

INTERNATIONAL RESEARCH JOURNAL OF MANAGEMENT SOCIOLOGY & HUMANITIES



ISSN 2277 – 9809 (online)

ISSN 2348 - 9359 (Print)

An Internationally Indexed Peer Reviewed & Refereed Journal

www.IRJMSH.com
www.isarasolutions.com

Published by iSaRa Solutions

EFFECT OF PERCEPTION ON MANAGEMENT DECISION

Author : Mr. RAJIV DHIMAN
LECTURER

NEEV EDUCATION PVT. LTD

Email id:- rajiv.dhiman1@gmail.com

ABSTRACT

This study is an attempt to understand the concept of perception and its crucial role in management decision. Management takes any decision according to its perception and intuition. Intuition decision making is commonly used in scenarios that provide small of amounts of information and when decisions are needed quickly. Intuitive ability is a valuable asset for managers in today's business world. So, intuition is a disguised process that managers like to "dress up" prior to presenting the things to superiors. Today's managers use intuition decision making probably more than any other process. But it is important for managers to absorb the entire picture as much as possible prior to concluding with a decision.

OBJECTIVES

- Explain how two people can see the same thing and interpret it differently.
- List the factors influencing perception.
- Describe how shortcuts can assist in or distort our judgment of others.
- Explain how perception affects the decision-making process.
- Explain how selective perception affects the decision of a manager.
- Types of perception in psychology.
- Perception Management.

SOURCE OF DATA

Two main sources of data collection are primary source and secondary source. The present study is mainly based on the data collected from secondary sources.

INTRODUCTION AND MEANING

Organizational behavior is influenced by many factors. Perception is one of them and it is critically important for all business managers to understand it. Perception plays a crucial role in the daily decision making process for all managers.

What is perception?

According to Organizational Behavior (11th edition)"Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment" (Robbins, Stephen P, 2005).

Individuals are unique in that they possess their own lens to form conclusions about the very same situation. People see things differently and it depends on their background, education, the current situation, mood etc. Because of it they are prone to make different rational interpretations of the exact same situation.

If a manager perceives something in one way or another and bases an important business decision on the perception; the organization will either benefit or not benefit from the decision. What factors influence person's perception?

Factors Influencing Perception

- **Characteristics of perceiver:-** Attitudes, Motives, Interests, Experiences, Expectations
- **Characteristics of perceived:-** Novelty, Motions, Sounds, Size, Background, Proximity, Similarity
- **Characteristics of situation:-** Time, Work Setting, Social situation.

Perceptive shortcuts

Perceptive shortcuts are often used when judging other individuals. What is perceptive shortcut? It means making a quick assumption based on the results of specific behavioral evaluation techniques. There are a few behavioral evaluation techniques. These are as follows:-

- **Selective Perception**:- It refers to the collection of bits and pieces of information and interpreting them based on interest, background, experience, and attitude.
- **Halo Effect**:-It refers to drawing a general impression based on a single characteristic (i.e., intelligence).
- **Contrast Effect**:-It refers to the comparison of particular characteristics that are influenced by the actions of recently encountered groups (higher or lower in rank).
- **Projecting**:-It means tying ones very own characteristics with those of another.
- **Stereotyping**:-Assumptions about others based on belonging to a certain category or group.

Selective perception may provoke one to jump to conclusions before the entire picture has been drawn. Focusing on certain points of interest will certainly alter the ability to conclude with an accurate picture. The halo effect may lead an individual to make a judgment due to lack of knowledge. Projection clouds the ability to see key differences which will essentially generate an uninformed perception.

Decision makers use these shortcuts to make their decision more quickly. This approach can be useful but can also be very dangerous. It is important for managers not to rely too heavily on intuition, experience, and gut feelings. All situations present uniqueness and each deserve a proper evaluation prior to conclusion. There are also some evolutionary “glitches” of the brain that lead to distorted perception of reality. Most business leaders are unaware of this effect, which is called “cognitive biases”.

The human mind is able to fill in the gaps. Our brain has been programmed to complete the missing bits of information. This allows us to process information very quickly with only little details. But what will happen if your brain will fill in the gaps in the wrong way to make you see something that doesn't exist.

Take a few minutes to think about how bad it could be for your company if you believe two problems were different when they're actually the same. If we misjudge what is happening around us, we will definitely take the wrong business decisions because despite being perfectly rational and logical decisions, they are unfortunately based on inaccurate assumptions. So, When you are facing with an important business decision, ask yourself the simple question

“what should I do if whatever I think, the opposite is true?” and

“what should I do if I don't know what I do not know?”.

Types of perception in psychology

Human beings derive meaning through the senses, i.e. ears, eyes and touch etc which makes man to stand out from the rest of the others. Owing to the complexity of deduction depending on what the senses perceive, different kinds of interpretations emerge. It is these that form the different types of perception in psychology:-

Amodal Perception:-Amodal perception is one of the most recognizable types of perception in psychology. It is the observation and interpretation of things in terms of depth and motion. For instance, even if one sees only three points in a triangular object, he or she knows that the object is three-dimensional and that there are hidden points on the other side.

Color Perception:-Color perception, on the other hand, describes the way the visual senses, denoting the eyes, observe hues and contextualize them in the environment. For example, by interpreting blue as the color of depression, the eyes will tend to always attribute all things of this tinge to be melancholic.

Speech Perception:-The other types of perception in psychology include those that interpret verbal output. Speech perception, for one, helps in not only understanding one another, but deducing meaning from mere sounds. It also indicates the mechanical arrangement of the vocals when another person speaks which means that the listener interprets the speech through the phonetics such as syllables to create meaning.

Harmonic Perception:-Harmonic perception, on the other hand, owes to the understanding that the ear usually perceives inter-related notes, as one, to create meaning in sounds. For instance, riffs in a guitar mixed with those of other instruments lead to interpretation of the music as a single output that is simple to listen to rather than one that actually consists of different notes.

Rhythmic Perception:-Rhythmic perception also follows the same theories in its interpretative methodology, whereby the ear gets into a groove by practically responding to it. For instance, one can easily listen to a beat while humming along to it or tapping along as it continues courtesy of its rhythmic harmony.

Depth Perception:-Depth perception also acts as one of the types of perception psychology. It relates to the way the human eye identifies and contextualizes things in space. For instance, though the naked eye cannot see the end of a tunnel, it interprets its possible depth through past experiences such as scientific measurements to know how deep the tunnel can be.

Form Perception:-Form perception indicates the contextualization of particular objects in a given environment, whereby the eyes sees them as primarily 2-D and at times as 3-D depending on the way of their placement. It is also the understanding of what characterizes the inner and outer core of an object. After seeing an orange, one immediately knows that it is round and has a rough texture on the skin that protects the soft interior.

Therefore, there are different types of perception in psychology with its own interpretative

characteristics. The senses can create meaning out of everything by noting characteristics such as depth and form. Understanding the music and human speech also uses the senses as a basis of deducting meaning from the respective vocal and musical gestures.

Human beings are subjected to bounded rationality. Optimization is task that human beings simply cannot achieve. When managers are faced with complex situations they must drill down on the best possible alternatives and act on the one that satisfies or the one that is acceptable to the masses. There is just no possible way a manager can optimize a decision deriving from a complex scenario. In short, bounded rationality is interpreted as saying "humans cannot be optimizers; rather they seek solutions that are sufficient".

Perception Management

Organizations use perception management in daily internal and external interactions as well as prior to major strategy introductions. Organizational perception management involves actions that are designed and carried out by organizational spokespersons to influence audiences perceptions of the organization. This definition is based on the understanding of four unique components of organizational perception management: perception of the organization; actions or tactics; organizational spokespersons; and organizational audiences. There are nine strategies for perception management. These are as fellows:

1. **Preparation :-** Having clear goals and knowing the ideal position you want people to hold.
2. **Credibility :-** Make sure all of your information is consistent, often using prejudices or expectations to increase credibility.
3. **Multichannel support :-** Have multiple arguments and fabricated facts to reinforce your information.
4. **Centralized control :-** Employing entities such as propaganda ministries or bureaus.
5. **Security :-** The nature of the deception campaign is known by few.
6. **Flexibility :-** The deception campaign adapts and changes over time as needs change.
7. **Coordination :-** The organization or propaganda ministry is organized in a hierarchical pattern in order to maintain consistent and synchronized distribution of information.
8. **Concealment :-** Contradicting information is destroyed.
9. **Untruthful statements :-** Fabricate the truth.

Businesses can also shape the perceptions of the public in order to get the desired behavior and purchase patterns from consumers. These are:-

Advertising:- In terms of advertising and brand image, without a perception to manage, no other form of communication can happen. That certainly highlights the importance of

the brand image. Some research indicates that just being a known brand dramatically affects how consumers perceive it. A consumer may rationalize that if they have heard of a brand, the company must be spending a fair sum on advertising. Sometimes managing perception can simply just mean giving consumers a perception. Advertising, without even considering its message and quality, adds to consumer opinions in a positive light.

Brand management:- Companies often use brand management in an attempt to change the potential customers perception about the products. This is an important step in perception management because it aims at producing the most effective results. Brand management deals with competitors, promotions, costs, and satisfaction in order to earn trust from consumers and show positive feedback.

Leadership:- What your followers appraise as your effectiveness and ability as a leader becomes their perception, which then becomes reality. Unmanaged perceptions of a person's followers create a reality opposite to what was wanted. Perception management is very hard work, but it can help us all grow as leaders.

Marketing :- The best medium for businesses to affect the perceptions of the public is through marketing. To get people to buy products, marketers must create a need and manage the perception of the public so that they feel the product will fulfill that need. Good perception management is to the benefit of the consumer, as it fulfills more of their needs, and to the benefit of the business, as it increases their revenue.

Risk management:- The decision making process in relation to the future is an element of business that has a great effect on the company's future. If the company is too risky, this leads to underperformance, and a missed opportunity. If the company takes too many risks, it is likely that there will be a large amount of losses.

CONCLUSION

A manager will continue to rely on external and internal factors, while remaining informal with each situation. When making a decision, some managers may be distinctive and predictable in the behavior. However, consistency will help an employee stay on track, while the company benefits from their performance. All managers have a habitual routine, which they depend on every day when working. Honestly, perception has its place in business, but not in decision making or management. It has both effects on business i.e. positive and negative.

Positive Affects:-A manager can use perception to instantly recognize certain qualities and skills in their employees. Also perception may be able to help them figure out a person's motive or intentions toward their jobs. They can instantly recognize, when an employee becomes angry or a disgruntled. Sometimes the managers can use perception to see certain qualities in a future employee. However, a manager should never base her decision on a perceived quality or intention. Since, they may be totally wrong and cost the company money or turn down hiring a loyal employee.

Negative Affects:-Managers should remove their perception of someone and look harder, in order to see the truth about them. All employees have a work history, but sometimes their work history isn't completely accurate. Some managers will judge an employee based on intuition and perception, instead of seeing the real person. It is important to make a decision, based solely on the facts and create a solution that will solve the problem. Therefore "filtering out information that is non-necessary for the task at hand" (Howard, 2007)

REFERENCE

- Robbins, Stephen P, (2005). Organisational Behaviour (11th edition).
- Jerald Greenberg & Robert A. Baron, (2003). Behavior in Organizations(8th Edition).
- Shashi K. Gupta & Rosy Joshi. (2006). Organisational Behaviour (1st Edition)



EARN YOUR MBA

WWW.IIMPS.IN



Accreditation & Ranking



UGC / NCTE Approved.

INFO@IIMPS.IN

☎ 011-41005174

R
S
E
A
R
C
H
G
A
T
E
W
A
Y

STOP PLAGIARISM



Arogyam Ayurveda
Holistic Healing through herbs



A
R
O
G
Y
A
M
O
N
L
I
N
E

PARIVARTAN PSYCHOLOGY CENTER



COLOR PSYCHOLOGY : HOW COLOR AFFECT YOUR CHILD



- BLUE** Calms your Child's Mind & Body
- YELLOW** Promotes Concentration, Stimulates the Memory
- PINK** Evokes Empathy, makes your Child Calm
- RED** Excites and energizes your Child's body
- GREEN** Improves Reading speed and Comprehension

www.parivartan4u.com



Confuse about your children's future?

भारतीय भाषा, शिक्षा, साहित्य एवं शोध

ISSN 2321 – 9726

WWW.BHARTIYASHODH.COM



**INTERNATIONAL RESEARCH JOURNAL OF
MANAGEMENT SCIENCE & TECHNOLOGY**

ISSN – 2250 – 1959 (O) 2348 – 9367 (P)

WWW.IRJMST.COM



**INTERNATIONAL RESEARCH JOURNAL OF
COMMERCE, ARTS AND SCIENCE**

ISSN 2319 – 9202

WWW.CASIRJ.COM



**INTERNATIONAL RESEARCH JOURNAL OF
MANAGEMENT SOCIOLOGY & HUMANITIES**

ISSN 2277 – 9809 (O) 2348 - 9359 (P)

WWW.IRJMSSH.COM



**INTERNATIONAL RESEARCH JOURNAL OF SCIENCE
ENGINEERING AND TECHNOLOGY**

ISSN 2454-3195 (online)

WWW.RJSET.COM



**INTEGRATED RESEARCH JOURNAL OF
MANAGEMENT, SCIENCE AND INNOVATION**

ISSN 2582-5445

WWW.IRJMISI.COM



**JOURNAL OF LEGAL STUDIES, POLITICS
AND ECONOMICS RESEARCH**

WWW.JLPER.COM

JLPE