THE ROLE OF INFORMED INTUITION IN STRATEGIC DECISION-MAKING

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ABSTRACT

There are two dominant streams of thought related to best practices for decision-making: data analysis and intuition. Historically data analysis and intuition have been understood to be opposites, or if placed on a continuum, very unique entities at either end of the continuum. The literature validates both ways of knowing and thinking, and even suggests that both processes might be complementary, but there is little in the literature base that explains, or models, how the two vastly different perspectives might be used together to make wise decisions. In addition, when faced with the unknown (e.g. the world lockdown due to the COVID pandemic), creative, generative logic needs to be applied. How might creativity fit with data analysis and intuition? This paper reviews the literature and delves into how data analysis and intuition might complement each other, how generative logic might be integrated, and provides a possible framework for decision making that would allow greater synthesis in the decision-making process.

Key Words: Informed intuition; strategic decision-making; operational decisional making; the Stinson Decision-Making model.

1. INTRODUCTION

One of the advantages of doing research and writing with a close friend is the ability to discuss and debate the merit of ideas while out in the middle of a lake kayaking with our wives, or over coffee, or any of a number of circumstances, at times to our wives' chagrin. Over the past eleven years as we have written a series of articles (Lee & Stinson, 2013; Lee & Stinson, 2014; Lee & Stinson 2015; Lee & Stinson 2017; Lee, Stinson & Ma, 2023) about the application of the Stinson Model (Stinson, 2013) in organizational decision-making, one concept that has been a recurring debate is the role of intuition in decision making. In discussing the concept of intuition in decision-making, it has been pointed out that the role of intuition has often saved said authors from making some monumental mistakes when evaluating business opportunities, whether it be in the form of a "gut-check" or the application of "common sense". Perhaps even more helpful has been the application of intuition when dealing with thorny people issues in organizational leadership settings. Yet, it was also acknowledged that intuition that is not guided by research, facts and wisdom could be hugely detrimental to an organization's well being. This last point led us to begin thinking through the important role of informed intuition in making wise decisions, both on an organizational level and on a personal level as well. As we studied the Stinson Model and its four decision-making pillars, we concluded that perhaps it is time to consider the integral role that informed intuition might play in this model.

In the setting of strategic decision-making, most earlier studies have assumed that managers rely either on intuitive or data analysis when making strategic decisions. Relying on intuition allows the manager's automatic and largely intuitive sense to dictate the appropriate course of action. Analytical reasoning requires managers to identify and evaluate alternatives based on evidence, assumptions, and objectives that are systematically collected and analyzed. Although both intuition and rationality play an important role in strategic decision-making, their essential differences lead to tensions in practical applications (Calabretta, et al., 2017). There is an inherent paradox between the rapidity of intuition and the systematicity and rigor of rational decision-making. The existing literature on the concept of rigorous intuition and its relation to intuitive and rational decision-making lacks depth and tends to ignore disciplined intuition when examining cognitive strategies that influence strategic decision-making.