

A Paradigm Shift in Managerial Cognition: Reassessing Heuristic Bias in Strategic Decision-Making

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Abstract. This article examines the pervasive influence of heuristic biases on strategic decision-making within managerial contexts. Employing a socio-cognitive framework and leveraging data from cross-sectional surveys, the research analyzes the cognitive schemata that underpin executive decisions. The findings reveal a critical misalignment between perceived rationality and actual decision outcomes, necessitating a reevaluation of current heuristic models. The study concludes with implications for enhancing decision accuracy and strategic alignment through cognitive recalibration.

Keywords: Managerial Cognition, Heuristic Bias, Strategic Decision-Making, Cognitive Schemata, Decision Efficiency

Introduction

Strategic decision-making remains a cornerstone of effective management practice, yet it is intrinsically fraught with complexities that arise from cognitive biases. The global business environment of 2024-2026 is characterized by heightened volatility and uncertainty, necessitating a critical examination of how managerial cognition influences strategic outcomes. Heuristic biases—mental shortcuts used to expedite decision-making—have been identified as significant impediments to optimal decision outcomes. This paper aims

to dissect the cognitive mechanisms that underlie these biases, particularly focusing on the gap between perceived rationality and observed decision efficiency. In recent years, firms have experienced unprecedented challenges, from geopolitical tensions to rapid technological advancements and evolving consumer preferences. These factors compel managers to continuously adapt their decision-making frameworks. However, cognitive biases, if unaddressed, can lead to suboptimal strategies that undermine organizational performance and competitive advantage. The structure of this paper is as follows: Section 1 provides a comprehensive literature review on heuristic biases in managerial contexts. Section 2 details the socio-cognitive framework and methodologies employed in this study. Section 3 presents the empirical findings and discusses their implications for management theory and practice. Finally, Section 4 offers concluding remarks and suggests pathways for future research.

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