



RESEARCH STUDIES ON INTUITION

RESEARCH STUDIES ON INTUITION IN BUSINESS

Intuition, like other functions of the mind, has been the topic of serious study for many years. Numerous research studies have been conducted on the topic of intuition in management and decision-making, all acknowledging intuition's widespread use in a wide range of institutions.

These studies have had both numerous and diverse participants. The three studies we are examining¹ included almost 5000 participants from a wide range of countries. Efforts were made to examine the widest sample possible, selecting managers from a range of different organizations and settings.

The studies revealed fascinating trends in the use of intuition in management, as well as the perception of intuition by managers, depending on factors such as age, gender, nationality, specialty and management level.

MANAGEMENT PARTICIPATION LEVEL

These studies included participants from such major organizations as Walt Disney Enterprises and Tenneco Oil. To measure the actual uses of intuitive skills, a study was conducted on those who had scored in the top 10% of the intuition scale, including major executives at General Motors and Dow Chemical Company.

Top managers in every sample tested higher in intuitive skill than middle and lower-level managers, leading to the theory that the higher one goes in the hierarchy or management, the greater the need to employ intuition becomes; this skill would not be developed so consistently in independent cases, and must reflect an overall trend. These managers would of course possess natural intuitive ability, but through circumstance, had been forced to develop it further rather than keeping it repressed (see Intuition in Perspective for further details).

So why were these senior managers forced to develop intuitive ability? Top management positions require a greater capacity to solve complex problems and deal with uncertainty. Intuitive use in personal life also increased depending on the management level of the individual, more than twice as many high-level executives utilizing it, as compared to low-level managers.

80% of study participants agreed with the statements that: 'many senior managers use Intuition in making decisions, at least to some extent', 'higher intuitive capabilities would contribute to greater success in business', and 'Intuition has a role to play in every facet of life.'

Concurrently, the proportion of managers supporting the inclusion of intuition training in the education curriculum rises progressively with the grade of institutions, peaking at 65 percent at the management institution level.

The studies also found that whilst intuition is essential, it is of most use when paired with other sources of information. Over half of those examined in the Global Report stated that they used intuition and logic/reasoning in almost equal measure. The executives listed the situations in which they could their intuition most helpful:

- When there was a high level of uncertainty.
- When there was no precedent.
- Limited facts.
- Non-predictable variables.
- Limited time and high pressure.

- When there were several plausible alternative solutions to pick from.

Intuition usage also depended on the willingness of individual managers to make decisions in more high-risk environments, tolerating ambiguity. When these managers felt they had reached the right decision they reported a sense of excitement, commitment, harmony and total confidence. When they sensed an impending decision was incorrect, their feelings were quite the opposite: anxiety and even physical discomfort.

THE GENDER EFFECT

All 3 studies found a significant difference in the intuitive abilities of men and women. Women consistently scored higher than males. Some research suggests that this may be due to physiological differences in the brain: some research has suggested that females have better encoding and decoding skills as a result of higher estrogen levels.

Others suggest these differences are due to cultural upbringing: women are encouraged to be more 'in touch' with their feelings, while men are expected to be rational and emotionally repressed.

WORK AND MANAGEMENT SPECIALITY

Differences in intuitive scores depending on the managers' occupational specialties were also apparent. Managers in general administration and policy had higher scores than those in financial management and law enforcement. However, the upward trend of intuitive ability through progression up the hierarchy continued.

A plausible explanation for these results is as follows: general administration is faced with a much broader set of goals, factors and other complexities. A general administrator faces situations much broader in scope and uncertainty, including a complex array of clients. In this situation intuition would be more necessary and useful than ever.

This fits in well with the Global Report, which revealed that corporate strategy and planning, marketing, public relations, human resources development and R&D are the areas perceived to be of greatest use in the application of intuition. Finance and production were listed as among the least relevant.

This reflects a divide between concrete statistics and areas in which the factors are much more complex and unpredictable; intuition is used more in industries characterized by ambiguous problems and insufficient information.

As well as unclear information, research has revealed that intuition is used much more in fast-paced industries such as the computer industry than in stable, slow-paced industries such as banking and utilities.

THE AGE FACTOR

Age was also a deciding factor. Intuitive ability appeared to peak in the 45-59 age-group amongst the managers participating in the research.

ETHNICITY/NATIONALITY

Intuitive differences in ethnicity highlight (in addition to gender) the ways that upbringing can influence intuitive skills. Asian managers tend to have higher ability, perhaps because of their socialization from birth to practice an Eastern approach, one with a greater emphasis on intuitive brain skills.

Another study examined top and senior managers from both highly-developed market economies (such as France, Japan, the UK and US), and middle and low-income developing countries (Brazil, India). Japan, the USA and the UK were

revealed to be the most intuitive.

VIEWS ON INTUITION

The studies also revealed the views of managers concerning intuition, a concept often marginalized in our 'rational' scientific society. Almost two out of three managers considered themselves highly intuitive, showing that it is hardly a negative attribute to have in this area.

Female managers again considered themselves more highly intuitive than male managers. 45+ year old managers viewed intuition as a positive attribute more commonly than younger managers.

Also, the more positive a manager's attitude to intuition, the more likely it was that he or she would commonly utilize it.

JOB SATISFACTION

The research also revealed an interesting factor concerning job satisfaction, revealing throughout the study that those who were dissatisfied (6%) in their jobs, had selected an occupational specialization that did not match their brain style preferences i.e. Managers in jobs utilizing logic and reasoning, who were predominately right brain processors (creative and intuitive).

This suggests that job satisfaction and organizational productivity can be enhanced by examining the brain style abilities of managers and employees, and changing their placement accordingly.

PROFIT AND ASSET PERFORMANCE

Effective use of intuition in leadership, decision-making and vision undoubtedly leads to greater company success and profit-margins, as many have revealed.

Research undertaken by the New Jersey Institute of Technology tested hundreds of business managers for intuitive ability. Of the managers which had doubled their company profits in the last five years, they found that over 90% had high intuitive ability.

Specific profit increase can be seen in the case of Amex Life Insurance. One of their divisions was performing disastrously, but when President Sarah Nolan made the radical decision of allowing the employees themselves to develop a new office and application layout, profits increased exponentially, rising 700%.

The benefits of intuition in product development are also clear; whilst large organizations and corporations devote vast financial resource to research and develop new product ideas, statistics show that their hit rate is 10%-20% at best in producing an innovative successful item. Individual entrepreneurs on the other hand, starting a company with little if any market research, can intuitively come up with incredibly successful ideas and products. Debbie Fields, of Mrs. Fields Cookies, was told that all the market research was against her business idea. Nevertheless she persevered and within a few years over 600 stores stocked her product.

Intuition, effectively applied, is an unquestionable asset in the business field, whether in leadership, management, research or development. An innovate management style and strategy can increase profits and assets in an exceedingly short period, something improbable, if not impossible, under a restrained and conservative leadership approach.

Notes: ¹'The Intuitive Ability of Executives: Findings from Field Research' from W. H. Agor, *The Logic of Intuitive Decision Making: A Research Based Approach for Top Management* (Westport, CT: Greenwood Press, 1986). IMI (Geneva), *Global Report: International Survey on Intuition*. M. Sinclair, 'The Use of Intuition in Management Decision-Making'.