



Chapter 18.2
Delegation of decision-making

Outline

- Problem and model assumptions
- Delegated decision-making
- Centralised decision-making
- Summary

■ Problem and model assumptions

■ Delegated decision-making

■ Centralised decision-making

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Ideas and their implementation

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Signals about clients

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Learning from two signals

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- ▶ Even if manager's signals are **more precise**, delegation might be preferred

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Optimal delegation of decisions

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- ▶ Delegation of decisions is optimal if employees are **better informed**

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