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Tempo, Tempo, Tempo



Combating the Crisis with Intuitive Decisions

In the globalized world we live in, production cycles and, as a corollary, work cycles are accelerating at an ever faster rate. At the same time, their complexity is increasing exponentially. The combination gives rise to a paradoxical challenge for decision-makers: there is less and less time to make decisions while having to process a rising tide of data. But we still have enormous development potential: in our intuition. This "sixth sense" is here for exactly this purpose: coming to decisions and steering a course (and ourselves) in hectic times. N onday morning shortly before eight at Frankfurt airport, Terminal 1: you have checked in and are now drinking a cup of coffee and using your iPhone to answer your e-mails. Twenty minutes later - you have managed to take care of at least part of your messages – you board your plane to New York, find your seat, stow away your carry-on luggage, and take out the dossier of 180 pages that one of your co-workers has prepared for you in the last few weeks. By the time you meet your business partner in Gramercy at 1:00 p.m. local time, you must have found and understood the essential facts and details. But naturally just reading the paper is not enough, because you find masses of references to other documents you have saved on your notebook. All in all, you have more than 700 pages to read. When you arrive at the appointment with your business partner, you have not worked through even half of the documents. Only one thing is sure: the two of you must reach a decision today.

To sum up: You must extract the data relevant to you from the growing amount of available data and turn it into meaningful information in order to serve your purposes. Just between us, and you do not have to tell anyone else: haven't you recently felt it was all too much on occasion? Or do you always have everything under full control while staying completely relaxed? If you answered "yes" to the latter question, you can stop reading right now, because this article has nothing to say to you. But if you feel pressured to make decisions from time to time or even frequently, if you are overwhelmed by a flood of data, then you might be able to learn something.

You cannot not decide

Perhaps you have been in a communication training workshop at some time and heard the sentence, "You cannot not communicate", or even heard it straight from the man who first said it, Paul Watzlawick. Much like the situation in communication, there is no escape from having to make our daily decisions. No matter what you do, you make a decision. There is no place free of decisions. Even if you stay in bed so that you do not have to make any decisions in your job, that is in itself a decision with major consequences, depending on just how long you stay there. So even the decision not to make a decision, to postpone a decision, or to delegate one is a decision. You can also regard every single perception, thinking, and action as a decision: it is a selection from a number of options which means excluding the options which are not chosen.

This is by no means a merely academic exercise. This fact has consequences, every day. That is because every single one of these decisions is influenced rationally as well as intuitively and for a very simple reason: the separation between "rational" and "intuitive" is a mere invention of our language. No one can make decisions or act as a strictly rational or strictly intuitive being. You can view these two aspects as opposite ends of a continuum along which you can shift your decision-making style in the one or other direction as a general tendency. But you will never reach either of the terminal points. This is quite simply because our brain has an integrative mode of function. Rationality, intuition, and emotions form a unit and do not function independently of one another. Let there be no misunderstandings about this: it is not some theory taken out of thin air, but a fact documented by research.

The American neurologist Antonio Damasio has been able to prove on the basis of various clinical cases that emotions are the basis for reasonable, rational decisions. People who for one reason or another have lost their ability to feel and perceive emotions are no longer capable of applying the famous Eisenhower principle in their daily work. They can no longer determine which of the required decisions are important, which are urgent, which are both, and which belong in File 13. They are hopelessly overwhelmed. In his best-known book, Descartes' Error, Damasio reports the example of a manager, once extraordinarily successful, who was no longer capable of taking care of everyday business sensibly in his profession after an operation to remove a tumor. A striking parallel to this inability to make decisions was a significant restriction in his emotional life. That is one aspect.

Another is that all brains, so probably yours as well, perceive and process data not only on a conscious level, but indeed above all on a sub-conscious one. One current estimate assumes that we are able to consciously capture a maximum of 50 information units per second, while the figure for subconscious perception is 11,000,000. In other words, our subconscious perceptions exceed the conscious awareness by a factor of 220,000. Nonsense? Well, you certainly have the right to doubt a difference of such astronomical proportions. But there are plenty of scientific studies which clearly substantiate the superiority of subconscious perception and processing of information. As an example, consider the following experiment conducted by the same Antonio Damasio previously mentioned. The subjects were given two stacks of cards, one blue, the other green. They were asked to turn over the cards of their choice; a win or loss of money was shown on the back. The subjects did not know that the green cards were the better choice because at the end of the day they resulted in higher gains. The subjects realized this consciously after about 50 cards. However, they subconsciously recognized that the blue stack was more dangerous - although it featured high gains, it produced even more high losses - after only ten cards, changed their behavior, and selected more green cards. The conclusion: we can recognize patterns and contexts faster on a subconscious level than on the conscious one.

Over the course of years, you pile up a mountain of experience, both consciously and subconsciously. In the meantime, you are – unless you are right at the start of your career – an expert. You have not only a large body of knowledge, but above all the great skill of being able to assess situations and solve problems more quickly than a beginner. In short: you have a steadily growing wealth of experience at your disposal. The so-called expertnovice research has been able to demonstrate again and again that experts can intuitively make fast decisions which are nevertheless highly accurate. These intuitive decisions are frequently superior to those made analytically-rationally thanks to the higher speed. It is absolutely impossible for you to avoid gaining in experience. The most you can expect is to become a less than brilliant expert in your field. As your experience grows automatically, your professional intuition grows along with it.

A pinch of criticism

So much for basics. Rationality and intuition are two sides of the same decision coin. But just like everything else, intuition has its dark moments as well. Intuition does not mean only spot-on decisions; it can also lead you merrily down the garden path. This results from the mechanisms that explain intuition.

Perception is subject to error. For example, think about optical illusions which lead you to draw incorrect conclusions from conscious perception. If even conscious perception can be deceived, we have to ask ourselves, why should subconscious perception be error-free? Neither hard evidence nor logical arguments offer any support for such a theory. We can conlude: your subconscious perception and processing of information can result in errors leading to the wrong decision.

Expertise makes people blind. So does success. You undoubtedly know the infamous killer argument, "That's the way we have always done things." It is the supreme manifestation of the experience trap. Just because your application of a certain procedure in the past was crowned with success is by no stretch of the imagination proof that the same strategy will work just as well in the current situation, much less that it is the best solution. You run the risk that your intuitive expert judgment in a new situation will be overshadowed by your previous experience. Here is the possible mistake: you overlook the significant difference which distinguishes the situation today from what happened so often in the past. But as if that were not enough, you also run the risk of drawing on your experience to remember those aspects which appear especially representative to you at the moment or which are simply available right then.

Moreover, you can fall prey to even more errors. For example, there are the so-called "halo and devil effects." In such cases,



you erroneously make an overall assessment on the basis of one positive or negative trait. This can color your judgment about individuals as well as your assessment of teams or even entire companies. Both of the terms come from the psychologist Edward Thorndike, who examined the way officers rated the men under their command during the First World War. The officers displayed a tendency to judge soldiers who were especially successful in one area to be competent in other areas as well.

Accelerating and improving decisions

So you find the following situation for your daily work. You are constantly having to make decisions, and at least some of them have a significant influence on your professional success. But you do not make these decisions only consciously and rationally, but always intuitively as well. These subconscious-intuitive elements are a great opportunity - but also a great risk. So the development of your professional intuition is not a nice luxury which you can allow yourself or your co-workers whenever you have some time which is not required for other important operational tasks. Quite the contrary: this development is the prerequisite for raising your decisions to a professional level, especially during times of rising complexity, dynamics, and consequent risks. There is a very good metaphor for this: sharpen your ax before you go into the forest and start cutting down trees. Your work will be easier, faster, and more successful than if you start hacking away at the nearest tree with a dull ax because you think you are especially short of time at this moment. Dull action in it's own right only seems to save time.

Inevitably, the question arises as to whether it is at all possible to train your intuition and the intuition of your co-workers and, if so, how. To make it brief: intuition can be trained and professionalized. Intuition is amenable to quality improvement. This has been demonstrated by various empirical research projects in which test subjects completed a course of intuition training and were subsequently examined. The reason is simple: the quality of intuitive decisions is based on various aspects. First of all, there is your inner attitude. As is the case with all other capabilities, your belief in your own effectiveness plays an important role. So does whether you regard intuition as a professional skill or so much esoteric mumbo-jumbo or as legitimate as long as it is kept to your private life and does not intrude on your professional work. It is significant whether you assume that intuition in your professional environment is a "no-go" area or whether you see it as a possibly helpful enhancement of rational analysis. Moreover, your intuition is decisively dependent on your perception and attentiveness. This is especially the case when you are called upon to manage the unexpected. In their book Managing the Unexpected, the two organization researchers Karl Weick and Kathleen Sutcliffe examine organizations which are subject to especially great complexity and dynamics and consequently unplannable situations, e.g., fire-fighting units, disaster control services, intensive care units, aircraft carriers, and similar entities. They summarize their results in the final chapter, An Mindful Management. Besides the inner attitude toward professional intuition, perception, and attentiveness, the subsequent dealing with intuition plays a great role. What happens when you have become aware of your intuition? Do you take it seriously, or do you push it aside as an annoying, disruptive factor? Or do you have a knee-jerk reaction and go along with it without examining it for plausibility? Of course, the nature of the experience you have had with your intuition in professional life in the past is important. Have you previously enjoyed important successes because you made intuitive decisions? Or has following your intuition been more likely to result in spectacular failure?

All of these personal factors influence the development of your professional intuition. But no one is an island. That is why you cannot simply wall off your intuition from your professional environment. Companies which are especially hierarchical, centralized, and bureaucratic are not especially encouraging when it comes to the intuition of their employees. Companies dominated by mistrust in which everyone writes e-mails rather than picking up the phone because of the perceived necessity of safeguarding his or her position ultimately kill off their own intuition and the intuition of their employees. Nor is it any different when the target for error tolerance is set at zero. No one learns without making mistakes. That does not mean that





Operations



laissez-faire or shoulder-shrugging should be the order of the day, but there should be the insight that mistakes happen and are not made, because otherwise it would be sabotage. Anyone who feels permanently threatened will always and constantly want to circle the wagons and will certainly not do one thing: take the risk of making an unfounded, intuitive decision from time to time. This is madness, especially when you consider that intuition is not just irrational nonsense, but is based on the expertise acquired over the course of years and comprehensive, subconscious perception. But: it cannot be substantiated.

In closing, a few tips

Do you want to sharpen the blade of your intuition? There are several things you can do, without going to a lot of trouble.

Think back to important decisions in your career. How did your reach your decision at that time? How much of it was calculated, how much intuition? How long-lasting and successful were the decisions made when you did not listen to your intuition? What was the general situation when your intuition was successful?

Notice more carefully in the future whether your intuition slips up on you, whether you have a feeling, a premonition that this or that is the right thing to do, or whether you should give something a wide berth. Just notice your intuition without the feeling you must follow it. Find out whether there are different forms of intuition: in one case, you may have a bad gut feeling, the next time you notice tension, and another time you are perhaps simply nervous. This will increase the precision of your perception of your own intuition and you will more quickly know what to think about your feelings.

When your intuition whispers to you, you can and should, if time allows, ask yourself the following questions: What are the consequences that could result from my intuitive decision? What are the possible consequences of my rejecting the intuitive decision? What do others – my colleagues, co-workers, or business partners – say about my intuition?

If you are in the appropriate position, you can of course bring up professional intuition as a topic with your co-workers and colleagues. Not necessarily in the next meeting, because that is presumably already planned, but there are plenty of other, informal moments: at the espresso machine, in the canteen, or when you go out in the evening for something to eat.

2009 will not be an easy year. We are not exactly in the middle of an economic upswing when corporate balance sheets are blossoming and your personal bank account is growing all by itself. This is exactly the right moment to examine carefully your own ability to make decisions because the moments when things are difficult or become that way are exactly the times when your intuition becomes more needed than ever.

Bibliography

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* Meaning of the term "Nichtwissen": Nichtwissen is the German term for "absence of knowledge", including conscious and unconscious aspects of not-knowing. In contrary to ignorance it does not automatically feature not wanting to know, which could be seen as a special subtype of "Nichtwissen". Errors and misconceptions are other contributing subtypes of "Nichtwissen".