

People Make The Difference whitepaper

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Blending gut and data for successful leadership

Instinct versus insight. Intel versus intuition. Gut versus data. However you describe it, these are the two most important dynamics at play for business leaders when it comes to making decisions. In the modern world, we are both blessed and cursed with more data than ever before. But is all this data diminishing the trust we have in our instincts? And does it matter?

Why instinct is still important in the age of data

According to the 2014 Economist Intelligence Unit report, 'Gut & Gigabytes', 64% of executives said that big data has changed decision making at their organisation, and 49% said that data analysis is undermining the credibility of intuition or experience.

But even the largest data set cannot be relied on to make a decision without human involvement.

Frankly, we are overwhelmed by data – and it can be difficult to assess what is truly useful. This is where instinct remains a useful tool for leaders. According to neuroscientist Antonio Damasio, our brain produces powerful somatic markers when something feels right – or not. Paying attention to these markers and our intuition *in combination with facts and data* can lead to better decision making.

Ultimately, all data tells you is what has happened, not what will happen. Intuition remains critical for making predictions based on data. Thankfully, our brains are powerful prediction machines and tapping into gut instinct helps us to assess those predictions. Jeff Stibel, CEO of Dun & Bradstreet Credibility Corp and holder of a master's degree in brain science, sums up this balance between data and instinct: "What do you need to do with a gut? You need to feed it, and to feed the gut of the brain you have to give it knowledge."

How to harness gut instinct together with data for better decision making

I haven't always been such an advocate for gut instinct in business. It is a result of learning the hard way that an over-reliance on data leads to analysis paralysis and delays decision making. A manager called me out on this and told me that I was spending too much time making sure that data was right. I was encouraged to look to my gut and learn to tap into my intuition – and I needed coaching to do this.

Today, clients needing guidance on how to listen to and trust their gut instincts forms a key part of my work. Here are some of the strategies I use with clients to help combine instinct with data in their quest to become more effective leaders:

- Start by listening to your gut on decisions that aren't related to business – for example, when at a restaurant, what's your gut feel on what you want to eat from the menu?
- Only rely on your gut for non-critical decisions until you have become comfortable with interpreting your brain and body's signals and know you can trust those instincts.
- Pay attention to the intensity of your gut feelings. If it's only a tweak, maybe the numbers are right. But if every fibre of your being is shouting at you that the data doesn't stack up, then you really need to take another look and see if the right questions have been asked.

Knowing when to go with your gut despite the data, and vice versa, separates super leaders from mediocre managers. Making decisions purely based on instinct could be reckless – but making decisions purely based on data can also be a path towards disaster. Combining both perspectives helps to reduce risk and can speed up the decision making process.

If you need help learning to tap into your intuition and learning how to better manage the never-ending data flow that leaders are exposed to, get in touch to discuss leadership coaching with People Make The Difference. Stop feeling overwhelmed and instead become empowered to confidently make decisions that you feel are right. To find out more about our training and coaching services, visit www.peoplesmakethedifference.com.au or call +61 412 333 415.