INTUITIVE DECISION-MAKING – CHANGING HABITS THROUGH NEW BUSINESS APPROACHES, MODELS AND SOLUTIONS

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Abstract: Intuition represents an antipode to logical thinking and decision-making. Modern approaches to decision-making, however, indicate a much more detailed and comprehensive picture. Intuition is one of the natural channels for transferring information necessary for decision-making. But why is intuition such an interesting topic today? The economic, social and planetary challenges encourage us to change. They encourage us to have a broader perspective, to open additional streams that will provide data and information for better quality of decision-making. They encourage us to break down barriers and connect all our inherent natural skills for successful adaptation and development.

Holistic decision-making can be a solution. As long as we work in the field of existing knowledge and experience, we tend to oversight and unilateral decisions. When we connect knowledge and experience with intuition we develop wisdom which leads to holistic decision-making. The holistic approach depends on awareness. The deeper our awareness (consciousness), the closer we are to intuitive decision-making (intuition). Awareness of a regular person is completely outwardly directed. In intuitive decision-making we redirect awareness from the outside to the inside. Through the process of learning we reach deeper within ourselves. We recognize our deeper personal levels, which include our mind, heart and will. We touch our hidden virtues. Because we want to make better use of our inner potential, we often change ourselves and our entrenched patterns of behaviour and act differently, particularly in a more holistic and socially responsible manner.

This paper presents a model of business decision-making that rightly includes intuition at its core. The model was tested in 10 successful Slovenian companies. Our experiences have shown that the model can change the behaviour of individuals, groups, organizations and the society. It positions intuitive decision-making shoulder to shoulder with the prevailing analytical decision-making approach. The two methods can, if used jointly and in a balanced manner, ensure holistic decision-making without oversight and negative consequences for an individual, an organization or the society. To improve social responsibility in business we need new approaches, models and innovative solutions. We propose that this new model of decision-making should become one of them.

Keywords: intuition, performance, learning, wisdom, holistic decision-making

INTUITIVNO ODLOČANJE – SPREMINJANJE NAVAD SKOZI NOVE POSLOVNE PRISTOPE, MODELE IN REŠITVE


V prispevku predstavljamo model poslovnega odločanja z intuicijo, ki smo ga preverili v 10-ih uspešnih slovenskih podjetjih. Model razkriva ozadje uporabe intuicije, ki postaja vse bolj koristno poslovno orodje.
**Introduction**

Topics, such as intuition, intuitive decision-making, innovative management and intuitive product development are increasingly given more attention in business literature. Why is intuition such a current topic nowadays? The economic, social and planetary challenges are encouraging us to change. They are encouraging us to broaden our perspectives. They call for opening new pathways that will provide us with data and information necessary for holistic decision-making. They encourage us to break down barriers and connect to our inherent natural skills for successful adaptation and development. For the good of individuals, community and the Planet as a whole. On this path, intuition is coming to the foreground as an interesting area of research. This paper is dedicated to its role in the decision-making process.

Intuition is usually seen as the antipode of logical thought and decision-making. However, our experiences and initial testing indicate that the decision-making process is much more deeply rooted and complex. Within the process, intuition is one of the natural channels of obtaining information for holistic decision-making that is rooted in the unconscious. The second channel is learning, which obtains data and information from the objective knowledge base. The third channel is action, which obtains information from experience – an information base where subjective knowledge and long-reaching, cross-generational views are accumulated as wisdom (knowledge of the social environment, generations, and our civilisation as a whole). All three channels are sources of data and information for the rational mind, which makes decisions based on all of the above.

In other words, the process of decision making is influenced by various data and information streams that merge into a river before we make a decision. Once this happens, the water in the river cannot be sourced back to individual streams. However, what we can influence – as individuals, communities or organisations – is the number of streams flowing into the same river, their strength and how rich and powerful the prevailing stream will be. Throughout our lives, we add obstacles to this river and its tributaries, thereby limiting or diverting some of them. Furthermore, merging streams create vortexes that significantly influence our lives.

The stream of intuition is full of obstacles. Jung said that the more scientific evidence we obtain about intuition the more impoverished we become. Our decision-making lacks a holistic aspect, particularly from the causal and systemic points of view. This paper presents a solution to this problem in the form of holistic decision-making.

**Intuition as a natural skill**

Intuition is a skill inherent in our biological system, a tool we use to access the unconscious (subconscious). Together with acquiring knowledge (learning) and experience (action), it forms a three dimensional information network that provides us with data and information required for making rational decisions (Figure 1). This network transmits experiences, knowledge, wisdom and unconscious messages to the corresponding brain cells where they are used for decision-making. The channels themselves are multidimensional, too. They draw information from one's inner world, a team's collective conscious, organisation, community and/or cosmic consciousness. With every interference in these channels or processes our perception and decision-making are hindered and distorted.

Intuition is usually described as a physical sensation. We relate it to our gut, hands, chest, etc. According to HBR, 19% of employees predominantly rely on intuition, compared to 43% relying on results of analysis. The rest of us combine both. In this respect, the question of the relationship between emotions and intuition frequently arises and the next chapter attempts to provide an answer.

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1. The mind, as defined by modern psychology, is an expression of one's thoughts, emotions and will.
2. To make understanding of the workings of the mind easier we divide it into the unconscious (individual and collective) and the conscious. But in reality there is no division between the conscious and the unconscious. Just as there is no division between a river and its tributaries.
3. Relationship between emotions and intuition

Based on our experience, we like to compare emotions to soft tissue, since they act as a sort of a filter between the currents of intuition, learning and action (Figure 1). These currents have very particular relationships with the mind, and in this respect emotions play a key role in our interpretation of knowledge, experience, wisdom and impulses from the unconscious. Emotions may distort, expose, suppress or transform these impulses and turn them into something new. It is quite possible that due to their distorted and inadequate emotional development people with psychopathic personalities also have great intuition.

Emotional nature, expression and responses are unwelcome in the business world. People acting on their emotional impulses are usually not seen as credible in Slovenia. We emphasise rationality, rational decision-making and prudence. By controlling our emotions, we suppress them, thereby also suppressing creativity. However, emotions persist whether we control them or not. If we are able to see

Within the research of intuition conducted by InCo movement (www.incogibanje.si) we arrived to some interesting conclusions:

1. We interpret intuition in many different ways. We describe it with various different terms and ascribe it various purposes (relating it to emotions, experience, methods of rational thinking, etc.).
2. We need a business model, in which management and innovation incorporate intuition.
3. The times of seeking advice and trainings for personal and corporate development are ending, while individual knowledge is coming to the forefront. The change that is forthcoming brings a redirection of attention into one's inner world, i.e. to seeking wisdom within oneself and thus integrating all benefits of learning, action and intuition (Figure 1), as well as re-integration of these benefits into the whole that is formed by everyone and everything.
4. Intuition is also related to physical activity. There is a probable connection with the pineal gland (epiphysis) in the brain and possibly with some other organs as well. We are able to sense intuition with our bodies (through movement), but it can also enter our consciousness through our sensory organs and imagination in the form of thought, or images.
5. The path to success leads from knowing to awareness and requires constant balancing of the two. Theory U with the experiential learning model is an efficient method for maintaining this balance (see Chapter 7).
6. Sensitivity to intuitive perception can be efficiently learned in nature, if we allow ourselves to become one with other subjects in the natural ecosystem and start recognising messages imprinted in the natural environment. We can also develop it through transfers in relationships with other people or groups.
7. Intuition opens new dimensions of perception, awareness and knowing. And to correctly understand the above we require a new terminology, a new language.
beyond the rational, we can recognise and accept emotions. Thus, we can add value to understanding our knowledge, experience and intuition. The next chapter explains how we can identify this added value in the business world.

4. Intuition and the business world

The increased interest in intuition in the business world is due to both the economic and social situation as well as the development of human consciousness. The situation has become too complex to be solved with linear and hierarchical approaches. However, horizontal or network approaches require more than mere logical thinking since the latter is limited to two or three dimensions. Firstly, for optimal decision-making we need to move towards a systemic way of thinking with as much information as possible from the environment we are addressing. Secondly, objective and subjective knowledge is simply inadequate for making such decisions, for it is based entirely on past conclusions and does not take into account the influences of the moment, our will or the consequences of our actions. Thus, intuition offers itself as a helpful tool, a path to the other 25,000 impulses we are exposed to every second.

Simultaneously, we can notice the development of the need for new competencies related to the emotional, spiritual and energy forms of capital. The need to integrate these forms of capital with the physical, intellectual and social capital is also increasing. The increasing complexity of awareness of the needs of individuals, teams and organisations is opening doorways to new paths, requirements and interest in the unconscious, sensitivity, understanding of global trends and the impulse of the moment. In organisations, specialists and managers responsible for developing the human resources potential are challenged with creating business role-play situations and environments for stimulating situational and experiential learning. More and more people are seeking help with changing and forsaking old patterns, opinions and expectations. The importance of mastering methods for the development of identity, self-awareness, empathy and removal of emotional blockades and undistorted reception of information from the environment is constantly growing.

In terms of knowledge and awareness the business world was already very seriously challenged at the beginning of the new millennium when innovation came to the forefront as the key factor of added value (Figure 2). However, innovation is not merely a new driving force of economic development – since it flourishes only in non-hierarchical relationships, network connections and on the borders of the known – we were forced to change the basic structures within which we operated and created in order to incorporate it into the business world. This challenged our consciousness and that was the lever that opened the door to a new way of thinking. And this was the cue for intuition as an additional stream, an additional tool for holistic decision-making. Yet, it does not come without challenges, primarily at the personal level in the form of unresolved issues, traumas and fears. It presents a challenge to how we perceive the world, but is also an opportunity to go further in our search for solutions.

Intuition can take us beyond the borders of the known and act as a new partner in learning, action and acquiring of information necessary for holistic decision-making – if we are able to trust ourselves and what we feel, of course.

Figure 2: Evolution model of the development of resources and key factors of creating added value.

In spite of very strong and positive initial feedback we find that the business world is still very reserved towards intuition. We all live with it, but we are reluctant to talk about it. The business language to describe it does not exist yet. It is usually described with existing terminology, but these terms actually obscure its essence. This last
conclusion was based on research,\(^4\) in which the participants who were asked "What do you consider to be an intuitive solution?" answered: decisions based on experience (56%), decisions based on sensations and emotions (40%), decisions based on knowledge and education (23%), decisions based on an unconscious mental process (11%), and decisions based on personal values and ethics (10%).

We can see that languages from different evolution phases are mixed and used to describe something we were not aware of at the time, yet people were able to perceive intuition at a subtle level. This is similar to technologically backward people describing airplanes as steel birds.

In addition to subjective experiences of ourselves and the world around us, intuition is also a significant factor in our work and creative activities, both in business and the society. Most of the time, it is expressed through our relationships. This can lead to wonderful results that can be accessed through the three-dimensional network described earlier (intuition, learning, action). The quality and nature of our relationships and the people themselves are key factors of successful cooperation and joint creativity, just as important as dynamic adaptation to change, for example.

The circumstances in which we use intuition are usually turbulent and chaotic, with complex and unstructured problems, quick shifts in consumer expectations, constantly shortened cycle of product development, the need for efficient (quick) decision making without all necessary information, etc. We therefore use intuition in critical situations under the pressure of time when we cannot rely on other sources of information or there is no time to obtain the necessary information.

5. Intuition and the experiential model of learning

Businessmen like Bill Gates, Steven Jobs and Sam Walton succeeded in rapidly changing environments because they taught themselves how to see "the problem" from a different point of view and avoided acting according to entrenched patterns (Brian, cited in Senge, 2008). Senge et al. (2008) find that we make decisions and adhere to habitual patterns when we feel fear or pressure. Arthur (cited in Scharmer, 2009) ascribes this to two different sources of learning. The first source uses standard frameworks of thinking and acting (downloading), while the second relies on inner knowledge (inner knowing). The latter develops based on experiential learning. It is a combination of processes of transforming our experience into knowledge, skills, attitudes, values, beliefs, emotions and the senses (Jarvis, 2003). Senge et al. believe this is an interaction between the phases of thinking (learning) and acting (action). They believe that in the process of learning an individual starts with thinking and continues with acting according to their personal interest. This is followed by rethinking and acting differently based on acquired experience.

Senge (cited in Scharmer, 2010, XIV) stresses that in the learning process an individual only hears what he or she can recognise, while the interpretation of the heard message depends on one's beliefs, past sensations and experience. He continues that due to the tendency to maintain entrenched patterns of behaviour an individual is only ready to change his or her actions within the boundaries of the known. This represents horizontal interaction between the phases of thinking and action where an individual exhibits only minor changes in actions. Using vertical interaction between the two phases we are able to reach deeper within ourselves which can result in radical changes in personality (Figure 3). Through the process of learning an individual deepens their knowledge of self. They discover their deeper personal levels, which in addition to thoughts also include emotions and will. Usually, this leads to uncovering hidden virtues which people can observe, develop and use consciously. In turn, this often leads to a change in personality, but only if they are able to recognise and change their habitual patterns.

We can conclude by saying that through internal insight an individual can uncover the knowledge he or she within and expand awareness of themself as a whole. At the deepest levels of learning, intuition is able to connect hidden threads of thought, emotions and will between seemingly unrelated ideas. Thus, we gain more comprehensive insight, and consequently the ability to make holistic decisions. Holistic decision-making leads to more comprehensive acting, particularly from the aspect of socially responsible actions of individuals, groups and the society. The next chapter focuses on identifying deeper levels of personality based on the Korthagen onion model.

6. **Intuition and the "onion model"**

Deeper insight into oneself uncovers deeper personal levels. This is a topic the business world has not dedicated much attention to. So far, we have mostly been focusing on systemic management of the external environment, and lately also on attitudes and competencies of individuals. However, in order to reach deeper levels we need to get in touch with our deeper selves. Korthagen (2004) states that the essence of getting in touch with our deeper selves is in developing trust in our abilities, forming new knowledge, thinking about our opinions of the world, developing personal identity and discovering our mission. Thus, he redirects attention from the professional to the more personal aspects of individuals, which is actually one of the particular challenges of the modern business world.

Korthagen (2004) uses an onion model to represent an individual's personal levels (Figure 4)⁵:

- **The outer two layers**: environment and behaviour. These two levels are visible to both the individual and others. The attention of the observer is often directed at identifying problems in the environment and finding solutions behaviour. The environment influences behaviour, but the latter is also subject to competencies. The outer two layers influence the inner layers and vice-versa.

- **The inner layers**: competencies, beliefs and identity. Competencies are a broad notion which comprises knowledge and skills, but also relationships. Competencies are subject to beliefs, which primarily depend on personal practical (and not merely formal) knowledge. As this is such a broad and complex area Korthagen and Lagerwerf (1996) introduced a new term, "gestalt". Unlike beliefs, the term gestalt also includes past experiences, behavioural patterns, needs, values, sensations, perceptions and routines. An individual is normally not aware of the above as a whole and the individual parts only surface in specific situations. Gestalt is determined by our identity and is reflected in these two questions: "Who am I?", "How do I see my role in work?". And finally, identity is determined by one's personal mission.

- **Core**: Mission. While the questions at the level of identity relate to the individual (personality), the questions at the level of mission relate exclusively to the role an individual has as a member of a whole (e.g. a family, community, culture, the cosmos, the universe). This is a comprehensive aspect that touches the so-called "transpersonal level".

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⁵ The "onion model" is an adaptation of the Bateson model, which was never actually published by Gregory Bateson (Korthagen, 2004, 79).
The basic concept of the onion model is in establishing and maintaining the interdependence of the various levels of personality. Insight into ourselves can help us identify relationships and possible conflicts between individual levels. An example of a conflict between beliefs and attitude is when a person believes something but acts in a completely different manner (e.g. a patient knows that smoking is harmful but continues to smoke; an employee knows that customer satisfaction is important but fails to react to customer complaints, etc.). Unlike conflicts appearing at deeper levels, such conflicts are easily recognisable in practice. An example of a conflict between one's personal mission and the environment is when a person has a job they dislike yet they keep it out of fear of unemployment and hide their discontent from others. Conflicts between individual levels create tension therefore they need to be resolved.

Let us conclude this chapter by paraphrasing Hamachek\(^6\): consciously, we do what we know; unconsciously we do what we are. In the first part our actions are determined by our knowledge, in the second by our awareness. Knowledge does not equal awareness. We are constantly striving for a balance between the two. Any existing conflicts must be identified and the tensions resolved. By getting in touch with our inner selves and with the help of intuition an individual is capable of identifying hidden conflicts at deeper personal levels. This provides them with an insight into the roots of the tension and possibilities of a holistic approach. However, resolving conflicts at deeper levels requires radical personal changes. The next chapter describes how we can identify the need for personal change and act on it according to the Theory U.

7. Intuition and the Theory U

Strategic business decisions are aimed at the future and thus very rarely revisable. The usefulness of knowledge and experience in this process is very limited therefore we rely on intuition and creativity. It is a proven fact that more intuitive decisions are made on the strategic management level than on the tactical and operational levels. The background of intuitive decision-making is explained by Theory U which is based on experiential learning.

Scharmer (2009) bases the model of Theory U on the concept of sensing presence (presencing) and the use of internalized knowledge. He illustrates the decision-making process with a U-shaped curve that comprises three stages (open mind, open heart, open will), 3 processes (co-sensing, co-presencing, co-creating) and 7 phases (see Figure 5a). Thereby he defines three key activities (Figure 5b) (1) observe, observe, observe\(^7\); (2) connect to your inner self; (3) act differently. The lowest point on the curve marks sensing of the presence in the current moment. Senge et al. (2008) call it "presencing" as a composite of "presence" and "sensing". Presencing represents a

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\(^6\) Hamachek’s original statement (1999, 209; cited in Korthagen, 2004, 77): "Consciously, we teach what we know; unconsciously, we teach who we are." – adapted by VK.

\(^7\) Observing is so important as the initial phase of decision-making that the author emphasises it by repeating it three times in the title.
balance between knowledge and awareness. It is a precondition that determines whether getting in touch with our inner selves will result in a breakthrough in thinking and whether we will change our behavioural patterns or not. The moment the breakthrough will be achieved is almost impossible to predict for it depends on the individual and his or her intuitive sensing of the current moment.

Figures 5a and 5b: Theory U – Experiential model of learning (Scharmer, 2008; adapted by VK)

Scharmer’s intuition-based decision-making model was tested in a relatively large Slovenian company with 3,000 employees. The case study that was initially performed at a business unit with 90 employees proved that a problem in the sales department can be resolved in a modern and innovative way with the help of intuition. We later tested this model in 10 other Slovenian companies. We arrived at some very interesting conclusions. However, these conclusions will not be discussed here as they deserve special attention which would be beyond the scope of this paper. They will be presented in a dedicated article. The next chapter describes the intuition-based decision-making model we developed and used in these studies.

8. Intuition-based model for making business decisions

Everyone uses intuition whether we are aware of it or not. Until we are able of conscious use of intuition, it is something that "happens" instead of being used. Therefore, we need to develop the ability to sense intuition and gain experience on how we use it as individuals (Kovačič, 2012).

Korthagen's core reflection (2009) and Scharmer's Theory U (2010) reveal the background of using intuition in business decision-making. The following sections explain an important step forward in the concepts of these two approaches. A synergy of these findings offers a new intuition-based model for making business decisions.

Korthagen's core reflection8 (2009) helps an individual in developing their core qualities and a positive perception of their identity and mission. Korthagen believes that problems are primarily caused by conflicts between individual personality levels as represented by the onion model. Therefore, core reflection is aimed at identification and resolution of these conflicts. His model of reflection comprises9 five steps: (1) Action; (2) Looking back at the action; (3) Awareness of essential aspects; (4) Creating alternative methods of action; and (5) Trials (followed again by action). What we find particularly important is the transition from thinking to awareness when the individual's attention is directed at becoming aware of hidden aspects. When it comes to reflection, the author replaces the traditional theoretical thinking with the more powerful awareness of non-rational roots of knowledge.

Scharmer's Theory U (2009) states that the phase of sensing presence represents being aware of the current moment. He explains that when we listen carefully to ourselves and rise above our interpretation of reality and sense the broader meaning we start to appreciate the present moment. Through this, we become aware of the

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8 Reflection is a response. Core reflection also incorporates the levels of identity and mission.

9 Korthagen's reflection model is called ALACT based on the initial letters of the model's stages (Korthagen, 2009). The reflection model is used as support for reflection for students in the field of pedagogy. We transferred his general reflection model into business practice where it was applicable.
necessity to refrain from old habits and control, and embrace the evolution of life, he also adds. Senge et al. (2008) relate the left arm of the U-curve to the phase of refraining from old habits (letting go), while the right arm represents adopting new habits (letting come). The point that links them draws strength from learning from the present moment. Arthur (cited in Scharmer, 2009) goes even further. He states that we must also learn from the future that is yet to happen by constantly striving to see our role in the turning of the future into the past.

The intuition-based model for making business decisions comes into existence when Korthagen's onion model (2004) and Scharmer's Theory U (2010) are merged into one. We believe that this happens at the bottom of the U-curve (Figure 11).

Let us conclude this chapter by saying that we can sense intuition as a firm belief that is rooted deep within us. This not an ordinary belief – it is a state of our inner-self that cannot be changed by argumentation or even repeated failure. Successful business people follow this state, even if it appears unclear or incomplete. The intuition-based model for making business decisions reveals the basis of using intuition. The process of intuition-based decision-making is a useful business tool with an alternative approach and a different view of the decision-making process.

9. Intuition and changing habits towards greater social responsibility

Our decisions affect our entrenched habits. Regardless of whether we make decisions based on one or all channels (intuition, learning, action), consciously or unconsciously, with positive or negative results, the ability to make decisions is a basic tool in facing business opportunities, challenges or insecurity. The decision-making provides us with solutions for achieving the wanted benefits with as few unwanted consequences as possible. The circumstances in which we are making decisions are often not entirely clear and the available information usually limited. Decisions adopted in such circumstances can often be the result of oversight and unilateral thinking which often lead to negative results. The question of being able to obtain adequate information for quality decision-making is always present. We see holistic decision-making as an answer to this question as it integrates various approaches, tools and channels.

Intuition, knowledge and experience are the three natural channels that provide us with information necessary for holistic decision-making. We acquire knowledge based on learning. We acquire experience based on our actions. Our knowledge is affirmed and deepened through practical application and complemented by experience. We need to develop the ability to quickly and lastingly learn from our experiences. Repeating same experiences over and over and revisiting the same situations because we are unable to learn our lessons quickly and lastingly is futile endeavour. Another important aspect is the fact that learning and acting draw information from the conscious sphere, while intuition draws from the unconscious. If we make decisions based only on the conscious aspect, we subject to oversight and unilateral thinking. By searching our inner selves and using intuition we can reach information in the unconscious sphere which complements the information in the conscious. Only by merging the two information flows can we obtain adequate information for holistic decision-making.
The above allows us to conclude that the decision-making process primarily depends on awareness developed through the processes of learning and acting. We also need to emphasise that there are two diametrically opposite types of consciousness: (1) consciousness directed inwardly towards its centre, and (2) consciousness directed outwardly. A regular person's consciousness is entirely outwardly directed. It is immersed in the outer world. Intuitive decision-making requires redirecting our consciousness from the outside towards the inside. The process of learning enables us to reach deeply within ourselves and uncover hidden personal qualities. Attempting to better utilise one's inner potential often leads to personal change. Accordingly, we change our existing behavioural patterns and start acting differently. Our actions become more holistic, and consequently we become more socially responsible as individuals, organisations and the society.

10. Conclusion

Modern times encourage us to deeper research and discovery, to find new knowledge and awareness. The eco-civilisation that is at the doorstep will be a much subtler one with its emphasis on a holistic approach to nature, the universe, man and interpersonal relationships. A systematic approach to the development of intuition might be just the step that is necessary for a smooth transition to the new age.

Although holding on to the conscious and rational aspects of decision-making might be safer, this new intuition-based model for making business decisions is encouraging us to go beyond the borders of comfort. What we will discover on the deeper levels of our journey within is impossible to know. We cannot know what we will come into contact with when we are prepared to listen, see, feel and sense more. We are reaching for unconscious, irrational, and essentially intuitive aspects of our behaviour. On this journey within, it is important that we recognise our mission, activate our inherent knowledge and act according to our values in a more holistic, and consequently socially responsible manner.

Reference: