

Report on data warehouse governance business essay

[Business](#)



Introduction

Decision making is an integral part of a business, thousands of decisions are made every day and millions of stakeholders will interact with the business throughout its operation. Globalisation strategies, outsourcing, knowledge management and e business have brought changes to how businesses used to run (Earl and Scott, 1999). This means that traditional governance mechanism are insufficient and a new mechanism needs to be developed. These issues are evident in MB Australia following the acquisition of the other 2 organisations, however starting an integrated Great Data Warehouse is already the right way ahead to solve the current issue in the business. This report we will look what key areas needed to be consider before preparing the framework, the formation of the governance committees and the social and ethical issues which may be related to this project.

Key areas of consideration

Implementing a good data warehouse governance requires a framework based on the three major elements (Symons et al, 2005):

Structure
Process
Communication
Structure refers to the structure of the business, who are the decision makers and the responsibility they hold.

There are various different types of business structure and they are present a different challenge due to its alternate decision making process. MB

Australia currently can be considered to fit into the decentralised structure.

Most of MB Australia's infrastructure and enterprise application are controlled by the business units itself, and each of the business unit develops its own governance process which are usually not in lined with the other

business units. There are currently no formal process between the business units and corporate and also between the business units itself. This is evident by the inconsistencies in data definitions and redundancy that exists in the data. If the business wants to have a good governance framework I will suggest that the structure of the business be changed so it forms more of a Federated structure (a mix of both centralised and decentralised), as the centralised system will focuses on the overall goal of the business - to increase and protect the shareholders' value (Williamson, 1999) while the business units can still have some freedom to make their own decisions in a lower level. Process refers to how the decision is being made, and what decision making process does it follow? Currently the decisions are made inside each business unit. This have both positive and negative effects. In one side, the decision is being made down at a lower management level which means there is no need for information to pass up the hierarchy then the decision to be pass back down. This means the speed of the decision making is a lot more efficient. However the decision being made in the business unit which benefits the business unit may be damaging to other business units. Meaning that while the achievement of one business objective is optimised, the object as a whole business is sub-optimised (Braganza & Lambert, 2000). Communications looks at how the processes and decisions are being monitored, measured and communicated. MB Australia's current business units don't communicate with each other effectively. Since the business units are ex-self-existing organisations, they most likely will have their own set of communication tools and procedures which they are used to. And this communication tools are very different from

the other business units hence there are problems with the business units working together as one. A key area to look at is how to adopt a new unison communication platform between all the business units with the least impact on their day to day operation. Another area which should be considered while preparing the governance framework is how the framework going to be delivered and monitored. Delivery of the system involves more than just giving the product to the end-user. Consideration needs to be put in on how to educate and train staff for the GDW, which rolling out method is going to be used (direct cut over, parallel), the management of the existing data and existing facilities with the new ones. MB Australia is a large company with a huge database full of existing customer records. However the records are inconsistent and redundant. But it is too valuable for the business to start with a brand new database. This means data cleansing should also be considered such that the existing data are consistent with the data set in the new system.

Governance committee

The Great Data Warehouse system is a great idea, however in order for the idea to be achieved the organisation will have to suffer some short term pain – the ending of ad hoc solutions and enforcing strict process and discipline on projects. This is usually unwelcome by organisations which have been running for a number of years and the idea needs a large number of stakeholders to buy in such that it can create a strong and attractive idea for the goal (Aziz at el, 2005). In order to achieve the idea the organisation have to share this common vision of the goal. For the stakeholders to take on this vision there is a need for a core group of strong influencers within the

organisation. In MB Australia, the CEO currently have the vision, this vision needs to be transfer to a steering committee which consists of key decision makers of MB Australia. It is impossible for the GDW department alone to reach all the stakeholders within the enterprise, which is why the executive sponsor (Nick) will have to try and pick a group of executive from various hierarchy level (senior leaders, middle management and technical staffs). The group will then understand the idea and try to promote it in the department, this not only brings in the organisations experience, but also foster adoption. The committee also features staff from various business unit. This is vital because it will be the staff from the business unit which will be using the system rather than the upper management. The current staff also have high expertise in the current system they are using which means they can contribute to the discussion and point out areas that may need improvement to better suit their needs. They will also be the first ones to be trained on how to use the system thus is able to transfer that skills to their colleagues back at their business unit. It is also important to include database architectures and developers into the committee as well as they are able to listen to other people's comment to build up the requirement needed for the GDW. They can also be there to explain if another committee member's idea is feasible and the technique aspects of the project. The governance process should be a collaborative process between the 3 parties, as each party is able to provide their insight and idea on the project. So it is very important for the governance committee to be as inclusive as possible. And there should also be a healthy mix of corporate members, business unit members and developers.

Social and Ethical Issues

The Great Data Warehouse project is a cross business unit system, however each business unit will not like change and will believe their own IS system currently is the best one. These are known as egoism and altruism. Altruism is when one self-sacrifices and help others achieve their goal while egoism is one selfishness to achieve what he or she wants (Avolio, 2002). Maner and Mead found that leaders (and employees) tend to protect their own powers rather than letting others achieve their goal (Maner et al, 2010), and from simple game theory, this will ultimately lead to a lost for everyone. Thus It is important to not rely on past governance mechanism but focus on building a new one which align process and function at each level of the framework (Braganza & Lambert, 2000) Another issue is regarding privacy. This is because GDW will make information which used to be hard to get very easily accessible by all employees in the system. Internal transparency corresponds to the sharing of information within the organisation, and limited barriers between supervisors and subordinates (Street & Meister, 2004). However, this brings up the issue of data confidentiality where it's an individual's right to know who has access to personal data and have the opportunity to approve its dissemination to others (Agranoff, 1991). In the GDW system a customer may give permission for one department to have her data but not for the others. A solution for this can be a authentication process, where by the data is only disclosed for employees which are compatible with the business object for which it was collected, and third parties should not be given access to the data without the individuals knowledge or permission. However by using these techniques it will lower

the internal transparency thus creating a blockade for effective cross business unit communications. It is a major challenge for organisations to use information systems to enhance the organisation's performance while protecting the individual's rights. Privacy doesn't only affect customers, but it also affect employees. As the GDW project allows employees to see what each other are doing and when, this can lead to issues as employees can feel like they are being monitored thus lowering the work satisfaction of employees. However, the development of the GDW means there will be an increase in communication between employees from all department units, thus the management style can be changed from autocratic to a more democratic style. A democratic style focuses on conversations and discussion between employees thus leading to more effective decision making. The GDW system also increases the task visibility of employees, which will lead to very little shirking and free riding (Jones, 1984) thus improving the efficiency of the business. It is also very important to notice the base of power in the governance committee. Power can negatively influence employee's knowledge acquisition and knowledge sharing (Robert et al, 1986). This is due to employees in the lower hierarchy is not willing to disagree with ideas from employees from higher hierarchy, which can be a problem as the lower hierarchy employees are the power users of the system well and can often have very valuable input. Group think can also occur in the committee. Groupthink is the idea which the greater majority of the group dominates, thus overpowering the whole group and leading the rest of the group to agree with the majority. This can greatly decrease the performance of the group as there is a lack of disagreement as desire to

maintain harmony and conviviality by dispensing with all but the most superficial of critical discussion (Courtright, 1978). It is important to not let that happen by choosing a balance number representing each business unit thus leading to discussions on how to improve the system.

Conclusion

MB Australia's move to a great data warehouse is definitely the right move for the organisation. However to set up the governance network it is important to look at organisation's structure, the communication between employees, its business process and how will the framework be monitored and change. Setting up a governance committee should include employees from all levels of hierarchy and business units, but should have a healthy balance between corporate members, business members and developer members. Implementing the GDW will also face various social and ethical issues, this not only include data privacy but can also include internal organisation problems such as power play, corporate management styles and employee's personality traits. The GDW is vital part of MB Australia's strategic transformation thus it has to implemented in a way which will be most suitable for the long term goals of MB Australia.