



Nekst Data Literacy – White Paper

Why are 75% of Decisions made from gut feel?

By Greg Morley



In today's corporate world, despite the amount of information available at our fingertips, many of us are still making decisions based on gut feel. This hunch or feeling we have is still based on our previous experience and awareness of the current situation, but are we aware of the bias we bring into this gut feel decision we are making? Are we making this decision simply because it feels right? More often than not we don't know why we feel the way we do, yet the feeling is so compelling that we go ahead and make the decision.

In a recent survey of approximately 2 200 CEOs, only one third of them trusted their data and the resulting analytics. More experienced executives rely more heavily on their intuition as they have developed the skills and knowledge to interpret the data and so have this element already covered in their decision-making process *"and according to the PwC Global Data and Analytics Survey, 59 percent of decision makers say the analysis they require relies primarily on human judgment rather than machine algorithms."*

It has also been said that an individual in middle management can excel, using the data and crunching the numbers, only then to be promoted to senior management and fail, as their ability to handle more complex problems at the higher levels requires more intuition than an ability to analyse and they may not necessarily have developed this capability.

That all said, the reference here is to surveys and research done some five years ago and more. Over the past 2 years with the global reaching Covid-19 pandemic, digital transformation projects that were previously stagnant projects with little to no direction are now front of mind for every executive, if not already in development stages. Underpinning these digital transformation programs is data. You cannot have digital transformation without it and to ensure the future success of these programs when in production environments and deployed to a broader user base is a key skill requirement. Those people in organisations that have the required data literacy skills will ensure higher levels of success than those who don't.

Developing data literacy skills across the broader business community is a sure way of ensuring that when your digital projects come to life will stand higher chances of success in utilization and efficiencies of these systems when deployed.



How does this tie back to the decision-making process and intuition?

Well, we already know that data volumes and complexities are increasing on a daily basis. In fact, in 2020 the global forecast total amount of data created, captured, copied, and consumed globally was in the region of 64.2 zettabytes. Over the next five years this forecast increases to 180 zettabytes. New systems driven by these digital transformation projects will significantly add to the increase in internal data that managers and executives will need to utilise in decision making.



The more data we have, the more dependant we will become on fact-based data driven decision making. In a more recent survey done predominantly across Europe and the Americas only 24% of decision makers believed that they had the necessary data literacy skills when performing in their roles. Executives were slightly higher at 32% and entry level job seekers, those we assume are tech savvy came in at only 21%. What this presents is a massive opportunity to

develop these critical data literacy skills to support everyone in the organisation right from the entry level new employees across the organisation to the seasoned executives.

By developing these skills now, we are ensuring a skills base for job roles and functions that we have yet to define. These new jobs will be created as an outcome of the successful implementation of the digital transformation programs, and where data is the fuel that runs these systems, more data literate individuals will better operate within, and make decisions based on the data derived from these new applications.

For those who master these base skills, and who do have strong intuitive capabilities, even better then are the prospects of increasingly better decisions being made, helping our organisations progress and succeed.

Sources:

<https://chiefexecutive.net/new-research-says-ceos-should-follow-their-intuition/>