

## **THE DYNAMICS OF MANAGERIAL DISCRETION: A LONGITUDINAL CASE STUDY OF DAIMLER**

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### **Abstract:**

Although managerial discretion theory was introduced some 20 years ago, the dynamics of discretion has not yet been considered in the literature. Thus, to bridge this gap, a new model that addresses the dynamics of managerial discretion is presented. We argue that managerial discretion is not constant, but may vary over time. Moreover, we show that past strategic choices are a major source driving variation in the level of discretion top management is facing. A longitudinal case study of the automotive company Daimler illustrates the framework.

**Keywords:** managerial discretion, dynamic model, case study

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