

# Perception and Individual Decision Making

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## INTRODUCTION

Perception is like beauty that lies in the eyes of beholder. Individual differs in the way he sees, interprets and understands a particular event. A manager may perceive non-attendance of duty by the subordinate in a different way. Individuals may also differ in their opinion though the event or situation may be the same. For example, in an organization where lunch is served in a subsidised manner may be interpreted by the employees in a different way. An employee may perceive it as “right” to get a subsidized lunch, the other may feel that it is being given out of surplus of profits achieved by the organization while the third individual may state that it is mandatory for the management to provide lunch free of cost and that the management is not doing any favour to them by providing the lunch.

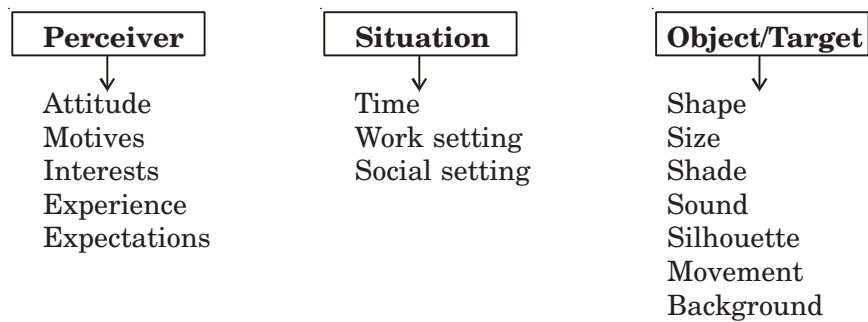
### Definition

Perception is defined as ***“a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment (Robbins)<sup>1</sup>”***.

- (a) What one perceives may be different from objective reality. A person coming late on duty may be perceived as casual and tardy while there may be social problems faced by him.
- (b) There is often disagreement among the individuals in the organization in relation to pay and allowances, administrative back up, policies and procedures and the place of work itself. An individual who displays a positive attitude may perceive above factors as good and conducive to work environment while the others may consider them inadequate. Employees also compare themselves on job assignment. If a job is assigned to one individual who may consider the assignment in excess to his job entitlement on the contrary if he is not given the job, he may consider it as neglecting him in allocation of responsibilities.
- (c) It would often be observed that the manager is rated differently by his subordinates because of the different perception of the individual about the manager. The study

of perception is very important in the organization because it is necessary for the manager to perceive individuals correctly irrespective of their status and perceive each of the situation as close to the real fact or as it exists by interpreting the sensory reflects in correct way. Sensation and perception are complex phenomenon. Perception is outcome of sensation and is much broader in its nature. Perception involves observing data, selecting, and organizing the data based on sensory reflects and interpreting the same as per personality attributes of the perceiver. That is why no two individuals can perceive an employee in the same manner, for one he may be efficient while for the other he may be perceived as useless.

**Factors Influencing Perception:** Following three factors influence the perception



**Perceiver:** When an individual looks at the object and attempts to interpret the same, what he or she sees it is largely influenced by the personal characteristics. Perception is a matter of **attitude** that can be positive or negative. Some workers would feel and perceive that the prevailing working conditions in the organizations are congenial for work and it contributes positively while for others, it would be inadequate and demand improvement. This is indicative of positive and negative attitude patterns. **Motive** is another factor that plays an important role in perception. Motive is nothing but unsatisfied needs. This exerts considerable influence on perception. Boss who is insecure perceives subordinate who does well as threat to his position. Personal insecurity is a threat to personal survival in a job especially if one is frequently transferred. **Interest** is persons liking for a particular thing in an individual. May be some people get attracted to eyes of a girl because he has interest in the eyes while other person may be interested in hair style, therefore different person (perceiver) will perceive a girl based on perceivers' interest. It has also been observed in the work places that workers would display interest as per their liking. Students in the class when preoccupied are not attentive in the class. **Past experience** also plays an important role in perception. Just as interest narrows down one's perception so does past experience. In contrast past experience nullifies an object interest. For example second or subsequent visit to a historic place. Object or events that have not been experienced before are more noticeable and creates an interest. For example a female manager. **Expectations** can distort one's perception in what one sees and what one expects to see. For example power hungry police officer to be strict regardless of his actual traits.

**The Target:** Objects, events that are similar to each other tend to group together and have a tendency of perceiving them as common group for example. Blacks, Whites or Indians etc irrespective of their different characteristics. Physical and time proximity also leads us to perceiving a situation in a different form than actual reality. Increase in the

sales volume may be attributed to newly posted sales manager. In actuality the increase in sales may have been the outcome of hard work done in the past by sales representatives and public contact. Soldiers in identical uniform and their uprightness is perceived as being strict, ruthless and tough, on the contrary they are sober, soft and very delicate at heart. It is therefore important to analyse the event, situation, or an object in its correct perspective and be led by similarity, physical and time proximity.

**The Situation:** Change in situation leads to incorrect perception about a person. Time is one factor, which influences the perception. Time is related to work setting and social setting. A person decked up for party may not be noticeable but the same dress in office would be noticed distinctly, though the person has not changed. You would have very frequently heard people say that their manager is different during working hours and 180° opposite while in social setting. Infact person is the same but the perceiver perceives the manager as per business like setup while on work, while the person is observed on a private or a personal platform when meeting him in the club or at home. What is important to remember is the perception should be done in a correct manner not to be led due to work setting or social setting and that the situation is not allowed to perceive wrongly. An object can be identified by its size, shade, shape, sound it makes and background. It can be distinguished based on its movement. In darkness it may be identified by its silhouette, for example caravan moving on skyline at the dawn.

**Attribution Theory of Perception:** In day-to-day life, we come across people with whom we interact. Motives, intentions, belief and attitude of people have an impact as to how they behave. It has been seen that our perception about the people is greatly influenced by the assumption we make about a person and not by reality. There are two factors, which has an impact on human behaviour. First is internally caused behaviour – refers to internal factors on which individual has a full control, secondly the externally caused behaviour-refers to the behaviour which has been caused due to external factors and that the individual has no control over it. Attribution theory suggest that when we evaluate human behaviour, it is either internally caused or it is caused due to external factors as explained above. The determination however depends on the following three factors. See Figure 8.1 below:

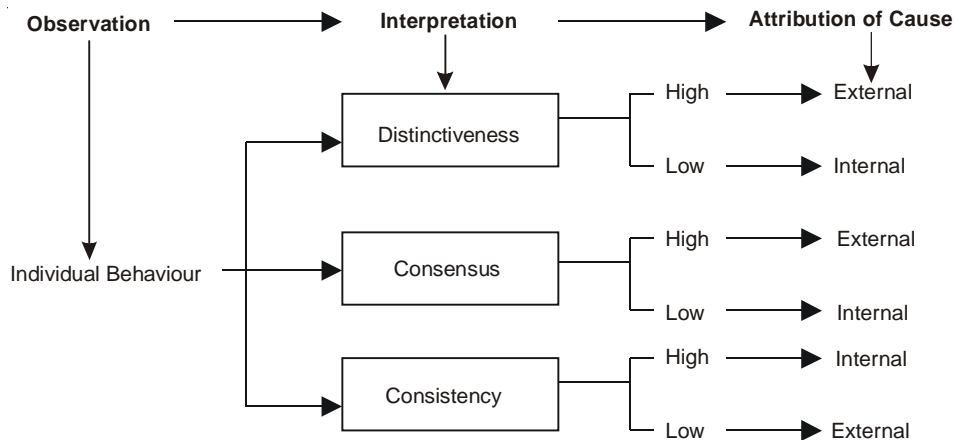


Fig. 8.1. Attribution Theory of Perception

- (a) **Distinctiveness:** Let us for evaluation purposes take an example of X worker coming late for duty. When we carry out interpretation there are two factors, one whether arriving late is usual or unusual behaviour. If it is usual, it is attributed to internal factor on which X has full control. When the behaviour is unusual then it can be attributed to external factors. In the former situation individual could be counselled appropriately in the later situation, the external factors cannot be corrected. If the external factors are high, then late coming should not be attributed to the individual behaviour.
- (b) **Consensus:** This factor refers to group behaviour. If the entire group taking the same route came late on duty, the causation is attributed to external factors. But by some chance if X only was late then the causation would be internal.
- (c) **Consistency:** If the behaviour of Mr. X is consistence, that is if he is consistently coming late then attribution should be to internal factors. In such cases there is a high internal causation. If X came late once in a while the causation would be low and attributed to external factors. More consistence the behaviour, the more the observer is inclined to attribute it to internal causes. It has been seen that we have the tendency to under estimate the influence of external factors and over estimate the influence of internal factors or personal factors while carrying out perception. This phenomenon is called the **fundamental attribution error**. Fall in sales of a commodity is generally attributed to inefficiency of sales force rather than market trend, recession or innovative product launched by the competitor. There is also a **self-serving bias** error caused by the individuals who tend to attribute their own success to internal causation like ability, hard work and self-worth and the failure, to external factors like Luck. This phenomenon is called a self-serving bias displayed by the individuals. There are bias, which distorts attribution universally across culture. During World War II it was considered by Allies that Japanese are invincible, but the attribution proved to be false at later date when tide took the turn and Japanese had to suffer total annihilation. Self-serving bias does not apply to all organizations, where cultural identity has been established like Defense Services of India. Where the leader takes the responsibility for the failure of group task and attribute success to collective efforts. This is the main reason that soldiers have great faith in their leader and his ability and that is how the soldiers are led in war and they follow the leader blindly because they have a correct perception of their leader.

**Aspect of personality that influence perceptions:** Costello, Zalkind (1962) and Hamacheck (1971)<sup>2</sup> indicate the following relationship between personality factors and perception

- (a) Secure person perceives others as warm individuals.
- (b) Thoughtful individuals do not perceive situation in terms of Black and White but understand that there can be different shades of gray. Hence they do not make judgments based on single piece of evidence.
- (c) Self-accepting people perceive others liking and accepting them. Those who are not self-accepting tend to distrust others.
- (d) Self-accepting person also accepts others easily which is not true of those who are not self-accepting.

- (e) People tend to perceive others more accurately when they are more like the ones they perceive than if they are different from those who are being perceived.

### Common Errors While Judging Others

1. **Selective Perception:** People selectively interpret what they see based on their attitude, interest, background and experience. An individual might have been appointed on a key position on the day of the visit of CEO and the appointment may be incidental but we may perceive appointments as a consequence of CEO's visit. In an organization so many things keep happening but different people will perceive one fact differently based on individuals selectivity in perceiving which is generally based on his past experience and attitude towards work. It is important that when we read others, we make a mistake reading with speed and putting seal of what has been selectively seen by a perceiver. For correct perception an individual must be observed, studied, tried and later perceived without an individual bias.
2. **Halo Effect:** Halo effect refers to judging an individual based on single characteristics, such as intellectual ability, sociability and appearance. Sales Manager's visit to sales territory and consequent increase in sales volume may be attributed to the visit of the sales manager to a particular sales territory. Perceiver in this situation did not notice the cause of increased sales to probably higher demand, change in market forces, subordinate sales employees past efforts to woo customers to buy the product and host of other factors that go with increase in the sales volume. This type of perception is quite common in any organization, which is called halo effect in perceiving an individual or situation. A rater may rate a subordinate based on dominance of a single trait of the subordinate. The halo effect has been very frequently noticed in performance appraisal.
3. **Projection:** You assume a person based on your own traits and not what he actually possesses. If you were hard working and dependable you would expect others to be so. If a person projects the above characteristics in his dealings he is rated high or perceived in a different way than what he actually is. It is commonly found that subordinates do or exhibit the same behaviour as desired by the boss. This phenomenon is called the 'projection', an error that is common in any organization.
4. **Contrast Effect:** We do not evaluate a person in isolation. Our reaction to one person is relative to the other. During selection process, interviewer selects a particular person for a particular job not because he fulfils all requirements but he is generally selected in relation to the other candidates. Individual selected may be academically, skill wise, experience wise better than those not selected. So it is a comparative or contrast phenomenon of perception. We generally hear, people say that Mr. X presentation was good thereby meaning it was better in relation to other people who would have made presentations in a particular session.
5. **Stereotyping:** In order to simplify matters, we often tend to classify people and events into already known categories. For example we generally perceive man as executive and woman as secretary even if the situation may be different. For police person, it is generally believed that they are generally tough and law abiding which may not be true. In our mind we have established certain categories with certain attributes. For example, category of teenagers would generally be independent, indisciplined and so on. In reality this may not be true. Similarly we

attach positive attribute to judges, professors and doctors and negative attributes to school dropouts, addicts although they may not be really so.

## INDIVIDUAL DECISION MAKING

Managers have to take decisions and communicate the same to subordinates for implementation. Decisions can be of routine nature or may have strategic consequence. It is the judgment of the individual to arrive at a particular solution. The process that takes place in mind is fast and based on ability, nature, skill and experience of the individual. Hitler took a decision to attack Europe in the West while he had captured half of Russia. Opening war on two fronts led him to defeat. Otherwise the map of the world would be different. Such are the consequences of faulty decisions. Due to information technology revolution, a manager has to his disposal plenty of information on product, market trends, customer choice, availability of various resources that go in to run an organization. He has also to use statistical tools before arriving at a decision. This at times cause an information overload for a manager to take decision. Decision must be rational and based on the available facts and future expectations of the user. Decision is studying various alternatives and selecting the best alternative to the problem. When a decision is taken, a mental appreciation is carried out. It leads to following three questions :

- Q. 1. What is my aim/objective/goal ?
- Q. 2. What does it involve ?
- Q. 3. How far can I plan now ?

Once this exercise is carried out, an individual is generally in a position to take an appropriate decision. Decision must be taken in time and implemented. Studies have been conducted by Taylor et al<sup>3</sup> to see if there is a co-relation between certain characteristics of a decision maker such as age, level of intelligence, experience, aptitude for creativity and level of motivation and such variables as decision accuracy, confidence in the decisions and time spent in studying the problem and reaching the decision.

These studies have shown that biggest unknown and the most mysterious factor is still the decision maker himself. How and why an individual acts is still a mystery.

### Factors Affecting Decisions

1. **Information** : Adequate information must be available to the decision maker. Due to computers lot of information may now be available but it is of little consequence. What is important is the amount, quality and the format in which the information is made available to the decision maker. Inadequate information is as dangerous as too much of information.
2. **Bias** : Every individuals' decision is highly affected by value attitudes and beliefs. Individual has preconceived ideas about an issue and accepts what he wants to, and throws away information which is not acceptable by him. Prejudice and bias that may lead to faulty decisions. It is therefore necessary to have an open mind and take decision without any prejudice. Organizational culture plays a decisive role in decision making. If an organization is known for its promptness, honest dealings etc, a manager in such organization would definitely take just and appropriate decisions.



3. **Personal habits** : Some people are rigid and stick to their own decision even if it is wrong. Others blame their subordinates for failure and take credit for successful job. There are individuals who have an external locus of control and blame outside agencies/ situations for their failure for decisions to be effective.
4. **Time constraints** : A problem is identified and a solution is sought within a specified time. As the complexity of impact of external variables, the enhanced time may be required. In the fast moving era it is necessary to carry out time and space appreciation of the problem involved. A rigid time schedule may be necessary that can be followed. There are managers who can take effective decisions under the pressure of time. However most people under time pressure rely on “Heuristics” approach which means limiting the search for facts and data using the limited information for decision making. Under the above circumstances the quality of decisions are “Workable” rather than “Optimal”.
5. **Risk Taking** : Risk is related to various factors. A manager’s risk taking attitude is dependant on personal characteristics, organizational culture where risk is rewarded and not penalized for failed decisions, intelligence level and the expectations of the decision maker. High intelligent managers are found to be generally conservative and do not take bold step. People with high expectations are generally highly optimistic and take decisions even with minimum required level of information. Social and cultural influences also play a dominant role on the quality of decisions.

## SUMMARY

Perception depends on the attitude of the individual. Individuals differ in the way they see a particular event or observe an object or a situation. Perception is a processes of interpretation of sensory impressions of the environment. What one perceives may be different from the objective reality. There are three factors that affects the perception of the individual. These are, 1. **the perceiver**. Perception differs from individual to individual based on attitude, motives, interests, experience and the expectations. 2. **the object**. Individual has a tendency to group together the items, situations, and people to physical and time proximity. This leads to perceiving the situation in a different form. Objects can be perceived differently based on shape, size, shade, sound, movement and its background. 3. **the situation**. Individual behaves differently in different situations. Therefore he should be perceived in the correct fashion. Work setting and social setting play decisive role in perception. Human behaviour is caused due to internal or external factors. These factors are related to **distinctiveness, consensus and consistency**. It has been observed that we have a tendency to under estimate the influence of external factors and over estimate the influence of internal factors. This is said to be a fundamental attribution error. Costello, Zalkind and Hamchek have indicated very close relationship between personality and perception. Common errors while judging others are **selective perception, halo effect, projection, contrast effect, and stereotyping**. Individual decision making relates to ‘identification of problems, what does it involve to solve the problem and how far one can plan now.’ Decision must be taken in time and implemented. Studies have been conducted by Taylor et al to see if there is co-relation between certain characteristics of a decision maker such as age, level of intelligence, experience, aptitude for creativity and level of

motivation and such variables as decision accuracy, confidence in the decisions and time spent in studying the problem and reaching the decision. There are various factors that affect decision making. These are availability of information of correct type, personal bias, habits, time available and risk taking ability of a decision maker.

### TEXT QUESTIONS

- Q. 1 Define perception. What are various factors that affect perception?
- Q. 2 Explain Attribution Theory of perception.
- Q. 3 Explain fundamental attribution error with suitable example.
- Q. 4 How does personality affect individual perception?
- Q. 5 What are common errors that an individual does while judging others?
- Q. 6 What are various factors that affect decision making?
- Q. 7 What is the relationship between personality factors and perception as proposed by Costello et al.

### REFERENCES

1. Robbins Stephen, **“Organizational Behaviour”**, Ninth Edition, Prentice Hall, New Delhi, 2001.
2. Costello and Zalkind (1962) and Hamacheck (1971).
3. Taylor R.N. and M.D. Dunnette, **“Relative Contribution of Decision makers attributes to Decision Processes”**, Organizational Behaviour and Human Performance, Vol. 2, 1974 pp 286 – 298)

### Case

#### WHO IS RIGHT

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#### ABOUT THE ORGANIZATION

A high powered Indian delegation had paid a visit to China in the beginning of the sixties and started a green revolution in India based of Chinese experience. Initially, it was related to agriculture later it was extended to forestry and wasteland development also. To ensure the natural balance of flora and fauna, an organization called Ecological Survey of India (ESI) was established in 1964 at the national level and had one centre in each of the states. The locations of the state centers were Udampur, Chandrapur, Silchar, Pathankot, Hyderabad, Tezpur, Palampur, Cochin, Imphal, Bikaner, Ootcamund, Nainital, Rewa, Gopalpur, Dehradun, Jamnagar, Shillong, Chhindwada and Guwahati.

ESI had its headquarters at Shimla in Himachal Pradesh and controlled all the state centers in the country directly. The major functions of ESI were related to field work. The staff had to identify wasteland, plan for its development, plant tress, and shrubs, and sand

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stabilization plants in the desert of Rajasthan and pine, fir, deodars in the higher ridges of J & K, himachal Pradesh and in the Eastern States. Since it was a speciality work, the staff had to be selected, trained and posted to various state centers centrally by ESI. ESI had 1000 officers of various grades. 10,000 supervisors in various categories and approximately 50000 field staff. The field staff was divided into various categories like agriculture assistants, surveyors, draftsmen, planters, field guards, clerks, drivers and other administrative staff like cooks, barbers, washmen etc. the requirement for enrolment of staff was projected by state centers to ESI on a yearly basis and ESI took action by advertising the requirement in national dailies.

### **Training Institutes**

ESI during its development had established institutes to train various categories of staff. The Agriculture Engineering Institute which was located at Shillong was training employees who were sent by ESI after selection and recruitment. The Driving and Maintenance Institute which was located at Trivandrum trained drivers in driving various types of vehicles and mechanical plants and were also supposed to carry out basic maintenance of such vehicles and plants on the spot as moving of these vehicles and plants from remote areas was neither economical nor practical. The Clerks and Computer software Institute was located at Nagpur and trained a raw individual into a full fledged clerk. The training period for them was of 14 months. During the period an individual selected as a clerk was to have a typewriting skill of 40 words per minute, and had to be physically tough to be able to sustain in the mountainous terrain that prevailed in Ladakh region of Jammu & Kashmir in the North and Arunachal Pradesh in the East.

### **CLERKS AND COMPUTER SOFTWARE INSTITUTE**

The Institute had a capacity to train 2000 individuals at any one time. It also conducted head clerks, office supervisors and PA's modular courses ranging from three month to six months duration. These courses had proved to be an asset to the organization. The training institute was headed by the director from within the ESI cadre of officers and had teaching staff of ESI which reverted back to field work after completion of the tenure.

### **FUNCTIONS**

Each of the state centers had self-sufficient sub-centers spread over in the state where ecological work had to be undertaken. Each centre generally had 7 to 8 projects going on at any given time. Each project took about five years after it was launched. The staff once posted to any of the sub-centers was dedicated and was not transferred except on extreme compassionate grounds. All the staff had to be physically fit, mentally robust and psychologically sound to sustain the hostile climatic conditions that prevailed in the areas of work. Officers, supervisors and class IV staff had to stay in a temporarily erected camp or close to the site of project, generally away from habitation. Project camps in central Indian states were close to a city/ town and therefore, the families could stay with them on a permanent basis, subject to transfer.

### **Review**

A systematic procedure existed at ESI to review the work of each of the sub-centers and

training institutes on a yearly as well as five yearly basis as net outcome was only possible once the project was complete. However, for training institutes, the yearly review was in vogue. In the review of the training institutes conducted in the year 1988, the Review committee of ESI recommended that the Clerks and Software Institute, Nagpur should be closed down as it was proving to be a “White elephant”. The recommendations were based on Pran Kishore, director general’s personal views, who was of the opinion that “Teeth to Tail” ratio be reduced and that the training of clerks and computer software programmers, etc. could be conveniently undertaken by state centers under direct control of state centre directors who would train within their own recourses before being posted to sub-centers/project locations. To facilitate initial training he agreed to pool some training staff of the institute to various state centers against the field vacancy. He further appreciated that the saving so accrued could be fruitfully utilized in the main project work. The views of the Director General prevailed and closure of the institute was ordered in the year 1990. On the above analogy, the Driving and Maintenance Institute, Trivandrum was ordered to be closed the following year.

### **Process of Closure**

The process of closure took about six months. All typewriter machines, training material, furniture, vehicles, and administrative staff had to be sub-allotted to various state centers on the approval of the director general, ESI. The work of closure was smooth but painful because an institute which had proved its excellence in training and the staff that had graduated from the institute stood the test of time in varied areas with different climatic conditions. Pran Kishore retired and Chaman Lal took over as Director General, ESI in 1990. He stalled the decisions of closure of the driving and maintenance institute, Trivandrum as he felt that vehicle and plant drivers if recruited from the mainstream of the country would not be able to undertake work for a prolonged period of time in hostile terrain and climatic conditions.

### **Aftermath**

The closure of the Clerks and Computer Software Institute at Nagpur by the previous Director General, ESI was a topic of discussion during the dinner hosted by the state unit of ESI. Most of the officers of ESI felt that off late they had noted with concern the decline in quality of staff work in various state centers. Office procedures had declined and compilation of current work had accumulated making it difficult to retrieve the old data. There had been a lack of administrative staff support. Reports and returns were not being forwarded to ESI HQ regularly. Some of the officers felt that the situation was likely to worsen further.

### **QUESTION FOR DISCUSSION**

- Q. 1 Discuss the decision making process adopted by the two senior executives in this case.
- Q. 2 Who is right? Support your answer with relevant arguments.
- Q. 3 What should be the next decision of chaman lal? Should the Clerks and Software Institute Nagpur be reopened?