

Perception and Individual Decision Making

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Lecture 10



Perception

What Is Perception?

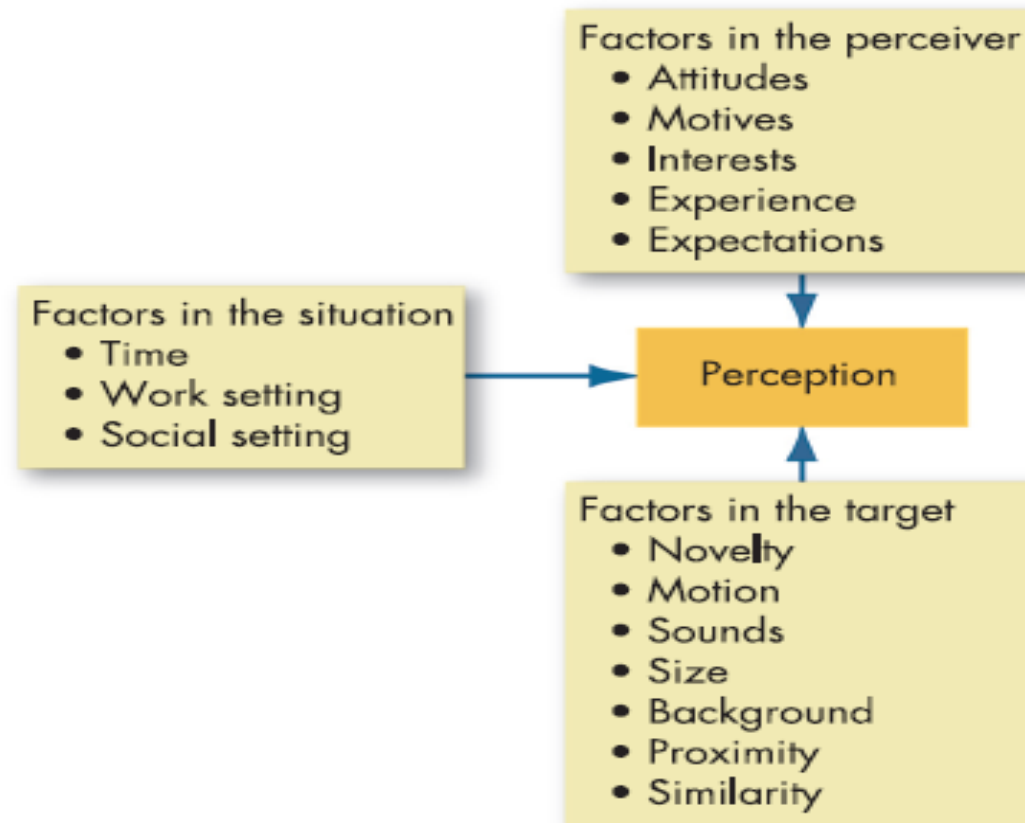
- A process by which individuals organize and interpret their sensory impressions to give meaning to their environment.
- People's behavior is based on their perception of what reality is, not on reality itself.
- The world as it is perceived is the world that is behaviorally important.



Factors that Influence Perception

Figure 4-1

Factors That Influence Perception



Attribution Theory: Judging Others

Our perception and judgment of others is significantly influenced by our assumptions of the other person's internal state:

- When individuals observe behavior, they attempt to determine whether it is internally or externally caused.
 - Internal causes are under that person's control.
 - External causes are not—person forced to act in that way.

Attribution Theory: Judging Others

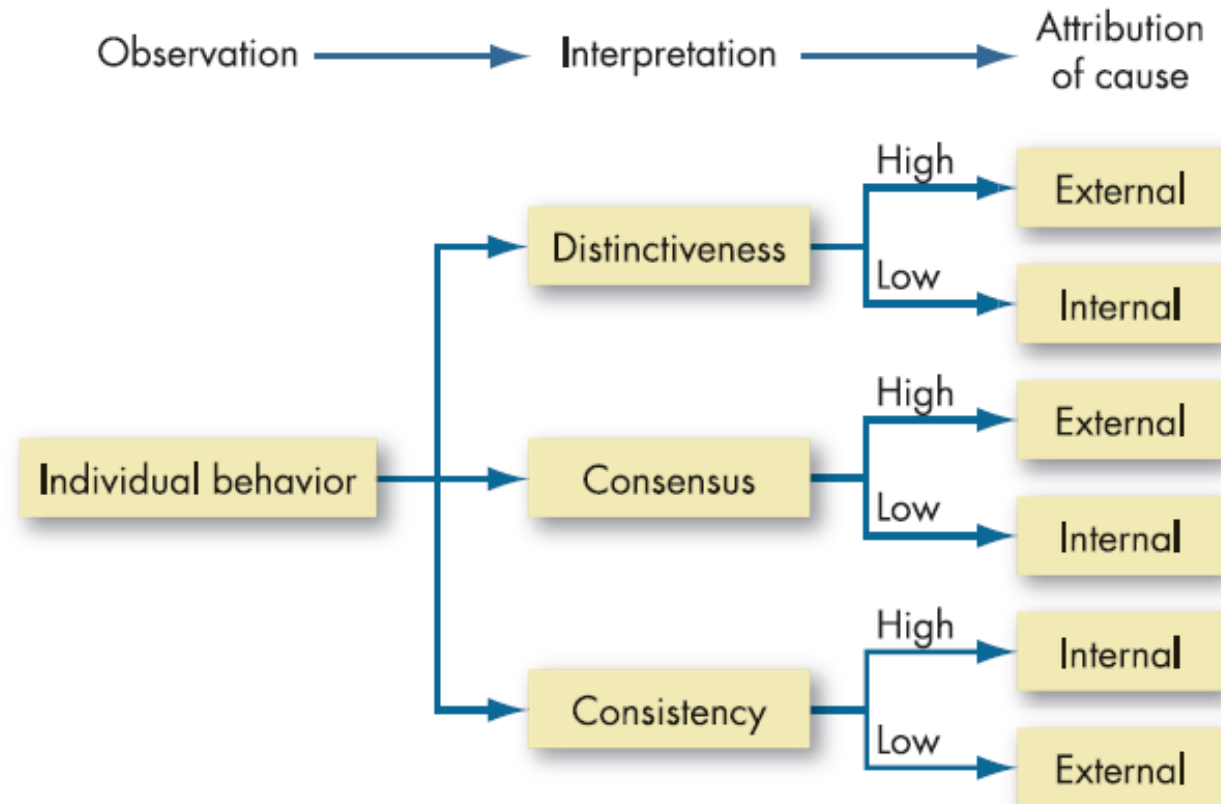
Causation judged through:

- Distinctiveness
 - Shows different behaviors in different situations.
- Consensus
 - Response is the same as others to same situation.
- Consistency
 - Responds in the same way over time.

Elements of Attribution Theory

Figure 4-2

Attribution Theory



Errors and Biases in Attributions

Fundamental attribution error

- The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others
- *We blame people first, not the situation*



Self-serving bias

- The tendency for individuals to attribute their own successes to internal factors while putting the blame for failures on external factors.
- *It is 'our' success but 'their' failure.*

Frequently Used Shortcuts in Judging Others

Selective perception

- People selectively interpret what they see based on their interests, background, experience, and attitudes.

Halo effect

- Drawing a general impression about an individual on the basis of a single characteristic.

Contrast effects

- Evaluation of a person's characteristics that are affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

Another Shortcut: Stereotyping

Stereotyping: Judging someone on the basis of one's perception of the group to which that person belongs—a prevalent and often useful, if not always accurate, generalization.

Profiling: A form of stereotyping in which members of a group are singled out for intense scrutiny based on a single, often racial, trait.



Specific Shortcut Applications in Organizations

Employment Interview

- Perceptual biases of raters affect the accuracy of interviewers' judgments of applicants.
- Formed in a single glance – 1/10 of a second!

Performance Expectations

- **Self-fulfilling prophecy (*Pygmalion effect*)**: The lower or higher performance of employees reflects preconceived leader expectations about employee capabilities.

Performance Evaluations

- Appraisals are often the subjective (judgmental) perceptions of appraisers of another employee's job performance .
- Critical impact on employees.

Perceptions and Individual Decision Making

Problem

- A perceived discrepancy between the current situation and a desired state.

Decisions

- Choices made from among alternatives developed from data.

Perception linkage:

- All elements of problem identification and the decision-making process are influenced by perception.
 - Problems must be recognized.
 - Data must be selected and evaluated.

Expediency dominates business decision making



Decision-Making Models in Organizations (cont'd)

Bounded reality

- The “real world” model seeks satisfactory and sufficient solutions from limited data and alternatives.

Intuition

- A non-conscious process created from distilled experience that results in quick decisions.
 - Relies on holistic associations.
 - Affectively charged—engaging the emotions.

Common Biases and Errors in Decision Making

Over-confidence bias

- Believing too much in our own ability to make good decisions—especially when outside of own expertise.

Fastening bias

- Using early, first received information as the basis for making subsequent judgments.

Confirmation bias

- Selecting and using only facts that support our decision.

Availability bias

- Emphasizing information that is most readily at hand.
 - Recent
 - Vivid

More Common Decision-Making Errors

Escalation of commitment

- Increasing commitment to a decision despite evidence that it is wrong—*especially if responsible for the decision!*

Randomness error

- Creating meaning out of random events—superstitions.

Hindsight bias

- After an outcome is already known, believing it could have been accurately predicted beforehand.

Individual Differences in Decision-Making

Personality

- Conscientiousness may affect escalation of commitment.
 - Achievement-strivers are likely to increase commitment.
 - Dutiful people are less likely to have this bias.
- Self-Esteem.
 - High self-esteem people are susceptible to self-serving bias.

Gender

- Women analyze decisions more than men—*ruminat*ion.
- Women are twice as likely to develop depression.
- Differences develop early.

Organizational Constraints

Performance evaluation

- Managerial evaluation criteria influence actions.

Reward systems

- Managers will make the decision with the greatest personal payoff for them.

Formal regulations

- Limit the alternative choices of decision makers.

System-imposed time constraints

- Restrict ability to gather or evaluate information.

Historical precedents

- Past decisions influence current decisions.

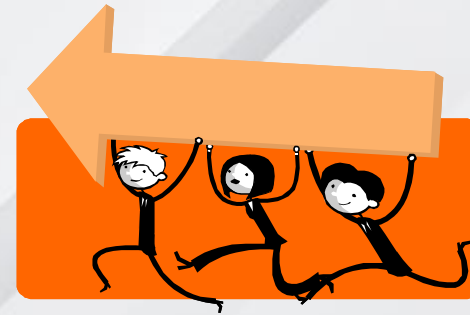


Understanding Work Teams

Differences between Groups and Teams

A **work group** interacts primarily to share information and to make decisions to help each group member perform within his or her area of responsibility.

- No joint effort required.

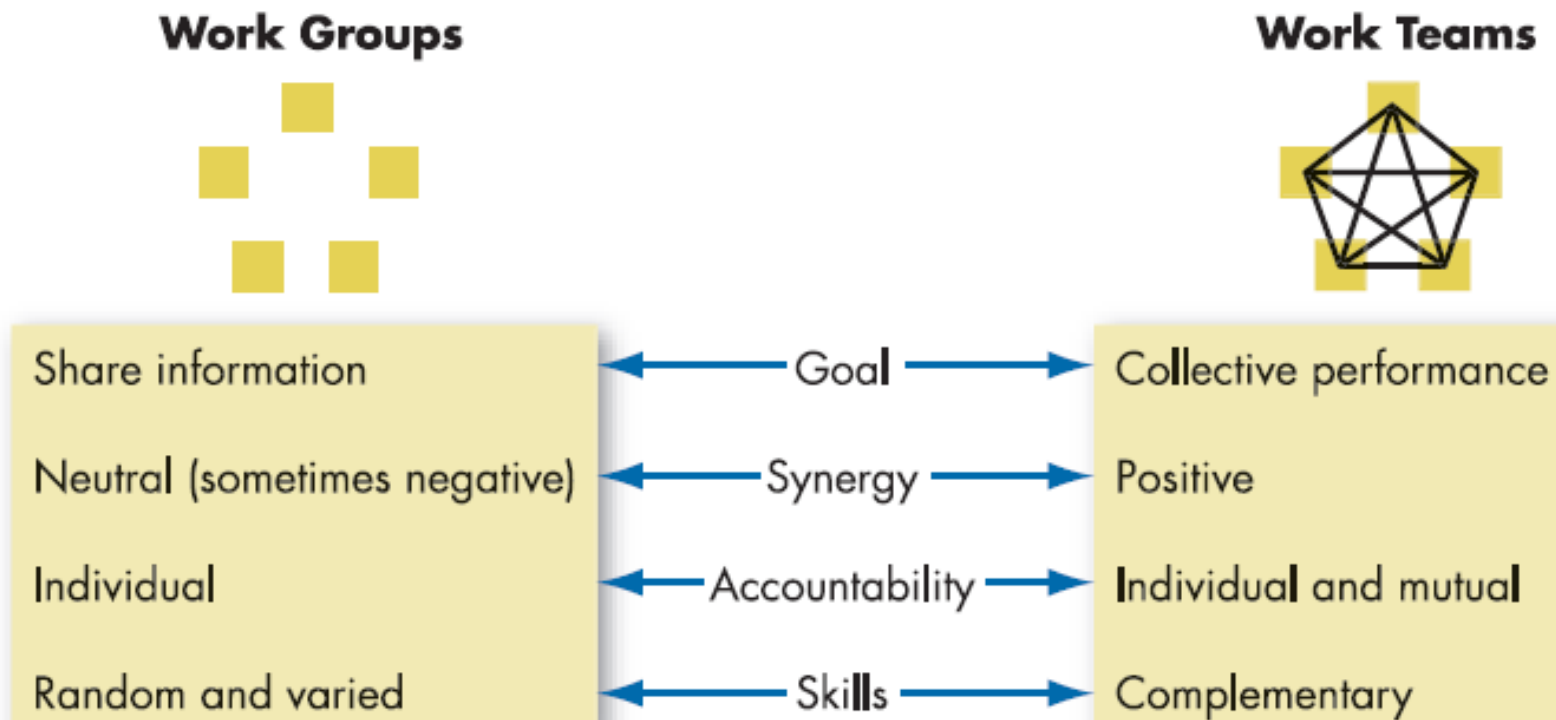


A **work team** generates positive synergy through coordinated effort. The individual efforts result in a performance that is greater than the sum of the individual inputs.

Comparing Work Groups and Work Teams

Figure 8-1

Comparing Work Groups and Work Teams

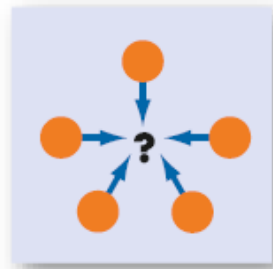


Types of Teams

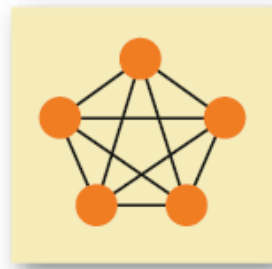
There are four types of teams.

Figure 8-2

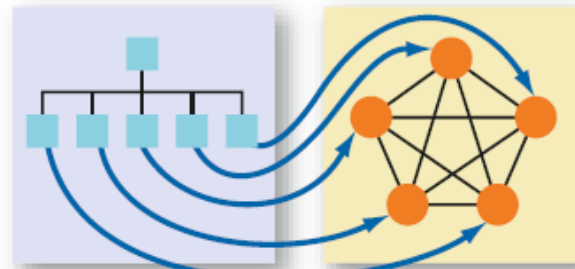
Four Types of Teams



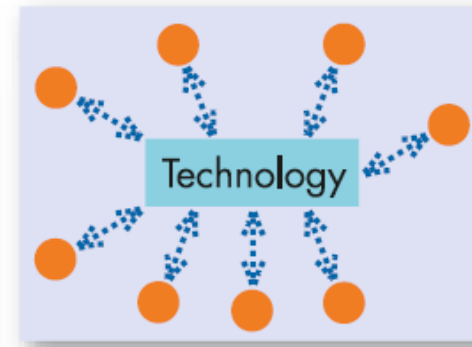
Problem-solving



Self-managed



Cross-functional



Virtual

Types of Teams (cont'd)

Problem solving teams

Groups of 5 to 12 employees from the same department who meet for a few hours each week to discuss ways of improving quality, efficiency, and the work environment.

Self-managed work teams

Groups of 10 to 15 people who take on the responsibilities of their former supervisors.

Types of Teams (cont'd)

Cross-functional teams

Employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.

- Very common
- Task forces
- Committees

Types of Teams (cont'd)

Virtual teams

Teams that use computer technology to tie together physically dispersed members to achieve a common goal.

Characteristics

- Limited socializing.
- The ability to overcome time and space constraints.

To be effective, needs:

- trust among members;
- close monitoring;
- to be publicized.

The image shows a circular inset of a book cover. The cover has a yellow and orange gradient background with a faint world map. The title 'International Human Resource Management' is in large, bold, dark red letters. Below it, in smaller black text, is '3rd Edition' and 'Managing People in a Multinational Context'. The author's name 'Peter J. Dunfee' is partially visible at the bottom.

International Human Resource Management

3rd Edition

Managing People in a
Multinational Context

Peter J.

International Training and development

International assignments as a training and development tool

- Expatriates are trainers
- Expatriates show how systems and procedures work, ensure adoption, and monitor performance of HCNs
- International assignments a form of job rotation – management development

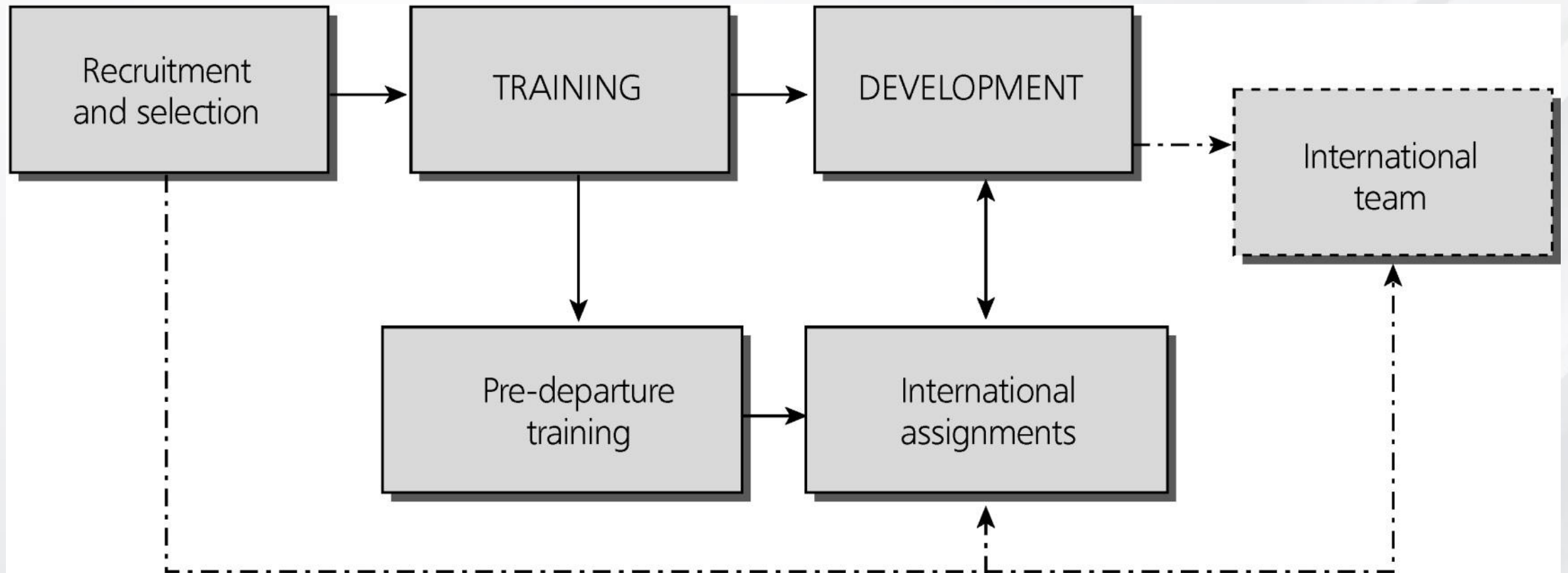


Figure 5-1: International training and development

Components of effective pre-departure training

- Cultural awareness programs
- Preliminary visits
- Language training
- Practical assistance
- Training for the training role
- TCN and HCN expatriate training
- Non-traditional assignments and training



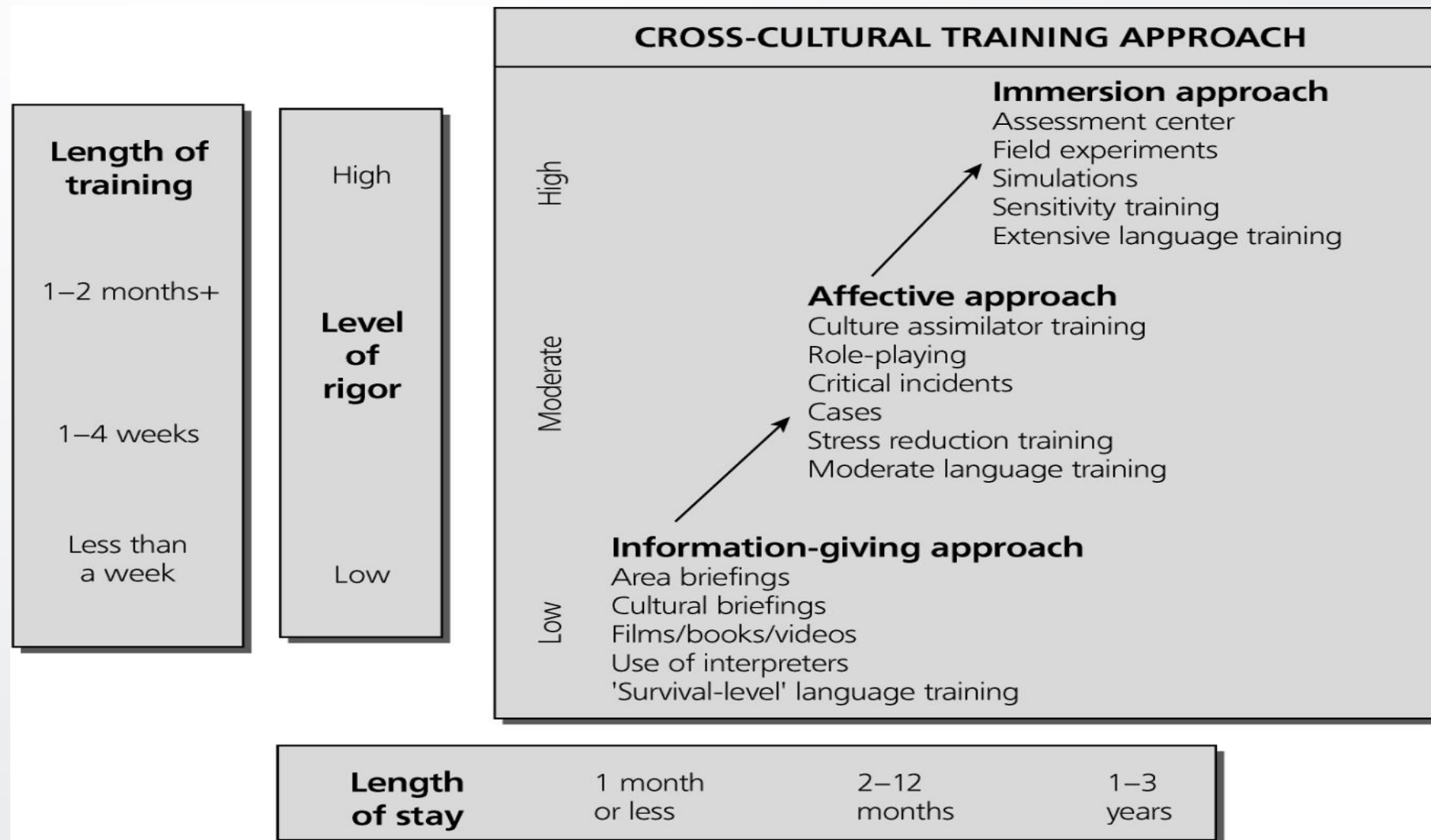


Figure 5-2: The Mendenhall, Dunbar and Oddou cross-cultural training model

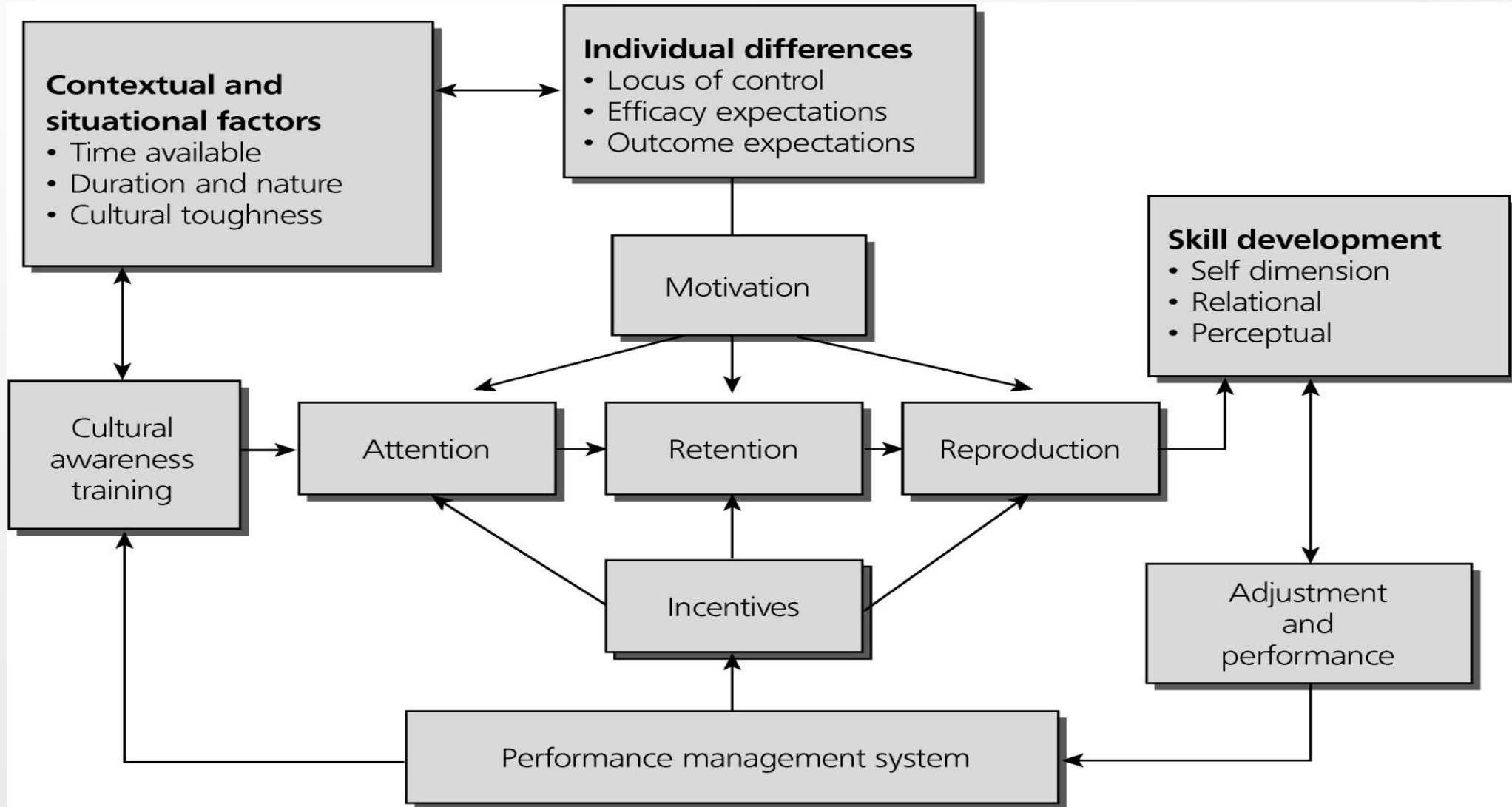


Figure 5-3: Cultural awareness training and assignment performance

Language training

- The role of English as the language of world business
- Host country-language skills and adjustment
- Knowledge of the corporate language



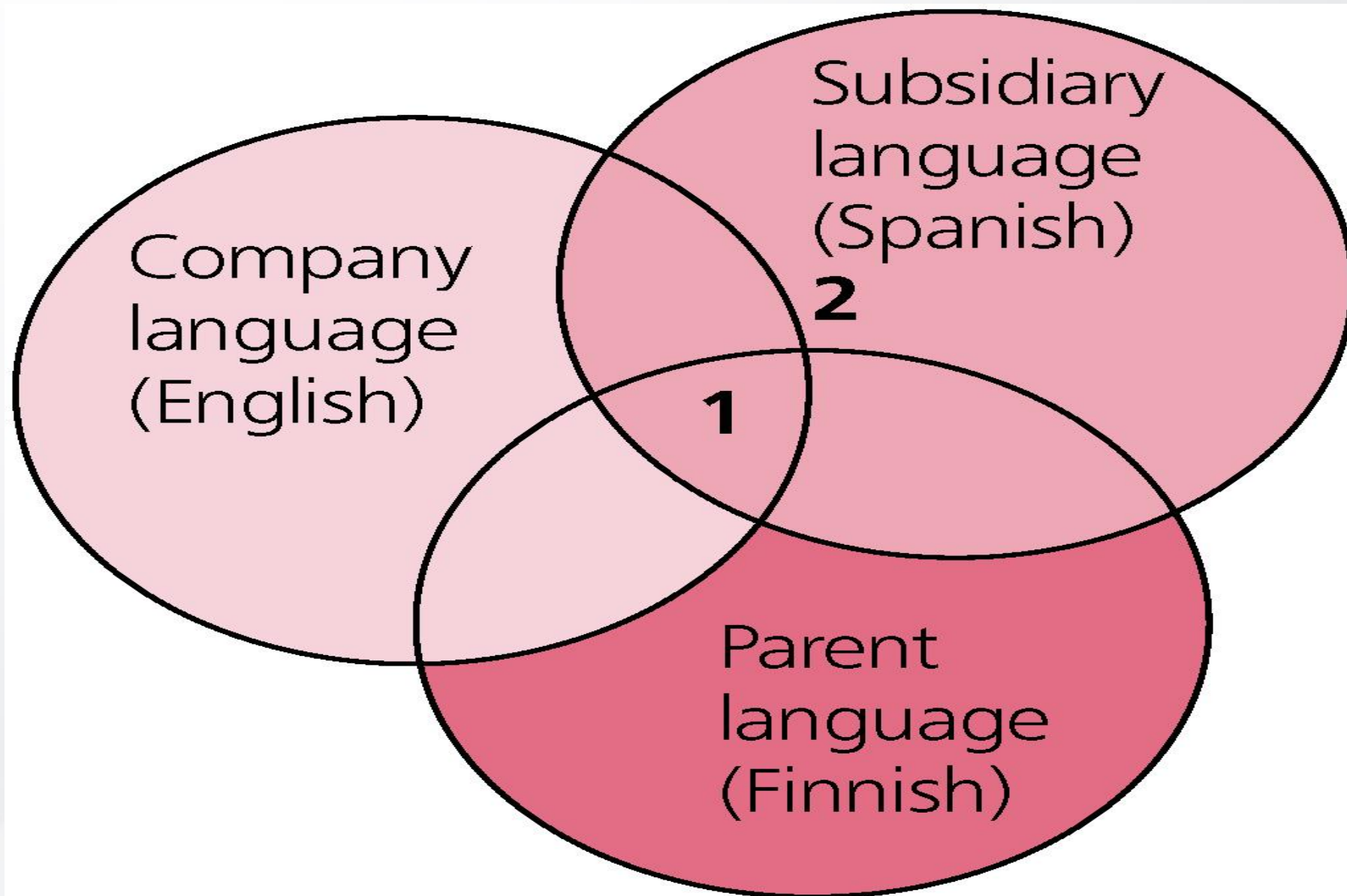


Figure 5-4: The impact of language and power

Practical assistance

- Information that assists relocation
- Assistance in finding suitable accommodation and schooling
- Further language training
- Makes an important contribution to adaptation of expatriate and accompanying family members to the host location

Effectiveness of pre-departure training

- Limited data on how effective such training is and what components are considered most essential:
 - Use of mixture of methods makes evaluation of which method is most effective difficult to isolate
 - Large diversity of cultures involved
 - What works for one may not work for another
 - Complex jobs in multiple cultural contexts

Developing staff through international assignments

- **Management development**
 - Individuals gain international experience which assists career progression
 - Multinational gains through having a pool of experienced operators on which to draw
- **Organizational development**
 - Stock of knowledge, skills and abilities
 - Global mindset
 - Expatriates as agents of direct control and socialization

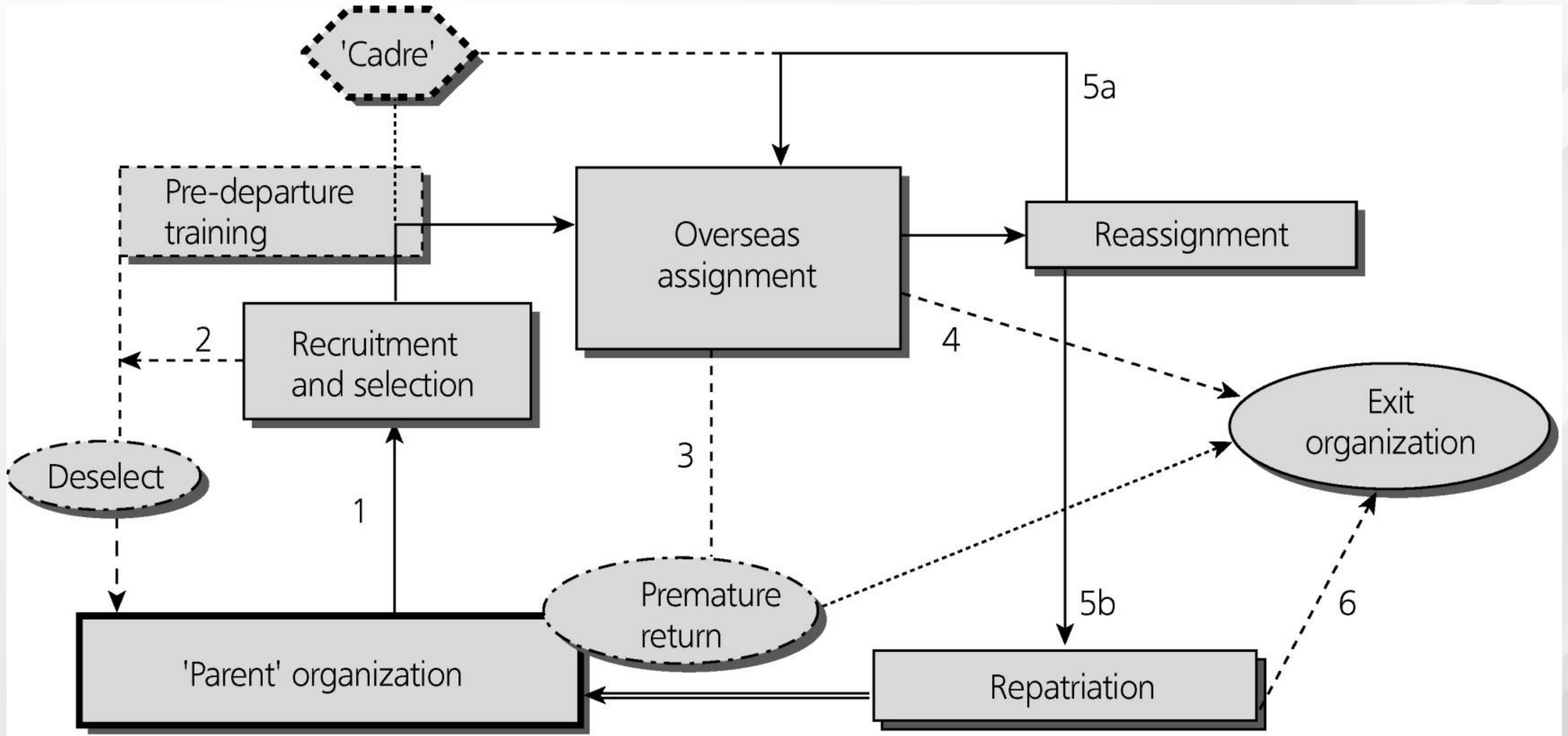


Figure 5-5: Expatriate career decision points

How international teams benefit the multinational

- Fosters innovation, organizational learning and transfer of knowledge
- Assists breaking down of functional and national boundaries
- Encourages diverse inputs
- Assists in developing broader perspectives
- Develops shared values

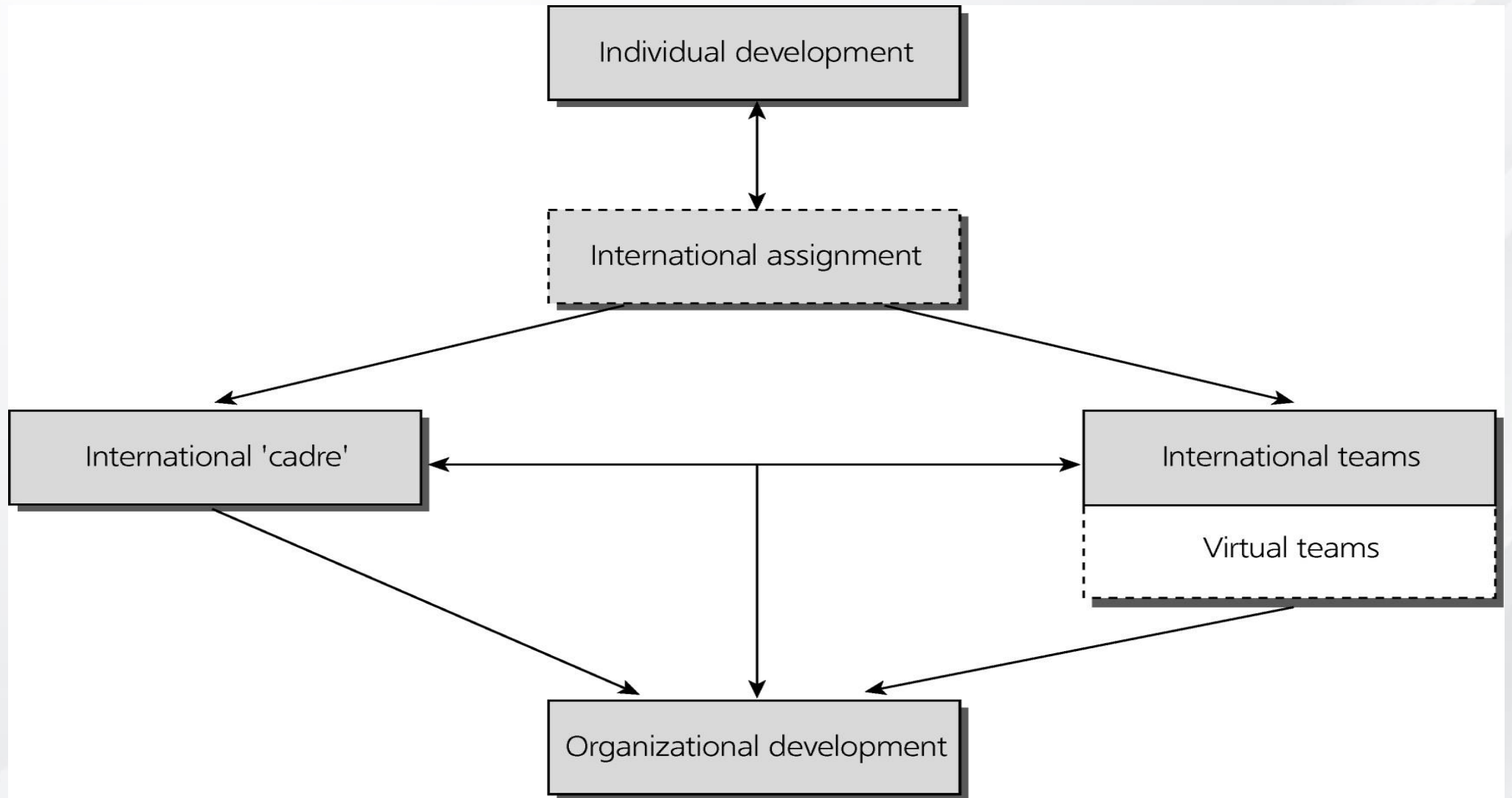


Figure 5-6: Developing international teams through international assignments

Chapter summary

This chapter has concentrated on the issues relating to training and developing expatriates for international assignments. In the process, we have discussed:

- The role of expatriate training in supporting adjustment and on-assignment performance.
- The components of effective pre-departure training programs such as cultural awareness, preliminary visits, language skills, relocation assistance and training for trainers.

(cont.)

Chapter summary (cont.)

- How cultural awareness training appears to assist in adjustment and performance and therefore should be made available to all categories of staff selected for overseas postings, regardless of duration and location.
- The need for language training for the host country and in the relevant corporate language.
- The impact that an international assignment may have on an individual's career.

(cont.)

Chapter summary (cont.)

- The international assignment as an important way of training international operators and developing the international 'cadre'. In this sense, an international assignment is both training (gaining international experience and competence) and managerial and organizational development.
- How international assignments are connected to the creation of international teams.



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Thank You

