

Data Driven Decision Making

Overview

One thing that effective leaders have in common is their ability to make good decisions. For those in leadership positions, decision making is a key responsibility and each decision has implications. As the amount of data organizations collect continues to rise, data is becoming more heavily relied upon as part of the decision-making process.

What is Data-Driven Decision Making?

Data-driven decision making is defined as the use of facts, metrics, and hard data to make strategic business/organizational decisions.

Why Data-Driven Decision Making is Important

Including data in the decision-making process is important because data provides concrete information that can be used as support in the decision-making process. Data can provide information related to changes, trends, and patterns of behavior that can allow decision makers to make more confident decisions.

The continued practice of making data-driven decisions reinforces both the decision makers' confidence and the practice of using data to make decisions. Using data to make decisions becomes an integral part of the decision-making process and instead of being a reactionary practice it becomes a proactive practice. When data is viewed as a critical part of the decision-making process that is valued by organizational leadership, the quality of the data is likely to improve.

Organizations with leaders who prioritize data expect their organizational data to be accurate, accessible, and current. Reliability of the data is of paramount importance, especially when the data is being used to inform decision making.

How to Build a Data Driven Organization

Building an organization that is data driven can be challenging, especially if the focus is only on the data. For most people, data can be boring, scary, and misunderstood.

Building a data-driven organization begins within the culture of the organization. Taking time to examine the organizational culture and how the organization functions is the first step in building a data-driven organization. These questions need to be answered:

1. What data do we collect?
2. Where is the data stored?
3. How do we use the data?
4. Do we produce regular reports?
5. Who uses the data we collect?
6. Who are those reports shared with?
7. How do we train employees around data collection and use?

Answering these questions will help to identify the existing data culture of the organization and assist in developing a plan to shift the culture toward one that is data driven.

There are several strategies for building data-driven organizations. Below are a few of the most commonly recommended strategies:

1. Locate the data champions within the organization. These are individuals who see the value data can add to informing the organization's success. They are forward thinking and looking for ways to enhance the organization's mission and vision.
2. Remove the barriers for accessing data. Having multiple data management systems creates barriers to access and data silos that segregate not only the data but the individuals responsible. If at all possible, consolidate all organizational data into one place, accessible to as many individuals as appropriate.
3. Empower everyone. Allowing all employees the opportunity to suggest ways to use the data is important in creating both a data-driven organization and an organizational culture that values its employees' ideas. Employees who feel empowered to share ideas and contribute to the organization's goals tend to be more productive, creative, and happy.
4. Invest in technology. If financially feasible, invest in technology that will allow data to be analyzed and presented in ways that are visually appealing.
5. Increase accountability. Holding employees accountable for the quality of the data is important because it reinforces the organization's commitment to using data to make decisions. Decisions made with low-quality data can have serious implications for the organization, therefore, the quality of the data is everyone's responsibility.

Additional Resources:

University of Kansas: [Community Tool Box](#)

Children's Bureau: [Guide to Data-Driven Decision Making](#)

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