

: Is decision making authority shifting in organizations?

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Management is about delegating and making decisions. As organizations have gotten larger, more complex and in many cases globally distributed, managers have had to delegate more decision. Pushing decisions down to front-line managers has been the mantra for organizational development consultants for more than 20 years. Analytics and decision support provide the managers who delegate decision authority some reassurance that the front-line decision maker will have timely information and will be able to quickly apply any organizationally mandated decision criteria. Cokins (2014) asserts a "shift in power and influence from executives to employees is increasingly affecting various types of decisions" due to the "emergence of business analytics and big data". Decision support and analytics are enablers not the cause of the shift in authority. Let's explore what is happening.

Peter Drucker (1954) wrote in a chapter titled "Making Decisions" that ".. management is always a decision-making process." He notes in the same chapter that in regard to the "new" decision tools from Operations Research, managers "must understand the basic method involved in making decisions. Without such understanding he will either be unable to use the new tools at all, or he will overemphasize their contribution and see in them the key to problem-solving which can only result in the substitution of gadgets for thinking, and of mechanics for judgment. Instead of being helped by the new tools, the manager who does not understand decision-making as a process in which he has to define, to analyze, to judge, to take risks, and to lead to effective action, will, like the Sorcerer's Apprentice, become the victim of his own bag of tricks." (p. 368)

References

Cokins, G., "Are Analytics Shifting Power from Executives to Employees?" Information Management, February 6, 2014 at URL <http://www.information-management.com/news/are-analytics-shifting-power-from-executives-to-employees-10025310-1.html>.

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