

How Do Experts Know That Their Intuition is Right? A Naturalistic Study on Executive Search Consultants

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ABSTRACT

Previous studies on the role of intuition in experts' decision-making allowed to discover intuitionbased reasoning path experts use in situation where there is an absence of clear facts. This study aims to investigate how expert executive search consultants know when to trust their intuition, and how intuition influences their process of reasoning and decision-making. Results of the study indicated that consultants use intuition to provide an initial appraisal of a candidate, and that their intuitive answer is accompanied with a Feeling of Rightness (FOR), the intensity of which differs depending on the level of confidence in their intuition. Based on these results, a decision-making model was created that depicts how FOR influences consultants process of reasoning and decisionmaking. The purpose of this research is to collect relevant knowledge which will allow the creation of a decision support system for intuitive decision-making.

KEYWORDS

Intuition, Decision-Making, Experts, Executive Search Consultants, Naturalistic Study, Meta-Reasoning

INTRODUCTION

Previous studies on the role of intuition in experts' decision-making were conducted on police criminal intelligence analysts (Gerber, Wong, Kodagoda, 2016) and medical doctors. Results of the studies indicated that experts are able to make correct decisions in situations even where there is an absence of clear facts. The studies suggested that experts were using intuition to identify relevant problems and search for a solution. By initially examining their intuition, experts were able to set a direction for data collection and analysis, and then during the process of data collection and analysis, gain an insight into potential solutions to the problem. Results of the studies also indicated that experts use unsupported intuition to initiate the process of finding solutions that could then be justified with previously collected data. The purpose of research on the role of intuition in experts' decision-making is to collect relevant knowledge which will allow the creation of a decision support system for intuitive decision-making. Such a system would be helpful for situations where intuition is the only option available because of a lack of relevant cues based on which a decision could be made. The aim of the study presented in this paper is to discover what helps experts to be sure that their intuition can be trusted. The study has an exploratory form and was conducted on expert executive search consultants.

In recent years, a search for talented leaders has become a priority for organizations (Guthridge, Komm, Lawson, 2008). The complexity of this process has led to the outsourcing of talent recruitment and selection, resulting in companies sharing the responsibility of finding the right candidates with third parties - known as Executive Recruitment Firms or Headhunters (Greer, Youngblood, Gray, 1999).

Executive search consultancy refers to the process of attracting and selecting candidates through direct and personal contact. This is usually done by a specialist consultant who acts as an intermediary between the client and the candidates for an available position (Britton, Wright, Ball, 2000). However, the difficulty of an executive search consultants' job is not only to correctly assess candidates' potential, but also to convince the client that the candidate is suitable for the position they wish to fill. Due to differences in information provided to and given by candidates and consultants, executive search consultants often need to make decisions based on incomplete information.

Clerkin and Lee (2010) highlight the scarcity of research on the executive search process. There are theories that frame executive search consultancy as outsourcing (Finlay, Coverdill, 1999), that explain why young companies take qualified executives from competitors (Rao, Drazin, 2002), or that clarify the expectation gaps between consultants and candidates (Britton, Wright, Ball, 2000). However, there is no research showing how executive search consultants deal with situations in the absence of clear facts in order to correctly assess candidates' potential and to find suitable candidates for a particular position.

There are also studies showing that executive search consultants claim to rely on intuition in order to correctly evaluate candidates (Miles, Sadler-Smith, 2014). However, little is known about the way they use intuition to deal with such decisions, and about the mechanisms that make them trust their intuition. As consultants need to justify their decisions to their clients, they cannot make decisions solely on intuition. As such, the process which needs to be investigated is complex decision-making, where intuition works alongside analytical reasoning.

The research field that aims to discover how intuitive and rational reasoning interact with one another is called Dual Process Theories (DPT), and it provides the most popular explanations about the way the interaction between intuitive and rational thinking allows us to think and make decisions. These theories assume the existence of System 1 – autonomous, fast processing; and System 2 – a much slower process, which requires working memory engagement (De Neys, 2017). The most popular point of view on the interaction between System 1 and System 2 assumes that people receive an automatic response from System 1 right after approaching a given problem, thus making it the default system. After a response from System 1, the System 2 process is engaged, which either utilizes the automatic response or introduces some changes, intervening when it detects a conflict in reasoning (Evans, 2008).

Dual Process Theories are usually tested in the form of laboratory experiments. One of the most popular tools used to study the assumptions of DPT is the Cognitive Reflection Test (Frederic, 2005). This test is composed of text-based tasks, such as:

A bat and ball cost \$1.10 in total. The bat costs \$1.00 more than the ball. How much does the ball cost?

Result of these studies indicate that study participants usually answer the question based on the result of System 1 processes, providing the answer to be \$0.10. This result comes to mind automatically, even though the right answer is \$0.05. Depending on time availability, intelligence and motivation, some people correct the intuitive response through System 2 engagement (Evans, 2011). Further studies within this concept indicate that there are also participants who are able to provide the correct answer immediately. This observation motivated researchers to ascertain that System 1 processes could also be responsible for logical thinking, proving that different forms of intuition exist (De Neys, 2012).

As Dual Process Theories are predominately tested in the form of laboratory experiments, a discussion about the need to verify the functionality of DPTs in natural decision-making environments has started to take place. This discussion aims to create decision-making models for particular situations, which will enable researchers to verify the functionality of Dual Process Theories in real decision-making situations (Evans, 2017).

The key matter to be solved around Dual Process Theories concerns the incentives that cause System 2 to intervene in reasoning and decision-making processes. A number of variables have already been proposed to determine System 2 occurrence. These include, among others:

- Individual abilities of a reasoner, such as cognitive capacity (Stanovich, 1999),
- The characteristics of the decision-making environment i.e. time available to complete the task (Finucane, et al., 2000) or the characteristics of given instructions (Newstead, et al., 1992).

However, an additional concept has recently been introduced, postulating the existence of internal stimuli responsible for triggering System 2 intervention. These stimuli are metacognitive experiences that are attached to System 1 processes. It has been found that the result of reasoning is conditioned not only by the information retrieved by System 1 and analyzed by System 2, but also by a second-order judgment, called meta-reasoning.

"Meta-Reasoning refers to the processes that monitor the progress of our reasoning and problem-solving activities and regulate the time and effort devoted to them. Monitoring processes are usually experienced as feelings of certainty or uncertainty about how well a process has, or will, unfold." (Ackerman, Thompson, 2017, p.1)

The meta-reasoning is based on feelings attached to intuitive cues. Those cues are not always reliable, but they allow us to regulate our mental efforts. In order to understand meta-reasoning, two levels of processes should be considered. The first level concerns object-level processes. These processes are responsible for carrying out cognitive work such as perceiving, classifying, remembering and deciding. The second level operates on the meta-level which monitors the first level processes. The role of the second-level processes is to assess functioning of the first-level processes and to efficiently locate resources. The metacognitive monitoring indicates different levels of certainty and uncertainty indicating if a set of processes leads in the right direction or not. The operation of metacognitive processes is visible in situations such as when high confidence in our answer motivates us to act, and hesitation causes us to seek more information or to change our decision-making path. We may also feel unable to pursue a task that causes us to seek help or to stop taking any further action. One of the meta-reasoning processes

is known as Feeling of Rightness (FOR) which is perceived to be attached to automatic – intuitive responses. FOR is found to inform to what extent decision-makers might trust in their intuitive responses (Thompson, Turner, Pennycook, 2011).

There are a number of studies indicating the role of meta-reasoning in the process of learning, remembering and comprehension. However, little is known about its role in complex processes such as reasoning and problemsolving (Ackerman, Thompson, 2017). That is why the aim of the research presented in this paper is to verify how intuition and the Feeling of Rightness attached to it influence expert executive search consultants' process of reasoning and decision-making. The study uses members with the highest level of expertise within an organization, as this skill-level is perceived to enable decision-makers to use intuition most reliably (Dreyfus, 2004).

METHOD

Participants

Six executive search consultants from Warsaw, Poland and London, UK took part in the study. Their average work experience at the time was 13 years. The participants were chosen with the help of an executive search consultant who had a good reputation among clients and other consultants. The criteria for choosing participants was that they have over 9 years of experience in executive search and a good reputation among clients and other consultants. From the 32 invitations sent out encouraging people to take part in the study, 8 consultants agreed to meet and 6 of them agreed to participate in the study. The participants represent three different international executive search companies which are all of a similar size and compete in the same sector.

Procedure

Appointments with study participants were set up at times when consultants had meetings with candidates for particular projects. The study consisted of three elements:

- 1. An interview with the consultant before their meeting with a candidate.
- 2. Observation of the meeting with the candidate.
- 3. An interview with the consultant after their meeting with the candidate.

The three phases of the study allowed an in-depth view of how the decision-making process unfolds before, during, and after meeting with candidates. The first phase - the interview before the meeting – aimed to provide an understanding about key decision elements the consultant expected to encounter. This phase allowed the researcher to capture elements they would then need to focus on during the meeting with a candidate. The interview had a semi-structured form, with the consultant introducing the case, explaining the requirements a candidate needed to fulfill, describing strategies he/she planned to utilize in order to acquire relevant information, and clarifying the assumed weak points of the candidate. As the study itself had an exploratory form, additional questions then arose during the interview. The second phase – observation of the meeting with a candidate – allowed a view into how the studied consultant addressed predefined topics. The third phase – the interview after the meeting – provided an understanding about the consultant's reasoning process during the meeting with a candidate. This interview had an unstructured form and the questions were asked on the basis of interesting elements observed during the meeting with a candidate. Materials for analysis consisted of recordings of the interviews before and after meetings, as well as notes made during meetings with candidates. The recordings were transcribed, and then became a base for analysis.

Data Analysis

A qualitative data analysis approach called the Emergent Themes Analysis (Wong, 2004) was used on transcripts of six in-depth interviews with executive search consultants. In order to get a general understanding of consultants' decision-making process, analysis tables were created. Two tables were created separately to look at the decision-making process before and after the meeting, and information from both tables was compared with each other afterwards. The analysis table for the decision-making process before the meeting contained the following information:

- 1. Requirements a candidate needs to fulfil (hard requirements, soft requirements, requirements which if unfulfilled would disqualify a candidate),
- 2. Intuition occurrence,
- 3. Consultant's individual strategies utilized during a meeting,
- 4. Manifestation of expertise,
- 5. Things that distinguish a candidate from others,
- 6. Assumed weak points of a candidate,
- 7. Candidate's appraisal before the meeting.

The analysis table regarding the decision-making process after the meeting contained the same information as the previous table, but additionally reflected the following information:

- 1. First impression while meeting a candidate,
- 2. Candidate's appraisal after the meeting,
- 3. Rationalization process of unfulfilled hard requirements.

All the information in the tables were supported with excerpts from interviews.

RESULTS

In order to uncover the role of intuition in executive consultants' decision-making, information from the two tables (before and after the meeting) was compared and the following aspects were chosen to be captured:

- a. How does perception of a candidate change before and after the meeting?
- b. How does initial intuition towards a candidate influence the process of data collection and analysis?
- c. How does initial intuition towards a candidate influence interpretation of received information?
- d. How does experts' experience affects their understanding of certain situations?

After the first part of analysis, an interesting relationship was identified; depending on the first impression made by a candidate, the consultants collected and interpreted information in different ways. For example, in situations when the first impression was predominantly positive, the consultants focused more on collecting supporting information than opposing information. Moreover, they tended to explain away contradictory information and to search for workarounds in situations where a candidate did not fulfill otherwise important requirements:

[before meeting the candidate] 135. P1: We need a person who has experience in the sale of a large number of products [...] meaning we are interested in someone who already has experience in a large number of product types, and this is very important. I will just ask him who he was and what he sold, and <u>if it turns out that the candidate sells something only to large factories, so-called key accounts or to distributors who later sell it further, then this is not our candidate.</u>

[after meeting the candidate] 11. P1: <u>He does not meet one of the key conditions</u>, he does not manage a direct team. However, the character of his team is so close that, thanks to the fact that he has a number of other advantages, I think that we can go over the agenda.

This also occurred with the opposite outcome in situations where there was a strong negative first impression.

316. P1: Sometimes it happens to me and it's the most often confirmed, although I spend an hour with a human being anyway, because I am a technical engineer, what I think after 30 seconds, it's cool that it seems to me but you have to check it out but it's already scary for me, that the candidate will get up, give his hand and say 'good morning' and I already know 'damn, hour wasted, nothing will come of it'.

In situations where a consultant did not have any strong first impression, his/her form of collecting information was focused neither on supporting nor rejecting the candidate's application. Consultants were shown to be collecting a similar amount of positive and negative information concerning the candidate, and were generating both possible positive and negative interpretations of situations.

[after meeting the candidate] 305. P6: Such a calm man. I: And you had it in green, or in red, or so in orange? P6: No, as a question mark. Yes, as a question mark.

[after meeting the candidate] 110. P6: I still do not know if he will be good. At the moment I can see that he fits my profile, that is, he worked in a similar business, he works in a loan business, he was sales manager, he was the managing partner, i.e. I see here sales and management skills.

Due to the fact that the analyzed first impressions were supported with collected information, it should be assumed that the initial feeling towards the candidate is not just a feeling of liking/not liking a candidate, but it is rather a more complex assessment that is derived from many years of experience in recruiting candidates.

243. P2: [At an earlier stage of my career] I wasn't able to say so quickly that this is a good candidate. Having at the back of head all these previous candidates, whom I have seen in similar positions over the years. <u>She takes position in my head yes or no immediately.</u>

This initial feeling-based assessment of candidates is compatible with the concept of meta-reasoning, which indicates that the initial feeling experienced by decision-makers reflects implicit notions in decision-makers minds that fit well to the situations they currently face. For instance, in the case of executive search consultants, this means that a given candidate may highly resemble other candidates previously accepted for a similar position.

Experts' Decision-Making Model

Five out of six executive search consultants were found to structure their reasoning and decision-making process in accordance with their initial intuition. It could be assumed that this intuition was assisted with a s Feeling of

Rightness because they were highly convinced that their initial intuition was right. This is also shown conversely, with one consultant who had intuition with low FOR subsequently doubting the accuracy of his intuition.

Based on the analyzed decision-making processes of expert executive search consultants and on the concept of Meta-Reasoning, a decision-making model was created. The model indicates how experts construct their process of data collection and decision-making, depending on intuition occurrence and a corresponding Feeling of Rightness. The model assumes three possibilities:

- a. Intuition occurrence (i.e. the candidate fits the given position) with high FOR,
- b. Intuition occurrence (i.e. the candidate fits the given position) with low FOR,
- c. No intuition occurrence.





Source: Own Elaboration

Decision-making path 1: Intuition occurrence with high FOR.

The first decision-making path in the model describes a situation when intuition occurs with high FOR. High FOR indicates that there are implicit structures that fit well to the given decision situation. For instance, in the case of executive search consultants, this may mean that the candidate highly resembles candidates previously accepted for similar positions. If there is no need or possibility to further support intuition, decision makers accept their answer with a high confidence that it is right. Such high confidence occurs because the strong positive feeling prevents doubt from occurring. However, executive search consultants' jobs often require an explanation of their decisions which is why their decision making does not usually end at this point. When there is a need to support intuition, decision makers search their existing knowledge for information that could support intuition. If this additional knowledge comes with a strong positive feeling (FOR), a decision maker accepts the answer with a high confidence that it is right. However, when knowledge is associated with weak FOR, a need arises to initiate the process of data collection and analysis so as to support intuition. This may occur when intuition appears with high FOR, but its explanation comes with low FOR. A probable reason for low FOR when explaining intuition is that a decision maker doesn't have existing knowledge that overlaps with the implicit structures on which their intuition with high FOR occurred.

This decision-making path is characterized by high importance put on an initial feeling in the process of decision making. The initial strong feeling causes decision makers to accept intuition as the right one. The entire process of engaging existing knowledge and collecting and analyzing data appears so as to further support intuition and to explain away possible contradictory information. This initial feeling highly reduces effort because the process of data collection is focused only in one direction (to support intuition). However, this initial feeling appears to be problematic in situations when intuition turns out to be incorrect and the high feeling prevents the decision maker from detecting information which may have been helpful in finding the correct answer.

Decision-making path 2: Intuition occurrence with low FOR.

The second decision-making path describes a situation when intuition occurs with low FOR. Low FOR implies that there are implicit ideas that vaguely fit the given decision situation. For example, in the case of executive search consultants, the candidate may resemble previously accepted candidates for similar positions, but only to some extent. If there is no need or possibility to support intuition, decision makers accept the answer with a low confidence that the answer is right. The confidence is low because a low intensity of the initial feeling allows doubt to occur. When there is a need to support intuition, decision makers search through their existing knowledge for information that could support or undermine intuition. If support or denial of intuition arrives with high FOR, decision makers can then accept it with a high confidence the decision is right. However, when knowledge arrives with weak FOR, a need arises to initiate the process of data collection and analysis, so as to support or to deny intuition

This decision-making path is characterized by a lower role of the initial feeling in the process of decision making as in the previously explained path. This process highlights that decision making must be defined as rational. A decision maker engages similar effort in the process of searching for information that supports or contradicts their automatic answer, and thus the drawback of this decision-making path is that it requires much more effort than the one previously described.

Decision-making path 3: No automatic answer occurrence.

The third decision making path describes a situation when no intuition occurs. Based on the concept of metareasoning, this situation means that there are no implicit ideas that fit the decision situation. In the case of executive search consultants, this may occur when the candidate doesn't resemble previously accepted candidates. In such a situation, a decision maker needs to collect more information until intuition occurs.

DISCUSSION

The presented study on expert executive search consultants' process of decision-making allows an understanding of how intuition and a corresponding Feeling of Rightness supports consultants' process of reasoning and decision-making. The results of the study indicated that the initial intuitive appraisal highly influences the final decision as to whether a candidate is accepted for an available position. The initial intuition was found to also influence the way consultants collected and interpreted information. Results of the study indicated that in situations when consultants had a high positive feeling towards a candidate, they were focused more on collecting supporting information rather than opposing information. Moreover, they tended to explain away contradictory information related to fundamental requirements that were asked for. The same outcome was shown to occur in an opposite manner in situations where there was a strong negative impression. In situations where consultants did not have any strong first impression, their form of collecting information was focused neither on supporting nor rejecting the candidate's application. After one year, all experts claimed that accepted candidates met expectations of their employers. As the consultants admitted that their initial feeling towards a candidate arises due to their extensive experience, it could be assumed that the analyzed feeling is the Feeling of Rightness (FOR) described by the theory of Meta-Reasoning.

Results of the study gave a base to create an experts' decision-making model that is compatible with the concept of Meta-Reasoning. However, as the described study has an exploratory form, further studies need to be undertaken to validate the model.

Results of the study would be helpful to design a Decision Support System (DSS) for intuitive decision-making. The DSS could be applied in organizations where members need to make decisions in the absence of clear facts and where intuition is usually the only form of finding solutions. The role of the system would be to help to assess level of trust in one's intuition. Using skin conductance sensors, the system would estimate the extent to which decision-maker's implicit knowledge could be aptly applied in the analyzed situation. In order to design such a DSS, experimental studies aiming to create a scale of the intensity of the occurrence of Feeling of Rightness should be provided.

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