Recent work by Cornelia Betsch suggests some interesting findings regarding strategies used to make a choice. Dr. Betsch is scientific manager for the Center for Empirical Research in Economics and Behavioral Sciences (CEREB) at the University of Erfurt, Erfurt, Germany, and co-author of *Intuition in Judgment and Decision Making* (2008).

**Two Ways to Reach a Decision**

The intuitive approach is based upon implicit knowledge. Specifically, the decision-maker taps knowledge acquired by associative learning and stored in long-term memory to produce a “feeling.” This feeling is used as the basis for judgments and decisions.

The deliberative approach is an analytic mode that reflectively processes mainly cognitive content such as beliefs, arguments, and reasons. It is the counterpart to the intuitive approach.

An individual is predisposed to make decisions in one of these two ways. An assessment test called the Preference for Intuition or Deliberation Scale, or PID (Betsch 2004), has been developed to indicate which decision-making approach an individual is most comfortable using.

**Observations from the Research Findings**

These comments summarize the specific observations that were noted by Dr. Betsch in reviewing the results of tests of the PID scale on a number of individuals.

— People can (and do) use either method depending on the circumstances and implications of the decision.

— Intuitive people make decisions faster—and choose that decision style across all scenarios more frequently than deliberation.

— In tests using the PID scale, intuition was found to correlate with extraversion and agreeableness.

— In tests using the PID scale, deliberation was found to correlate with conscientiousness, perfectionism, and the need for structure.

— When people have to be spontaneous (i.e., time is short), implicit attitude predicts their behavior. However, without time pressure, the explicit attitude is a better predictor of behavior.

— Intuitive and deliberative people base their choices on different sources of knowledge: implicit attitudes for intuitives versus explicit attitudes for deliberatives.

— Intuitive decision-makers are strongly influenced by emotion.

— An individual’s risk attitude is assessed by estimating the utility function (i.e., allocation of value per unit of money). A risk-neutral attitude is expressed by a linear utility function, but when emotion is used to make a decision, this utility function curves. Thus, a more linear function indicates deliberate and thoughtful evaluation. (Recall the Kahneman and Tversky (1986) prospect theory: the pleasure of gain has a different effect than the pain of loss. Thus, the function is not linear. Dr. Betsch’s findings are consistent with prospect theory.)

— People assign a greater value to positive consequences of their decisions when they get to use their preferred strategy to make the decision. In decisions that resulted in regret, there was less regret when the decision-maker used the preferred decision strategy.

— Changes to implicit knowledge occur only following numerous learning experiences. So while intuitives make decisions more quickly, they are more prone to error.

**How to Apply This Theory**

Use the PID to classify clients in terms of their preference for decision-making.

— When seeking a decision from a client, orchestrate the presentation and information materials to appeal to that preferred decision style (emotional content for intuitives; graphs, charts, and logic for deliberatives).

— In matters of great financial consequence, encourage a deliberative decision-making process but be patient with the intuitive who will have a harder time getting there.

— Expect to spend a great deal of time educating intuitives to influence their decision-making ability. (Implicit learning takes more instances of presentation and generation of emotional reactions.)

A. Mark Harbour, CIMA®, CFA®, CFP®, is a financial advisor in Los Angeles, CA, and president of Applied Behavioral Finance Group, an affiliated organization of the CFA Society of Los Angeles. He earned a BBA in accounting with minors in finance and business law from the University of Oklahoma and an MBA in finance from The University of Chicago. Contact him at harboal@ca.rr.com.

**References**


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