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SUSTAINABILITY AS A STRATEGIC BUSINESS ORIENTATION IN GLOBAL ECONOMY RECOVERY PHASE



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**INTUITION BASED ON RELIGION FRAMEWORK AND
IT'S ROLE IN SMALL-MEDIUM ENTERPRISES (SMEs) MANAGERIAL DECISION
MAKING:**

(A Case Study of Pekalongan Batik Industry-Indonesia)

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Abstract

This paper characterizes the role of intuition in small-medium enterprises (SMEs) managerial decision making. Until now, decision making process has been one of the hottest topics investigated in management discussion. Beside the limited resources, the main problem in SMEs is the strategic decision making. This research objectives are to describe the kind of the leader of Pekalongan batik industry intuition and to learn about the role of it in managerial decision making. Along this research doing, they were looks like a folklore industry that grew in a long-run performance by their organization. This paper beliefs that intuitive process connected with long experience and learning process. In term of family business, batik industry has rich experience and deep intuition to against the uncertainty business environment. This paper seeks to answer the many questions: 1) What kind of intuition that applied in the decision making process by SMEs of Pekalongan batik industry. 2) How is the relationship between intuition capability and uncertainty condition that faced by SMEs of Pekalongan batik industry? We analyze the data that found from the field by a qualitative approach. The research concludes that: 1). The kind of intuition based on religion framework have a strong affect in decision making process by SMEs Pekalongan batik industry. 2). The SMEs of Pekalongan batik industry as organization that place a high importance of trusting relationship between employer, employees, supplier of materials, subcontractor and consumer in which stay with a high uncertainty use a high levels of their intuition to solve many problems that rise in batik industry.

Key word: intuition, religion, managerial decision making

A. Research Background

The Indonesian government has been trying to encourage entrepreneurship development by supporting the development of small and medium enterprises in the country. The existence of SMEs are important in Indonesia (Tambunan, 2007: 95 & 115). Many factors influence the successful of SMEs likes capital constraint, marketing difficulties, and managerial tasks. Strategic management plays an increasingly important role in today's business environment. In turn, SMEs have long been recognized as the important sources of innovation (Huang, 2009: 87). As many people know that decision making that faced many small medium enterprises not only about strategy content, but also about strategy process (see Rajagopalan, et.al., 1993). There are little attention to last category, moreover in SMEs management which have many problems. How the decision making is made and how it's related by the condition?

Dreyfus (1988) cited in Glaser mentioned that authorities on intuition/psychology in management decision making believe that human experts respond intuitively in ways that defy logic (Glaser, 1995: 45). Individual, decision makers and managers engage in combinations of strategic thinking and intuitive thinking virtually all the time. They do this whether or not they attempting to utilize a rationally-based analytic system or one based on pure intuition. The difficulty is that most individuals do not realize how easily they move from one framework to the other and back. The question is not what people really do but how might they do better. Better decisions require better processes and also an acknowledgment of the processes that actually being used by the decision maker (Kutschera & Ryan, 2009: 19). People remains curious about how their minds work and what factors affect decision making, so the concept of intuition is receiving a lot of attention (Kutschera & Ryan, 2009: 12; Dane & Pratt, 2007, 33; Bohm & Brun, 2008:1; Khatri, & Ng, 2000).

Actually, organizational decision making sometimes requires other resources even when they do not fall in the scientific domain or are at least not labeled as belonging to it. Parikh et.al (2003) cited in Vasconcelos (2009) pointed that feel of managers also demonstrate that they feel comfortable falling back on an intuition tool. In a related vein, there is no reason to believe that intuitive decision making could not be associated with a religion-based approach. The prayer is a helpful transcendent mechanism whereby intuition is triggered (Vasconcelos, 2009: 931). This may be the true significance of intuition for people in organizations: intuition can help to overcome the illusions of one's own ego (Korthagen, 2005: 379).

Intuition encompasses skills that have always been a critical to human life. In a sense, intuition is responsible for the survival of the species. Its long evolutionary history has made it a deeply buried power of the mind. Intuition most likely has its origins in ancestral instincts for survival and adaptation. There is no way that our human ancestors

could have survived without intuition. Intuition is a product of all the processed ancestral instincts of the species, though which unconditioned reflexes become conditioned and organized into patterns of adaptive behavior called instinct. Ultimately instincts coalesce into intuition, the capacity for which is stored deep in the brain (Cappon, 1993: 42).

In elevating rational-scientific thinking and dismissing intuition, the Enlightenment confined its approval to a very narrow band of human intelligence – logical, deductive, proof-oriented mental operations. That intelligence has brought us the scientific revolution, high technology and a great many material goods. But it does not take an intuitive genius (all geniuses are) to observe that the wanton application of this line of thinking now endangers human society and its terrestrial home. The earth is so terribly befouled and overpopulated that our very advances now threaten our very survival. By their very nature, the study and control of these titanic forces cannot be accomplished by exact science. Private enterprise has become very receptive to the idea of intuition (Cappon, 1993: 43).

According with Patton (2003) said that intuition has a role in response to crises, in decisions with elements of uncertainty, and when there is great complexity with large volume of information to be processed. Intuition presents itself in a continuum. At one extreme is the instantaneous, purely emotional, often irrational reaction to a situation (Patton, 2003: 989). Consider from management decision making in SMEs, we assumed that batik industry have the same problem which related in decision making management. How the employer use their intuition and make their decision to solve many problems like market competition, partner behavior, innovation, performance, capital constrain and many else. If they do that, what kind of intuition that applied under the uncertainty condition that happen in batik industry.

B. Literature Review.

During the past 30 years, many researchers have recognized the centrality of the topic by tackling issues in strategic and more generally, organizational decision making (Eisehardt & Zbaracki, 1992: 17). Tversky and Kahneman (1974) cited in Brundin and Gustaffson (2012) mentioned that the theoretical area of decision making is widely explored from numerous cognitive perspectives, e.g. theories of rational choice, which also identify and investigate numerous decision biases. One of the most common decision biases is the inability to discontinue investment in a failing project. Previous studies such Detienne et. al. 2008; Karakaya, 2000; Gimeno et.al. 1997; McCarthy et.al, 1993 & Levinthal, 1991; McGrath, 1999, all cited in Brundin and Gustaffson (2012) have concluded that reasons such as sunk costs and extrinsic motivation, exist costs, intrinsic motivation, overconfidence, previous success and social norms may influence the

likelihood that entrepreneurs persist with their commitment to underperforming enterprises (Brundin and Gustafsson, 2012: 569).

Fernando and Jackson (as quoted in Vasconcelos, 2009: 931), stated linkage with a transcendent dimension of power could provide inspiration and guidance to business leaders to make the right decisions. Vasconcelos posit that the insertion of a religion construct into management decision making theory contributes and enriches substantially the study of the study of this field as well as providing a new stream of research. Further, religion is a pervasive subject that through its tenets to influence somewhat people's (including managers') behaviors, perceptions and decisions. Thus, to reach such an aim, the rational (i.e. the orthodox perspective), the intuitive (the heterodox view) and the integrated decision making approach literatures are firstly reviewed. Moreover, Vasconcelos mentioned that intuition is better enacted by praying mechanism. The evidence suggests that both intuition and prayer are forces that must be coupled together in order to encourage a decision maker, in this case, to reach, so to speak, wiser results or to put it differently, maximized spiritual outcomes. In other words, the flow of ideas, thoughts and insights are apparently optimized when this spiritual tool is activated (Vasconcelos, 2009: 943).

The literature looks at intuition from many perspectives. Bass & Vaughan (1966) and Bloom (1956) cited in Patton (2003) argued that at least since the 1950s, it has been known that organization of material in the brain provides neural receptors and prepares pathways for storing new information. Klein (1998) mention that finding in the field of evolutionary psychology have certainly demonstrated the importance of instinct and intuition; this in turn, has led to the idea of naturalistic decision making and the recognition primed decision model. A review of the intuition literature reveals two points of agreement for intuition definitions. First, intuition is defined as an unconscious process, and second, it is defined in contrast to rational thought processes (Kutschera & Ryan, 2009: 12).

Another finding of the literature review is that intuition is often equated with experience. Intuition is not an irrational process. It is based on a deep understanding of the situation (Khatri & Ng, 2000: 62). Gary Klein (2003) argued that intuition's connection with experience and expertise; he considers intuition "...a natural and direct outgrowth of experience," and defines "intuition *as the way we translate our experience into action*". Similarly, Myers (2002) talks about intuitive expertise and discusses the idea of non-conscious learning. Myers also said "What you know, but don't know you know, affects you more than you know". If one adheres to the belief that intuition actually grows from experience, and that people build up intuition as they gain experience, then one must believe that intuition can be developed and "learned", at least to a certain degree. In the world of applied pattern recognition, perhaps no other profession requires as much ability as the field of medicine. Physicians engage in the

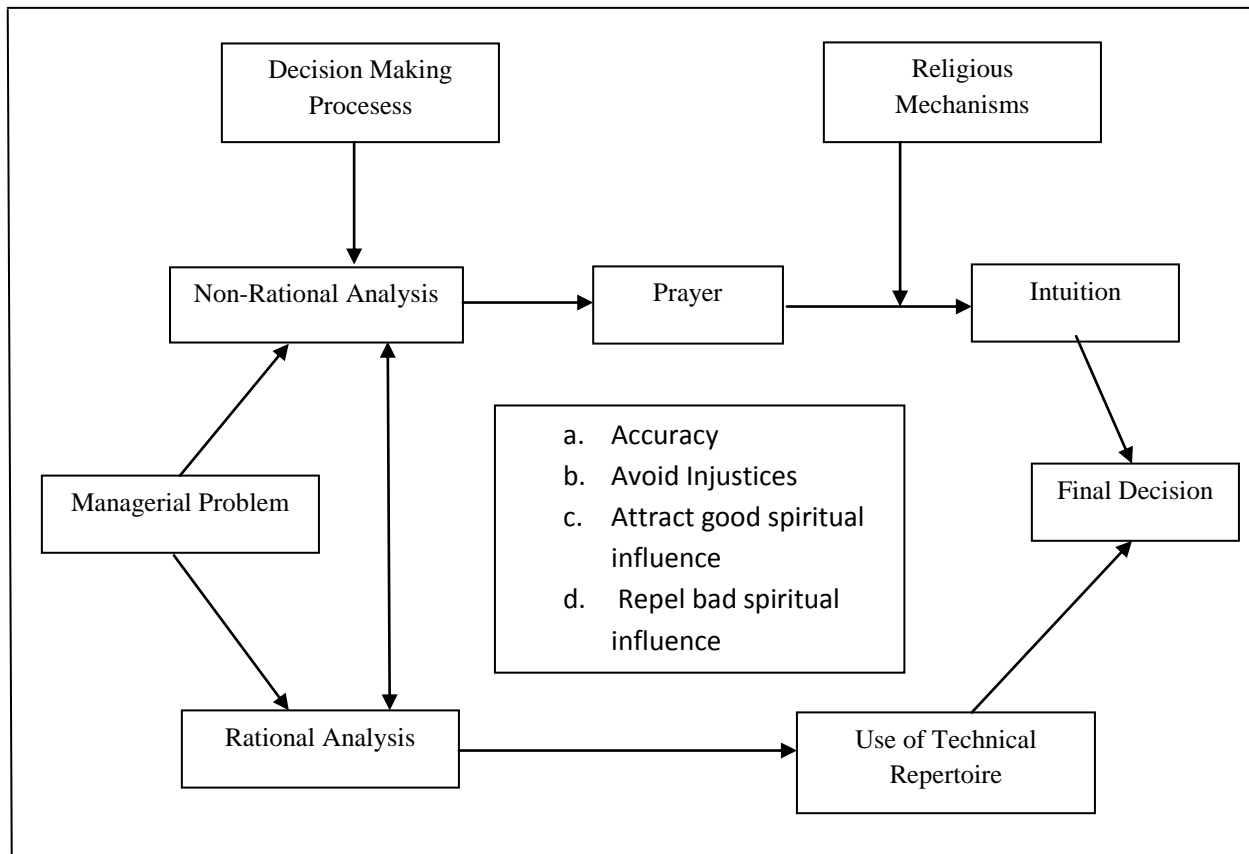
application of pattern recognition techniques from their initial patient contact until an appropriate diagnosis is determined. As Dr. Jerome Groopman explains in his book is an inherent part of the diagnostic process. When this process is properly executed with an acknowledgement of potential biases, the decision process can be quite good. In situations where the biases of the diagnostician are not acknowledged, the decision process can lead even the most experienced physician astray. Experience properly applied does allow the physician, and by extension a practicing manager, to employ shortcuts that help in both assessing, information and making decisions. Intuition based on an appropriate application of pattern recognition can work very well in many situations where experience over time provided adequate points for reference (Kutschera & Ryan, 2009: 12-13). The process of intuiting (a largely subconscious process) is important to a theory of learning. It may be possible to specify the knowledge and the recognition capabilities that experts in a domain need to acquire (Patton, 2003: 991). Many of research have another meaning of intuition. Simon (1987); Epstein (1994); Shapiro and Spence (1997); Carlson and Kaiser (1999) all cited in Vasconcelos pointed that intuition is a by-product of non-logical; non-rational; non-conscious process or non-linear intelligence.

The notion of intuition increasing with experience is certainly interesting for the area of management as well. We know that everyone –even the novice manager- relies on intuition. Agor (1986) mentioned that supporting the argument of intuition being connected to experience, the research on managerial intuition suggests that use of intuition increases from lower to top management. Hayashi (2001) said that it seems common perception that managers with higher position in an organization have a higher need for intuition than those in lower-level positions. But is following one's intuition, i.e. making decisions based on gut instincts or hunches, really better than following the classic rational decision model, i.e., collecting all possible alternative solutions to a problem, evaluating each and then selecting the optimal one that will offer maximum utility? Agor (1986) mentioned that here is consensus in the literature that intuition works better than analytical decision making in certain situations, such as those with high uncertainty, little previous precedent, limited facts, multiple alternatives, and limited time available (Kutschera & Ryan, 2009: 13).

The management decision making field has no more than three theoretical lines of research: the rational or orthodox perspective, the intuitive or heterodox view and the integrated decision making approach. In one of these research streams scholars have followed a more orthodox perspective, in which a quantitative approach, large amounts of data, simulation technologies, analytic computer programs or, in a nutshell, so-called management science, is pointed out. In contrast, another stream of research has embraced a heterodox view in which number crunching or piles of data have lesser importance than in the previous stream. In this view, managers' feelings, experience, and even spirituality

play a key role. Nonetheless, there is another research stream that relies on both approaches combining and integrating them into the problem or task that is being faced. It tends to be seen as an integrated decision making approach because it employs holistically what is unique to the other perspectives, but in accordance with what the situation calls for in order to get the best result. The integrated managerial decision making supported by religious approach can be learn in figure 1.

Figure 1.
Integrated Managerial Decision Making Supported by Religious Approach



Source: Anselmo Ferreira Vasconcelos, 2009: 932

On the orthodox perspective, the mental process of decision making under such an approach is underpinned by conscious reasoning, analytical tools and/or other symbols. As a result, within this perspective rest decision making technique such a rules and shortcuts, importance weighting, value analysis. Of course, these techniques show pros and cons and features that must be regarded appropriately. For example, Russo et al (2002: 154-5) cited in Vasconcelos (2009) believe that rules are the sort of technique that takes little effort and provide a moderate level of quality; nonetheless, they remember

rules are subject to biases and dangers especially derived from changes that can make the rules that are being used obsolete. Decision weighting, in turn, provide a high level of quality and clarity. In addition, this technique offers the advantage of being very transparent in terms of importance weights. But it presupposes careful attention to avoid applying current models in future decisions given that the context could be totally different, requiring, by extension, new variables and weights. The last technique is value analysis, which is attributed to the highest level of quality.

At the other extreme of this continuum, we argue that there lies a typical heterodox view in which scholar have suggested intuitive skills as a legitimate means by which organizational decision makers also take into account their corporation choices. Actually, it has not been seen as an alternative worthy of disdain by the majority of researchers. On the contrary, they have increasingly recognized its pervasiveness and importance in corporate life. To Sadler-Smith and Shefy (2004) cited in Vasconcelos, for instance, it is especially relevant “when outcomes are difficult to predict through rational means, executives need to acknowledge the uncertainties, be more tolerant of ambiguities, be able to respond to complexities in pragmatic, intelligent and fast ways in the face of unknown, and recognize the potential that their intuitive judgment may offer.

Overall, an integrated view seems to gather the best of each theoretical stream because it equally draws on orthodox and heterodox strengths. Actually, there has been a growing consensus toward such a view. Barnard (1938: 306) cited in Vasconcelos argued that in favor of both approaches, because they are “much better than either alone if the condition permit”, like Simon (1987: 61) also claimed that intuition is a process that works well under the analytical frame, and thus both processes act in a synergic way towards an “effective decision making system”. Given the disruptive technology advances as well as discard because of bias any decision making tool that could help. Indeed, some managerial problems are increasingly complex and multifaceted, and thus it would be intelligent to employ all alternatives under a congruent and integrative frame in order to reach the best decision. Intuitive skill may be substantially enhanced and maximized through the usage of praying (Vasconcelos, 2009: 933-934). Additionally, research shows that those who usually draw upon prayer believe and feel they are supported by God in their problems and difficulties, even in those cases where it is impossible to pinpoint any solution or amelioration. But in contrast, there are also people who embrace a more skeptical view and have no faith in the function of prayer. However, there is no denying that prayer is linked with a better psychological state for those people who rely on it (Vasconcelos, 2009: 936).

The business attempts to utilize to create an organization capable of long-term success. It is assumed that outstanding leaders use analysis and intuition successfully. The difficulty is that not everyone is an outstanding leader. Many individuals are merely adequate while others are barely marginal in terms of their respective skill set and

intuitive ability. Yet, these individuals frequently must participate in situation that require both analysis and intuition. It is the absence of natural capabilities in a specific individual with both knowledge and intuition capable of leading the group to victory that forces organizations to employ substitute approaches for the same end. Organizations seek to enhance analytic skills and intuitive insight to improve the odds of a better outcome than might be expected (Kutschera & Ryan, 2009: 15-16).

We often know that there are many people would like to separate an intuitive approach to strategic thinking from an analytic approach that is not what managers do. In fact, it is not what people do in any situation involving complex sets of information. People look for the patterns within the complexity. They seek to simplify to make the decision making process more reasonable, even knowing that their approach is highly subjective and subject to error. Joe Nocera (2007) cited in Kutschera & Ryan (2009) has observed “When it comes to investing, most of us simply don’t act rationally”. Unfortunately, this is not how people typically resolve complexity. Even when analytic tools are used, people overlay their rationality with an intuitive framework (Kutschera & Ryan 2009: 16). Damasio, 1994; Dane & Pratt, 2007; Foo, 2011 cited in Brundin & Gustafsson (2103) argue this may be an intuitive conclusion, and it confirms that emotion do indeed play a role for entrepreneurs in decision making where previous research has shown that people rely on emotions when they meet hindrances in decision making situation.

C. Research Methods

This research adopted a case study research design with qualitative approach. The 2012 data indicate that in Pekalongan region there are at least 6000 business units that produced batik. Of this number, 3400 units are small medium enterprises (SMEs) category. This research was used the ethnography approach, since 2012-2014 by looking at the employer behavior and then descript it (see Denzin, 1994). By seeing and asking what the employee do, especially when they use their intuition, documenting, writing and replace by computer until we have field note, and make the analyses by qualitative-inductive (see Cresswell, 1998).

D. Result & Discussion

The region of Pekalongan is located on the western side of the north coast of Central Java Province. The city of Pekalongan supported with seaport and two land transportation modes that is the North Coast Road (Indonesian: Jalur pantai utara or Jalur Pantura) and North Java Railway that connect Merak and Banyuwangi on the Northern beach of Java. These port, road and railway facilitate intercity and interisland transportation and eventually

influence commercial and economic development of this city and neighboring areas. So, Pekalongan grows as commercial city where people come and go to do business. One of the best-selling commodities of this city is batik products. Until now, batik as art still survived at many places in Indonesia, especially Pekalongan City. Business model in batik industry doing by order system, or we call it subcontracting (horizontal and vertical subcontracting). When they give the order or *sanggan* to another employer the people said *babarke*, so the next industry is only become a worker, and then this order gave to next second employer, until to the next worker. By this order or *sanggan* system, the worker then put out the order to their home. So it is why we can easily to find it in many places. In turn, we know that batik order or *sanggan* batik is very meaningful because from this work the biggest sources of employment rise.

In the context of batik industry, the entrepreneurship is equal to an owner manager, that is, a person who has an ownership in the firm and is actively in the running of management decision making. People rely on the thoughts and ideas that come up (i.e. intuition) after asking for God's help (by the prayer mechanism), especially when they are assigned to carry out complex tasks or new job assignments and the result of such a procedure (Vasconcelos, 2009: 944). At least since the mid 1970s, it has been understood that leaders could have major effect on the emotions, motives, preferences, aspirations and commitment of followers, as well as on the structure, culture and performance of complex organizations. This represented a paradigm shift away from bureaucratic organizations, and improved the effectiveness of decision making, as more and more decisions were "pushed" lower in "reengineered" organization (Patton, 2003: 994). It's easy to understand, that as decision maker, someone has limits on his/her rationality and face other constrains like lack of time or information, all of them actually pick a satisfactory alternative (Kutschera and Ryan, 2009: 13).

Along this research doing, batik industry looks like a folklore industry that grew in a long-run performance by their organization. Batik industry relates with intuition. It helps to create innovation, such new design and *motif*. One's intuition eschews linear thinking, embraces associative thinking and produces results (Glaser, 1995: 43). It's show to us that there was a high survivability of employer in batik industry. We assumed that intuitive connected with long experience and learning process. In term of family business, batik industry has rich experience and deep intuition to against the uncertainty business environment. As Kutschera and Ryan (2009:13) found that intuition increasing with experience is certainly interesting for the area of management as well.

*Sources of intuition of the SMEs of Pekalongan batik industry.***1. Family Values.**

Most of the family batik industry in Pekalongan City controlled by family management. The founder which most of them are parents, especially father as the first generation. As long as they grow up, sometimes they need other contribution of family member like his son/ daughter, sister or brother. This research also found that most of founder men. Most of the leader, made the strategy like what they want to do. According to Coffe and Scace (1985); Tagiuri & Davis (1996); Poza, Alferd and Maheshwari (1997) found that decision making is centered with the top family members in family-firms (Brice & Jones, 2008, p. 8). Poza (2007) mentioned that family values represent an idiosyncratic familiness resource that can act as a motive for intrapreneurship in family firm (Moores, 2009, p. 177). Accordingly, Habbershon and Williams (1999) define family firm as unique bundles of resources and capabilities which result from interactions between the family and the company (Krauss et.al., 2011, p. 3). By this definition, family business more broadly and inclusively: Burkart, Panunzi & Shleifer (2003) defined a firm as a family firm if it controlled by the founders, or by the founders' families and heirs (Liu, 2010: 3).

Martin, Vaughn & Lumpkin (2006) argue that the family characters like interdependence, stability, loyalty, tradition influence to entrepreneurship orientation namely autonomy, risk aversion and innovation (Lorraine, et.al., 2010: 1), conservative, long term orientation, slowly to develop, less-ractive to market change and to make the decision making (Krauss, et.al., 2011: 2) have contribution to firm construction and influence firm performance. Enterpreneuring families, furthermore, refer to that subset of business-owning focused on entrepreneurial objectives or motives.

Rajagopalan et.al. 1993; Baum and Wally, 2003; Bourgeois and Eisenhardt, 1988; Fredrickson and Mitchell, 1984 and Ginsberg, 1984, Papadakis and Barwise, 2002 (as quoted in Huang, 2009) mentioned several factors have been identified that have influence on the strategy decision making process including environmental, organizational and decision specific factors. The environmental characteristics often cover stability/ dynamics, favourability/ hostility and complexity. For example, the stability or dynamics of the environment has been found as an important factor moderating the relationship between the decision comprehensiveness and the firm's performance. Organizational factors that have been frequently studied in the strategic decision literature include centralization; the role of top management and ownership and size.

2. Religion Rituals.

Almost the employer of batik industry are Moslems. They have several rituals, daily as their prayer, or other ritual like *dzikiran* (remembering to God), *manakiban* (remembering the prophet and his head of spiritual scholar). The goal of this tradition is to remember the history of the struggle of each the head of spiritual scholar. Their lessons had expected to motivate all the people especially for the employer at Pekalongan City, *khaul* (man's death celebration). The people do this tradition at Habib Ahmad resting place, at Sapuro, Pekalongan City. Many people come to this tradition. The other tradition is *muludan* (prophet's birthday), this tradition was doing to celebrate Muhammad prophet's birthday on *Rabiul Awal*, at Kanzus Sholawat, by Habib Lutfi bin Yahya arranged. The people do this tradition by read together *sholawat* and biography of Muhammad which wrote in *Barzanji* atau *Dziba*. Similar with *khaul*, the process of *muludan*, *sholawat*, *tahlil* and other verses of The Holy Qur'an, the speech of the government even ministry, *tausiyah* or advices, the last all the people eat *kebuli* (rice with meal of goat) together. By this time, the people also bring the mineral water that they hope to get *barokah* (blessing) for their work. Many people; Javanese, Arab and Chinese come to Kanzus Sholawat.

3. Business Experience

As business family, batik industry grew as well as their experience from one generation into next generation. Their experience to gain the solution rational logic or not in order to survive gave the important means. Many years that kept in their deep brain that's intuition and rise again when the leader's thought call it. Some people call the intuition is tacit knowledge. Wagner and Sternberg (1985) cited in Brockman and Anthony (2007), defined tacit knowledge as work related practical knowledge learned informally through experience on the job (Brockmann, E.N. and Anthony W.P., 2002: 436). Many experiences many learning. Gioia & ford (1996), Weick (1979), Polanyi (1996), Gioia (1986), Simon (1991) quoted in Brockmann & Anthony (2002) stated that knowledge creation, it only make sense of an experience by viewing it in relation to what we already know (Gioia & ford, 1996), through retrospection (Weick, 1979), or after the fact (Polanyi, 1966), Any new knowledge can come only through new data combining with existing knowledge (Gioia, 1986; Simon, 1991).

In other words, the more we know, the more we can learn (Brockman, E.N. and Anthony W.P., 2002: 439). From Patton view, it is include the general experience – the learning that occurs in the normal process of aging and of accumulating experience (like the foreman in the factory, or a salesperson in the field) and innate response – the instinct that brings subconscious but usually still appropriate reactions to situations. It is not learned, but inborn. The flight or fight

instinct, is a good example. Animals and infants, even adults, have this response to threats or danger that they have never encountered before. But their experience also means focused learning – the learning that stems from deliberate efforts to develop habits and achieve intuitive reaction (and decision) to certain situations (Patton, 2003: 992).

Intuition Mechanism based on Religion Framework

1. Transcendent Communication

By those practices, the employer felt to be close to transcendent thing, that's God. Their behavior be more patient, and they refer to entrust their business condition to Him beside they kept to try in their work. This paper look the personality structure as organizationally of belief, behavior and the value which concern on oneself and other self (see Quackenbush, 2001). Ritual action and belief are a like to be understood as forms of symbolic statement about social order (see Needham, 1972). So we find that human behavior as the product of such factors, economy, culture, belief and many else. All rituals that people doing produced magical mentality (Eliade, 1952: 112). Some people call it be irrationality power, because it is not be resulted from real of one's effort (Muhammad in Damami, 2002: 22-23). In turn, it brings a new confidence, stronger and brings out a new inspiration to solve the business environment. People rely on the thoughts and ideas that come up (i.e. intuition) after asking for God's help (by the prayer mechanism), especially when they are assigned to carry out complex tasks or new job assignments and the result of such a procedure (Vasconcelos, 2009: 944).

Prayer is a subject that falls within the religion-based domain, and in essence, it is best expressed as a form of communication within the context of a spiritual relationship, as posited by Baesler (2003). More exactly, prayer can be employed in a lot of forms such as ritual, conventional, petition, meditative, thanksgiving, contrition, adoration, confession, sacrifice, intercession, contemplation or vows (see Poloma and Gallup, 1991; Baesler, 2003; Zaleski and Zaleski, 2005). Vasconcelos (2009: 942) that's point out the spiritual doctrine vigorously emphasizes the importance of prayer as a transcendental mechanism. That such mechanism works as a route or a telephone line by which any individual can establish a linkage between him or her and God. In essence, prayer is an act of wholehearted communication and the more intense and pure it is, the greater the likelihood that one be heard by deities. Prayer replenish believers with inner strength through their life's problems and ordeals. At the same time, prayer apparently works like a moral compass because it also tends to help believers not to lose self-control and sense.

2. Relaxation and Trusting Development.

The religion by its ritual and tradition might enrich the capability of employer in decision making processes, through their faith of positive thinking, life balancing. By the ritual like *khaul*, *kliwonan*, people believe that Habib Lutfi and other had *karomah* and they want to reach it for their success. For Javenese, *karomah* is a competencies that reached by religious achievement. What they do by this tradition similar as social solidarity (*silaturrahmi*) and have the prior object to renewal of their spiritual force. Another way of ritual that often doing by people are fasting, *zakat* and *qurban* (sacrificed through meal and then give it to the other moslems also represented about deep communicating as well as deep caring. Feeling of happiness also helps to the employer become calm when faced the business problem.

About the intuition resources, Vasconcelos (2009: 934-935) argued by science view that: First and foremost, it must be emphasized that intuitive decision making has mainly been seen as a consequence of the subconscious process of making decisions underpinned by either solid judgment experience or “gut feelings”. Many researchers have pointed out that intuition, to some degree, overlaps with experience due to training, learning, gathering of facts, concepts, procedures and abstractions that can be stored in one’s mind throughout the years (see Eisenhardt, 1999; Khatri and Ng, 2000). It must be also acknowledged that intuitive skills are clearly employed by rank-and-file people, and the situation is not different with top managers. More exactly, a manager who is worthy of praise uses it a lot. In this sense, cited from Harper (1989) stated that top executive show great expertise in using intuition along with pre-emptive management. Therefore, there are strong reasons accounting for why intuition should not be disregarded as a managerial tool. Furthermore, as pointed by Wild (1938) and Vaughan (1989), it is commonly associated with situations where discoveries, inventions, scientific inquiries, artistic inspiration, creative problem solving, perception and mathematical problems, among other things, are clearly identifiable. More, Wild (1938) explained that intuition works as a guide to action as well as being suitable to novel situations, closer to instinct, although it is not always available.

In other words, it seems that “pure intuition” takes place only in special moments. Alas, it does not occur whenever we want it to; nonetheless, it is comprehensible, especially when we take into account that creative insights are rare. Therefore, this discussion suggests the existence of a kind of uncontrollable force, power or transcendent mechanism, at least when one is trying to grasp something deeper or propose a breakthrough discovery. In fact, sometimes we are intuited in a wrong direction. In another way, suggestions, thoughts and ideas come to our mind

that do not make sense (anecdotal evidence shows that sometimes people around us try to call our attention to avoid certain mistakes, but we just reject or disregard such advice). On a related note, there are cases where we simply do not take into account other possible solutions, alternatives, paths and so on. Actually, it seems that our reasoning does not work appropriately, at least on some occasions. In these situations, the decision maker just tends to grab his or her original idea without any respect or consideration for another opinion or counter-argument. In doing so, the decision maker is predictably prone to failure in his or her duties, and could also constitute a burden for his or her organization and staff (Vasconcelos, 2009: 936).

E. Conclusion

Recently, management decision making in SMEs industry has become a current important issues related to intuition based on religion framework. This paper has shown a number of interesting facts. First, the kind of intuition based on religion framework has a strong affect in decision making process by SMEs Pekalongan batik industry. The faith and magical mentality influence the leader innovation and self-confident to drive the business. The mechanism of intuition based on religion framework can be learning through the transcendent communication and relaxation and trusting development. Second, the SMEs of Pekalongan batik industry as organization that place a high importance of trusting relationship between employer, employees, supplier of materials, subcontractor and consumer in which stay with a high uncertainty use a high levels of their intuition to solve many problems that rise in batik industry.

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