

WORKING TOGETHER

HOW GOOD RELATIONSHIPS WITH PROVIDERS CAN IMPROVE THE QUALITY OF OFFICIAL STATISTICS

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1. Introduction

How do you measure the quality of official statistics? Traditionally quality was based solely on the accuracy of statistics; however recently statisticians have widened their definition of quality to include other attributes. The OECD defines the attributes of quality statistics as the relevance, accuracy, credibility, timeliness, accessibility, interpretability, and coherence of those statistics¹.

This paper discusses how statisticians, through the development of good relationships with data providers, can improve the quality of official statistics. While the statistical benefits of good relationships are potentially wide reaching, it concentrates predominantly on improvements in the accuracy and timeliness of official statistics.

2. The relationship between data provider and statistician

The role of the statistician is to produce quality, timely statistics for use by decision makers. In order to achieve this, statisticians must collect data, which they then transform into statistics for dissemination. A statistician's ability to produce accurate and timely statistics is dependent on the supply of quality data, making the relationship between statistician and data provider crucial to the production of official statistics.

The process of supplying data can be costly to the provider; in terms of staff time and system changes or enhancements. Providers have an incentive to minimise the time and resources spent completing data requests so they sometimes delegate responsibility to junior or new staff with little experience. In addition, the supply of data can be relegated to the bottom of the list of tasks to complete. Due to the sensitive nature of some data supplied, providers may also have data confidentiality concerns.

The relationship between statistician and provider can be strengthened by statisticians actively minimising the impact their data requests have on providers. This can be achieved in a number of ways, including illustrating the time savings to the provider of supplying quality data.

3. How good relationships can improve quality

Statistical user groups continue to demand quality statistics for a variety of purposes. In order to improve the quality of statistics produced statisticians have responded in a number of ways, including developing and implementing sophisticated statistical methodologies and reviewing frameworks and classifications. However, in order to work, initiatives like these are dependent on quality data as an input.

Therefore, when producing statistics a significant amount of time is spent verifying the quality of the data collected. Over time statisticians have become more efficient and effective at identifying data that does not meet certain quality standards. This enables the prioritisation of

¹ OECD (2003), "Quality framework and guidelines for OECD statistical activities", OECD Paris.
www.oecd.org/statistics/qualityframework

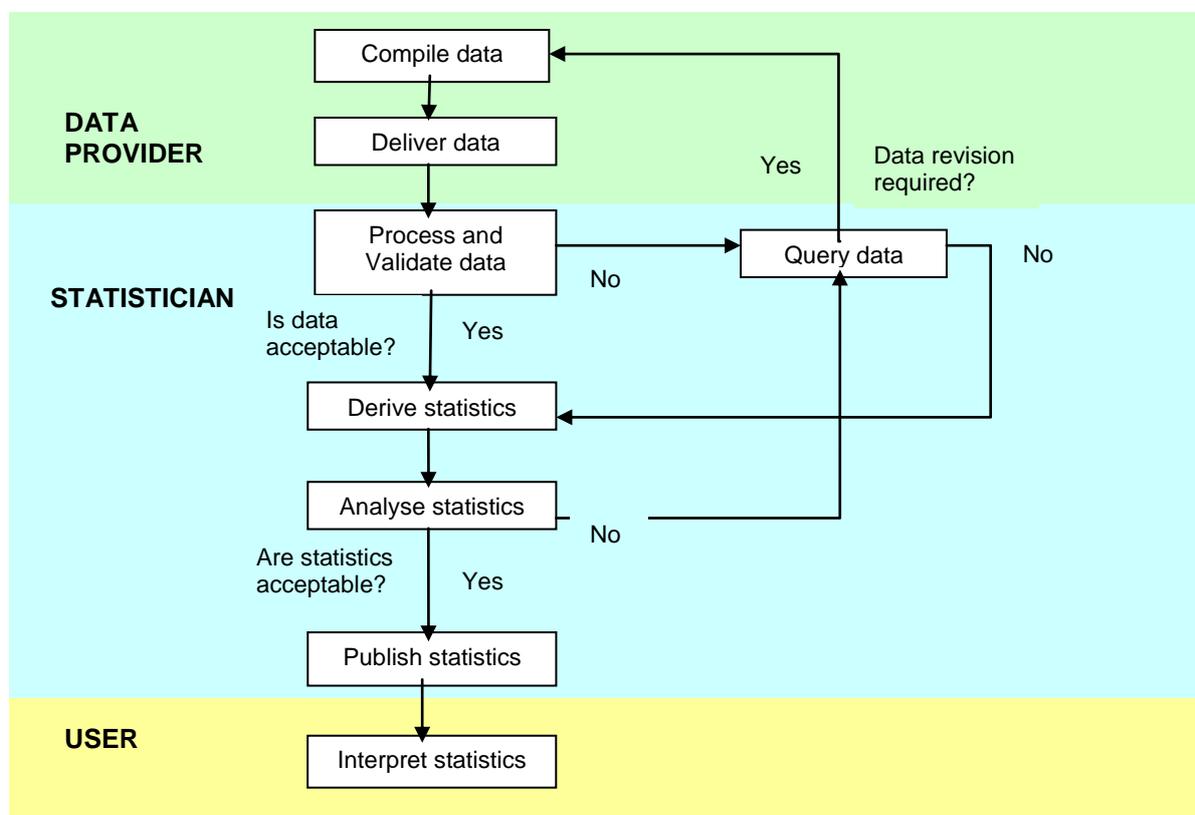
data that needs to be addressed. When deemed necessary statisticians query data with providers in order to ensure its integrity.

The process of querying data can be long and drawn out. Contributing factors can include provider absence, competing priorities and misinterpretation of requests. The accuracy and timeliness of statistics can be improved if the statistician is able to increase the speed at which material data issues are identified and resolved.

The diagram below summarises the statistical production cycle and interaction between data providers and statisticians. There are two main ways developing good relationships with data providers can in practice improve the timeliness and accuracy of official statistics.

1. By reducing the need to query data and
2. Minimising the time required to resolve data queries

Basic query resolution process



A good relationship with a data provider can reduce the need to query data by ensuring quality data is delivered in the first instance. Regular contact, involving data providers in the design stage of new surveys, spending time learning about the provider's business, communicating data requirements concisely and providing timely support are all ways to minimise provider misunderstanding and the reporting of inaccurate data.

If data needs to be queried a good relationship with the provider can minimise the time taken to resolve the data query. Regular contact at the operational level, face to face meeting and an understanding of respective commitments can result in more timely responses to data queries. Having a robust managerial relationship in place ensures that if the need arises issues can be escalated and resolved quickly also.

Fewer data related issues and an increased resolution speed reduce the time required to process and transform data into statistics. This time saving may enable earlier publication of statistics, or a reallocation of time to higher value processes of the production cycle to improve quality.

Developing good relationships has benefits for the provider also. By working with providers to ensure that quality data is supplied in the first instance the statistician is able to reduce provider load. The provider will spend less time answering queries and revising and resending data. In addition, providers can benefit from an increased understanding of statistics available for their use.

4. Relationship management initiatives at the Reserve Bank of New Zealand

The following section describes some practical initiatives at the Reserve Bank of New Zealand to improve the relationships we have with our providers, with the intention of improving the quality of the statistics we produce.

We see relationship development as an iterative process that requires continuous effort on our part. While it is difficult to quantify the benefit of investing in relationships with our providers we do believe that it helps improve the quality of our statistics.

5. Respondent visits

The New Zealand banking system is predominantly foreign owned and relatively small compared to many other countries². As a result surveys conducted by the Reserve Bank of New Zealand typically have small sample sizes³. The small number of participants and the level of concentration make visiting providers relatively easy compared with many other countries.

The aim of our visits is to develop or enhance the relationship we have with our data provider. Visits enable us to learn more about the business and address any concerns that providers have. We also use the opportunity to address operational issues, if appropriate. We find having met face to face with data providers, working through operational issues on an ongoing basis is a lot easier.

During our visits we try to emphasise the benefits of supplying quality data, for example a reduction in time spent resolving queries. On occasion a provider is also a user of the statistics we produce. However, often the person within the business providing data is quite separate from the person using the statistics produced. It can be a challenge to communicate how, while perceived as costly to the provider, there are significant benefits realised by the business. We have found it useful when visiting respondents to request both provider and user attendance to raise the awareness of the value to the business. This practice has often helped ensure that providers have the incentive to ensure timely, quality data supply.

Looking forward we would like to formalise our relationship management strategy. We are also considering running group refresher sessions for our respondents. These sessions would cover a variety of topics such as questionnaire completion, industry developments and statistics available for use.

² As at 31 December 2006 there were 16 registered banks, with the main four (all Australian owned) holding 90 percent of total banking system assets.

³ Our monthly survey of registered banks has 16 respondents, while the sample size of our quarterly survey of non-bank lending institutions is approximately 55.

6. Electronic templates and data supply

All of our surveys are electronic and most have basic inbuilt validation checking ensuring that basic errors (e.g. addition) are identified by the provider prior to sending in data. We find electronic data supply is more efficient than paper based supply, reducing both load placed on the provider and data processing resources⁴. Electronic reporting also reduces the need to contact the provider regarding simple errors, enabling the statistician to concentrate on more material data issues.

7. Questionnaire testing

When developing new surveys and collections we like to involve providers very early on in the process. Discussing data requirements at this stage helps develop further our understanding of the conceptual and operational issues related to data supply. Where possible we actively tailor the mode of delivery to best suit the provider and minimise load.

8. Availability of support

Ensuring that concise supporting material is attached to questionnaires helps to minimise frustration and misinterpretation by providers. In addition to this we make sure that staff are available to answer questions providers have in a timely manner. We have a dedicated email address for queries and the contact details of operational and managerial staff are included on all of our questionnaires.

9. Customised data supply

Where possible we aim to provide value to our providers. An example of this is supplying providers with customised data. Most providers use this to calculate and monitor their market share. In some cases providers have encouraged us to collect data from them as they are interested in the aggregated market results and believe we are able to ensure the confidentiality and integrity of the data. We are currently investigating other ways that we might provide value to our providers such as a regular newsletter with useful information for providers.

10. Challenges

Developing relationships is not costless. In the real world, statisticians work with certain resource and time constraints. This said we believe that investing in good respondent management can improve the quality of the statistics we produce. Reserve Bank of New Zealand statisticians do however face challenges when developing relationships with providers.

11. Avoiding additional load

Building relationships with providers should not result in unnecessary load for the provider. Relationship building is not only about having direct contact with providers. It can be as simple as ensuring support is available when needed, appreciating and acknowledging commitments and competing demands (such as month end reporting) and actively trying to improve the data supply process (e.g. electronic templates).

Working collaboratively with other statisticians or data collectors to reduce load on providers can help strengthen relationships. At the Reserve Bank of New Zealand we work collaboratively with Statistics New Zealand on a number of projects. Our coordinated

⁴ While we prefer the use of electronic reporting we will also cater for a respondents preferred mode of data delivery.

approach has reduced provider load and is appreciated by our providers. It is a challenge for statisticians to look for more of these opportunities.

12. Appropriate prioritisation of relationship building initiatives

While there is anecdotal evidence that investment in relationships with data providers can improve the quality of official statistics it is a challenge to prove it empirically. Investing in the development of good relationships with data providers is not costless. There are a number of other ways to improve the quality of official statistics so statisticians must prioritise this type of work appropriately within their work programme.

13. Technological advancements in data supply e.g. XBRL

XBRL is an opportunity to improve the efficiency of data collection and significantly reduce the load placed on data providers. It involves electronic data supply in a standardised format that statisticians can aggregate for their own purpose. While the standardisation and automatic data delivery will result in less provider load it may also result in less contact with data providers. This could pose a challenge for data query resolution and relationship management in general.