

Counting What Counts

Albert Einstein is widely credited with the saying 'Not everything that can be counted counts, and not everything that counts can be counted'. I read somewhere that he had this hanging on a plaque in his office so whether he actually said it or not, he certainly must have believed the principle behind it. My question is whether it still applies in today's world.

Okay, so you are probably going to immediately have one or both of two responses to this quandry: first, many will affirm that modern comptrollership in the federal government is a requirement for the effective and efficient management of the government and reporting to Parliament. Funds are approved by Parliament in accordance with approved policies, programs and commitments and therefore a monitoring and reporting action is a reasonable and prudent necessity. Second, some will say that the Management Accountability Framework (MAF) is a framework for good management and therefore addresses all the key factors for proper scrutiny. I cannot refute either statement, in fact I'd be quick to support both cases myself.

I confess, however, that I'm still left with a nagging feeling about the balance. A wise person once told me that balance is one of the hardest things to achieve in life but it's one of the most important. One side of my brain wants to look at hard facts, real data, and clear evidence as a marker of what we might call 'success' in this context. But I have two sides of my brain and the other half wants to ask about all the so-called 'soft stuff' like morale, respect, organizational culture and the intangible assets. What constitutes health in an organizational context and how do you ensure a balanced approach to management? Do the same management practices and techniques apply equally well to both the 'hard' and 'soft' aspects of organizational health? If not, what tools are necessary to have in a management toolkit for both aspects and are we using them all effectively?

Now the reality at this point is that I've probably alienated some readers by raising these questions. "It is what it is so let's just get on with it." "Let's not try to boil the ocean here."

"We're too busy dealing with difficult management challenges as it is, to worry about whether we're getting it all perfect". "It'll get better as we go along". "Less is more". Perhaps these are some of the thoughts of some folks. I've heard comments like this over the years in response to reflective or probing questions, and you may have too. There's certainly some validity to these thoughts but I'd still like to delve a bit deeper into this subject if only to satisfy my curiosity and see who agrees or disagrees with me.

'Managing for results' is a great phrase, one which I wholeheartedly support. Does it apply to the 'soft' side of organizational health as it obviously does for the rest? How do we show clear evidence of positive changes in morale, in organization culture, in levels of respect and in all the intangible assets of an organization for instance? How would it be measured, and evaluated and reported effectively? Further, how do you manage in a way that enhances these aspects and does so in palpable ways?

It's often said that the 'soft stuff' is the hardest stuff to do well. Having spent more than 35 years in federal government organizations and in several management level positions I can attest to the dynamic tension I've experienced between managing the soft stuff versus managing the hard stuff. Managing the soft stuff well is exceptionally demanding, much more so in my humble opinion than managing the hard stuff. I worked in one organization where senior management would not allow any staff surveys, interviews, performance consulting, etc to be undertaken since no management action had been taken to address issues raised in previous staff surveys and it was clearly a sore point with many in the organization. I guess this is one way to deal with the soft stuff.

Let's think about some of the management disciplines that address the hard stuff and support components of MAF: Risk Management, Project Management, Asset Management, Program Management, Financial Management for instance. These are clearly well known, well established disciplines with rigorous practices and a wide-spread body of experience in use. These and other similar management disciplines differ in nature and practice but all share the common trait of focussing on the importance of good data and information. Even though

they are well established they are not stagnant disciplines, rather, they are subject to advances, refinements and revisions as our experience grows and as circumstances change. Each plays a valuable part of the overall management practice in government.

What are the management disciplines on the other side of the ledger? Well the MAF has a People Management component and a Learning, Innovation and Change component. They address many aspects of the 'soft stuff'. Here I will pose a direct question: do they address all the aspects that count, and how well do they address those aspects? Or in the language of Einstein's saying, does everything that is counted count and is everything that counts counted?

Let's talk for a moment about the basic tool for measurement. I've read numerous articles and books where academics and theorists seem to like a continuum: *data - information - knowledge - wisdom*. While each element on the continuum has importance of its own, presumably there's an increase in importance or significance going from data to information and from information to knowledge and so on. Conceptually I like this continuum, it makes some sense.

We know the inherent value of data at a kernel level, and we understand that more data can be hugely beneficial. At some point, it transcends from cumulative data and facts to something more meaningful, into something we call information. Similarly, information is of use as is but can be even more meaningful as it is combined, shaped, interpreted and becomes actionable, transcending into knowledge. Wisdom is at the top end of this progression and is presumably comprised of experience with insight.

This may help differentiate between information and knowledge. The research of Michael Polanyi in the 1950s-1960s suggested knowledge to be basically comprised of two types: explicit knowledge and tacit knowledge. Explicit knowledge, by definition is that knowledge which has been made explicit (captured and represented) in some form, whether in documents, audio/visual form, on stone tablets, etc. In general terms it is fairly easily

transferred to and via some explicit medium. Tacit knowledge pertains much more to insight, or tactile gained from personal experience. It is therefore much more difficult to transfer effectively in a simple explicit medium. An engineer will hear a machine running and know what may be wrong simply by the sound. An artist or craftsperson uses their mind, heart and hands in creating beauty.

Put another way, it might be likened to another continuum related to the discipline of research, the *What – So What – Now What* continuum. Research findings, the *What* provide useful information and fodder for something further, the *So What*. They are certainly important in and of themselves but the most meaningful element is clearly *Now What*. We want data, information, knowledge and wisdom to inform our actions and behaviours and we want our behaviours to be well spent, effective and efficient. In other words we want to manage for results.

The disciplines mentioned above are heavily invested in managing data and information. Indeed, the government has a strong focus on managing information effectively and efficiently through Information Management, a discreet discipline even beyond what is already accomplished through the other disciplines. So having assurance that data and information are clearly well in hand, our focus turns to knowledge and wisdom.

Accepting that knowledge and wisdom are more meaningful than data and information, we ask ourselves, what do we do to manage knowledge and wisdom?, is it effective and are we managing for results in this area? Is the discipline of Knowledge Management well ingrained in the management practices of our organizations, like the other management disciplines? Do we manage knowledge for results? Are we getting better at managing knowledge and wisdom? How do we know?

Remembering how difficult it is to do the soft stuff gives us a reality check on our Knowledge Management efforts. Quite some time ago I heard a speech from Mr Alex Himelfarb, former Clerk of the Privy Council. Something he said struck me and has always stayed with me. He

said that in government the rhetoric often doesn't match the reality in our organizations. Is that true for Knowledge Management, Human Resource Management and all aspects of managing the soft stuff? I suspect so. We can easily claim success in managing people and knowledge but without understanding that we are really just addressing the information level, and as a consequence, not getting the benefits associated with effective Knowledge Management. We're managing information but not the full scope of knowledge.

We all know proverbial experts who seem to implicitly understand a complex problem and have insights that are invaluable and quite unique. When they leave an organization, that important knowledge and wisdom of the organization walks out the door and you never know what you missed because you don't know what you had. Even more than that, each employee brings a unique set of knowledge, skills and experience into an organization and this is a key aspect of the intangible assets of any organization, let alone the means of organizational performance. People do the work, and organizational performance is based on the degree to which they employ their knowledge, skills and experience.

In 1996 the Annual Report of the Clerk of the Privy Council to the Prime Minister said "we don't manage widgets, we manage knowledge. That's what government people, public sector people do, and when you are managing knowledge your number one tool is learning". I submit to you that this is still absolutely true. What have we learned about managing knowledge since then? What have we done about managing knowledge since then? Much has been written about it in the government including having specific objectives for Deputy Heads in the 2010-2011 Public Service Renewal Action Plan. Does the rhetoric match the reality? Perhaps a telling anecdote is that when DMs were to report on the KM objectives, and many did, most of the people responsible for KM within their organization were not involved or asked to provide information on the status of KM for reporting on these objectives for their organization.

Knowledge Management is a fairly recent management discipline per se, with its emergence by that name in the early 1990s. It nevertheless has a well established set of principles and

practices and there has been a huge base of experience since the early-to-mid 1990s and a plethora of academic research into a host of related areas dating well, well before the 20th century. In fact it has existed as long as man has existed, from drawings on cave walls, etchings on stone tablets, in the oral traditions of first nations and in the writings of Sun Tzu, Socrates, Aristotle, Solomon and countless others, and in research into the way people think, learn and behave. Managing knowledge and learning about various aspects of human knowledge is as old as humanity.

So we come to this. Should we not pursue ways and means to manage knowledge and wisdom more effectively and efficiently in government? Should we not seek ways to improve how we manage for results in this area as in other areas? Will future rhetoric match reality?