

Top execs torn over big data and gut instinct

by Nicola Middlemiss
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Big data may be changing the business landscape but it seems Canada's top corporate leaders are still torn on how to use it in their decision making – that's the revelation from one recent study, released just yesterday.

The poll showed that – of the 250 Canadian senior executives surveyed – 52 per cent felt like they relied too heavily on data and analytics and not enough on their intuition while 41 per cent said the opposite.

"We've seen an incredible uptick in the amount of data available to business leaders over the past decade," says Salman Mufti. "However, leaders are still learning how to best use that data to improve the efficiency and profitability of their organizations."

Mufti is the associate dean and executive director of Queens Executive Education at the Smith School of Business – he says successful business leaders recognize that data analytics and intuition are not mutually exclusive.

"Even when we use data, intuition and experience are still critical in developing novel strategies to meet business challenges," he stressed. "The additional data available simply allows us to test our assumptions, recognize new patterns when creating strategy and make course corrections when strategies are not working out."

The study's findings support his suggestion as leaders indicated that they rely on intuition or analytics depending on the business scenario – data was identified as the driver behind the majority of strategic decision-making (71 per cent) whereas intuition was preferred when making decisions involving their teams (66 per cent) and crisis management (65 per cent).

Interestingly, the majority of execs (56 per cent) felt data-driven decisions led to better results but the overwhelming percentage (78 per cent) still agreed that a business leader must go with

their gut when an important decision needs to be made quickly.

"Sometimes you can have too much or conflicting information, and it doesn't always provide a clear direction on what to do," says Mufti.

"I think what the Smith School of Business Executive Survey results are showing is that business leaders are concerned about data paralysis and realize that sometimes – for certain types of management challenges – quick decisions are critical to an organization's success."

The study also identified the main barriers preventing top business leaders from using more data and analytics:

- Availability and accessibility of accurate or reliable data (25 per cent)
- Lack of tools to collect and analyze data (21 per cent)
- Lack of staff with expertise to collect and analyze data (18 per cent)
- Lack of time to collect and analyze data (14 per cent)
- Reliance on intuition/data interpretation (9 per cent)

"What we are learning from this study is how leaders feel about their and their organizations' decision-making approaches," says Mufti.

"But what benchmarks should we apply to measure success? How do we marry technological and managerial excellence to achieve top performance? What's an optimal mix of analytical and intuitive approaches in making important decisions – say, in a strategic turnaround, restructuring or a merger and acquisition scenario? These are the questions we encourage leaders to think about in the context of their organizations and the challenges they are facing."

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