

In decision-making, it might be worth trusting your gut

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Turns out the trope is true: You should trust your gut—as long as you're an expert. So says a new study from researchers at Rice University, George Mason University and Boston College.

"How expert someone is within a particular domain has a positive impact on their ability to make an accurate gut decision," said Rice's Erik Dane, lead author of a study published last month in the journal *Organizational Behavior and* <u>Human Decision Processes</u>. However, he added, "Even if you're an expert, intuitive decision-making is better for some types of tasks than others. Tasks that can be solved through predetermined steps, like <u>math problems</u>, are not as conducive to intuitive decision-making as less-structured tasks, which may include certain strategic or <u>human</u> <u>resource management</u> problems."

"Although there's been a lot of research on the concept of intuition, there's relatively little research directly comparing whether it's best to 'trust your gut' versus taking time to make a decision," said Dane, assistant professor of management at Rice's Jones Graduate School of Business. So the researchers took on the task of examining circumstances in which intuitive decision-making is effective compared with analytical decision-making.

They conducted two studies, one in which participants rated the difficulty of basketball shots and one in which participants judged whether designer handbags were real or fake.



In the first study, 184 undergraduate students (79 males, 105 females) watched 13 video clips of basketball shots taken during two college basketball games and were given 10 seconds after each shot to rate its difficulty on a scale from 1 to 10. Beforehand, the researchers had estimated the difficulty of the shots by collaborating with the men's basketball coaching staff (one head coach and three assistant coaches) at a highly successful NCAA Division I college basketball program.

Participants were assigned to either an "intuitive" group—they based their decisions entirely on their first impression—or an "analytical" group. The analytical group was given two minutes before the exercise to develop a list of factors that would determine the difficulty of a basketball shot, such as the number of defenders near the shooter, whether the shooter is stationary or moving, and the point value of the shot. They were told to base their decisions on these factors.

To measure participants' expertise with basketball, the researchers assessed (via a questionnaire) the extent to which they had played the sport. Given that the task entailed judging shots in the same manner as successful basketball coaches, the researchers wanted a measure that would separate those who had simply watched a lot of basketball from those who had actual experience playing the sport. They determined that playing competitive basketball for at least three years of high school classified participants as "experts"; the rest were classified as low in expertise.

They found that, indeed, intuition was more effective for those with high expertise. In the intuitive group, those who had played competitive basketball for three years in high school performed better on the task. In contrast, there was no significant difference in the analytical group between those with high and low expertise.

In the second study, the researchers turned to a different expertise



domain: designer handbags. They recruited 239 undergraduate students (120 males, 119 females) to make decisions about whether designer handbags were authentic or counterfeit.

The participants made their decisions by looking at—but not touching—10 designer handbags, including two authentic and three counterfeit Coach handbags and three authentic and two counterfeit Louis Vuitton handbags. All handbags were either brand new or very lightly used.

Participants were again split into an intuitive group and an analytical group and instructed to judge whether the handbags were real or fake. The intuition group was given five seconds to view each handbag and told to base their decisions entirely on their first impression. The analysis group was told to ignore any first impressions or gut instincts and base their decisions on careful analysis. Prior to the task, participants in the analysis group were given two minutes to list the features they would look for to determine whether a given handbag was real or fake, such as material, stitching and color. This group was given 30 seconds to make their decision for each bag.

The researchers assessed the participants' expertise based on the total number of Coach and Louis Vuitton handbags each participant owned and determined that owning more than three made them an expert for this study.

Once again, the researchers found that intuition was more effective for those with high expertise. In the intuition condition, participants with high expertise demonstrated higher task performance. In the analysis condition, those with high expertise performed no better than those with low expertise.

Across both studies, participants who possessed expertise within the task



domain performed on average just as well intuitively as analytically. In addition, experts significantly outperformed novices when making their decisions intuitively but not when making their decisions analytically.

More information: <u>www.sciencedirect.com/science/ ...</u> <u>ii/S0749597812000994</u>

Provided by Rice University

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