverse-engineered afterwards. For improved decision-making, the indicators might include the time taken to reach key decisions, the number of decisions escalated unnecessarily, or the proportion of decisions that are subsequently reversed. None of these is a perfect proxy, but together they create a credible evidence base.

Third, baseline discipline. An indicator is useless without a baseline. If you want to claim that your programme improved decision-making quality, you need to know what decision-making quality looked like before the programme started. This is the step that programme teams most frequently skip, and its absence makes post-implementation assessment almost impossible. Establishing baselines takes effort and sometimes money, but without them, benefits realisation is reduced to anecdote.

5. The Governance Implication

This approach has consequences for how organisations govern their portfolio investment decisions. If intangible benefits are measured through indicators rather than monetised, they cannot simply be added to the financial total in a cost-benefit analysis. This means investment committees need to make a more nuanced judgement — weighing the financial return alongside the qualitative evidence for intangible benefits, rather than relying on a single aggregated number.

This is harder. It requires committee members to exercise genuine judgement rather than simply comparing numbers across a ranked list. But it is also more honest, and in my experience, it leads to better decisions. An investment committee that understands it is approving a programme with solid financial returns and a credible case for improved staff engagement is making a better-informed decision than one that approves a programme because the total benefits figure — inflated by fabricated engagement numbers — exceeds the threshold.

The real question is not whether we can measure intangible benefits. It is whether we have the organisational courage to admit that some benefits are real, important, and not reducible to a number on a spreadsheet.

6. What This Demands of the Practitioner

The shift I am describing is not primarily methodological. The tools exist. Surveys, proxy indicators, balanced scorecards, benefit maps — none of this is new. The shift is one of professional honesty.

It requires programme managers to resist the pressure to monetise everything, even when the investment appraisal template demands it. It requires them to have the difficult conversation with the finance team about why a qualitative evidence base is more credible than a fabricated number. It requires them to invest the time and effort in establishing baselines and tracking indicators, even when there is no governance mechanism compelling them to do so.

And it requires portfolio boards to accept that good investment decisions sometimes rest on judgement rather than arithmetic — that the most important benefits of a programme may be the ones that cannot be added up.

The profession has spent too long pretending that intangible benefits can be measured the same way as tangible ones, or that they cannot be measured at all. Both positions are comfortable. Neither is true. The harder, more honest path is to measure what we can, acknowledge what we cannot, and refuse to fabricate the difference.