

OLKC 2010

Intuition and Organizational Learning

Organizational learning (OL) has been extensively researched over several decades and multiple conceptualizations have been presented (e.g. Argyris & Schön, 1978; Fiol & Lyles, 1985; Huber 1991; Levitt & March, 1988; Senge, 1990). OL theory distinguishes between the knowledge held subjectively by individuals (which can be tacit) and that held inter-subjectively by groups, teams and organizations (which presumably is explicit) (see: Spender, 1996). The focus of our research is the relationship between intuitive tacit knowledge and learning and explicit collective knowledge and learning, and the implications of these relationships for knowledge creation.

Sequential to these developments in the field of OL, researchers with an interest in individual learning and cognition have begun to conceptualize and theorize contrasting ways in which managers perceive, make sense and act in the social settings of business organizations. Based on a critique of rationality and an acknowledgement of its limits (Simon, 1987), researchers have turned their attention to more tacit and implicit ways of knowing and learning, based around an intuitive/analytical, dual-processing distinction (Dane & Pratt, 2007; Hodgkinson, Langan-Fox & Sadler-Smith, 2008; Sadler-Smith & Shefy, 2004). Work in this area is based on a long tradition and has potentially strong connections to OL and knowledge (e.g. Polanyi, 1967). Only in recent years has it been possible to conceptualize intuitive forms of knowing within a coherent body of psychological theory. Intuitions are “affectively charged judgments that arise through rapid, non-conscious, and holistic associations” (Dane & Pratt, 2007: 33), and this echoes Polanyi’s assertion that “we can know more than we can tell” (1967: 4). Management researchers have offered explanations for the underlying cognitive and affective mechanisms of intuitive judgment (Hodgkinson et al., 2008), suggesting different types of intuition (Dane & Pratt, 2009), and exploring its role in organizational performance (e.g. Khatri & Ng, 2000). Despite the recent resurgence of interest in the topic, intuition research has yet to fully engage with the notion of collective intuition, correspondingly OL research has much to gain from recent developments in intuition research, and *vice versa*.

Innovation, intuition and OL came together explicitly in the 4I model (Crossan, Lane & White, 1999), which presents a theoretical account of how intuitions are articulated and transcend from enterprising individuals to become institutionalized into the wider organizational system. Within 4I OL occurs across the individual, group and organization levels, and these are linked by four social/psychological processes: intuiting, interpreting, integrating and institutionalizing (the 4Is). The framework has been used to explore OL

processes within different contexts, e.g.: resistance to change (Zietsma, Winn, Branzei & Vertinsky, 2002), strategic renewal (Crossan & Berdrow, 2003), power and politics (Lawrence, Mauws, Dyck & Kleysen, 2005), inter-organizational learning in SMEs (Jones & Macpherson, 2006), and leadership (Berson, Nemanich, Waldman, Galvin & Keller, 2006). Alternative models of knowledge creation exist which are pertinent also to the role of tacit knowledge, implicit learning and intuition (e.g. Nonaka, Toyama & Byosiere, 2001). However, 4I is our focus given its explicit acknowledgement of the role of intuition in collective learning.

Following the 4I framework and incorporating recent theoretical developments from intuition research, we propose that intuition acts as a catalyst for the organizational learning process: it affects both individual and collective actions; it therefore has the potential to influence and inform not only individual learning but collective sense-making, interpretation, and the development of shared meaning within an organization (Weick, 1995, 2002). The way in which it catalyzes the learning process in organizations is as yet unclear, for example does intuition catalyze more intuitive ‘hits’ than ‘misses’ in successful organizations, how do good intuitions become institutionalized, and how can organizations avoid institutionalizing bad intuitions?

In order to begin to explore these issues and questions this paper will present empirical research which explored the role of intuition in relation to organizational learning as it pertains to collective decision making. Accordingly, the research investigates the role of intuitive judgment in decision making with a focus on top management teams as communities-of-practice. 4I is our underlying framework together with the method of Flanagan’s (1954) Critical Incident Technique to gather retrospective accounts from senior managers in instances where intuitive judgment led to both effective and ineffective organizational outcomes. The purpose was to address questions of: (1) do senior managers use intuitive judgment in decision making, and under what circumstances do they use it; (2) how effective are intuitive judgments perceived to be (e.g. when does intuition ‘hit’, and when does it ‘miss’?); (3) do ‘good’ and ‘bad’ intuitions become embedded within the organization’s systems and structures, if so how, and what are the consequences; (4) what is the relationship between intuition and organizational learning? Ultimately, we pose the question: can organizations intuit collectively and can good intuitions provide a rare, valuable and difficult-to-imitate source of organizational learning and knowledge, innovation and competitive advantage.

References

- Argyris, C. & Schön, D. A. (1978) *Organizational Learning: A Theory of Action Perspective*. Reading, MA: Addison-Wesley.
- Berson, Y., Nemanich, L. A., Waldman, D. A., Galvin, B. M. & Keller, R. T. (2006) “Leadership and Organizational Learning: A Multiple Levels Perspective”, *The Leadership Quarterly*, 17, pp. 577-594.
- Crossan, M. M. & Berdrow, I. (2003) “Organizational Learning and Strategic Renewal”, *Strategic Management Journal*, 24, pp. 1087-1105.
- Crossan, M. M., Lane, H. W. & White, R. E. (1999) “An Organizational Learning Framework: From Intuition to Institution”, *Academy of Management Review*, 24 (3), pp. 522-537.
- Dane, E. & Pratt, M. G. (2007) “Exploring Intuition and Its Role in Managerial Decision Making”, *Academy of Management Review*, 32 (1), pp. 33-54.
- Dane, E. & Pratt, M. G. (2009) “Conceptualizing and Measuring Intuition: A Review of Recent Trends”, in Hodgkinson, G. P. & Ford, J. K. (Eds.) *International Review of Industrial and Organizational Psychology* Vol. 24. Chichester, UK: Wiley.
- Fiol, C. M. & Lyles, M. A. (1985) “Organizational Learning”, *Academy of Management Review*, 10, pp. 803-813.
- Flanagan, J. C. (1954) “The Critical Incident Technique”, *Psychological Bulletin*, 51 (4), pp. 327-358.
- Hodgkinson, G. P., Langan-Fox, J. & Sadler-Smith, E. (2008) “Intuition: A Fundamental Bridging Construct in the Behavioural Sciences”, *British Journal of Psychology*, 99, pp. 1-27.
- Huber, G. P. (1991) “Organizational Learning: The Contributing Processes and Literatures”, *Organization Science*, 2, pp. 88-115.
- Jones, O. & Macpherson, A. (2006) “Inter-Organizational Learning and Strategic Renewal in SMEs: Extending the 4I Framework”, *Long Range Planning*, 39, pp. 155-175.

Khatri, N. & Ng, H. A. (2000) "The Role of Intuition in Strategic Decision Making", *Human Relations*, 53 (1), pp. 57-86.

Lawrence, T. B., Mauws, M. K., Dyck, B. & Kleysen, R. F. (2005) "The Politics of Organizational Learning: Integrating Power into the 4I Framework", *Academy of Management Review*, 30 (1), pp. 180-191.

Levitt, B. & March, J. G. (1988) "Organizational Learning", *Annual Review of Sociology*, 14, pp. 319-340.

Nonaka, I., Toyama, R. & Byosiere, P. (2001) "A Theory of Organizational Knowledge Creation: Understanding the Dynamic Process of Creating Knowledge", in Dierkes, M., Berthoin Antal, A., Child, J. & Nonaka, I. (Eds.) *Handbook of Organizational Learning & Knowledge*. New York: Oxford University Press.

Polanyi, M. (1967) *The Tacit Dimension*. Garden City, NY: Anchor Books.

Sadler-Smith, E. & Shefy, E. (2004) "The Intuitive Executive: Understanding and Applying 'Gut Feel' in Decision-Making", *Academy of Management Executive*, 18 (4), pp. 76-91.

Senge, P. M. (1990) *The Fifth Discipline: The Art and Practice of the Learning Organization*. London: Doubleday.

Simon, H. A. (1987) "Making Management Decisions: The Role of Intuition and Emotion," *Academy of Management Executive*, 1 (1), pp. 57-64.

Spender, J.-C. (1996) "Competitive Advantage from Tacit Knowledge? Unpacking the Concept and its Strategic Implications", in Moingeon, B. & Edmondson, A. (Eds.) *Organizational Learning and Competitive Advantage*. Thousand Oaks, CA: Sage.

Weick, K. E. (1995) *Sensemaking in Organizations*. Thousand Oaks, CA: Sage.

Weick, K. E. (2002) "Puzzles in Organizational Learning: An Exercise in Disciplined Imagination", *British Journal of Management*, 13, pp. S7-S15.

Zietsma, C., Winn, M., Branzei, O. & Vertinsky, I. (2002) "The War of the Woods: Facilitators and Impediments of Organizational Learning Processes", *British Journal of Management*, 13, pp. S61-S74.