

Decision-making and information politics

[Business](#), [Decision Making](#)



According to Henry Fayol, decision making is one of the primary duties of a manager. A manager is expected to analyze the data, develop alternative strategies and decide upon the best alternate solution. However in the real world, everything is not constant (*ceteris paribus*), there are a lot of things at stake and the management often has to take into account the organizational politics inherent in their company. Russ Finney in his article 'The Politics of Information and Projects' describes five types of political scenarios in any given company:

1. Technocratic Utopianism: The Company is focused towards modeling and categorization of data and managing the entire information of the organization. The data is owned by the Information System's Department
2. Anarchy: Everyone in the company thinks they privately own their data therefore there is restricted access and minimal file sharing.
3. Feudalism: Each department is responsible for their own data and limited formal reporting of data is provided to other departments.
4. Monarchy: An individual holds all control and responsibility for the data and the system is highly centralized.
5. Federalism: There is high information sharing and high level of interaction between the different departments of the organization. (Finney, ITM Web)

Most of the political issues in a company, as discussed by Russ Finney, relate to the management and security of information. As the computers have evolved and IT technology has become an essential component of information management these political issues regarding handling,

disbursement, storage and securing of information have also become very high priorities for the organizations.

Strassmann in his article 'The Politics of Information Management' defined information management as the process by those who set policy guide those who follow policy. In most organizations the person who is in charge of managing the information, now more aptly known as IT management is the Chief Information Officer of the company. The CIO of the company is the person who essentially should have the authority to set and take to execution the policies for information management, and the implementation and maintenance of information technology in the company.

Paul A. Strassmann's another article 'Check: How to Verify if you are Important' provides a checklist of the CIO's duties. These range from evaluation, progress reporting and management, authorizing investigations, providing approvals for projects, and development of the staff to taking responsibility for the security of the IT infrastructure and the network services implemented in the company. Shawn Schwegman, CIO of Overstock. com, in an attempt to establish better relationships between the company's business partners extended a letter of apology, taking blame for problems taking place with the IT system failure.

This was a gallant effort on his part to improve business relationships which were being affected by the inventory update failures, missing orders, missing images, incorrect status synchronization etc. However the problem occurred when the letter became public notice. The actions of Overstock. com's CIO can be said to be commendable as the main responsibility of the CIO in any company is basically to create and increase value for the stakeholders while

ensuring the credibility of the organization. This was exactly what Shawn Schwegman was striving to do.

However the approach taken could have been a little different. Apologizing for the company's past failures and incompetence was in good graces but as the letter went on to talk about warnings about probable worst situation to come was not what the CIO should have done in the best of everyone's interests. The stakeholders in any company do not want to hear about the prospective problems to come and that nothing is being done to solve them.

The stakeholders worry about one thing, and that is the company's value and image. That is one very important thing for the stakeholder since he or she has invested in it, hoping for monetary and non-monetary gains from the company. It would have been much better if the CIO would have simply taken the responsibility for the problems simply tried to solve the prospective looming problems in the system with the technical staff at Overstock.

This would have been more beneficial in maintaining good relationships as well as solving the problems that Overstock. com had to face as a result of the apology letter becoming public. The US General Accounting Office dictates the CIO's role as one of central position with centralized control in an organization. The CIO of any organization holds a very immense position since he or she is in charge of a varied amount of information that needs to be disclosed to the right people at the right time, and in the right amount as well.

Accordingly Shawn Schwegman could have been more skilled at recognizing the role of information management in creating value. He could have devised a better way of disclosing the news to the partners which would have facilitated the comprehension of the situation while not devastatingly impacting the organizations' image and strategic direction of operations. In order to deserve the position of the CIO, Shawn Schwegman must have had technical and management skills to match his responsibilities of operating to help attain the Overstock's organizational and business objectives.

He as a result should have realized he is a major participant of the executive management team and that it is his duty to safeguard the image of the company while trying to maintain customer as well as business relations. It is the responsibility of the Chief Information Officer of any company to ensure the credibility of the organization under him as well as the company. If discrepancies occur in the CIO's organization he is responsible for correcting them. The CEO should be duly informed and contingencies should be devised for the problems.

Failure on the CIO's part to do so and instead exposing these problems, without even a solution devised for them, to the business partners can disrupt the business's operations and result in a negative impact on the image of the company and the credibility of the organization in the industry. I. e. people tend to expect the worst from them. This was very much akin to what happened in the case of Shawn Schwegman gallant relationship rehabilitation efforts when his correspondence with the partners became public knowledge.

The main reason as to why the CIO of Overstock. com made such buzz was because Shawn Schwegman is also the Senior Vice President of the company. Bad news coming from people holding such positions poses as a large problem for the partners and not just merely a bad taste in the mouth. Therefore any correspondence with partners should be sincere but not so devastating that it causes discomfort for those receiving it.