

INTUITION IN MANAGEMENT DECISION MAKING

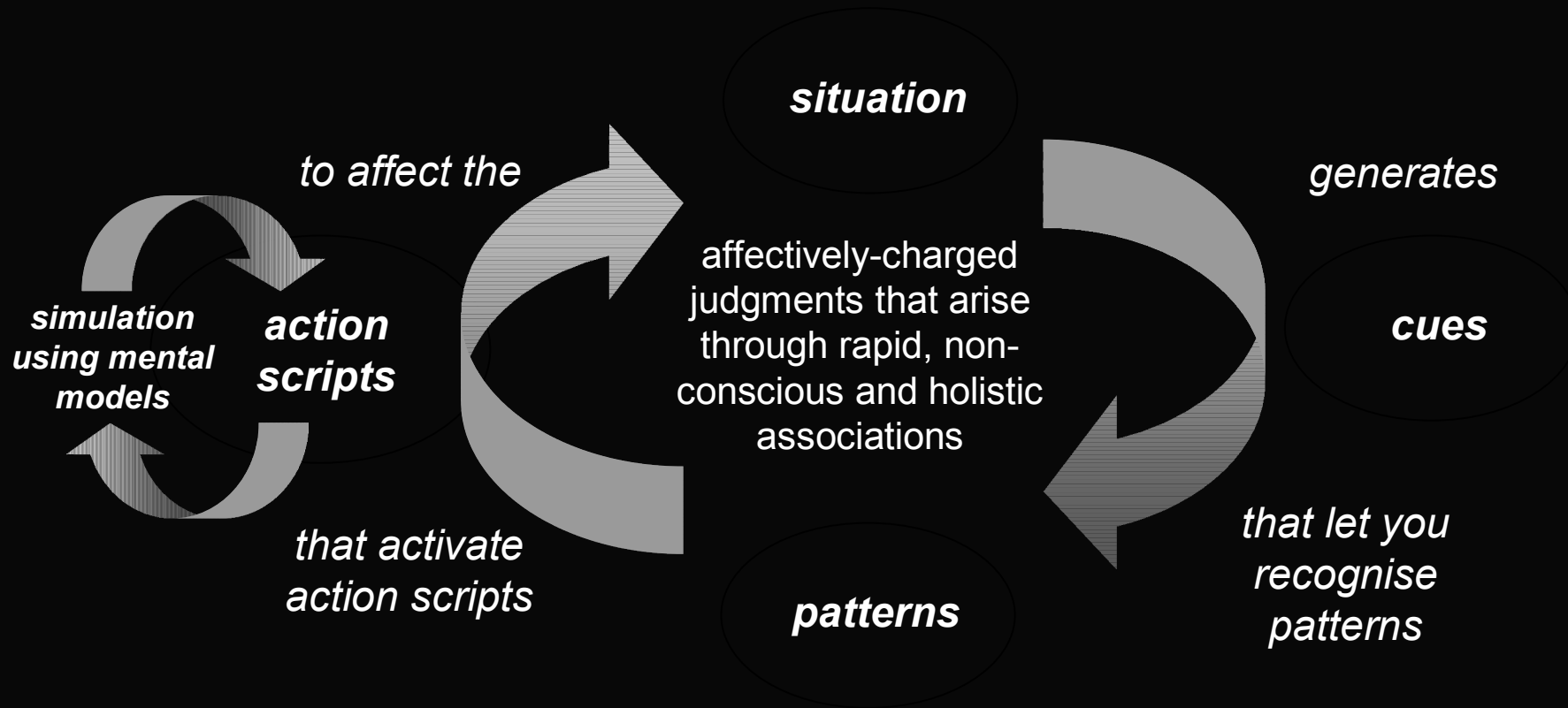
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Intuitions are
affectively-charged judgments
that arise through
rapid, non-conscious and holistic
associations
the rules of inference for which
may remain *unclear*



*Tightly structured
(favouring analysis)*

Optimization; justification;
computational complexity*

Well-structured problems
such as accounts
receivable, order entering
& inventory control**

Intellective: objective
criteria for success within
the definitions, and rules,
of a particular conceptual
system***



***Decision
structure***

*Loosely structured
(favouring intuition)*

Time pressure; ill-defined
goals; dynamic conditions;
experienced participants*

Ill-structured problems
such as mergers &
acquisitions, new product
planning, R&D planning**

Judgemental: judgments
for which there is no
objective criterion or
demonstrable solution***

Conscious rational system

Intentional, analytic, primarily verbal and relatively emotion-free

Encodes information in abstract symbols and concepts



Pre-conscious experiential (intuitive) system

Automatic, holistic, primarily non-verbal and associated with emotion & feeling

Encodes information in concrete forms such as examples, images and stories

Build expertise

Accelerate learning process

Exposure and immersion in a domain / CoP

Expert mentors, coaches and role models

Managed experience

Simulation

Dreyfus & Dreyfus, 1986; Ericsson & Charness, 1994

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Use intuition 'intelligently'	Train managers to use devil's advocacy 'Kind' vs. 'wicked' learning environments Get good feedback Schweiger et al, 1989; Hogarth, 2001

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Use intuition 'intelligently'	Train managers to use devil's advocacy 'Kind' vs. 'wicked' learning environments Get good feedback Schweiger et al, 1989; Hogarth, 2001
Give your 'rational mind a reprieve' (a mind by-pass)	Retreat and reflect Contemplation Mindfulness Senge et al, 2005; Claxton, 2001; Kabat-Zinn, 1993; Langer, 1997; eastern traditions 500BC

References

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- Burke, L. & Sadler-Smith, E. (2006). Instructor intuition in the educational context, *Academy of Management Learning & Education*, **5**(2)
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SYMPOSIUM
INTUITION IN MANAGEMENT
PRACTICE



Organised by the Centre for Management Learning and Development (CMLD), University of Surrey

Held at the Advanced Institute of Management (AIM), London

28th September 2006, 9.30 am – 4.30 pm

Contact: e.sadler-smith@surrey.ac.uk

**Intuitive
trait**

**Un-informed
reliance upon
intuition**

**Discriminating
use of rational
analysis and
intuition**

**Louis and Sutton
(1991) 'switching
cognitive gears' :**

**“effectiveness may be
as much a function of
an individual’s
capacity to sense
when a switch is
required, as to
process information in
one mode or another”**

**Indiscriminate
reliance upon
'rules of
thumb'**

**Over-reliance
upon rational
analysis**

Rational trait

Mechanisms

- Spreading activation theory (Bowers et al., 1990)
 - clues to coherence in task automatically create activation across semantic networks of neurons
 - spreads, reaches threshold level → generates ‘hunch’
- Somatic marker hypothesis (Damasio, 1999)
 - pattern of somatic and visceral signals from the body (Le Doux, 1996) acts as a warning (a somatic marker)
 - allows the decision maker to anticipate the ‘pain or pleasure’ of outcomes
 - may have evolved at a comparatively early stage in human evolution (Epstein, 1994)

- Is there a neuroscience of intuition?
- If intuition has a somatic/visceral component what role does language play in articulating intuition?
- Do organisations learn to have ‘collective intuitions’?
- Is it possible to develop intuition?