

# THE ETIOLOGY OF THE INTUITIVE METHOD OF MAKING MANAGEMENT DECISIONS IN THE LIGHT OF EMPIRICAL RESEARCH

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**ABSTRACT**

The principal aim of the study is to present the issue of intuition as an important manager skill as well as the research results concerning the problem of the use of intuitive skills while making decisions. This paper presents the most important issues concerning comprehension of intuition and assessment of its usefulness. Moreover, the paper determines the significance of intuition in the decision making processes from the point of view of enterprises. It presents the results of the research analysis which are aimed at diagnosing the conditions of using intuition in problematic situations. The received results were submitted to stratification regarding such categories as sex, education, managerial experience, management level, professional specialization, the size of the enterprise, the type and the range of its business activity.

**KEYWORDS**

intuition, manager, decision making process, usefulness of intuition.

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## Introduction

Intuition is a mental ability which enterprise managers should possess – particularly the managers of the strategic and tactic fields. The intuitive skills should complement to eliminate the limits of the analytic skills which determine the rational attitude towards the decision making process. The appropriate area of management decisions' influence includes reactions to difficult, new, irregularly repeatable and unrepeatable situations. Many factors and criteria which should be taken into account by managers while making a decision are hard to be measured or even immeasurable. Very often, their major feature is quality. What is more, more and more frequently the management staff must deal with various conflicts, contradictions and pathologies in the organization as well as with emotional and ethical problems.

It such situations it clearly appears that utilization of rational decision theory and the possibilities of supporting the decision making processes, even with the use of advanced computing tools, are fairly limited. Then the best alternative and sometimes the only premise to making a decision are referring to the intuitive skills. In modern management intuition is becoming increasingly useful. The extent to which it may be used depends on manager's awareness regarding the significance of intuition in the decision making processes as well as the quality of managers' mental skills allocation system which functions within the system of human resource management in the organization.

The purpose of this research is to investigate the conditions of using intuition in decision making processes by the management staff of enterprises. The presented results concern the research issue re-

ferring to the effectiveness of the problem task solving processes in enterprises. They contribute to the specification of the determinants increasing the effectiveness and efficiency of decision making processes in enterprises. These determinants are one of the elements conditioning the optimality of the problem task solving process in the enterprise.

## Comprehension of intuition

Intuition is one of the human mind properties which is still not fully recognized. As A.F. Fields stated, intuition is one of the more mysterious concepts associated with the study of the human capital. These researchers unanimously declare that something really exists, but they cannot agree on just what exists or why it works the way it does [1, 2]. Therefore, there are many definitions and viewpoints on this subject. The opinions on its utilization also differ remarkably. Intuition is usually defined as a kind of revelation, feeling, the process of direct knowledge gain, getting the sense of certainty in some situation without any conscious reasoning [3]. Intuitionism is the opposite to all remaining types of cognition, especially discursive. Many tenets concerning intuition are commonly acceptable. Intuition is perceived as a rational and logical mind ability. M. Westcott redefined intuition as a rational process, stating that it is a process in which an individual reaches a conclusion on the basis of less explicit information than is ordinarily required to reach that decision [4]. Intuition is the knowledge gained without any conscious reasoning. According to M. Sinclair and N. Ashkanasy, intuition is a non-sequential information processing mode, which comprises both cognitive and affective elements and results in direct knowing without any use of conscious reasoning [5]. It is not the opposite of rationality. It is not the accidental process of guessing either. It is rather based on long-term experience and accumulated acquired knowledge. Most authors (e.g. M. Sinclair and N. Ashkanasy, M. Csikszentmihalyi, G. Klein) agree, that intuition is nothing else than experience put into practice [6–8]. Intuition is a subconscious process. N. Khatri and H.N. Alvin argued that intuition is based on a deep understanding of the situation. It is a complex phenomenon that draws from the store of knowledge in our subconsciousness and is rooted in the past experience [9]. It cannot be controlled. Solutions suggested by intuition may be merely accepted or rejected. Intuition is an unexpected process. Intuitive solution to a problem is a result of a sudden flash of thought [10–13]. Intuition, similarly to other mental processes, can be stimulated and devel-

oped. Intuition can be developed only in a conscious way. It's a domain of every human being. When one refers only to the reason, depends on their feelings or habits, intuition is suppressed. It results from a human natural inclination to follow the reason and to choose the easiest solutions [14]. Intuition is regarded as the second feature of human mind, more important than the analytical one [15]. Nevertheless, it is not independent from the ability to analyze. Both features are complementary components of an effective decision making process [16, 17].

It is possible to assess the intuitive skills of a manager using suitable research tools, such as:

- Rational Experiential Inventory Survey (REI) [18],
- Agor's Intuitive Measurement Survey (AIM) [19],
- Survey Intuitive Measurement (SIM) [20],
- Meyers-Brigs Type Indicator (MBTI) test [21],
- Keegan Type Indicator (KTI) test [22].

## Intuition as a manager's skill

Many researchers have demonstrated that intuition is used regularly in the conduct of business [23, 24]. M. Tavcar stated that managerial decision making can be separated into routine, analytic and intuitive decision making. Routine decision making is performed normatively and with certain rules. Analytic decision making takes place on the grounds and is based on the knowledge to study the matter in complex circumstances. Intuitive decision making is used directly or when all other possibilities of decision making have failed [25]. In management literature it is by now widely agreed that intuition is not arbitrary or irrational, because it is based on years of practice and hands on experience, often stored in the subconsciousness. Managers have to accept this new interpretation and believe that their intuition is part of their business knowledge [26]. The need to understand and apply intuition in management exists because few decisions (especially strategic ones) in contemporary enterprises can be made on the basis of complete, precise and up-to-date information [27–31]. In the situation when the quantity data is either limited or unavailable, managers are forced to analyze the problems with the use of their intuition. It regards both the stage of problem evaluation and the stage of generating the solutions. M. Sinclair and N. Ashkanasy believed that time pressure is also another factor that influences the intuitive decision-making style [32]. T.A. Judge and S.P. Robbins argued that decision makers use the intuitive decision making style when time is restricted [33]. According to W.H. Agor and F.R. David intuition is essential

to making good and right decisions, particularly for those managers who sometimes are under the conditions of high uncertainty or little precedent [34, 35]. The significance of intuition increases respectively to the management level. Top-level managers should possess more intuitive skills and be much more inclined to take advantage of it while making decisions than medium- or low-level managers.

In decision making processes intuitive skills are usually used for [36]:

- identifying and discovering problems,
- quick copying of well-studied behavior patterns,
- synthesizing partial number data and/or experiences into an integrated whole,
- testing the results of a more reasonable analysis,
- omitting the reasonable analysis and quickly reaching the satisfactory solutions.

### Intuition in decision making processes – research population and research results

The applied research technique was a questionnaire interview. While generating the research population it was assumed that it should utterly reflect various management and organizational categories, i.e. management level, professional specialization, enterprise's size, the type and the range of its business activity, so that it would be possible to receive a representative sample of the entire management structure at least on a micro regional scale. The research was conducted from September 2009 to March 2010. It included all-level managers in enterprises located in Silesia Province. The sample consisted of 408 managers working in 140 enterprises. A detailed description of the research population can be found in the publication "Intuitive abilities of the managing staff of enterprises" [37]. The publication also includes research results concerning the level of the management personnel's intuitive skills [38]. The results regarding the extent to which the above skills are used in decision making processes were presented in the publication entitled "Managers' intuitive skills in decision making processes in the light of empirical research" [39].

In the questionnaire, in the section concerning the conditionings of referring to intuition in decision making processes by the managing staff in enterprises, the following questions were asked:

1. In what circumstances do you most frequently use intuition to make a decision?
  - a) when the level of uncertainty is high;
  - b) when there are few earlier precedents;
  - c) when the variables are hard to be ; scientifically predicted or the number of facts is huge;
  - d) when there are several acceptable solutions and each of them has some advantages;
  - e) when the time is limited and there is pressure to make a quick and correct decision;
  - f) other (what?)
2. While making a decision using intuition, in which stage of the decision process is it most useful?
  - a) at the beginning of the decision process when it is necessary to predict and evaluate future events or available options;
  - b) at the end of the decision process when it is necessary to select and order all the available hints and information;
  - c) it is not possible to precisely indicate the decision process stage. It is determined by the kind of the problem to be solved.

The questions were created on the basis of the second part of the AIM Survey [40]. The results are presented in tables (Table 1 and Table 2). While analyzing the results it can be stated that:

- managers most frequently use intuition to make a decision when they have little time to do it and at the same time there is pressure to make the decision quickly (41%) and when there are several acceptable solutions and all of them are justified (40%). The declared circumstances suggest that managers refer to intuition when they are sure that there is no other way of solving the problem. The former circumstance concerns the time which cannot be influenced. It is only possible to take some action in order to postpone the obligation to make a decision. Then decision-makers search for solutions do not force them to make the decision quickly. The latter circumstance regards the situation in which several good acceptable solutions to the analyzed problem were selected and at the same time decision-makers don't know any (or there aren't any) other methods which would enable them to choose the best alternative;
- it happens much more rarely for managers to make intuitive decisions when there are few earlier precedents (6%) and when the variables are hard to be scientifically predicted of the number of facts is very large (13%). The low percentage of answers pointing to the above conditions suggests that managers do not usually refer to intuition if they think there are other, more rational methods of solving the problem (e.g. the method of analogy – in the former situation or the methods of artificial intelligence – in the latter situation);

Table 1  
Percentage comparison of respondents' answers to question 1 according to specific criteria.

Comparison criterion		Percentage of the respondents				
		a	b	c	d	e
Category	Total	22	6	13	40	41
Sex	Females	29	3	10	39	29
	Males	18	7	14	41	46
Education	Master degree	24	3	14	40	40
	Bachelor Degree	17	17	17	33	67
	Secondary education	17	11	6	44	28
Managerial experience	1 year	20	0	0	40	40
	2-3 years	22	10	0	30	43
	4-5 years	14	0	14	43	29
	6-10 years	26	9	11	29	26
	11 years and more	11	4	13	35	37
Management level	Strategic	19	6	19	42	39
	Tactic	20	5	14	36	43
	Operation	26	7	4	44	41
Professional specialization	Administration	56	11	11	44	44
	Finance	19	0	10	29	29
	Planning	20	10	0	30	40
	Staff	33	0	0	17	33
	Production	20	7	17	50	53
	Marketing	17	33	67	50	50
	Comprehensively	10	0	5	45	35
Enterprise's size	Micro	15	0	8	38	31
	Small	30	5	25	35	40
	Medium	18	7	11	36	39
	Large	22	7	10	46	46
Type of business activity	Production	25	10	15	46	48
	Trade	0	0	0	50	25
	Services	25	5	10	20	35
	Varied	17	0	13	43	37
Range of business activity	Local	0	0	0	25	0
	Regional	6	0	6	31	38
	National	33	0	17	25	33
	International	24	9	14	46	46

Source: Author's research

Table 2  
Percentage comparison of respondents' answers to question 2 for total balance.

Comparison criterion		Percentage of the respondents		
		a	b	c
Category	Total	54	36	10

Source: Author's research

- the issue analyzed in separate categories usually has a similar proportion of declared answers as the general results. The exceptions are the following two categories: the range of the enterprise business activity – managers in enterprises which

operate within local markets tend to use intuition sporadically and professional specialization – marketing department and general administration. In marketing departments managers also make intuitive decisions when the variables are hard to be scientifically predicted or the number of facts is very large (the most frequently declared answer, 67%) and in the case of general administration, when the level of uncertainty is high (the most frequently declared answer, 56%);

- the questioned managers did not point to any other circumstances of referring to intuition than those suggested in the questionnaire;
- most of the managers use intuition at the beginning of the decision making process – at the stage of predicting possible alternatives or evaluating the available options (54%). The utility of intuition is unquestionable while generating all kinds of new concepts, models, methods and procedures of behavior;
- slightly more than one third of the examined managers (36%) declare that intuition is more useful at the end of the decision making process – at the stage of selecting and choosing the best solution;
- only 10% of respondents think that the stage when they refer to intuition is determined by the kind of a problem they are solving.

## Conclusions

Many theoreticians and practitioners of management consider intuition to be a mental skill which can be successfully used in decision making processes within the organization. The significance of intuition in managing organizations is constantly increasing. In enterprises many of the problems are non-structural. There also appear problems which are objectively programmable but they include so many correlative variables that from a practical point of view that they can be regarded as unprogrammable phenomena. The dynamics of the contemporary enterprise environment forces decision-makers to make decisions very quickly. It often happens that time pressure makes it impossible to run a long-term research and analyses. Or there exist several potentially good solutions and it is difficult to choose the best alternative. In enterprises which are social systems managers also deal with various conflicts or many emotional and ethical problems. In such situations referring to intuition appears to be the most useful or sometimes the only premise to make a decision. However, there are no worked out standards of behavior/decision procedures which could be con-

ssciously applied while referring to intuition. It cannot be linked to any repeatable decision situation.

Focusing on the significance of intuition does not aim at diminishing the role of the rational attitude in decision making processes – process which are entirely conscious, logical thinking or systematic data analysis. In the case of well-structured problems when it is possible to make programmable decisions or to optimize the choices according to measurable criteria, analytical thinking provides better results.

The solutions presented in the work can contribute to the change in perception, especially by the management practitioners, intuition in the category of managerial skills and its usefulness in the decision-making processes. A lot of managers still believe that it is not a good practice to rely on intuition in business, and the notion of intuition sounds sort of pejorative. Making decisions intuitively associates with incomplete knowledge or even lack of it, with the activity of the random character. The presented results of the research are the contribution to the design of competent and efficient decision-making processes in enterprises as well as to creation of effective task teams. They also can be an inspiration to continue further research and analysis concerning the conscious use of intuition in the organization management.

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