INFORMATION MANAGEMENT

Managing Information in the Age of Digital Chaos

by Raymond Marbury

Retrieval of documents and information is critical to knowledge transfer, training, and talent management. Without information governance policies, agencies are exposed to legal, financial, and organizational risks.

The explosion of big data has changed the way federal agencies conduct business. As a result of this revolution, in August 2013 President Obama signed a directive on government records in an effort to reform the way that federal agencies create and manage information, using a 21st century digital government strategy.

Many agencies are collecting voluminous information in paper and electronic form, without proper information governance procedures, which exposes agencies to organizational and financial risks. This article highlights the connections between big data, information governance, and federal budgets within executive branch federal agencies by reviewing government current trends.

Big Data

Federal agencies create as much information now in one day as they did in the entire 18th century. This explosion of information is outpacing the technology and policies agencies use to capture, retrieve, and govern records. As a result, agencies are not able to properly govern information collected, and the universe of the data is expanding exponentially to an unmanageable level.

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This massive amount of unstructured data could hinder agencies' ability to quickly assess and respond to natural disasters, emergencies, and national security threats. Furthermore, absence of information governance policies exposes agencies to legal, financial, and organizational risks. The figure below displays the common types of unstructured data found in many federal agencies.

Information Governance

According to the National Archives and Records Administration (NARA), federal agencies collect billions of records daily. The current information management strategies across the executive branch collectively do not meet requirements of the president's digital government strategy or best practices in records information management.

The organizational and financial risk associated with not properly managing information is significant. For example, the Information Governance & eDiscovery Strategy Exchange estimates that ignoring big data costs organizations about $71.2 million per year due to cloud or server storage. This figure does not include ediscovery costs for potential litigation, which costs an average of $18,000 per gigabyte. Human capital experts opine that retrieval of documents and information is critical components to knowledge transfer, training, and talent management.

To combat these challenges, ARMA International and NARA recommend that federal agencies develop electronic records management systems to logically categorize information. The information can be programmed for destruction at the appropriate period of time allowed by law.

Common Types of Unstructured Data

Source: Raymond Marbury

Unfortunately, only a few agencies have adopted these recommendations. Those that have not are exposed to significant organizational and financial risks. For example, senior officials at the Internal Revenue Service and the Department of Veterans Affairs were recently called to testify in congressional inquiries that involved relevant emails and other type of electronic records. The House Committee on Government Oversight and Reform found that some emails were inadvertently lost or destroyed. This has significant implications and undermines public confidence.

Federal Budgets

Given the knowledge management implications, failure to engage in information governance practices will decrease the effectiveness and efficiency of federal operations and increase overall spending due to unpredictable storage and litigation costs.

Additionally, unstructured data directly affects human capital management because it compromises federal agencies' ability to prepare for the expected influx of Baby Boomer retirements in 2016. This could cost the executive branch between $10 billion to $100 billion collectively due to knowledge loss, attrition, and increases in contract expenditures.
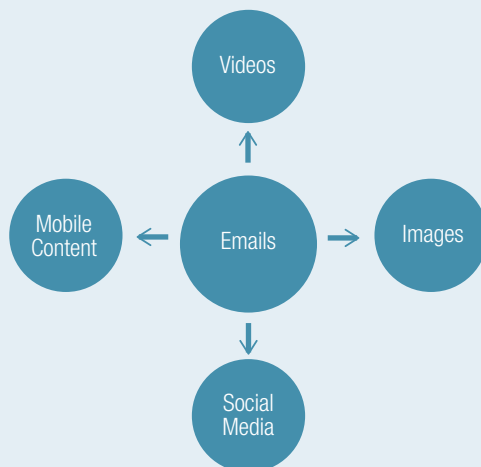
Proposed Solutions

Developing a solution to the information governance challenges in federal agencies requires a two-prong approach. The first step is for senior leaders to assess agency performance by asking the following questions:

1. Has the agency invested in the procurement of an electronic records management system?
2. What is the agency's plan to manage the conversion from paper-based processes to electronic records?
3. How is the federal agency utilizing knowledge and information management principles?
4. How are federal agency managers transferring knowledge to entry and mid-level employees?

Once the assessment has been performed the agency should create a strategic plan to transition the agency to a paperless environment.

Raymond Marbury is an adjunct professor in the doctor of management program at Colorado Technical University, and an information management program manager with the federal government. Contact him at rmarbury@faculty.ctuonline.edu, raymond.marbury@gmail.com, or Twitter @Dr_Marbury.