

Intuition, Trust, and Analytics in Executive Decision Making

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Background

- A KPMG Study on "The Trust Gap" found that only one-third of the 2,200 CEOs surveyed trusted their data and resulting analytics. According to a Queen's University Smith School of Business Executive Survey, executives typically rely on their intuition when making people-oriented decisions and when dealing with volatile situations – 66 percent tend to use intuition in making decisions involving their teams, and 65 percent apply their intuition in crisis management.

Objectives

- This study set out to better understand the degree to which executives prefer intuition versus analysis and the relationship between these approaches to decision making.

Methods

Our research, performed by colleagues from the U.S., Canada, Poland, and Italy, examines executives' as well as other less experienced employees' preferences for different types of intuition versus data analysis. Our research combines elements of a review, a cross-cultural/cross-company survey study, and a biometrics study in interoception. The research team has a multidisciplinary background in business, information technology, strategy, trust management, statistics, and neuroscience.

We present findings from two studies. Our first study examines executives', as well as other less experienced employees', preferences for intuition versus data analysis. Specifically, using a web-based survey, we collected 172 responses from Canada, the United States, Poland, and Italy. Respondents were also diverse in the industries they represented, as well as the positions they held (C-Suite, Directors, Managers, and Staff).

As part of our second study, 15 executives and 30 other individuals (i.e., controls) of similar mean age were subjected to a heart beat count as well as to a time-lapse count taken with highly specialized devices. Heart Beat Scores (HBS) and Time Difference Scores (TDS) were estimated for each subject. The methodology employed was the same as that utilized in Kandasamy et al. and ANOVA tests were performed by comparing HBS and TDS in executive and control groups.

Results

Table 1. Demographic Breakdown of Our Sample

Industry	Years of Experience	Gender
Not-for-Profit	17%	1- 5 years
Marketing	13%	6-10 years
Manufacturing & Engineering	11%	11-15 years
Professional Services	20%	16-20 years
Information Technology	30%	More than 20 years
Pharmaceutical	8%	
Agriculture	1%	

Position	Country
C-Suite	65% Canada
Directors	12% United States
Managers	15% Poland
Staff	8% Italy

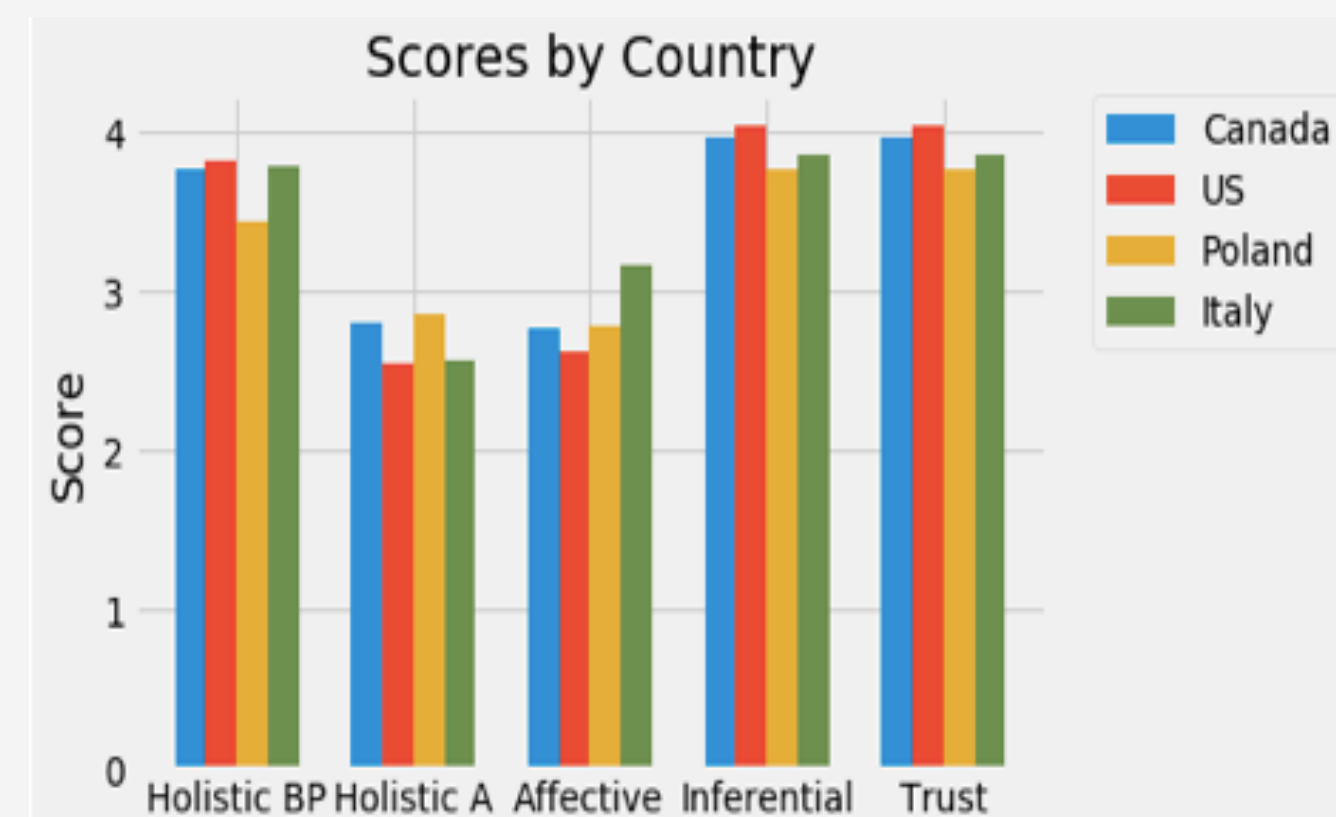
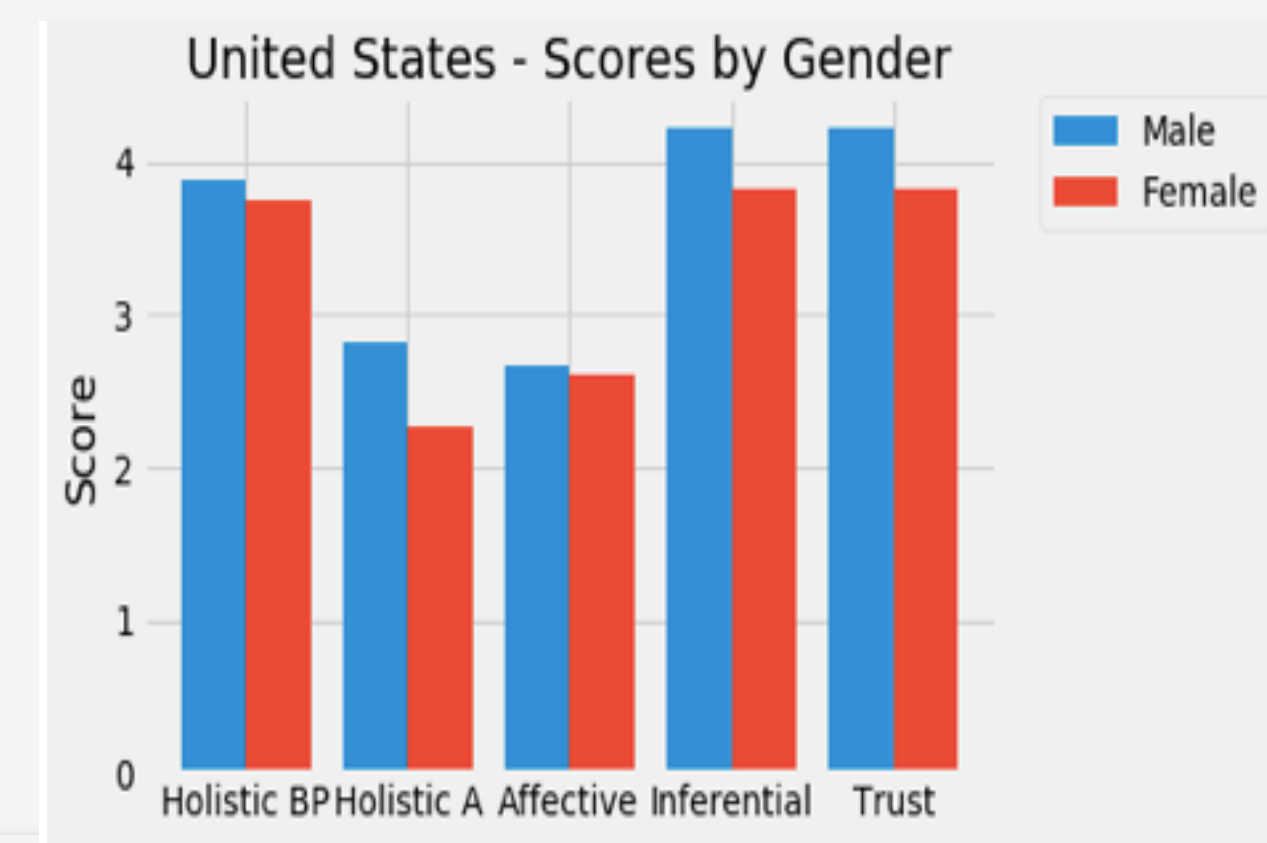
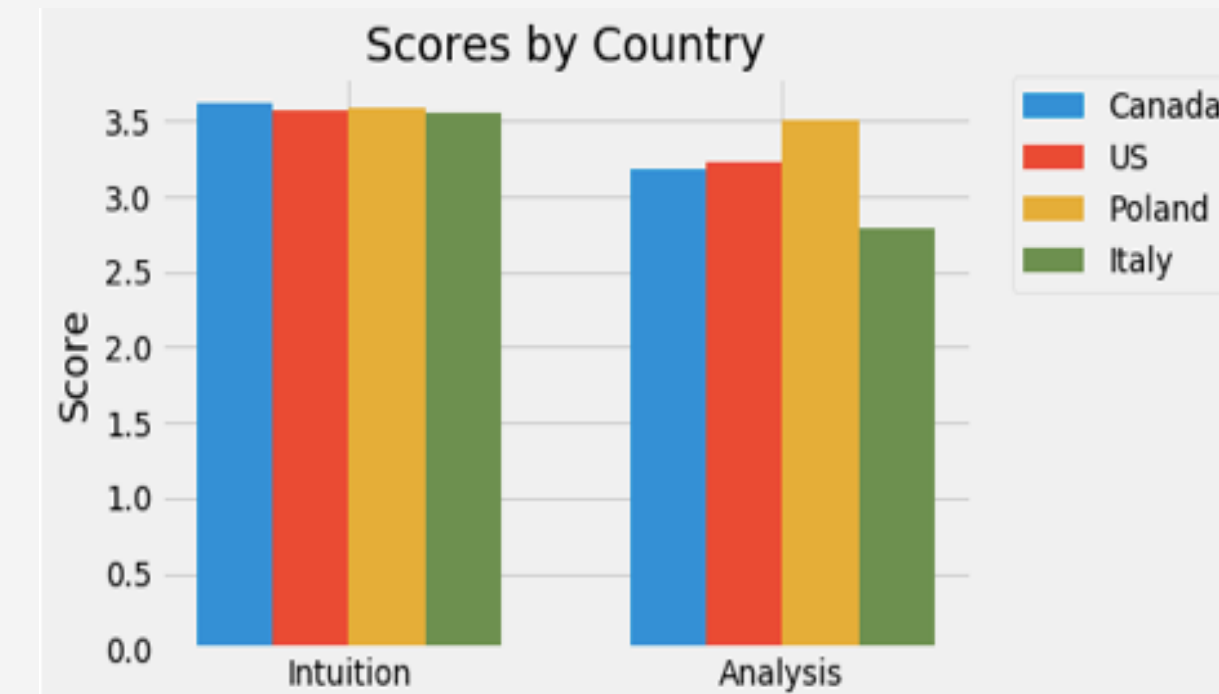


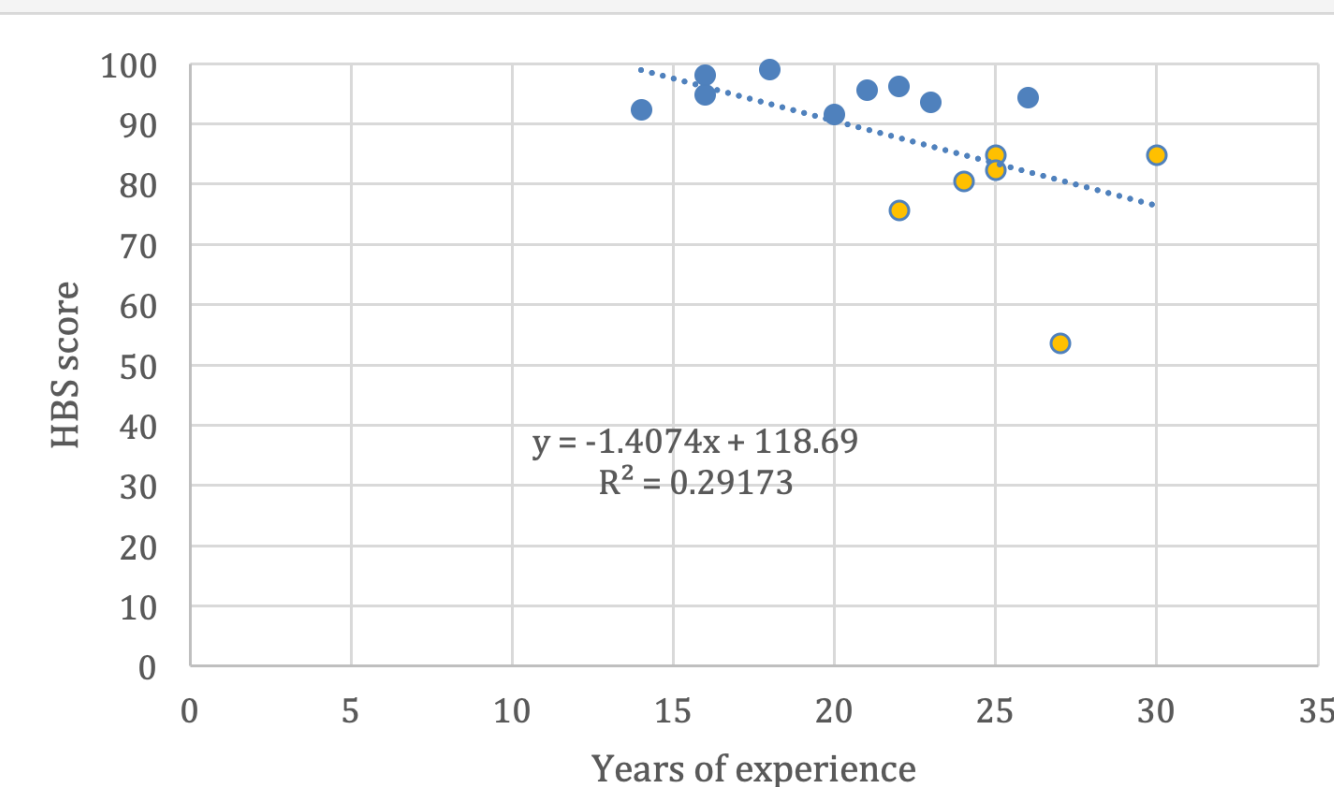
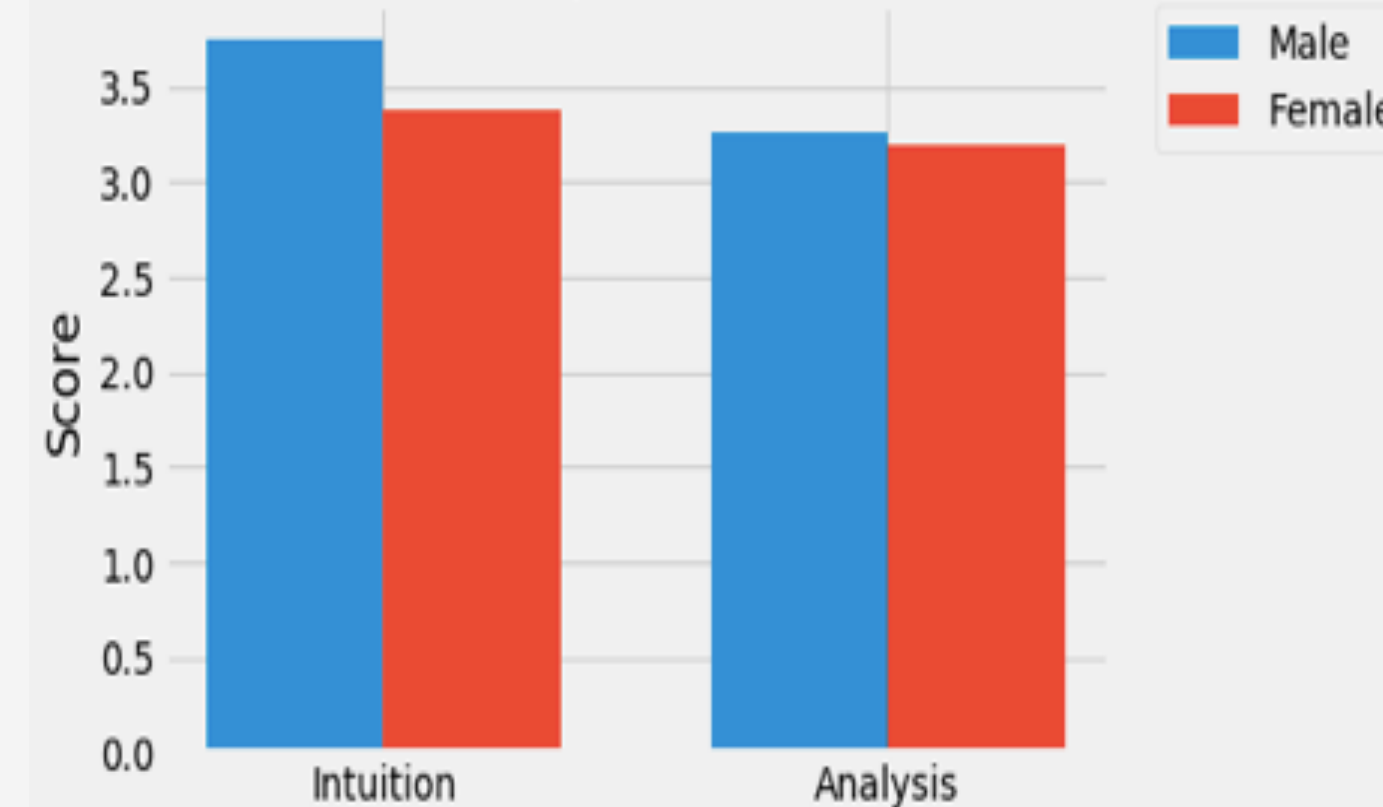
Figure 1: Normalized Intuition Scores, Means by Country



Results



Scores by Gender - US



Results

- Preference for different styles of intuition and analysis is dynamic, changing as employees gain more experience
- Executives tend to adopt a Big Picture Modeler style more so than a Feeling Theorist one
- Employee preferences for intuition styles change as they gain experience. However, we also found evidence that suggests it is possible for one's intuition style to remain static and trait-like, differentiating managers from leaders
- North American employees prefer inferential intuition approximately 6% more than their European counterparts, even when controlling for years of experience ($p < .01$)
- The executives showed a greater capability to develop interoception than the age-matched control group, in a way that could not be explained by chance alone

Conclusions

Use your *informed intuition*, founded on years of experience in business and inspired by big data analytics, to guide your business decisions.

