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COMMERCE
Paper No .1: Management Concept and Organisational Behaviour
Module No. 14 – PERCEPTION

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1. Learning Outcomes

After studying this module, you shall be able to

- Define perception and explain the factors that influence it
- Identify the main factors that influence what individuals perceive
- Explain Attribution Theory and list the determinants of attribution.
- Enumerate the application of perception in Organizational Behavior
- Explain the link between Perception and Decision-making
- List the common Perceptual Errors
- Explain how individual differences and organizational constraints affect decision-making.

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2. Introduction

Perception is a process by which individuals systematize and interpret their sensory imitation in order to give meaning to their environment. Whatever is perceived can be substantially different from objective reality. Perception is one of the most significant psychological factors affecting human behavior. It includes all those process by which an individual receives information about his environment--seeing, hearing, tasting and smelling i.e.-that is a manner in which an individual experiences the world. People differ in their reactions due to a difference in their perception. In an organization, perception allows employees to interpret what they see and hear in the workplace effectively to make decisions, complete tasks and to act in ethical manner.

3. What is perception?

3.1 Definition

"Perception is a process by which people organize, interpret and experience ideas and use stimulus material in the environment so that they can satisfy their wants."

Joseph Reitz

3.2 Importance

Perception forms a basis for feeling and actions in any organization. It's a science that paves way for matching new people in their job. It helps to avoid situations when perception becomes out of touch with reality. Perception is a basic cognitive process and the method in which a person perceives the environment which in turn affects his behavior. It is an important instrument for the manager who wants to avoid making errors while dealing with other people and events in the workplace.

4. Factors Influencing Perception

Factors that influence the Perceptual Mechanism are mainly of two types:-

4.1 Internal factors

Needs and desires – Perception varies according to the needs and desires of the individual

Personality – Personality of an individual has a profound impact on perceived behavior. Secure individuals are not harsh in their judgment of other individuals. Other individuals who have faith in themselves have favorable perception of other things, people and situation.

4.2 External factors

Size – Individual's attention is always attracted by size because the larger the size of the perceived stimulus, there is the highest probability of it being perceived.

Frequency - The more the external stimulus is repeated, the more it will attract attention

Intensity - Selective perception is attracted with increased intensity.

Status - The status of the perceiver influences perception to a large extent. Status and background exercise greater influence on the employees or people who are below status

Contrast - When the external stimulus is in contrast with its environment it tends to attract more attention than anything that blends with the environment

Novelty - All novel external stimuli is bound to attract and change the perception of the perceiver.

5. The Perceptual Process

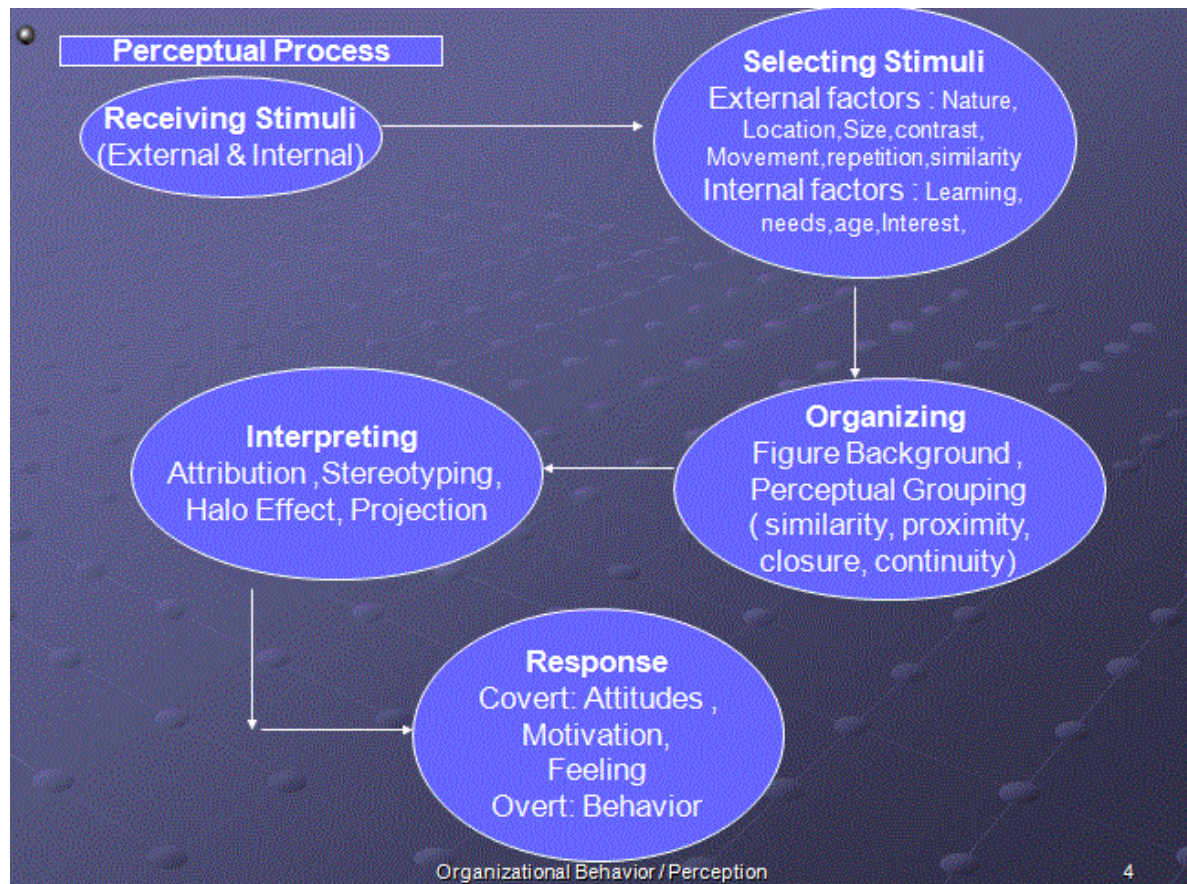
Perception is a process through which people receive, select, organize and interpret information from their environment through perception people process information input into decisions and actions.

Perceptual information is gathered from sight, hearing, touch, taste and smell.

Factors that influence the perceptual process are:-

- Characteristics of the perceiver which is influenced by past experience, needs and motives, personality, values and attitudes.
- Characteristics of the settings which is influenced in the physical context, social context and organizational context.

- Characteristics of the perceived where the perceptual process is influenced by the characteristics of the perceived person, object or event such as contrast, intensity, figure-ground separation, size, motion, repetition or novelty.



STAGES OF PERCEPTUAL PROCESS:-

- Information, attention and selection---there is a system of selective screening because tiny proportions of all information bombards a person. This is done through controlled processing and sometimes without the perceiver's conscious awareness.
- Organization of information---selected information is organized through perceptual grouping i.e.- similarity, proximity, closure and continuity
- Information interpretation---is discovery the reasons behind the ways stimuli are grouped. People may understand the same information differently or make different attribution about the information

- Information retrieval—attention and selection, organization and interpretation are part of a memory and all the information stored in the memory must be retrieved in order to be used.
- Response to the perceptual process---response to the perceptual process can be in the form of thoughts, motivation, feelings, covert attitudes, overt behavior and action.

A numeral of factors operates to shape and sometimes disfigure perception. These factors can exist in the perceiver, in the object, or in the target being perceived, or in the context of the position in which the perception is made. Personal characteristics like attitude, personality, motives, interests, past experience and expectations heavily influence the interpretation

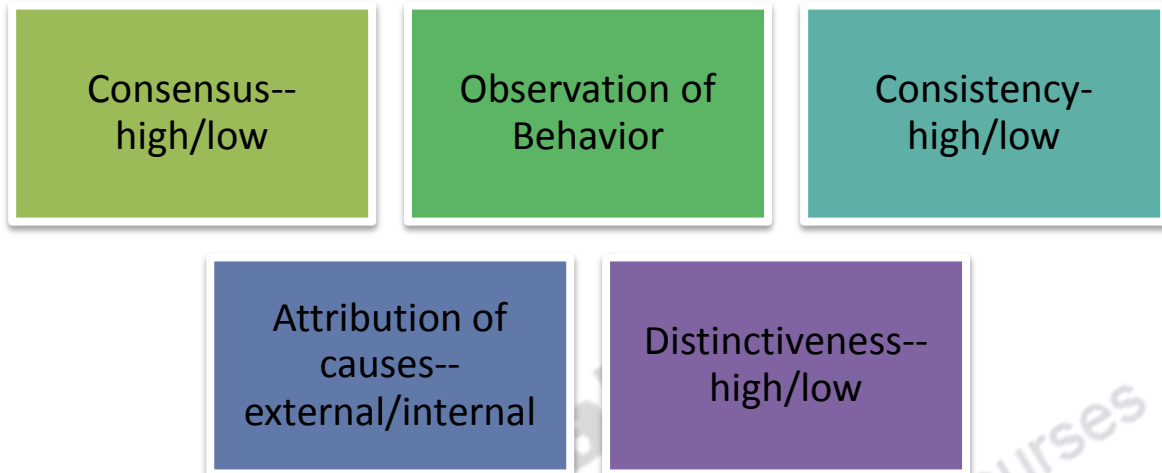
COMMON PERCEPTUAL DISTORTIONS INCLUDE:

1. Stereotypes or prototypes---. Combines information on the category or class to which a person, situation or object belongs. Individuals is judged on the basis of one's perception of the groups to which that person belongs. Stereotypes can be deeply ingrained and powerful enough to influence decisions as well as have a strong impact at the organization stage. Individual differences are deeply observed..
2. Halo- effect---The tendency to draw a general impression about an individual on the basis of single characteristics such as intelligence. Sociability or appearance. It occurs when one attribute of a person or situation is used to develop an overall impression of the individual or situation. This is likely to occur in the organization stage. Individual differences are observed as it is important in performance appraisal process.
3. Selective perception---The tendency to selectively understand what one see's on the basis of one's interest, background, experience and attitudes,. Vested interest has a significant influence in these cases. There is a tendency to single out those aspects of a situation co, person or object that are consistent with one's needs, values or attitudes. Its strongest impact is at the attention stage. Perception checking with other persons can help counter the adverse impact of selective perception.
4. Projection----It is the project of one's personal attributes to other individuals. It is likely to take place in the interpretation stage and can be controlled through a high degree of self- awareness and sympathy.
5. Contrast effect--- it is the assessment of a person's characteristics that is affected by evaluation with other people recently encountered who rank higher or lower on the same characteristics
6. Self-fulfilling prophecy---It is the tendency to create or find in another situation that which one likely to find. It can have positive or negative outcomes. Managers should adopt positive and optimistic approaches to people at work.

6. Attribution Theory

The theory explains the ways in which individuals judge people differently. It also refers to the process by which an individual assigns causes to the behavior he conceives. People observe both the behavior of individuals in an organization and its causes. Reaction to others behavior is evaluated with a heavy influence of their perception that the others are responsible for their Behavior. It aids in perceptual interpretation by focus on a how people try to understand the cause of a certain event, assess responsibility for the outcomes of the event and evaluate the personal qualities of the people involved in the event .

6.1 Determinants of Attribution



The attribution theory suggest that by observing an individual's behavior we tend to establish whether it is internally or externally caused. Behavior that is internally caused is understood to be under the control of an individual but externally caused behavior is a result of outside factors. Generally the person is seen as forced to exhibit a behavior by the situation in which he in...External causes are within the person's environment.

FACTORS AFFECTING INTERNAL AND EXTERNAL ATTRIBUTION:--

- Distinctiveness-----consistency of a person's behavior across situations
- Consensus-----likelihood of others responding in a similar way
- Consistency----whether an individual responds in same way across time

6.2 Fundamental attribution error

Perceptual distortion is seen on two counts:-

Fundamental Attribution Error-The tendency to underestimate authority of external factors and overestimate the authority of internal factors while making the judgments about the behavior of others.

Self-serving bias – The tendency for individuals to quality their own successes to internal factors and put the blame for failure on external factors.

The basic process of attribution applies across all cultures. It suggests that we observe behaviour and then attribute causes to it. We attempt all the time to explain why people behave in the way in which they do. The process of attribution is based on the perception of reality

7. Perception in Organizational Behaviour

All the people in the organization are always judgmental i.e.-always judging each other. Team members immediately 'size-up' a new person. Co-workers are always evaluated on the basis of the effort they put into the job.

7.1 Employment

Employers may stereotype applicants on the basis of caste, religion etc. which may affect the overall perception of the applicants. An interviewer's attitude towards the applicants attributes affects the perception of the interviewer.

7.2 Performance Appraisal

Performance appraisal to a large extent helps in the assessment of the employees shortcomings, identifying strengths and provide basis for rewards. What the manager perceives to be good or bad employee characteristics/ behavior will to a large extent influence the appraisal outcome.

7.3 Motivation

Pay satisfaction, equitable pay, promotion and pay raise if perceived correctly by the employees, can help to keep them motivated enough to work hard.

7.4 Loyalty Assessment

'Whistleblowers' in an organization is often perceived as trouble makers by the management. It is the perception of certain managers which helps them to identify the 'loyal' and the 'disloyal' in the organization

8 Link Between Perception and Individual Decision Making

Individuals in organization make decisions, choices from among two or more alternatives. Organizations have begun empower their non-managerial employees with decision-making authority reserved for managers alone. Individual decision-making is an important part of organizational behavior. The way individuals make decisions and the value of their choices are largely influenced by their perception.

Decision –making occurs as a reaction to a problem. Awareness that a problem exists and that a conclusion might or might not be needed is a perceptual issue. Every decision requires individuals to interpret and evaluate information. Perception will answer the question as to which data are relevant to the decision and which are not. Individuals need to develop alternatives and evaluate their strengths and weaknesses. Perceptual process affects the final outcome. Throughout the intact decision making process, perceptual distortion often face that can bias analysis and conclusions.

Summary

- Perception is a unique explanation of a situation, not a precise recording of it.
- Perception is a very difficult cognitive process that yields a unique image of the world that may be quite different from reality
- Perception acts as a filter in organizational behavior
- Individuals should view the world in dynamic terms because that will act as a basis of his perception and behavior.
- There is a relationship between perception and decision making.