

Brief

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The truth is not out there: Big Data, leadership and organisation

Is Big Data about perfect evidence, expertise or big consulting hype? Or is it about empowerment, the power of collective insight and better speed of response?

Information is glue that holds together organisations. Performance, accountability, planning and decision-making are built on data. If the form and availability of data changes what does it mean for organisations? We look at four themes from the wide range of recent material (trying to steer around the volume of hype coming from some vested interests).

1 *'Information is power': embrace the shift from leader to employee*

Instead of a manager 'keeping you informed' everyone can inform themselves and the issue now becomes how to use the knowledge best. The better and more available the data, the smarter people's actions and decisions will be. However: are leaders ready for such transparency and employees ready to use it? Business can now be guided by employees. Google, Microsoft, Ely Lilly, Intel and Siemens use internal prediction markets to tap into employee expertise to forecast sales, choose product launches and make other strategic choices – with better outcomes than by leaving it to senior managers. This is a shift in mindset and capability – not just process.

2 *There is no single truth, we can't predict the future: our role as leader is to curate*

'Big Data' tells us what is now, not what will be, or why. In 2009 Google found how to predict the spread of flu – much faster and more accurately than official experts – with a combination of 45 search terms whose use matched the geographical spread of the virus. Amazon uses algorithms to recommend what we should read better than any human reviewer. But this does not tell us why, or be accurate more than a few weeks ahead - indeed Google Flu Trends has proved inaccurate since 2009. In another warning, an experiment, Orlando the cat picked stocks for a year ahead better than professional investors with computer models.

The more data we have, the clearer it becomes that there is not a perfect view of anything. Pursuit of the truth, or of perfect data, is a distraction. Our job as leader is not to be soothsayer, or best expert in the business – but to curate: reduce clutter, provide guidance and encourage others to engage and reach their own conclusions.

3 *Focus on faster, more flexible response – and allow more informal organisation*

The further out we plan, the less likely that what the data shows, will be true. But we can have feedback as we go that is fast and accurate. Make decisions with built-in flexibility, continually assess and adjust. This is about mindset and empowerment – not just planning.

Widely available data - and the ability to work virtually - also allows informal and fluid forms of organisation structure to flourish. Informal networks and adhoc groupings can tackle an opportunity or challenge, be highly effective for the business, and be held accountable for what they do without having to redesign the organisation or make it more complex. This requires change: more trust, and comfort with being transparent.

4 *Don't lose the wood for the trees*

Too much data can be deadly. Research into the NASA Columbia shuttle disaster analysed powerpoint that engineers used to brief bosses during the flight. The slides were full of data, often highly misleading. They lost sight of the meaning while being under the illusion of making well-informed choices. This is also why US military now ban powerpoint for internal briefings – reserving it for 'hypnotising chickens' – briefing the media. As leaders, our role is to help focus on key points, and their root causes - and always test for alternative choices.