Intuitive managerial thinking; the use of mental simulations in the industrial marketing context

Markus Vanharanta⁎, Geoff Easton
Marketing Department, Lancaster University Management School, Lancaster University, UK

ARTICLE INFO

Article history:
Received 1 March 2006
Received in revised form 1 May 2007
Accepted 1 August 2007
Available online 21 June 2009

Keywords:
Mental simulation
Intuitive thinking
Industrial network
Cognition
Marketing
Story building
Naturalistic decision making
Recognition-primed decision making

ABSTRACT

In this paper, we introduce empirical evidence showing how mental simulation was used as a heuristic strategy in an industrial network context. The mental network simulations observed are consistent with the Recognition-Primed Decision (RPD) model, according to which intuitive thinking allows managerial experience to be translated into focal network action, without resorting to a “rational” or comparative decision strategy. We identify the main business significance of mental network simulations in terms of their utility to clarify ambiguous or only partially known focal network situations, to develop coherent focal net plans and tactics, and to mentally preview how specific focal net tactics/strategies are likely to play out in reality. In short, mental network simulations were observed as being useful in generating focal net action through cognitively meeting the complex environmental challenges in dynamic focal net interaction between companies.

© 2009 Elsevier Inc. All rights reserved.

1. Introduction

The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honours the servant and has forgotten the gift. — Albert Einstein

The deployment of cognitive strategies clearly has a profound influence on business outcomes, although being conditioned by social, organisational, inter-organisational, and other factors. Yet, in terms of themes that have been addressed in management research, managerial cognition has been the poor relation. One of the main reasons for this neglect is that knowledge structures and cognitive processes underpinning managerial judgment are notoriously difficult to research. Nowhere in social science is it clearer that the consciousness of the subject provides both insights and barriers to understanding (Runkel & McGrath, 1972). The relative lack of progress in this field of cognition is also related to much of the research being laboratory based (Löwstedt, 1993), which largely excludes the investigation of domain specific expertise and suggests limited application to actual decision making in organisations (e.g. Klein, Orasanu, Calderwood, & Zsambok, 1993; Lipshitz, Klein, & Orasanu, 2001). In addition, there has been a tendency for cognitive research to focus on the heuristic flaws of intuitive thinking, as opposed to the intuitions of experts (Klein, 2004; Dane & Pratt, 2007).

However, in recent research on expert decision making, models have been developed explaining how intuitive cognitive structures can allow for recognition-primed response to match complex environmental challenges (Dreyfus, 1982; Klein, 1988; Klein et al., 1993; Klein, 1999; Lipshitz et al., 2001; Klein, 2004). In this stream of research, mental simulation has been identified as a central cognitive mechanism that facilitates the translation of managerial experience into judgment and action (Klein & Crandall, 1995; Klein, 1999, 2004). In particular, in the Recognition-Primed Decision (RPD) model (Klein, 1988, 1997) experienced decision makers have been conjectured to form decisions through a combined use of mental simulation and intuitive thinking, and in more familiar situations through entirely relying on recognition-primed intuitive processes. The main significance of the RPD model stems from its attempt to explain how proficient decision makers can often reach good decisions without analytically comparing the strengths and weakness of various options (cf. satisficing: Simon, 1955). And importantly, the cognitive processes described by the RPD model tend to be preferred to analytical cognitive strategies under conditions of experienced participants, time pressure, ill-defined problems, and in dynamic contexts (Klein, 1999).

As the industrial network context often has many of these context characteristics (Axelsson & Easton, 1992; Häkansson & Snehota, 1995; Ford, Häkansson, Snehota, & Gadde, 2002), it can be argued that mental simulation and recognition-primed cognitive strategies would...
be prominently featured in this field. Accordingly, when used in this context, we define "mental network simulation", as the cognitive process of focal net story building or mental manipulation of network images. As the primary utility of knowledge structures for businesses lies in their ability to generate action (Weick, 1990), an improved understanding of mental simulation and recognition-primed cognitive strategies can be seen as particularly relevant in the context of the recent cognitive turn in industrial marketing management research.

In this paper we seek to elaborate and to explain in detail how mental simulation, nested in recognition-primed intuitive thinking, is used as a cognitive strategy in the industrial network context. To access real-life domain specific manifestations of industrial marketing decision making and expertise, the research in this paper was conducted in actual organisational field settings. Following an inductive research design, we were fortunate to record a sales meeting, where a manager was thinking through a series of industrial network issues, providing us with an entirely natural, and possibly unique data set. As a result of these recordings we are able to provide new insights into the ways in which mental simulation was deployed as cognitive strategy in focal net decision making. We identify the main business significance of “mental network simulations” in terms of their utility to clarify ambiguous or only partially known focal network situations, to develop coherent focal net plans and tactics, and to mentally preview how specific focal net tactics/strategies are likely to play out in reality. In short, mental network simulations were observed as useful in generating focal net action, by cognitively matching the complex environmental challenges in dynamic focal net interaction between companies.

The paper begins by briefly reviewing the limited literature reporting research on managerial cognition in the industrial marketing field that concentrates almost entirely on the content of knowledge structures. We then proceed to assess the history of the primary laboratory based psychological research on decision making where intuitive thought was often seen to fail to meet a decision theory model of rational thinking. In the following three sections we introduce the cognitive paradigm Naturalistic Decision Making (NDM), and in particular the work of Klein (2004), to discuss the role of the Recognition-Primed Decision (RPD) model, and introduce the notion of mental simulation as one cognitive process that experts use under particular circumstances. The research method and context are then described. The results of the analyses are then set out and discussed. The paper ends with implications of the findings for both researchers and managers.

2. Managerial cognition in industrial marketing research

The analysis of cognition is a relatively new theme in mainstream industrial marketing research, but its relevance has been increasingly recognized over the past few years. For example, Welch and Wilkinson (2002) have argued that knowledge structures should be seen as a central theme in industrial marketing research, alongside activity links, actors bonds, and resource ties as described in the ARA-model (Håkansson & Johanson, 1992). Similarly, Ford, Gadde, Håkansson, and Snehota (2003: 176) have recently introduced the concept of “network pictures” as a cognitive component of industrial network management, formally defined as “the views of the network held by participants in that network”. In general, the idea of network pictures stems from the network concept of industrial marketing, where business relationships are seen as inter-connected and interdependent of each other, forming heterogeneous relationships, which are both seen to constrain and enable industrial marketing management (Axelsson & Easton, 1992; Håkansson & Snehota, 1995; Ford et al., 2002).

While it may not have been the intention of the authors, the existing body of literature can be viewed as providing rich albeit indirect descriptions of the content aspect of industrial marketing/
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات