

## THE ISSUE OF INTUITION IN MANAGEMENT - ESTABLISHED KNOWLEDGE AND PERSPECTIVE OF EVOLUTION

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**Summary:** This work presents the issue of intuition as a mental ability and its usefulness in management. The presented contents were divided into two informal parts. The first part shows the theories which are commonly accepted in management sciences. It consists of those views which everyone agrees with, for example, that intuition actually exists; and the views which are not shared by everyone, for example, the question of usefulness of intuition in practice. This part also presents how intuition is understood by management of different enterprises. Some aspects were shown which should be taken into consideration in order to understand the issue of intuition in management completely. Typical behavior of the managers who justify the necessity to appeal to intuition in their managerial practice and conditions of management was considered to be the most important. The stereotypes in approaches to intuition were also determined. The most important conclusions of in-house research were presented. It follows from them that enterprises do not carry out systematic analyses directly connected with intuition. More than that, the problems were presented which make the use of intuition in the process of management difficult. Some important approaches which help increase the effectiveness of the use of intuition in organizational practice were mentioned. The key research questions, which have not been answered yet, were formulated.

**Keywords:** intuition, intuitive abilities, managerial competences, management

### 1. Introduction

An answer to the question about key factors which have an influence on the level of managerial effectiveness has not been found yet. However, in the 20<sup>th</sup> century there have been carried out a lot of experimental research in this direction. Common conclusions have not been reached neither by the suggested theories of managerial characteristics nor by the competence theories. An “exemplary model” of a set of characteristics has not been found, which in a particular case would differentiate efficient managers from inefficient ones. Alike in the case of the theory of attributes, it has not been possible to point out unambiguous managerial competences which would one hundred per cent determine a manager’s efficiency. The following factors which determine the efficiency in a managerial work are considered to be the most important: psychological characteristics, talents, knowledge and skills. Taking into account the fact that contemporary scholars who examine the factors of success at work of managerial personnel do not have a common opinion about which characteristics or competences have the strongest influence on the managerial efficiency; however, they mutually share one opinion that their influence in this respect cannot be neglected.

The most important aim of the present work is to present the issue of intuition as an intellectual competence – in the concept of management based on competences, which is more and more useful in managerial work. The main attention is focused on two basic aspects concerning intuition: 1) Presenting the issues which are commonly acceptable in management sciences – which make the so called normative knowledge, and 2) Presenting the problems

which make it difficult to use intuitional skills in managerial practice. These issues still concern some branch researchers and require further investigation.

## **2. Understanding of intuition – established theory**

Intuition is still considered to be one of those properties of the human brain which has not been completely understood. It is one of the most secret notions connected with human capital analysis. Scientists mutually share the idea that intuition really exists. However, they do not agree in the question of its nature which explains what this ability is. There is no unanimity in the question of usefulness of intuition in practical activities. For this reason, scientific literature of the subject presents many definitions of intuition, there are differences in its understanding and estimation of its usefulness. In the views presented by different authors it is possible to distinguish three basic approaches:

- 1) Viewing intuition in the categories of a process (among others: Westcott & Ranzoni 1963, Raidl & Lubart 2001);
- 2) Viewing intuition in the categories of a result (among others Kahneman 2003);
- 3) Accepting the attributive characteristic of intuition (among others: Myers 2002, Policastro 1999).

Colloquially intuition is understood as a certain kind of brainwave, foreboding, sense, the process of indirect obtainment of knowledge, confidence in a certain case without a conscious understanding. Understanding of intuition in such a way is also typical of managerial staff of an enterprise. The respondents, who tried to define this notion<sup>15</sup>, often showed that intuition was: an internal voice, a certain thought, feeling, foreboding helpful in a decision-making process, which can guide when making a decision, which can incline to a certain behavior. They also mentioned that it is an internal belief and persuasion about correctness of undertaken actions. The managers who took part in the research identified intuition as an ability to foresee events, to make correct conclusions concerning the future, which are not motivated by any scientific analyses of estimations, a choice without any rational justification. They also mentioned that intuition is a self-preserving mechanism which enables capturing of numerous abnormalities despite the fact that they are not signaled by rational factors.

The managers who took part in the research pointed out at all important aspects connected with the issue of intuition – its definition, understanding and necessity in decision-making processes which are described in the branch literature<sup>16</sup>.

## **3. Usefulness of intuition in management – established theory**

Similar tendencies as in the case of understanding the notion of “intuition” and its use in decision-making processes concern the issue of its usefulness in management. These tendencies can be described as a management’s point of view.

In order to understand the issue of intuition in management from the holistic point of view, at least two basic aspects should be taken into consideration:

1. Determination of typical behavior of management which states rational justification of the necessity to appeal to intuition, and

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<sup>15</sup> Methodology of the in-house research concerning the issue of managerial intuition, characteristics of a research population and the research results were fully described in a monograph: Jędrzejczyk W., *Intuition as a managerial competence in theory and practice of management of an enterprise*, “Dom Organizatora” Publishing House, Torun, 2013, pp. 197-239.

<sup>16</sup> The issues of intuition and of the usefulness its in management was discussed by many researchers, among others: W.H. Agor (1998), D. Dean & J. Mihalasky (1974), N. Khatri & H.N. Alvin (2000), M.A. Lyles & I.I. Mitroff, (1980), I. Oluwabusuyi (2011), A. Peszko (2013), J.E. Pretz (2008), T.J. Peters, R.H. Waterman (1982), M. Sinclair & N.M. Ashkanasy (2002).

2. Determination of conditions of management which also justify the necessity to appeal to intuition in management practice.

Typical behavior of management which states a rational justification of necessity to appeal to intuitions are as follows:

- managers rarely think in a way which can be understood as rational;
- they sometimes formulate aims systematically estimating their value, discussing alternative ways of reaching them and choosing the paths which maximize the expected return on investment;
- usually they avoid rigorous, analytical planning.

Typical conditions of management which justify the necessity to appeal to intuition in management's practice are as follows:

- more and more complex and dynamic environment in which a lot of problems can be solved only with the help of intuition;
- an appropriate area of impact of management decisions includes reactions to difficult, new, irregularly repeating or unrepeatable situations;
- a lot of factors and criteria which managers should take into consideration when making decisions are of difficult or impossible to measure nature, often qualitative.
- not many decisions of strategic character in enterprises can be made on the basis of complete, precise and updated information.

Intuition by many theorists and practitioners of management is treated as a brain ability which can successfully be used in decision-making processes in the frames of an organization. It is given more and more significance in management and controlling of organizations. Strategic managers should possess this quality. A lot of researchers say that intuition is regularly used in running a business activity. However, it should be remembered that intuitive abilities are only used to complete and eliminate limitations of analytical abilities, but not to substitute them.

#### **4. Intuitive potential of Polish managers in the light of the in-house research results**

The presented proposals of own research concern Polish organizational practice. Methodology of the own research concerning the issue of managerial intuition, characteristics of a research population and the research results were fully described in a monograph: Jędrzejczyk (2013, pp. 197-239).

The obtained results concerning the issue of intuition in management, including intuitive abilities of the managers who took part in the research, are not optimistic. It has been stated that in the companies they do not practice intuitive management in a formalized way. In the enterprises which took part in the research the highly intuitive individuals were not identified, they were not given tasks which required an intuitive approach, they were not supported in their intuitive activities. In recruitment processes to managerial positions intuitive abilities were not taken into consideration. During the trainings conducted for managers their intuitive skills were neither developed nor enhanced. In the implemented competence models intuition was not taken into account. In single cases intuitive potential of managers was used in a conscious way. The level of intuitive abilities of the managers who took part in the research<sup>17</sup> was 5.52 on the 12 degree W.H. Agor's scale of brain skill, only 1% of the managers<sup>18</sup> had very high intuitive skills. It means that Polish managers in general are characterized by analytical abilities.

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<sup>17</sup> The analysis of potential intuitive abilities of the respondents was carried out with the help of the AIM questionnaire developed by W.H. Agor [1998, pp. 172-173].

<sup>18</sup> To compare – the level of intuitive abilities of American managers in a private sector is 6.15. Very high intuitive abilities have 10% of managers [Agor, 1998, pp. 185-187].

On this basis one of the most important research conclusions was formulated: **In companies** systematic analyses connected directly with intuition are not usually carried out. Intuitive abilities and behavior of managers are not analyzed; however, it is understood that these abilities have an influence on the roles and implemented tasks in certain managerial positions. The obtained results make evidence which empower to make decisions aimed at effective and conscious use of intuition in the management practice.

## **5. Usefulness of intuition in management – perspectives of evolution**

Activities aimed at a more effective use of intuition in the practice of management are not easy to implement. In scientific literature on management many different approaches can be found which can be helpful in effective use of intuition in practical activities. They are as follows:

- a management approach based on competences (mental competences) (Nosal 1999, pp. 201-202),
- an intuitive understanding of strategy (Duggann, 2007),
- a program to manage mind abilities (Agor 1998, p. 261-263),
- a system of managerial intuition management approach (Jędrzejczyk, 2013, p. 241-271).

The most advanced approach is a system of managerial intuition management put forward by W. Jędrzejczyk. This system establishes recognition of the level of intuitive abilities of the management, determination of the level of intuitive abilities required at different managerial positions, recruitment of managers with desirable intuitive abilities, development of the mechanisms which would limit the number of biases of intuitive decisions, development of the mechanisms which would increase the efficiency of the intuitive activities, trainings in terms of developing intuitive abilities and trainings in terms of increasing of efficiency of intuitive activities. The suggested approach is systematic and it does not treat intuition selectively.

The highlighted approaches, except the approach of intuitive understanding of strategy, are relatively simple. However, it does not mean that they are easy to use. In order to use them, special knowledge is not required, but you need self-discipline, regularity and persistence in action.

Previous approaches do not solve many problems connected with the issue of intuition in management. Here are the questions which have not been answered by the researchers so far:

1. To what extent do mental abilities influence decision-making?
2. How can a number of wrong intuitive decisions be limited?
3. Why are intuitive abilities of top-level managers much higher than intuitive abilities of lower-level managers?
4. How can mental abilities of managers be used optimally?

In order to find out responses to the formulated questions further research and analyses are required.

## **6. Conclusion**

There is no doubt that intuition is a specific, effective cognitive source and a way to make decisions. However, treating intuition as an instrument to support management is not easy. It happens, first of all, because this brain ability is not fully understood. The results of the in-house research also confirm this argument. It would be better to eliminate intuition from business practice. However, it is not possible.

Theories concerning the issue of intuition in management could be divided into views which everybody agrees with, for example, the fact that intuition exists; and those views which are

not shared by everyone, for example, the question of usefulness of intuition in practical activity.

According to the authors the most helpful in effective use of intuition in organizational practice is a system approach to the issue of intuition. This idea is relatively simple. However, it does not translate into easy use. A lot of questions connected with the issue of intuition in management have not been answered yet. The problem requires further scientific research.

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