

Working together: how good relationships with providers can improve the quality of official statistics

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Introduction

How does one measure the quality of official statistics? Traditionally, quality in statistics simply meant accuracy. Recently, however, statisticians have widened their definition to include other attributes. The OECD defines quality in statistics as relevance, accuracy, credibility, timeliness, accessibility, interpretability, and coherence.²

This paper discusses how statisticians can improve the quality of official statistics by developing good relationships with data providers. While the statistical benefits of good relationships are potentially far-reaching, the paper focuses predominantly on improvements in the accuracy and timeliness of official statistics.

The relationship between data provider and statistician

The role of the statistician is to produce high-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 high-quality data, which makes the relationship between statistician and data provider crucial to the production of official statistics.

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

The relationship between statistician and provider can be strengthened by statisticians' actively moving to minimise the impact of their data requests on providers. This can be achieved in a number of ways, including showing the provider the time saved by supplying high-quality data.

How good relationships can improve quality

Statistical user groups continue to demand high-quality statistics for a variety of purposes. Statisticians have responded in a number of ways to the need for improving the quality of statistics, including developing and implementing sophisticated statistical methodologies and

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² OECD (2003), "Quality framework and guidelines for OECD statistical activities", OECD, Paris. www.oecd.org/statistics/qualityframework

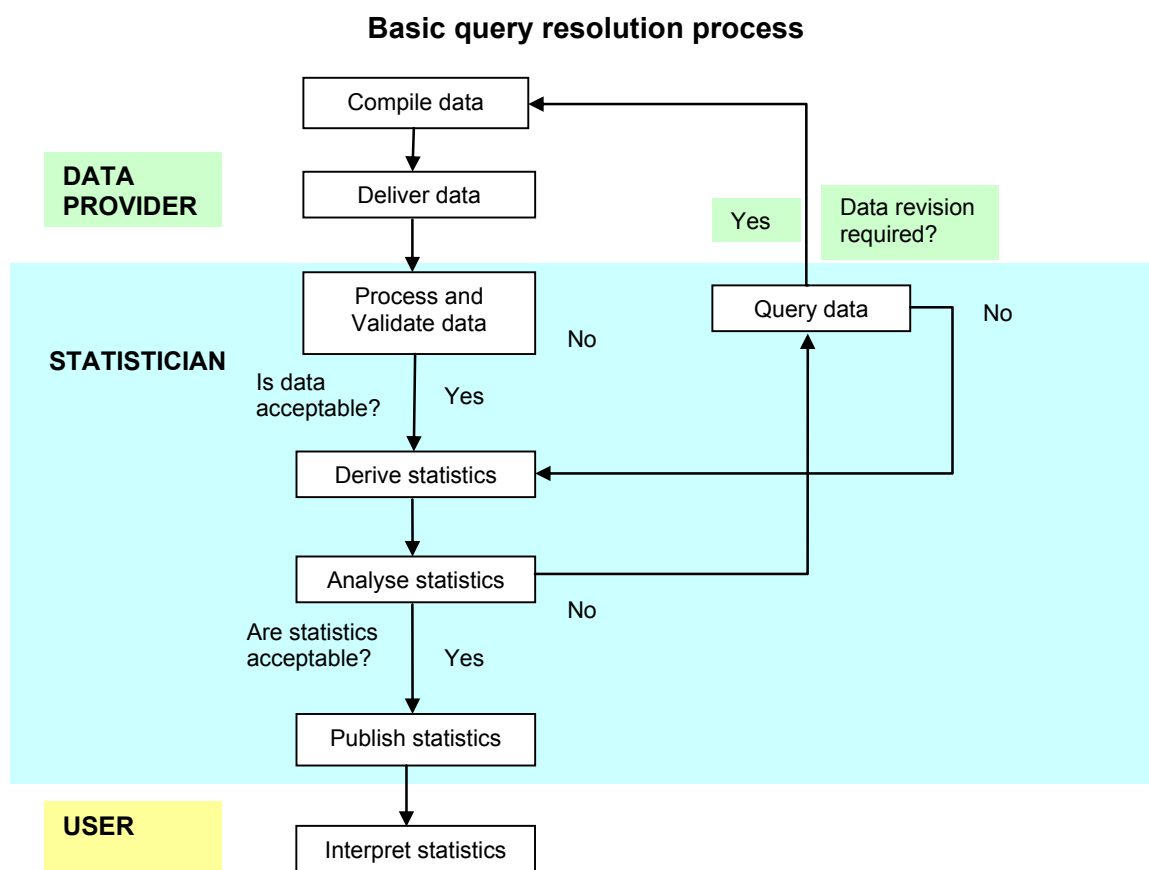
reviewing frameworks and classifications. However, to work, initiatives like these must have high-quality data as input.

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 fall short of certain quality standards. This makes it possible to prioritise data in need of further investigation. When deemed necessary, statisticians query providers in order to ensure the integrity of their data.

The querying process can be long and drawn out. Contributing factors may 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 substantive data issues are identified and resolved.

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

1. Reducing the need for data queries and
2. Minimising the time required to resolve data queries



Good relationships with data providers can reduce the need for queries by ensuring that high-quality data are delivered at the start. Regular contact with data providers during the process of designing new surveys, time invested in 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 need to be queried, a good relationship with the provider can minimise the time taken to resolve the query. Regular contact at the operational level, face-to-face meetings, and an

understanding of respective commitments can result in more timely responses to data queries. Having a robust managerial relationship in place also ensures that issues can be escalated and resolved quickly if the need arises.

Fewer data issues and faster resolution reduce the time required to process data and transform them into statistics. The time saved may permit earlier publication of statistics or make it possible to reallocate time to more valuable processes in the production cycle, thus improving quality.

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

Relationship-management initiatives at the Reserve Bank of New Zealand

The following section describes some practical initiatives that the Reserve Bank of New Zealand has taken to improve its relationships with providers, so as to in turn improve 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.

Respondent visits

The New Zealand banking system is predominantly foreign-owned, and is relatively small compared to systems in many other countries.³ As a result, surveys conducted by the Reserve Bank of New Zealand typically have small sample sizes.⁴ The small number of participants and the high concentration makes it easier to visit providers than is true in many other countries.

The aim of our visits is to develop or enhance our relationships with data providers. Visits enable us to learn more about their business and address any concerns that they have. We also use the opportunity to discuss any relevant operational issues. We find that having met face to face with data providers makes ongoing resolution of operational issues much easier.

During our visits, we try to emphasise the benefits of supplying high-quality data – eg the fact that less time will be spent resolving queries. On occasion, providers are also users of the statistics we produce. However, often the person who provides data in the firm is quite separate from the person using the statistics produced. It can be a challenge to communicate how a process that seems costly to the provider actually leads to significant benefits for the business. When visiting respondents, we have found it useful to request that both providers and users attend meetings, so as to raise awareness of the process's value to the business. This practice has often helped create the incentive needed for providers to supply us with timely, high-quality data.

³ As of 31 December 2006, there were 16 registered banks, with the main four (all Australian-owned) holding 90 percent of total banking system assets.

⁴ 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.

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 the range of statistics available for use.

Electronic templates and data supply

All of our surveys are electronic, and most incorporate checks to ensure that simple errors (of addition, for example) are identified by the provider before data are submitted. We find that electronic data supply is more efficient than hardcopy, reducing the burden on both providers and data processing resources.⁵ Electronic reporting also reduces the need to contact providers regarding simple errors, enabling statisticians to concentrate on more substantive data issues.

Questionnaire testing

When developing new surveys and data collections, we like to involve providers at very early stages of the process. Discussing data requirements early enhances our understanding of the conceptual and operational issues involved in data supply. Where possible, we actively tailor the mode of delivery to suit the provider and minimise the burden involved.

Availability of support

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

Customised data supply

Where possible, we attempt to return value to our providers – for example, by supplying them with customised data, which most use to calculate and monitor their market share. In some cases, providers have encouraged us to collect data from them because they are interested in the aggregated market figures, and because they believe that we can ensure the confidentiality and integrity of their data. We are currently investigating other possible ways of returning value to our providers, such as a regular newsletter with useful information.

Challenges

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

⁵ While we prefer electronic reporting, we also cater for respondents who prefer another mode of data delivery.

Avoiding additional burden

Building relationships with providers should not place unnecessary burdens on them. Relationship-building is not only about direct contact with providers. It can be as simple as ensuring that 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 (eg through electronic templates).

Working collaboratively with other statisticians or data collectors to reduce the burden 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 approach has reduced the burden on our providers and is appreciated by them. Finding more opportunities of this type is a worthwhile challenge for statisticians.

Appropriate prioritisation of relationship-building initiatives

While there is anecdotal evidence that investing in relationships with data providers can improve the quality of official statistics, proving it empirically is a challenge. Investing in the development of good relationships with data providers is not cost-free. There are a number of other ways to improve the quality of official statistics, so it is up to statisticians to prioritise this type of work within their work programme.

Technological advances in data supply, such as XBRL

XBRL provides an opportunity to improve the efficiency of data collection and significantly reduce the burden placed on data providers. It involves electronic data supply in a standardised format that statisticians can aggregate for their own purposes. While standardisation and automatic data delivery reduce the burden on providers, they can also result in less contact with providers, which may pose a challenge for resolving data queries, and for relationship management in general.