

Decision Making Skills in Upgrading Business Performance

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Many management scholars believe that the process used to make strategic decisions affects the quality of those decisions (Dean & Sharfman, 1993). Several authors, however, have observed a lack of research on the strategic decision making processes. Empirical tests of factors that have been hypothesized to affect the way strategic decisions are made are notably absent (Fredrickson, 1985). This paper reports the results of a survey that attempts to assess the effects of decision making circumstances. It will focus mainly on the approaches applied and the managerial skills and decision making roles the decision makers built on during concrete strategic decision making processes. The survey was conducted in California between September 2005 and June 2006 and was sponsored by a Fulbright Research Scholarship Grant.

1. Introduction

Strategic decisions are those that affect the direction of a firm. These major decisions concern areas such as new products and markets, product or service development, acquisitions and mergers, subsidiaries and affiliates, joint ventures, strategic alliances, finding a site for a new investment, reorganisation, and other important matters. Strategic decision making is usually conducted by the firm's top management, led by the CEO or the President of the company. This is why this research targeted twenty top level managers: twelve were CEOs, Presidents, Vice Presidents or Chief Financial Officers (from now on: Executives) while eight were founders and majority owners of their own enterprises (from now on: Entrepreneurs). Sixteen respondents were male, four were female. The average respondent has been working for 28.7 years in general, for 13.8 years for the given company and for 8.4 years in the current position. Sixty percent of the respondents have a graduate business degree, seven have an MBA or a PhD and two out of these seven have both an MBA and a PhD. One respondent was working on his PhD when the research was carried out.

The interviews took an average of two and a half hours, varying from two hours up to five hours. The interviews followed a preliminary structured list of questions. With each respondent we investigated the circumstances of four different strategic decision cases of their choice from their practice. Using this technique, a database of 80 strategic decisions was built up.

1.1. Background of the Research

In my research, I focused on the role of *intuition* in strategic decision making. As Ashley F. Fields stated, intuition is one of the more mysterious concepts associated with the study of human capital (Fields, 2000). Classical theoreticians from Carl Jung (Jung, 1934) through Chester Barnard (Barnard, 1938) and Abraham Maslow (Maslow, 1954) have commented on the existence and value of intuition in organisational settings. Carl Jung said: "intuition does not denote something contrary to reason, but something outside of the province of reason" (Jung, 1934). Harold Leavitt (Leavitt, 1975) viewed intuition as a valuable weapon to be used against the heavily analytical practices, which gave rise to his derisive term "analysis paralysis". Fascination with the subject of intuition continues to remain "alive and well".

Intuition is usually defined as knowing or sensing something without the use of rational processes. Alternatively, it has been described as a perception of reality not known to consciousness, in which the intuition knows, but does not know *how* it knows. 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 (Westcott, 1968). Weston Agor argued that intuition is a built-in capacity that some of us have and some do not (Agor, 1997).

In my research I basically relied on the definition given by Martha Sinclair and Neal Ashkanasy. According to these authors, 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 (Sinclair & Ashkanasy, 2000). In effect, it is an unconscious process of making decisions on the basis of experience and accumulated judgment. Isenberg, who studied managers in Fortune 500 firms, found that they combine both rational and intuitive methods in decision making (Isenberg, 1984). Parikh studied more than 1300 managers and found that intuition is cross-national (Parikh, 1994). Catford's study of 57 business professionals demonstrated that intuition was used commonly as a business tool (Catford, 1978). These and many other researchers have demonstrated that intuition is used regularly in the conduct of business (Fields, 2000).

Interestingly, more than half of today's intuition books are authored by females. Psychologists debate whether the intuition gap is truly intrinsic to gender. Whatever the reason, Western tradition has historically viewed rational thinking as masculine and intuition as feminine. Women's way of thinking gives greater latitude to subjective knowledge. Some personality tests show that nearly six in ten men score as "thinkers" (claiming to make decisions objectively, using logic) while three in four women score as "feelers" (claiming to make decisions subjectively, based on what they feel right) (Meyers, 2002).

In recent years instinct appears to be ascendant. Decision makers have good reasons to prefer instinct. In a study, executives said they use their intuition as much as their analytical skills, but credited 80% of their success to instinct (Buchanan & O'Connell, 2006). Henry Mintzberg explains that strategic thinking calls for creativity and synthesis and this is better served by intuition than by analysis (Mintzberg & Westley, 2001). Buchanan and O'Connell cited some famous statements related to intuition (Buchanan & O'Connell, 2006):

"Pragmatists act on evidence, Heroes act on guts."

"Intuition is one of the X-factors separating the men from the boys."

One feature common to all the authors cited above is an inability to articulate a coherent, consistent, and verifiable theory of what underlies the intuitive phenomenon. These researchers unanimously declare that "something" really does exist, but they can not agree on just "what" exists or "why" it works as it does (Fields, 2000). Recent advances in cognitive science and artificial intelligence suggest that there is nothing mystical or magical about intuitive processes and that they are neither paranormal nor irrational. Rather, intuitive processes evolve from long experience and learning and consist of the mass of facts, patterns, concepts, abstractions, and generally what we call formal knowledge or beliefs, which are impressed in our mind (Isenberg, 1984, Simon, 1987). Intuition is not the opposite of rationality, nor is it a random process of guessing, as we very often think. It is a

sophisticated form of reasoning based on chunking that an expert hones over years of job specific experience. Consequently, intuition does not come easily, it requires years of experience in problem solving and is founded upon a solid and complete grasp of the details of the business. However, in some cases it compresses experience and learning into seconds – as was shown in some cases during my interviews.

Creativity often couples with intuition because both are unconscious, personal; both have original features providing an unusual approach to different things. Creating is “the ability to form an image or whole of something actually non-existent at present, such as a new product” (Adair, 1985). Creativity is the recognition of new and different combinations and looking for unusual points of view or approaches. Creativity is *creating* something original, valuable or surprising. The stages in the creative process are as follows: it starts with immersion: you have to obtain information unlikely to be evaluated at this stage. The second stage is the incubus: you have to sleep on the problem while your ideas mature. This is followed by the time for insight: the desired outcomes should be written down in order to avoid forgetting them. Eventually, the stage of the verification is reached: experimentation for testing the solution is necessary. These stages can also be found in business decision making processes where the solution does not always offer itself and the decision-makers have to be very creative to figure out what the best direction and answer would be.

Creativity requires brain holism: the ability to use both hemispheres of the brain. “In business your next move is not blueprinted for you” (Adair, 1985). You have to think for yourself and figure out all the possible ways of getting where you want to be. You have to be original or innovate and imaginative.

1.2. Rational/Intuitive Orientation

The lack of field studies in strategic decision making processes called for a research study to examine concrete real life cases and to analyse:

- 1. How top level managers really make strategic decisions;*
- 2. How Entrepreneurs and Executives differ, if at all, in their approach to strategic decision making processes when they combine rational thinking with their intuition;*
- 3. Similarities and differences, if any, in management skills and decision making routines between Entrepreneurs and Executives.*

Rational/Intuitive Orientation is a concept which has yet to make a significant impact on mainstream decision making research. Consequently, no well-established indicators of Rational/Intuitive Orientation exist. Based on understanding the concept, however, two optional indicators (decision making approaches and management skills) were identified in this study. Rational/Intuitive Orientation could be linked with the so-called right-handed or left-handed way of thinking. Right-handed thinking is responsible

for the evaluative, rational, systematic and logical thinking. A person, who has typical right-handed thinking, i.e. is left brain dominant, is analytic and logical and focuses on the facts. This attitude could be a base for a creative way of thinking, because the ability for problem identification, evaluation or information openness is indispensable for a creative decision making. Not all problems can be solved, however, by a scientific (rational) way of thinking.

The right brain dominant thinking helps cope with the uncertainty, to accept risks or to synthesize as it is an imaginative, intuitive way of problem solving. Therefore, right brain dominant thinking can provide solutions for more complex problems. The relationship between creativity and intuition is very deep: creativity comes from the unconscious as does intuition (Restak, 2001).

Some professionals rely only on the analytical way of decision making using decision making tools as data processing, algorithms and systems thinking. Analytical thinking is a sequential thought process. Analytical thinkers select the most promising approach to a problem. They exercise their judgment at each step, and each step must be correct. Anything irrelevant is excluded, the search ends when they find what appears to be a good solution. Using rational decision making models, the alternatives are weighed to come up with the best potential result, compared rationally and logically, with the pros and cons being ranked according to importance.

Of course, a good analytical mind is essential in managing any aspect of a business possession. Analyzing is establishing the relations of the parts to each other and to the whole, finding the cause of the problem, searching for the principles behind experience, discovering a law, identifying the issue, etc. (Adair, 1985).

Some of the decisions are relatively straightforward and the analysis of the facts shows a direction for action. However, there are some decisions that can never fit into this rational category. Sometimes, our knowledge for solving a problem is insufficient, or facts are not available, or are so conflicting that no clear direction can be identified. Also, at times the emotional or physical consequences are so great that the rational analysis alone cannot be trusted. In all these cases an intuitive aspect is needed. This is especially true for those big business decisions which can affect the whole organization. A conflict between the facts and intuitive judgment does suggest that respected opinions should be sought.

1.3. Hypotheses of the Research

The literature of decision theory provides several models of organisational decision making. These differ from each other in the sense that they use other prerequisites for decision makers and also refer to the organisational connections of decision makers. On the basis of the above dimensions in the research model I identified two different models and decision making mechanisms (analytical and intuitive). In addition, eleven

management skills were investigated and rated as to whether they support analytical or intuitive thinking. In this chapter we will focus on the core of the above mentioned research model namely on Rational/Intuitive Orientation.

The main hypotheses of the research can be summarized as follows:

H1: Intuition plays a key role in strategic decision making since strategic problems are ill-structured and hence cannot be programmed. Decision makers at the top level combine analytical and intuitive approaches, but rely more heavily on their intuition.

H2: Intuitive decision making is more favoured by independent decision makers (Entrepreneurs) who have extended control over their firms and are more often in the final

decision maker’s position. When they put the dot on the “i” they are almost always intuitive.

H3: The level of management skills is high. The creative/intuitive skills are even more developed in the sample.

2. Strategic Decisions

Herbert Simon was the first to distinguish between the two extreme types of decisions. He called recurring, routine-like or ready-made ones *programmed decisions*, while those being unique and unstructured with long-term impacts were called *non-programmed decisions* (Simon, 1982). Programmed and non-programmed decisions are naturally set at the two extreme poles of one continuum and the appearance of interim cases is much more probable. In the course of

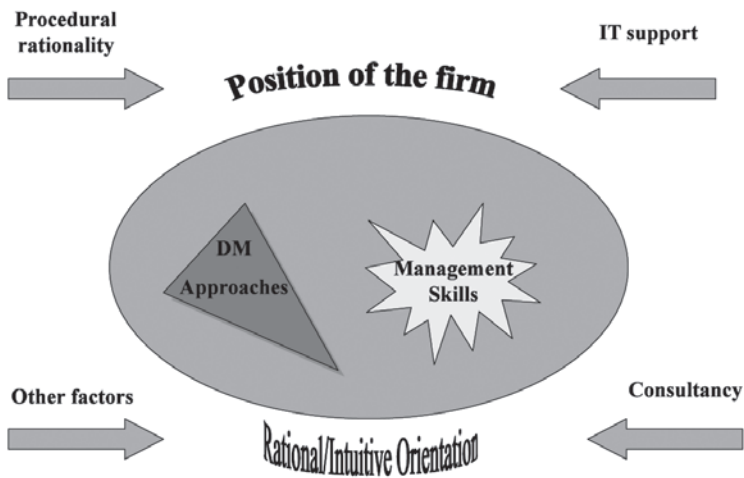


Figure 1: The Research Model

company operations it is very rare that a decision situation clearly corresponds to the terminology of the programmed or non-programmed decisions. On the other hand, most managers develop some kind of practice for the handling of non-programmed decision situations that can be successfully applied, if a ready-made solution can be fitted to an actual situation. Certain non-programmed decisions may become programmed in the course of time in a company's practice. It is rather meaningful that programmed and non-programmed decisions are sometimes referred to as both well-structured and ill-structured.

A central part of this survey consisted of the examination of 20 plus 60 real strategic decisions. At the beginning of the interview every respondent was requested to mention a "big case" which was mainly ill-structured. When I asked the respondents to quote three more decision cases, they mainly mentioned *semi-structured* problems which could be positioned somewhere between the well-structured and ill-structured extremes. These cases were not as "big" as the previous 20 decision situations, but they still had long term consequences and strategic importance. In effect, each participant could mention four cases, one "big case" and three semi-structured cases, thus building up the database of the survey based on the cases of the twenty contributors.

In the interest of comparability, the semi-structured decision cases were classified

into categories that are borrowed from the „Bradford Studies" (Hickson et al, 1986). According to this, I distinguished

- *investment*
- *reorganization*
- *acquisition*
- *fund-raising*
- *marketing*
- *service or product development*
- *production*
- *finding a site for investment*
- *human resource management*
- *quality management*
- *other decisions.*

Service or product development (10), investment (9), reorganization (9), marketing (8), finding a site for investment (7) decisions were the most frequently mentioned cases, but I also found at least a single case for every other category, as well.

The respondents mixed the analytical and intuitive problem solving approaches when they made these decisions. As they argued, they found it very difficult to use only the rational approach for these semi-programmed decisions, therefore intuitive decision making was very often valuable and also applied. At the same time, it was also typical that decision makers made their decisions and later developed rational sounding reasons for the decision after the fact. It seemed that for some reason they like to be seen as rational. Some of them, however, were very proud of relying on their instinct in solving particular cases. Demonstrating the concept of bounded rationality the respondents recognized

that at least in part their decisions were based on intuition, gut feeling and “seat of the pants”. This was most typical in marketing cases, where they needed more experience and judgment than sequential logic or explicit reasons to make those decisions. As they explained, these decisions were based upon what they believed to be right, rather than upon what they could document with hard data. In the other categories, however, especially in cases of service or product development, investment, acquisition and finding a site decision they did not find it appropriate to apply this kind of logic.

When the respondents were given an extra opportunity to rethink their earlier answers concerning the analytical and intuitive approaches in their cases, they changed their mind only slightly. If they could repeat the same decisions, which will, of course, never happen, they would rely more on analysis in marketing decisions, as well, but in service product development cases interestingly enough, they would give more room for intuition.

Clearly, there were major perceived differences between Entrepreneurs’ and Executives’ answers in term of how their decisions were made. One of the main differences is that Executives tend to exhibit more characteristics of analytical decision making than Entrepreneurs do. Executives rely more heavily on the analytical approach. It is interesting, however, to note that Entrepreneurs are more careful in cases of investment decisions, where they insist on preliminary analytical investigation. A

logical explanation could be that they risk their own money when investing and are therefore more careful about it.

3. Management Skills

The quality of the decision making activity and the company’s success is considerably influenced by the fact of who makes the decisions, what skills and capabilities they have, what their managerial style is, and also what techniques and methods they use in the course of decision making. Consequently, it is not only the applied decision making approach and the managerial style that leave their mark on decision making, but it is equally important, what level of professional abilities, education and experience the managers have (Whetton & Cameron, 2005).

What characteristics or individual skills must a management have to be successful? The survey embraced the general abilities of management. What is more, in the in-depth interviews I encouraged respondents to evaluate themselves. I asked them to define their strengths and weaknesses according to the investigated characteristics and skills by evaluating themselves on a five point Likert-scale. The first task, however, was to rank the skills according to their importance. Considering the opinions of all respondents (N=20), the “image of the ideal manager” fulfilling all expectations of management appeared as shown in the decreasing order of skills and capabilities:

1. *excellent communication skills*
2. *sense for business*
3. *problem solving skills*
4. *practice minded behaviour*
5. *ability to represent ideas*
6. *risk taking nature*
7. *expertise*
8. *organising skills*
9. *executive skills*
10. *analytical skills*
11. *use of PC and computers*

The above ranking reveals some interesting features. Naturally, the top and the bottom of the list are worthy of attention, as the skills given there outline a manager-image frequently mentioned during the interviews. The major task of a manager is to communicate inside and outside of the company (as they stated they do most of the marketing) while the use of computers at top level is not a must since they can get all the necessary IT support whenever needed. As one of the respondents stated the more important skills which happen to be in the first half of the list are those which you cannot buy, while those which are available through different channels i.e. consultancy like organising skills, analytical skills or IT knowledge can be found in the second half of the list.

If we compare these results to the actual self-assessments we can see an interesting evidence of cognitive dissonance. The respondents ranked their weaknesses to be less important and their strengths more important. They were far beyond the average performers (if we define this category on a five point scale with the middle position indicated by 3) on all

criteria except one, the use of computers, but as we saw earlier they did not consider this to be a disadvantage. They are very good communicators which was confirmed based on the author's personal experiences. They rely quite heavily on their accumulated knowledge and experiences and expertise and are equipped with the necessary problem solving skills. They named as a real strength their sense for business. We cannot forget that two-fifths of them are founders and majority owners of their enterprise in the sample. Two of them started a totally new business from scratch when they recognized a new business opportunity. They left behind their emerging and safe careers and chose an unknown, challenging new field. Both of them are very successful in their new businesses.

3.1. Analytical and Intuitive Skills

We know that some skills and capabilities support the intuitive way of problem solving more than the others. My research method also involved interviewing a dozen university professors in an effort to link the management skills involved in this research with the analytical or intuitive way of problem solving. A quick survey was designed and the professors were asked to evaluate the above mentioned skills by indicating whether these skills supported analytical or intuitive thinking strongly. They could mark only one answer for each skill. All of the respondents had strong management background since they were teaching either in the field of Organizational Behavior or Decision Sciences.

The skills were split into two groups depending on their role supporting intuitive or analytical problem solving. According to the opinion of the university professors with a management background, intuitive thinking and problem solving are best supported by the following skills: willingness to take risks, sense for business, ability to represent ideas, practice minded behaviour and excellent communication skills. On the other hand, different skills take precedence when problems require analytical solutions. The skills that most support this approach were determined to be: analytical skills, computer skills, organising skills, professional expertise and problem solving skills. Not surprisingly, executive skills are somewhere between these two groups of skills since effective leadership requires a combination of analytical and intuitive approaches.

Subsequently I revised this distinction at two points. Most authors (Sinclair & Ashkanasy, 2005, Csikszentmihalyi, 1996, Klein, 2004) agree, that intuition is nothing else than experience put into practice. This demystified definition of intuition shows how one can become an expert in one's profession through one's cumulative experience or knowledge. Klein argues that intuition is a developed sense helping to put experience into recognizable patterns for future use (Klein, 2004). As is well-known, good communication skills often go with good analytical skills, since both are the functions of the left hemisphere (Browning, 2005).

Putting this split into practice the chart of the managers shows a rather balanced picture of their analytical and intuitive skills. *Problem solving skills* lead the rank of the analytical skills while *business sense* is the most important strength among the intuitive skills. Among the 80 analyzed decision cases I found much that confirms the importance of the business sense as the path towards the success. The weaknesses are compensated by the high level of strengths. Lack of *computer knowledge* or *organising skills* do not seem to be a big problem because top level managers can easily find someone to do these jobs.

The largest gap recognized is in the case of the ability to represent ideas. Entrepreneurs do not have to "sell" their decisions, because typically they are the final decision makers, consequently, for them, this skill is not a must. Their priorities are instead: risk taking nature, problem solving skills, a sense for business and communication skills. Executives consider the ability to represent ideas far more important than Entrepreneurs. They also rank analytical and organizing skills a little bit higher.

Differences between groups that exceed 10 percent are considered to be very significant in survey research. There were relatively large differences in this research between the two responding groups according to the capabilities and skills based on their self assessments (Figure 2). Entrepreneurs had better business sense and were ready to take far more risks. They evaluated their problem solving skills slightly higher than the Executives.

The Executives' strengths were in ability to represent ideas, analytical skills and executive skills. A more balanced picture emerged when we compare practice minded behavior, communication skills and expertise.

4. Decision Roles

On the basis of the investigated cases it was obvious that the respondents played more than a single decision making role in the decision making processes. The professional literature lists several decision making roles (Humphreys & Berkeley, 1986), while different breakdowns and classifications are also known. As a summary, I set forth the list of roles used during this research, as follows:

- *decision making role*
- *person who raised the problem*
- *person who took part in the preparation*

- *analyst*
- *expert*
- *operative manager (implementer).*

If we examine the function and content of these individual roles, and also what licenses their fulfillment goes with, it is unquestionable that *the role of decision making* is the key one. Naturally, the decision maker may be just a single individual, but a group may also have a decision making authority. In the survey it became apparent that the Entrepreneurs in the sample represented mainly the individual decision maker role while Executives were more frequently members of a decision making group. Theoretically, the *person raising the problem* may be anyone who is sensitive enough to questions and situations to be solved. The higher the position he is in and the more competent he is, the greater the probability that the problem raised by him will be dealt with

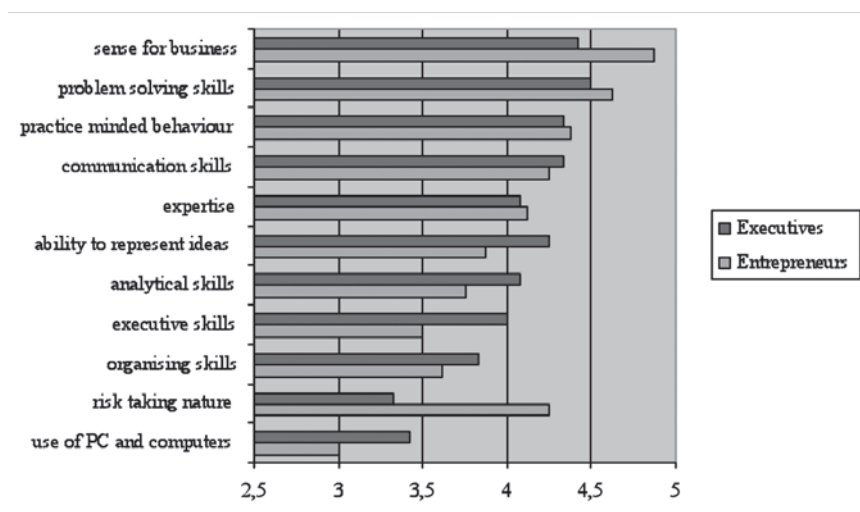


Figure 2
Differences in Management Skills of Executives and Entrepreneurs (N = 20)

quickly and in a serious way. *Decision preparation* is usually the task of functional areas, which helps to put interdisciplinary approach into practice, since a problem to be solved always has multiple aspects. For example, a new investment is not only a technical question, but it also has several financial, legal, environmental and other consequences as well. In certain phases of decision preparation the *analysts and experts* involved are frequently those who possess the special methodological and/or professional skills which will be needed in the course of decision preparations, analyses and evaluations. Analysts and experts may be internal colleagues, but they may work as external consultants, as well. Decisions made might not be worth too much and they will not influence the company's operation if they are not realized in practice, i.e.: if their implementation does not take place. Decisions are accomplished by the *implementers* who may represent a certain

part or function of the company, but it may also happen that the implementation of a decision is achieved with the participation of all affected individuals.

Roles, thus defined (decision maker, problem raiser, participant in the preparation, analyst, expert, operative manager (implementer)) create a decision making hierarchy in which the decision making and problem raising roles correspond to the *strategic level*, while the decision preparer, analyst and expert roles correspond to the *expert level*, and the implementer (operative) role corresponds to the *operative level*. I expected that the first two roles would be over-represented in the survey. One of the most interesting findings was how the respondents cumulated their roles. One explanation could be the relatively high proportion of Entrepreneurs in the sample. Figure 3, however, shows that Executives were also active in almost all the roles.

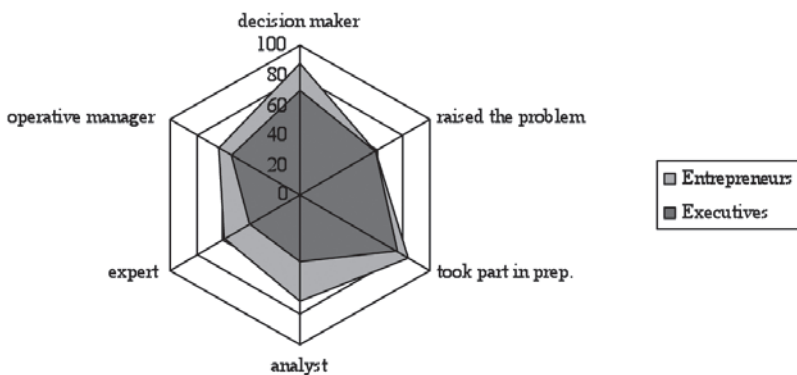


Figure 3
Decision Roles Played by Entrepreneurs and Executives (N = 24, N = 36)

5. Future Trends

When analyzing these findings it must be remembered that these results were based on self-assessments. Rarely are self assessments and independent (objective) assessments congruent. Unfortunately, we do not have as yet any techniques to measure the level of the different management skills and capabilities or decision making approaches objectively. Even though we feel that it might be a lack of agreement between the self assessments and an imaginative objective assessment of these parameters. We call this gap “the coefficient of self delusion”. This coefficient can be positive (when the objective ratings are higher than the self assessments) or it can be negative (when the objective ratings are lower than the self assessments). The positive coefficient of self delusion occurs with people who either are genuinely humble or may be trying to avoid over-inflating their self-ratings for a variety of reasons e.g. because of their cultural background. The negative coefficient of self delusion usually occurs with people who are not conscious of the impact of their behaviors on others or who have an inflated sense of self. In either case, it is important to investigate why the assessment gap exists and reflect upon ways in which it can be narrowed, perhaps even closed. This is a big research challenge.

There is a big debate at the present whether the analytical or the intuitive way of thinking is more powerful in the business arena. Thomas Davenport argues that some companies have built

their very businesses on their ability to collect, analyze and act on data. Every company can learn from what these firms do. (Davenport, 2006) The popular “head versus formula” controversy that is based mostly on laboratory studies in the past, established the superiority of the rational-analytical approach over the soft judgmental or intuitive approach. The extension of this approach to strategic decision making is problematic, however. This is because strategic decisions are characterized by incomplete knowledge. Consequently, it may be impossible to identify quantitative equations among variables and find numeric values for parameters and initial states. This is why people still use their heads instead of formulas in strategic cases (Khatri & Alvin, 2000). As a conclusion of the very intensive debate by now there is an agreement that intuition is not an irrational process. It is based on a deep understanding of the situation. It is a complex phenomenon that draws from the store of knowledge in our subconscious and is rooted in past experience. It is quick, but not necessarily biased as presumed in previous research on rational decision making (Khatri & Alvin, 2000).

6. Conclusion

In everyday life we tend to use the word “intuitive” with some connotation of “irrational”. This is probably due to Bergson (Bergson, 1911) who attached great importance to intuition but interpreted it as a mystic force which by

definition could not be subject of rational means of inquiry (Wierzbicki, 1997)., Almost a hundred years of research in various fields of science, however, now leads to a reversal of this interpretation. Intuition is „the supra-logic that cuts out all the routine processes of thought and leaps straight from the problem to the answer” – says Robert Graves, an English poet. “Intuition comes very close to clairvoyance; it appears to be the extrasensory perception of reality” – according to Alexy Carrel, Nobel Prized French biologist.

Intuition involves additional sensors to perceive information from the outside (Klein, 1998). It can be referred to as gut feeling, instinct, spiritual guide. Like creativity, intuitive inspiration often occurs when someone virtually “fuses” in an activity, when one is exceedingly focused on the activity in a state of joy and fulfillment. 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 subconscious (Gladwell, 2005). Managers have to accept this new interpretation and believe that their intuition is part of their business knowledge.

However, when managers want to make good decisions they very often try to use the so-called textbook approach that is best described by the words rational, logical and analytical. Sometimes they seem to believe that they contribute to the objectives of the organization to the extent that their decisions are rational.

Why are managers afraid of recognizing and utilizing their own intuitive power? They probably feel that intuition cannot be proved; consequently it is not scientific enough.

At the same time some of them start to admit that intuition is a key element in mental processes. In fact, the higher a person rises in an organization, the more intuition he/she needs for long-term planning. (In contradiction to some of the attitudes mentioned above.) If we ask top managers from leading companies, they would surely say that they needed creative approach to make the toughest decisions. Typically, creative thinking is more required at the top.

Nowadays, many new techniques are available which make decision making simple and more rational, but they are just tools like decision support systems. Despite the availability of these tools, risk estimation and making judgments are still the tasks of the decision maker. When all available information has been considered and all possible alternatives have been evaluated, the decision is still there to be made. That is the moment when managers need their creativity.

In the survey the Entrepreneurs’ cases showed that managers make their best decisions in a very special way – for example, after a flash of intuition or by trying out several things and keeping what works. Mintzberg and Westley show that a focus on “*thinking first*” before choosing may interfere with a deep understanding

of the issues dividing people and prevent a good decision. The “*seeing first*” approach, which means literally creating a picture with others in order to see everyone’s concerns, can reveal differences better than analysis and can force a genuine consensus. “*Doing first*” works best when the situation is novel and confusing, but a few simple relationship rules could help managers move forward (Mintzberg & Westley, 2001). Entrepreneurs’ cases showed that they are less reluctant to apply these new approaches than the Executives who mentioned these techniques less often.

The study showed that Executives in a corporate setting tend to view decision making in a different way than Entrepreneurs. Since they are typically given a fixed amount of budgeted resources to work with, they tend to define a problem in terms of *what can be done* with the resources in hand. Entrepreneurs, on the other hand, will likely pose the problem in terms of an *objective*. They usually state “This is what I want to get done” and then start to worry about finding the resources to accomplish that objective. As a result entrepreneurial decision makers feel less constrained by the lack of resources. They are famous for making “seat-of-the-pants” decisions, which means they make quick decisions based on a good feeling or intuition. This kind of challenge requires different skills from the Entrepreneurs than from the Executives.

There was an other interesting finding comparing the decision making practice of the Executives and the Entrepreneurs. Both groups relied quite heavily on the analysis in the preparation phase of the decision making process, which might give big room for analytical applications. Executives, however, were ready to follow the recommendations of the analysis in the moment of choice while Entrepreneurs preferred to follow their intuition. As a conclusion we can state that Entrepreneurs’ analytical support must focus mainly on the preparation phase of decisions and should let them to decide based on their intuition.

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