

*Full Length Research Paper*

# The use of intuition across cultures

Isola Oluwabusuyi

School of Business and Accounting, Brown Mackie College, Argosy University, Atlanta, Georgia, USA.  
E-mail: [oluwabusuyi5@yahoo.com](mailto:oluwabusuyi5@yahoo.com).

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The purpose of this study was to examine and compare the factors that influence intuition as a decision-making tool for leaders/managers in Hong Kong and the United States. This study examined the relationships among gender, management level, extent of management experience, country of operation, and the reported use of intuition in decision making. Existing empirical research in this field is sparse. In this research, attempt was made to contribute to empirical research on the viability and reported use of intuition as a decision-making skill of leaders. Agor's Intuitive Measurement Survey (AIM) survey was adapted (with permission from copyright owner) from Weston Agor's study to measure the relationship between a manager's reported use of intuition in decision making and the manager's management level, his level of management experience, the manager's gender, and the manager's country of operation. Each participant was electronically sent a link that led to a web page containing the survey questions. Once the respondent clicks submit, the questionnaire was mailed directly to the researcher. The research shows significant relationship between research variables. Administrative managers in Hong Kong's reported use of intuition in decision making was significantly lower than US managers reported use of intuition in decision making. The paper concludes by examining the implications of these significant findings to global business management and management education.

**Key words:** Decision making, intuition, global management, culture.

## INTRODUCTION

A new study conducted at Argosy University's School of Business showed that business owners with 10 years or less management experience in Hong Kong's reported use of intuition in decision making is lower than US supervisors with 10 years or less management experience's reported use of intuition in decision making. The study had four different management categories including supervisors, managers, executives and business owners.

The researcher (Isola, 2009) surveyed 100 participants from each country involved in the comparative study. In commenting on the findings of the study, Dr. Isola said this finding could represent a significant departure from conventional thinking. While the few studies in this specialized area of International Business Management has remained inconclusive, one would at least expect the Chinese to be more intuitive in their decision making given their very high score on Hofstede's LTO (long term orientation) index.

Managerial decision making has always being a subject of intense academic discussion. What is the most effective way of choosing between alternatives in managing

companies? Should the company's new plant be located in New Jersey or Guangzhou? In answering these questions management scholars focused on the rational approach for several years. The idea of utilizing intuitive skills to make such decisions is a recent phenomenon and it remains largely unpopular.

Peter Drucker (1967) identified six major steps that should be followed by executives in making decisions for their companies. In 2004, he presented another paper that further narrowed the whole process to three steps. Both approaches emphasized rational decision making processes. However, more and more studies are showing that effective executives are less rational in their managerial decision making especially when faced with dynamic environments. While most business schools are focused on teaching rational decision making techniques, more and more studies are showing that the impact of intuitive or non-rational decision making techniques can no longer be ignored without costs.

Douglas and John (1974) discovered through their 10 year research that executives whose companies increased

the most profits, scored higher on tests of precognition than average. They tested approximately 165 CEOs and presidents of companies in the United States and found that 80% of the leaders who doubled or nearly doubled their profits in a five-year period had above-average scores on intuitive ability (Church, 2005). The findings of their research showed that intuitive managers were more successful than their more analytical counterparts. Studies by Agor (1989) also showed that top executives rated significantly higher than middle or low level managers in intuitive abilities.

Intuition, like many other popular concepts is quite elusive to define. It has been defined by many scholars in various ways. Jung (1924) defined intuition as that psychological function which transmits perception in an unconscious way. In commenting on the diversity of definitions, Isaack (1978) wrote "an examination of the literature on intuition disclosed that authorities on the subject had different concepts about it" Behling and Eckel (1991) found eighty-seven descriptions of intuition during a search of two electronic data bases in twenty-four books and articles published between 1976 and 1987. In trying to make sense out of the descriptions, they recruited six MBA students to group the descriptions. Six clusters eventually emerged.

In one cluster, authors described intuition as a paranormal phenomenon. Top managers who relied on psychics to make decisions were cited as examples in this cluster. "H. L. Hunt relied on a psychic to help pick oil properties (Rowen, 1986)" A second cluster consists of descriptions of intuition as a personality trait. Scholars in this category saw intuitive decision making as genetic or acquired very early in life (Behling and Eckel, 1991). Three of the remaining four clusters described intuition as an unconscious process, a set of actions, and distilled experience. The fourth cluster was named the residual category. Authors in this category defined intuition as decisions not made using the rational decision making process.

## **METHODOLOGY**

The quantitative research employed Agor's Intuitive Measurement Survey (with permission by copyright owner). The AIM survey was administered to 100 participants from the US and 100 participants from Hong Kong. Questions on the survey were developed to measure all independent and dependent variables.

Questions on the survey measured the following variables: gender, management level, management experience, country of operation, and reported use of intuition in decision making. Reported use of intuition in decision making was the only dependent variable in the study, the remaining four variables were independent variables.

### **Validity and reliability of the instrument**

AIM Survey (Agor's Intuitive Measurement Survey) is a modified MBTI (Myers-Briggs Type Indicator). The instrument, therefore,

uses the reliability and validity of MBTI (Agor, 1984). Studies have found strong support for construct validity, internal consistency, and test related reliability of MBTI instrument (Thompson and Borello, 1986). Further, the instrument was designed to best measure all the variables in this study. The questionnaire was modified and simplified to contain clear instructions, questions, and possible answers.

### **Research questions**

The study's four research questions explores the relationship between the study's independent and dependent variables.

Question 1: What is the relationship between a leader's management level and the leader's reported use of intuition in decision making?

Question 2: What is the relationship between a manager's work experience as a manager and the manager's reported use of intuition in decision making?

Question 3: What is the relationship between a manager's sex and a manager's reported use of intuition in decision making?

Question 4: What is the relationship between a manager's country of operation and a manager's reported use of intuition in decision making?

### **Assumptions and limitations**

The following formulated assumptions were central to the design of this research.

- i) Respondents understand the questions and are able to answer all of them in the questionnaire.
- ii) Answers to the questionnaire are given with the respondent's knowledge and honesty.
- iii) Data collection process was authentic.
- iv) Analysis tools were accurate

Below are some limitations that may influence the results. These limitations include:

- i) The samples were a combination of criterion, maximum variation and convenience based selection of companies in Hong Kong and the United States.
- ii) The United States samples were selected from the east and west coast of the United States.

## **FINDINGS**

### **Research Question 1: What is the relationship between management level and reported use of intuition in decision making?**

Hong Kong's business owners with 10 years or less' use of intuition is lower than US supervisors with 10 years or less. Mean scores of Hong Kong Business owners was 6.0 and US supervisors 6.35. Significance is at the .022 level.

US managers with 10 years or less use of intuition is lower than US supervisors with over 10 years. Mean scores of US managers with 10 years or less is 7.1304; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

US managers with more than 10 years' use of intuition is higher than US supervisors with over 10 years use. Mean scores of US managers with more than 10 years is 8.5714; US supervisors with over 10 years is 8.00. Significant is at the 0.01 level.

US executives with 10 years or less' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of US executives with 10 years or less is 6.666; US supervisors with over 10 years is 8.00. This result is significant at the 0.01 level.

US executives with over 10 years' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of US executives with over 10 years is 7.6666; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

US business owners with over 10 years' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of US business owners with over 10 years is 6.18181; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong male executives' use of intuition in decision making is higher than Hong Kong male business owners use. Mean scores of Hong Kong male executives is 7.933; Hong Kong male business owners is 6.583. Significance is at the 0.022 level.

### **Research Question 2: What is the relationship between work experience and use of intuition in decision making?**

US supervisors with 10 years or less' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of US supervisors with 10 years or less is 6.35; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

US female managers with more than 20 years' use of intuition in decision making is higher than Hong Kong female managers with 5 years or less. Mean scores of US female managers with more than 20 years is 7.666 Hong Kong female managers with 5 years or less is 7.1. Significance is at the 0.020 level.

US male managers with between 6 and 10 years use of intuition in decision making is lower than US male managers with 5 years or less . Mean scores of US male managers with between 6 and 10 years is 7.00; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US male managers with between 11 and 20 years use of intuition in decision making is lower than US male managers with 5 years or less . Mean scores of US male managers with between 11 and 20 years is 7.2857; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US male managers with over 20 years' use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of US male managers with over 20 years is 7.187; US male managers with 5 years

or less is 9.5. Significance is at the 0.010 level.

US managers with between 11 and 20 years use of intuition in decision making is higher than US managers with 5 years or less . Mean scores of US managers with between 11 and 20 years is 7.4; US managers with 5 years or less is 6.93478. Significance is at the 0.009 level.

US managers with more than 20 years' use of intuition in decision making is higher than US managers with between 6 and 10 years. Mean scores of US managers with more than 20 years is 7.44; US managers with between 6 and 10 years is 7.0. Significance is at the 0.046 level.

### **Research Question 3: What is the relationship between sex and reported use of intuition in decision making?**

US male managers with more than 20 years' use of intuition in decision making is lower than US female managers with between 6 and 10 years. Mean scores of US male managers with more than 20 years is 7.1875; US female managers with between 6 and 10 years is 7.238. Significance is at the 0.013 level.

Hong Kong female managers with between 6 and 10 years' use of intuition in decision making are higher than Hong Kong female managers with between 11 and 20 years. Mean scores of female managers with between 6 and 10 years in Hong Kong is 6.3809; Hong Kong female managers with between 11 and 20 years is 6.333. Significance is at the 0.032 level.

Female managers in Hong Kong with 5 years or less use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of Female managers in Hong Kong with 5 years or less is 7.1; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US female managers with 5 years or less' use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of US female managers with 5 years or less is 6.35; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US female managers with between 6 and 10 years use of intuition in decision making is lower than US male managers with 5 years or less . Mean scores of US female managers with between 6 and 10 years is 7.238; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US female managers with between 11 and 20 years use of intuition in decision making is lower than US male managers with 5 years or less . Mean scores of US female managers with between 11 and 20 years is 7.0 US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US female managers with more than 20 years' use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of US female managers

managers with more than 20 years is 7.666; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US male executives' use of intuition in decision making is lower than US female managers' use. Mean scores of US male executives is 7.388; US female managers' is 7.461. Significance is at the 0.005 level.

#### **Research Question 4: What is the relationship between country of operation and use of intuition in decision making?**

Hong Kong administrative managers' use of intuition in decision making is lower than US administrative managers' use. Mann-Whitney U results showed the mean rank of Hong Kong is 13.17; US administrative managers is 20.94. Mean scores of Hong Kong administrative managers is 6.333; US administrative managers is 8.11. Significance is at the 0.023 level.

Hong Kong Supervisors with 10 years or less' use of intuition in decision making is lower than US supervisors with more than 10 years. Mean scores of supervisors with 10 years or less in Hong Kong is 6.6363; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong managers with 10 years or less' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of managers with 10 years or less in Hong Kong is 6.8636; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong managers with more than 10 years' use of intuition in decision making are lower than US supervisors with over 10 years. Mean scores of managers with more than 10 years in Hong Kong is 7.6666; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong Executives with 10 years or less' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of Executives with 10 years or less in Hong Kong is 7.125; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong executives with more than 10 years' use of intuition in decision making are lower than United States supervisors with over 10 years. Mean scores of executives with more than 10 years in Hong Kong is 7.25; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong business owners with 10 years or less' use of intuition in decision making is lower than US supervisors with over 10 years. Mean scores of business owners with 10 years or less in Hong Kong is 6.00; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong business owners with over 10 years' use of intuition in decision making is lower than United States

supervisors with over 10 years. Mean scores of business owners with over 10 years in Hong Kong is 7.7142; US supervisors with over 10 years is 8.00. Significance is at the 0.01 level.

Hong Kong business owners with over 10 years' use of intuition in decision making is higher than US managers with 10 years or less. Mean scores of business owners with over 10 years in Hong Kong is 7.7142; US managers with 10 years or less is 7.1304. Significance is at the 0.01 level.

US business owners with 10 years or less' use of intuition in decision making is higher than Hong Kong supervisors with over 10 years. Mean scores of United States business owners with 10 years or less is 8.00; Hong Kong supervisors with over 10 years are 6.00. Significance is at the 0.01 level.

Female managers in Hong Kong with between 6 and 10 years use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of female managers in Hong Kong with between 6 and 10 years is 6.380; United States male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

Female managers in Hong Kong with between 11 and 20 years use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of female managers in Hong Kong with between 11 and 20 years is 6.333; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

Female managers in Hong Kong with more than 20 years' use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of female managers in Hong Kong with more than 20 years is 6.875; US male managers with 5 years or less is 9.5. Significance is at the .010 level.

Male managers in Hong Kong with between 6 and 10 years use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of male managers in Hong Kong with between 6 and 10 years is 7.0625; United States male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

Male managers in Hong Kong with between 11 and 20 years use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of Hong Kong administrative managers is 6.8571; US administrative managers is 9.5. Significance is at the 0.010 level.

Male managers in Hong Kong with more than 20 years' use of intuition in decision making is lower than US male managers with 5 years or less. Mean scores of male managers in Hong Kong with more than 20 years is 8.125; US male managers with 5 years or less is 9.5. Significance is at the 0.010 level.

US male managers with over 20 years' use of intuition in decision making is higher than male managers in Hong Kong with between 11 and 20 years. Mean scores of US male managers with over 20 years is 7.1875; Male managers in Hong Kong with between 11 and 20 years is

6.8571. Significance is at the 0.025 level.

United States' female business owners' use of intuition in decision making is higher than Hong Kong female executives. Mean scores of US female business owners is 7.25; Hong Kong female executives is 6.307. Significance is at the 0.038 level.

United States' business owners' use of intuition in decision making is lower than Hong Kong executives. Mean scores of US business owners is 7.0476; Hong Kong executives is 7.1785. Significance is at the 0.002 level.

## Conclusion

The study discovered that United States managers/leaders were less rational in their managerial decision making than Hong Kong leaders/managers in twenty of twenty-two categories. These findings can be quite significant to global business managers intending to shift more of their activities to Asia in the near future. Multinational corporations would have to provide more data for their Chinese managers operating out of Hong Kong in order to make them more comfortable with their decision making tasks as they tend to rely more on data based decision-making techniques.

Business schools in the West may also need to redesign their curriculum as more business leaders feel more comfortable with intuitive decision making techniques. This will make business schools more relevant to what obtains outside school walls and produce graduates that will be more amenable to top executive position appointments. The author would also like to recommend more comparative studies in managerial decision-making

so that a clearer picture of intuitive managerial decision making can emerge.

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