



THE ROLE OF INTUITION IN BUSINESS

WHAT IS INTUITION IN BUSINESS?

Modern day business is confronted by change like never before. The geopolitical, technological, environmental, social, consumer and population demographic effects have impacted on every aspect of business practice. Survival, growth and innovation require unique strategies, and different processes of decision making that allow organisations to navigate a climate of uncertainty, where precedent often does not exist.

The rational, analytical approach no longer works well. Information used in decision making is often unavailable, biased, or too overwhelming in volume to preview potential outcomes.

Since the 1980's, many academics and business schools have been researching the use of intuition in decision making as an adjunct to rational/analytical methods. Research has found that intuitive decision making was vastly superior and produced consistently better outcomes than traditional methods alone.

Organisations employing intuitive decision making practices outperformed their competitors in both profits and asset value. Furthermore these companies developed employees who were empowered to innovate and share in the company's success. Research by the New Jersey Institute of Technology found that 80% of company leaders who had doubled their companies' profits in a five year period had above-average intuitive abilities.

The current business world is deluged with more pressure, more conflicting information and less time than ever before. The individuals who control businesses are paid vast amounts of money and are often difficult to replace. What skills make them such a rare asset? They have intuitive skills that provide them with different perspectives and approaches, and an ability to make split-second accurate decisions whilst frequently confronted with overwhelming information and insufficient time. Of course they do not simply choose any course at random, but must employ something beyond time-consuming rational analysis to move their company forward. This is their 'gut-feeling', 'speculation', 'imagination', or 'hunch': their intuition.

Intuition is something broad and encompassing, making it hard to give a precise definition. A useful conceptualization is perhaps knowledge gained without conscious thought, coming to us in a flash of insight, a 'Eureka' moment. This thought comprises not only the sum of our life's learning and experience, but also much more. As Jung described, it is "a perception of realities which are not known to the conscious, and which goes via the unconscious", a creative process with the ability to inspire.

In many unenlightened organisations there are beliefs that the use of intuition in the workplace cannot create impact on the 'bottom line'. Often this is due to ignorance or lack of understanding of how intuition works, and inability to see outcomes without using intuition first. The issue here is: "we will believe it when we see it", rather than "we will see it and then believe it." However the single most important thing to understand is that the use of intuition, in businesses large or small, complements rather than replace traditional methods.

Many executives already make intuitive decisions everyday without consciously acknowledging them as such: hunches, imagination, and good guesses. Through development, intuitive capability can be improved in accuracy, strength and occurrence, whilst at the same time you are learning to remove emotional conscious mind filters which cause interference and error.

With formal training, senior managers can combine experience, information, reason and intuition simultaneously and interchangeably, whilst being consciously aware of the process. This puts them in conscious control of the process, and by doing so can produce remarkable results.

BUSINESS INTUITION SUCCESS STORIES

For a society that so often dismisses anything outside our view of rationality as nonsense, there are a surprising amount of both business leaders and scientists that have contributed to business innovation. Many of these recognize the importance of intuition in their professional lives. In the business world, intuition is used both in management and in research and development of products.

To begin shall look at science and other fields that indirectly play a part in the business world. One of the most surprising fields where intuition is imperative is the methodical world of physics; Einstein professing on many occasions the importance of intuition in his work: 'There is no logical way to the discovery of elemental laws. There is only the way of intuition, which is helped by a feeling for the order lying behind appearance.' Whilst there is unquestionably a great deal of data to process in the realm of physics, the initial intuitive leap is indispensable.

Einstein isn't the only scientist that has professed the importance of intuition. Dr. Jonas Salk, who developed the polio vaccine, says 'It is always with excitement that I wake up in the morning, wondering what my intuition will toss up to me.' Meanwhile, even NASA astronauts spend 90% of time learning to react intuitively, realizing it is impossible to train for every particular eventuality that may arise.

In the business world use of intuition is if anything even more apparent. Ray Croc bought the McDonalds franchise in the initial stages of its development for what was an exorbitant price. He had little money at the time and couldn't afford the price, but he says 'My funny-bone instinct kept urging me on.' What was initially just one store in California, developed into the largest fast-food franchise in the world.

When Conrad Hilton, founder of the Hilton chain of hotels, was bidding on the world's largest hotel, he bid an amount that simply popped into his head and ended up winning by a margin of only 200 dollars. He solves a problem in the following way: 'I know when I have a problem and have done all I can: thinking, figuring, planning, I keep listening in a sort of inside silence until something clicks and I feel a right answer.'

Paul Fireman bought the trademark Reebok and began the manufacture of aerobic shoes at time when the aerobic exercise boom was non-existent, using an innovative and extremely risky shoemaking technique.

Jim Adamson, who was CEO of Burger King, used to be employed by Gap. On a purchasing mission in the Far East he discovered what would be the first imported jeans. He ended up purchasing far more than forecasted but the product still sold out in only a month. Asked why he didn't purchase an even greater amount he said, 'I just didn't know how good my intuition was.'

Sony founder Masoru Ibuka believes that there is a spiritual side of the world that is very unpredictable and vague; that is the source of human creativity. The Sony culture has evolved around the respect and awareness of the power of human creativity and intuition. Today Sony is still one of the most profitable and innovative companies in the world.

Intuition exists in all human beings irrespective of label and job title. Often it is not evolved beyond a basic stage; However when it is developed, it can be of spectacular use in any organisation, and even for personal use.

WHY CONSIDER USING INTUITION IN BUSINESS?

The practical uses of intuition in business are endless. Broad categories include: company vision, strategic planning, marketing, research and development, customer relations, organisational change, executive and employee development, recruitment and so on.

Intuition can add a further level of understanding and information to a situation, something unable to be grasped with pure logic. Psychologist Carl Jung put it well when he said 'The term [intuition] does not denote something contrary to reason, but rather something outside the provenance of reason.'

The Importance of Company 'Vision'

Perhaps a business can be simply run by using financial goals and economic incentives, but a company with a broader vision produces a glimmer of enthusiasm and anticipation that can lift the organization and its employees out of the mundane and mediocre.

A vision statement is an answer to the questions of 'What do we want to create?', 'Why do we exist?', 'What is our purpose?' It allows a company, whatever its size, to be innovative and original; winning the race rather than struggling to keep up with the competition.

This vision gives employees a goal, a joint sense of purpose for their work besides a desire for status and financial reward. For this reason visions must be shared and communicated effectively, so that everyone interprets the vision correctly and shares in it. Visionaries without communication skills do not pass beyond the bounds of 'dreamers', who may have good ideas but rarely make a large impact.

These company visions are often developed by the company leader or someone higher up in the hierarchy, but interaction with staff and customers is important, making a vision interactive instead of only introspective. What do employees feel their part is in the goals of the company, do they have any suggestions? Experimentation and dialogue is a self-sustaining process, the more employees feel they are being supported and are valued, the better they will work and the more they will want to contribute.

In order for a vision to work, it must appeal to both reason and emotion. People respond to and change due to emotion much more readily than they do with reason. Emotion is communicated through the values of a company, what it stands for, and how it shall conduct itself. A company with a vision, even as modest as reducing its own pollution or helping the local community, will inspire commitment in both its employees and customers.

An example of company vision is McDonalds' slogan 'One World: One Taste', which coupled with a graphic of the earth, gives an emotive response of global unity.

Creating a vision requires the use of the mind to visualize both where the company is now and where it will be in 5 or 50 years time. It doesn't matter if the goal exceeds what the company's capability is at this moment in time; Browning says that 'a man's reach should exceed his grasp.' A vision will give everyone something to work towards, experimenting and learning along the way. Often the business approach to developing company visions is simply to alter the old vision in small increments; whilst this can work, all truly innovative developments have come from new and original thoughts.

When considering company vision, it is important to include long-term goals and the bigger picture, not simply look at the short-term benefits. Sony Corporation as well as many other successful Japanese companies have 20 and even 50 year plans. What results in success in the short term can easily result in destruction, fallibility and exploitation in the long-run unless all factors are carefully considered.

Intuition in Business Decision Making and Management

To operate effectively, business people and managers need a sense of inner certainty. Intuitive managers save time and money and are able to inspire creativity and innovative solutions from their employees. They are also able to save valuable time and effort by recognizing problems before their effects are directly apparent.

Good managers must also have a wealth of experience and knowledge to call on, in order to correctly implement their intuition. Company leaders must have a blend of future vision and intuitive skill, and be willing to take risky decisions to succeed.

So how does intuition complement hard data? When stuck with insufficient information and having to make a business decision, intuition can provide new ideas and thoughts, which can then be complimented with research and data. Jonas Salk,

the inventor of the polio vaccine, says this: 'The intuitive mind tells the logical mind where to look next.'

Intuition is crucial in situations where there is too much information, insufficient data, insufficient time, conflicting and bias data or obsolete visions, to name a few. Business people are often in situations when swift decisions are called for. Intuitive decisions are made infinitely faster than analytical ones, and deliver thoughts instantly as intuitive insight. Peter Senge suggests digging up all the information you can, and then following your instincts. Intuitive managers can bypass in-depth analysis and present a quick and practical solution, as well as integrating seemingly isolated data into the greater whole.

Another vital aspect of business managers is the ability to see where a problem will occur before any effects are obviously apparent. This is a function of the right brain in recognising behaviour patterns, and relies on past experience (to correctly interpret the situation) in conjunction with the intuitive idea that something is wrong.

Intuition and Employees

Intuition is useful in employee/employer relationships. Intuitive interviewers can make a decision on the suitability of the person being interviewed, after their resume and interview have provided the basic selective criteria.

Intuition continues to be of use once the person is hired, by both the employee and their manager. It helps the human resources side of business by encouraging brainstorming and providing insights into people and situations.

Employee dissatisfaction, stress and depression in the work-place is a large problem today. Unfortunately, the current strategic focus is on trying to induce employees to stay, rather than on identifying the real reason they are leaving. Organisations with traditional hierarchical control and command systems are usually the most ineffective in providing a working environment that supports and encourages employee empowerment and creativity.

By allowing employees greater freedom and creativity in the work process not only is the employee happier, but you may get some innovative ideas out of the bargain as well. The employee will have more personal meaning, higher commitment, and will develop creative solutions. They will take less sick days and become better listeners (both to each other and to their customers).

Organisations need to train employees and executives in communication skills, leadership, and decision-making. Businesses that have the foresight to realize that their very survival and growth depends entirely on the development of both their employee and executive creative potential will be capable of withstanding unforeseen market and global economic change most effectively.

Developing Intuition into a Product

Business people often receive good ideas through intuitive insight, but subsequently dismiss them because they think that someone else must have thought of them already. Then they see the same product they imagined, being newly advertised months or years later. What separates a successful business-person is the trust, ability, and drive to follow through with their intuitive concept. Too often people get the nibble of an idea and don't follow through to hook the opportunity.

This follow through can be hard work, and it is important that it is timed correctly. If you do not follow through your idea will die or be usurped by a competitor further down the track.

Heidi Roizen, president of T/Maker Corporation, says that she had come up with a great original idea for distributing clip-art (something quite novel at the time). However, she felt proud enough of herself for simply coming up with the concept and would have left it to stagnate, had she not been encouraged by a co-worker: 'It would probably have been one of those ideas that I would have seen someone else advertising a month later.' So she put in the hard work and risk, and brought out ClickArt in two months. It succeeded, bringing in 50% of the company's revenue and becoming a number one seller.

Too often current business practice is to only innovate by improving a product incrementally based on reports of what the consumer market wants at the time. This is a limitation and discourages adaptation; Developing intuition can create new visions and truly innovative products, an innovation which research cannot reveal the need for directly.

Intuition in this field of predicting consumer purchasing patterns and predicting their wants is perhaps one of the most crucial areas in which all employees must have developed intuition. As mentioned, research data can only indirectly suggest the need/want for a certain product that does not yet exist.

Not only this, but human behaviour is wholly unpredictable in general and unable to be measured accurately and objectively. Scientists themselves admit that research is most limited when humans are its objects of study. The variables controlling human behaviour are vast, ever-changing and cannot be accurately observed. 97 percent of human communication is non-verbal, subtle and often hard to understand.

What is predicted as the next big 'trend' may flop from the start, while a scarcely heard of product rockets into fame. Creativity and innovation, both intuitive, must be relied upon to fill this gap between insufficient data and a successful new product. Intuition can not only give insights into new products but can foster a greater understanding of both individuals and the consumer base at large. Tom Graves, a manager of marketing and strategy, sums it up best when he says 'We understand our customers' world and solve their problems before they have them.'

Intuition is part of our nature. It is the gateway to human creativity in all things. For the business community it the 'heart' and 'engine' of future survival and growth. It is the very foundation by which we as a species evolve and innovate. Organisations that have adopted cultures of creativity such as Sony, Dupont, 3M, and Motorola are amongst the most profitable in the world. These companies have adopted, and are using, training and personal development strategies to facilitate the intuitive and creative capabilities of both employees and executives, knowing that this is a strategic investment in their future.

For further, more specific, information see ***Business Intuition Training*** and ***Intuitive Mastery***.