

Vol 10, Issue 5S, May 2023

# The Importance of Interpersonal Skills

Dr. Hemanth Kumar

Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India dr.hemanthkumar@cms.ac.in

Abstract—Interpersonal skills are essential in both your personal and professional life for communicating and collaborating with groups and people. Individuals with high interpersonal skills are more likely to form positive connections and collaborate well with others. They have a good understanding of family, friends, colleagues, and clientele. In this chapter author discusses major contributions to the study of organizational behaviour..

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Before the late 1980s, business school courses focused on the technical components of management, with an emphasis on economics, accounting, finance, and quantitative methodologies. Human behavior and interpersonal skills courses gained less priority. Yet, since then, business schools have recognized the need of studying human behavior. The purpose of OB is to comprehend and anticipate human behavior in companies. The complexity of human behavior are not simple to anticipate, but they are also not random—certain underlying consistency underpins all people' behavior. Plays a role in assessing the performance of a manager. "Business schools these days are attempting to give a blend of technical and soft skills at the request of employers," said Sylvie Albert, Dean of the Department of Business and Economics at the University of Winnipeg. While a comprehensive knowledge is advantageous for growth in most occupations, employers prefer people who have exhibited emotional intelligence, leadership, and critical thinking abilities. The development of these abilities is expected to be included into coursework."

Bringing OB concepts into the workplace may result in a variety of significant organizational consequences. For example, firms considered as nice places to work have been proven to get better results from their staff. Canadian Tire, Great West Life, 3M Canada, the Aboriginal People's Television Network, Labatt Breweries, SaskTel, and RBC have all been named "Best Employers in Canada" for having employee-friendly programs such as formal mentoring, flexible work hours, telecommuting programs, and tuition reimbursement. Some of them, such as the Canadian Tire headquarters and some RBC locations, even provide free onsite health and exercise programs. These businesses succeed at what they do, and a large part of their success may be ascribed to the supportive environments in which they operate. Second, improving managers' interpersonal skills helps firms recruit and retain high-performing people, which is critical since exceptional individuals are constantly in limited supply and expensive to replace. These abilities are particularly important in extremely diverse settings since they are required to work well with individuals who are quite different from oneself. Since Canada is one of the most varied countries on the planet, these skills are very vital. In Canada and elsewhere, new managers are significantly more likely to fail owing to a lack of people skills than a lack of technical or strategic thinking abilities. When employees are aware of essential characteristics of human behavior, even those without managerial responsibilities have easier working interactions. Finally, there are substantial links between workplace relationship quality and employee job satisfaction, stress, and turnover. According to one big study of hundreds of businesses and over 200,000 respondents, social interactions among employees and supervisors were highly connected to overall job satisfaction. Good social ties were also linked to less job stress and less plans to leave. According to another study, workers who interact with their superiors in a helpful and proactive manner have their ideas validated more often, which enhances workplace happiness. Lastly, boosting the OB component in firms helps develop a sense of social responsibility. As a result, universities and colleges have started to include social entrepreneurship education into their curricula in order to prepare future leaders to handle social concerns inside their firms through interpersonal skills. This curriculum reflects a rising recognition of the importance of comprehending the methods and results of corporate social responsibility [1]–[3].

We all know that in today's competitive and demanding workplace, managers cannot achieve just on the basis of their technical talents. They must also have strong people skills and be able to cope with uncertainty. While there are few absolute facts in human behavior in general and organizational behavior in particular, OB knowledge coupled with situation-specific critical evaluation and judgment may assist both managers and future managers in better understanding their workforce. This, in turn, aids in the development of important interpersonal skills that are guided by confirmed scientific understanding about human behavior.

#### A. Enter Behavior in Organizations

We've established the significance of "people skills." Nevertheless, the discipline on which this article is ba6 does not use that phrase; instead, it refers to organizational



Vol 10, Issue 5S, May 2023

behavior. Organizational behavior is a branch of research that explores the effects that people, groups, and structure have on organizational behavior, with the goal of utilizing this knowledge to improve an organization's success. That's a mouthful, so let's unpack it. Organizational behavior is a topic of study, which means it is a unique area of competence having a body of knowledge in common. It investigates three organizational behavior determinants: persons, groups, and structure. Moreover, OB leverages the information gathered about people, groups, and the influence of structure on behavior to improve the effectiveness of organizations.

To summarize our definition, organizational behavior (OB) is the study of what individuals do in an organization and how their actions impact the organization's performance. Since OB is primarily concerned with employment-related problems, it highlights behavior in relation to issues such as jobs, work, absenteeism, employment turnover, productivity, human performance, and management. While there is discussion regarding the relative relevance of each, OB comprises the following main topics:

- 1. Leader motivation, behavior, and power
- 2. Interpersonal interaction
- 3. Structure and processes of the group

#### B. Perception and attitude formation

- 1. Processes of Change
- 2. Negotiation and conflict6 Work layout

# II. DISCUSSION

#### A. Complementing Intuition with Systematic Study

Every one of us is a behavioral student. Whether you've realized it or not, you've been "reading" people your whole life, monitoring their activities and attempting to understand or anticipate what they would do under various circumstances. However, a casual or commonsense approach to reading people may often result in incorrect predictions. Yet, by augmenting intuition with a more scientific method, you may boost your prediction abilities [4].

This text's rigorous, scientific approach will discover crucial facts and provide a foundation for making more accurate forecasts of behavior. The assumption that behavior is not random underpins this approach. Alternatively, we may find essential consistency in all people' behavior and tweak them to reflect individual variances. It is worth noting that the majority of the research that constitute the foundation for OB were completed in North America. From a scientific standpoint, this implies that we are less convinced that the results apply to people from other cultures; people from other cultures may have different values and behavioral expectations. This significant constraint, however, is being aggressively addressed by increased and more diversified research. Even today, OB may give insight into certain basic inconsistencies; they simply have to be handled with care when working outside of North America.

This essential consistency are critical. Why? Because they facilitate predictability. Behaviour is typically predictable, and scientific research into behavior allows for relatively accurate predictions. When we say scientific investigation, we mean examining correlations, seeking to identify causes and effects, and basing our findings on scientific evidence—that is, data collected under controlled circumstances and properly measured and analyzed.

Evidence-based management supplements systematic research by basing administrative choices on the best scientific facts available. For example, we want physicians to make patient-care choices based on the most recent available research, and EBM believes that managers should do the same, becoming more scientific in their approach to management problems. A manager could raise a management question, then look for the best available evidence and apply it to the subject or instance at hand. It may seem impossible to argue against this, yet the great majority of managerial choices are made "on the fly," with no methodical examination of available facts. 8 Managers aren't the only ones who profit from a more scientific explanation of behavior. Ordinary employees may utilize these insights to improve workplace relationships, settle issues, and gain influence[5].

Science research and EBM supplement intuition, or gut instincts about what makes people tick. Of course, the things you've come to think in an ad hoc manner aren't always inaccurate. "The challenge, of course, is to know when to go with your instinct," Jack Welch says. But, if we make all judgments based on intuition or gut feeling, we are dealing with partial knowledge—the it's same as making an investment decision with only half the information regarding the potential for risk and return.

#### B. Massive Data

Researchers, the media, and business leaders have recognized the promise of data-driven management and decision making, which is excellent news for the future of business. Although "big data"—the substantial use of statistical compilation and analysis—has been used to many sectors of business, it is increasingly being utilized to effective decision making and human resource management. This is possible because corporations are increasingly storing information on human resource management issues such as absenteeism and productivity in massive databases, allowing for the comparison of hundreds or thousands of records from numerous organizations across time. This method identifies large trends and patterns that would otherwise be difficult to identify. Xerox, for example, utilized big data to cut staff turnover in their contact center. Data analysis revealed that some personality factors were more closely connected with job retention than previous contact center experience. As a consequence, human resource managers altered their recruiting criteria, stressing personality above experience. In six months, turnover was cut in half. The use of big data for management practices, although still in its early stages, has a



Vol 10, Issue 5S, May 2023

lot of potential. A management may establish which employee actions are related to the goals by using data to define the objectives, construct theories of causation, and test those hypotheses. Nonetheless, we are not recommending you to disregard your instincts or the business press. Leaders often depend on hunches when interacting with people, and the results are occasionally fantastic. Sometimes, hunches are influenced by prejudices that get in the way. According to research results, we are likely to be prejudiced toward information that we have just heard, has been repeatedly repeated, or has of personal importance. Although study results should be treated with the same caution as data production, the wise use of big data, along with an awareness of human behavioral patterns, may help to effective decision making and alleviate inherent biases. What we recommend is that you utilize evidence to inform your intuition and experience as much as possible. It is OB's guarantee.

Organizational behavior is an applied behavioral science that draws on contributions from a variety of behavioral disciplines, including psychology and social psychology, sociology, anthropology, and, more recently, political science and neuroscience. Psychology's contributions have been largely at the individual or micro level of study, whereas the other disciplines have added to our knowledge of macro notions such as group dynamics and structure. Neuroscience has improved our knowledge at both the individual and group levels. Exhibit 1-1 summarizes the most significant contributions to the study of organizational behavior.

#### C. Psychology

Psychology studies the behavior of people and other animals in order to quantify, understand, and occasionally influence it. Learning theorists, personality theorists, counseling psychologists, and, most crucially, industrial and organizational psychologists contribute to OB knowledge. Early industrial/organizational psychologists investigated weariness, boredom, and other workplace variables that might impair efficient task performance. Their contributions have lately broadened to cover learning, perception, personality, emotions, training, leadership effectiveness, requirements and motivating factors, work satisfaction, and decision-making [6].

#### D. Psychology of Social Interaction

Social psychology is a discipline of psychology that combines principles from psychology and sociology to study how individuals impact one another. One key topic of research is change—how to execute it and remove impediments to its adoption. Social psychologists also help to measure, assess, and change attitudes, as well as discover communication patterns and create trust. They have made significant advances to our understanding of group dynamics, power, and conflict.

#### E. Sociology

Whereas psychology is concerned with the individual, sociology is concerned with persons in relation to their social environment or culture. Sociologists have contributed to organizational behavior through studying group behavior in organizations, especially formal and complex organizations. Sociologists have examined organizational culture, formal organizational theory and structure, organizational technology, communications, power, and conflict, among other things.

# F. Anthropology

Anthropology is the study of cultures in order to understand about people and their activities. The work of anthropologists on cultures and environments has helped us comprehend variations in core beliefs, attitudes, and behavior among individuals in various nations and organizations. Most of our present knowledge of organizational culture, organizational contexts, and country cultural distinctions stems from the work of anthropologists or those using their methodologies.

#### G. The study of politics

Political science is the study of systems of governance but also political behaviours and actions. As such, it sheds light on the allocation of power and resources, as well as how those choices are impacted. Political scientists contribute to our understanding of industrial regulation by the government, strategic mergers and acquisitions, group behavior and decision making, public relations, and the employment of personal-influence methods and power plays inside enterprises.

#### H. Neuroscience

The study of the structure and functioning of the nervous system and brain is known as neuroscience. Neuroscientists have recently begun to contribute to OB by researching topics such as the impact of hormone levels on risk-taking in business situations, the influence of pheromones on team behaviors, and the underlying cognitive structures and neural neural mechanisms that lead to inadvertent prejudice and associated skill discounting and worker underutilization.

#### I. A Brief History of Ob

As scientific methods to man-made agreement began to show that behavioral concerns were major determinants of production, organizational behavior emerged as a separate subject. The renowned Hawthorne investigations were carried out at the Hawthorne Electrical Company between 1924 and 1932. The scientists were attempting to determine the best temperature, lighting conditions, and work tempo to enhance production. Conversely, they found that having individuals pay attention to employees' efforts enhanced output independent of temperature, illumination, or other factors. This aided in the establishment of an entire field of research dedicated to motivation and teamwork.



# Vol 10, Issue 5S, May 2023

The Carnegie School at Carnegie Mellon University was crucial in focusing attention to the convergence of decision analysis, management science, and psychology in the 1950s. As a consequence, fundamental ideas such as bounded rationality were developed, which asserts that decision making is impacted not just by rational evaluation but also by cognitive limits, which may result in subconscious biases and erroneous risk assessments. This insight helped practitioners understand why managers and leaders commonly make poor judgments, and additional study led to a greater knowledge of some of those issues and improved decision making.

Several advances in organizational behavior occurred throughout the 1960s and 1970s, with significant findings made in the areas of motivation, team behavior, and leadership. Systems theories that took into account the effect of larger social structures, such as institutional theory, which focused on norms, regulations, and routines, and contingency theory, which looked at the influence of the broader environment on management practice, also evolved. Throughout the 1980s and 1990s, there was a greater emphasis on corporate culture and organizational reform.

This shift was driven in part by new discoveries from anthropology and psychology, but it was also impacted by economic shifts that resulted in increasing globalization and extensive corporate downsizing, making understanding culture and change more directly relevant[7], [8]. Recently, research motivated by the anthropological approach has concentrated on situational models of leadership, among other things. Systems theories have provided fresh insights for improving the efficacy of diversity management strategies. Researchers in the Carnegie tradition have investigated limited rationality in the context of workplace attitudes about mental health and the impact of such views on policy formation. Each of these schools of thought is still being explored today, making organizational behavior a vibrant and inventive field of study.

# J. In OB, there are a few absolutes.

Physical science laws chemistry, astronomy, and physics—are constant and applicable in a variety of contexts. These enable scientists to generalize about gravity's pull or to be confident in sending people into space to repair satellites. Humans are complicated, and there are few, if any, simple and universal rules that may describe organizational behavior. Since we are not all same, we have a limited capacity to create simple, accurate, and broad generalizations. People may act differently during a religious service than they do at a party, for example, since not everyone is driven by money. Since human behavior is not always predictable, tolerance for ambiguity is a crucial characteristic for anybody in charge of others.

#### K. Shutterstock/Cartoon resource

It doesn't imply we can't provide relatively accurate explanations for human behavior or make credible forecasts. It does, however, imply that OB notions must account for situational or contingency factors. We may state that x causes y, but only if the conditions described in z—the contingency variables—are met. OB science evolved by applying broad principles to a specific circumstance, individual, or group. OB academics, for example, would avoid claiming that everyone enjoys complicated and demanding work. Why? But not everyone wants a difficult career. Some individuals favor regularity over variety, or easy jobs over complicated ones. A job that appeals to one person may not appeal to another; its attraction is dependent on the person who holds it [9], [10].

As previously stated, there are specific obstacles when OB research conducted in one nation or culture is utilized in another country or culture. Cultures vary greatly from one region of the globe to the next. These distinctions are often subtle. Individual performance, for example, is particularly significant in Canadian society, but many Asian and South American cultures place a premium on communal achievement. This minor distinction has a significant influence on aspects such as leadership style, company culture, motivating techniques, and the arrangement of work activities. Other cultural variations, such as the perceived propriety of maintaining a strong power structure, make assumptions regarding the relevance of study results when working across cultures challenging. Cultural variations and their influence on workplace practice may be assessed using resources such as the Hofstede Centre.

#### III. CONCLUSION

People skills, social skills, and social intelligence are all terms used to describe interpersonal abilities. They include properly receiving and understanding the signals sent by others in order to generate effective reactions. People demonstrate their interpersonal abilities all the time by engaging with others. Interpersonal communication is the sharing of information, ideas, and sentiments between two or more individuals, either vocally or nonverbally. Hearing, seeing, and experiencing body language, facial expressions, and gestures are often used in face-to-face communication.

#### REFERENCES

- [1] B. Bobik, "The importance of interpersonal skills in the work of a school counselor," J. Mod. Sci., 2020, doi: 10.13166/jms/125596.
- [2] Patricia A. and P. D. Wheeler, "The Importance of Interpersonal Skills," Healthc. Exec., 2005.
- [3] K. A. Quinn, "The Importance of Resource and Interpersonal Skills in the Hospitality Industry," J. Foodserv. Bus. Res., 2013, doi: 10.1080/15378020.2013.850377.
- [4] G. E. HORTON and D. BROWN, "The Importance of Interpersonal Skills in Consultee-Centered Consultation: A Review," J. Couns. Dev., 1990, doi: 10.1002/j.1556-6676.1990.tb02522.x.
- [5] L.-N. ZHANG, "Importance of Interpersonal Skills at Work towards Managing People in an Educational Context," 2018. doi: 10.2991/msmi-18.2018.6.



# Vol 10, Issue 5S, May 2023

- [6] S. Phulsunge and V. N. Kalbande, "Importance of Intrapersonal & Interpersonal Skills to Make Work Ready Professionals," Int. J. Manag. Technol. Eng., 2019.
- J. Lolli, "Perceptions of the Importance and Preparedness of Interpersonal Communication Skills of the Entry-Level Hospitality Leader: Implications for Hospitality Educators," J. Teach. Travel Tour.. 10.1080/15313220.2013.839302.
- D. Sinfield, J. Allen, and L. Collins, "A comparative analysis of the coaching skills required by coaches operating in different non-competitive paddlesport settings," J. Adventure Outdoor Educ. Learn., 2020. 10.1080/14729679.2019.1609998.
- M. S. Rasul, R. A. Rose, and A. N. Mansor, "Employability skills indicator as perceived by manufacturing employers," Asian Soc. Sci., 2013, doi: 10.5539/ass.v9n8p42.
- [10] K. S. Cheruvelil et al., "Creating and maintaining high-performing collaborative research teams: The importance of diversity and interpersonal skills," Front. Ecol. Environ., 2014, doi: 10.1890/130001.





Vol 10, Issue 5S, May 2023

# Challenges and Opportunities for Organizational Behaviour

#### Dr. Anitha Nallasivam

Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India Dr.anithnalasivam@cms.ac.in

Abstract— Most companies' organizational behavior challenges and opportunities include trying to overcome cultural and ethnic differences, increasing productivity, hiring employees who are suited towards the organizational culture or have the ability to improve it, delegating tasks to employees, and establishing a suitable level of life balance. In this chapter author is discusses personal inventory assessment..

Keywords— Company, Employee, Inventory, Job, Organizational Behaviour

#### I. INTRODUCTION

Managers' understanding of organizational behavior has never been more crucial. Take a look at the enormous changes that have occurred in companies. Employees are getting older; the workforce is becoming more diverse; corporate downsizing and the heavy use of temporary workers are severing the bonds of loyalty that bound many employees to their employers; and global competition requires employees to become more flexible but also cope with rapid change.

As a consequence of these and other developments, such as the increased use of technology, job prospects have evolved to incorporate new opportunities for employees. Exhibit 1-2 describes some of the possibilities that people may discover presented to them by organizations or for which they want to bargain. You'll discover a collection of alternatives to select from—or combine—under each title in the exhibit. For example, at some time in your career, you may find yourself Employed—working for a for-profit or nonprofit firm, an organization, or a person for money and/or benefits, with defined performance and reward expectations.

Working in a job or with responsibilities that are below one's educational or experience attainment level, or working less than full-time when one wishes to work full-time. Employees who were fired by a firm and rehired by the same company are referred to as re-employed, as are individuals who left the workforce and sought other employment. Unemployed/jobless currently unemployed; may be job-seeking, with or without government benefits/assistance, with or without severance money from a prior job, new to the workforce or dismissed from previous employment, short-term or long-term/chronic unemployment [1], [2].

Entrepreneur a person who owns and operates his or her own business, either as a lone proprietor or as the founder of a firm with staff. Retired someone who has ceased his or her career in a profession, either willingly or involuntarily as a result of an employer's obligation. Job-seeking—currently jobless; actively searching for work, with or without

government benefits from a prior job or from a disability/need, with or without severance compensation from a previous employer, either new to the workforce or dismissed from past employment.

Furloughed similar to a layoff; a temporary work halt mandated by the employer; pay is generally withheld during this period, albeit the employee maintains employment status with the organization. Laid off can be a temporary employer-mandated work stoppage, generally without pay, but is more commonly a permanent dismissal from the firm in which the person is found to be not at fault. Full-time companies determine the hours for full-time work, which are often more than 30 hours per week on a defined schedule, sometimes with salary compensation and sometimes with hourly pay, and sometimes with a benefit package that is bigger than that of the part-time employment category.

Part-time companies determine the hours for full-time work, which are often fewer than 30 hours per week on a fixed schedule, with hourly pay and a benefit package that is smaller than that of full-time employment. Flex-time an arrangement in which the employee and employer develop nonstandard working hours, which may be a temporary or permanent schedule; may be a number of hours worked per week anticipated. Job share a situation in which two or more workers share one job, usually by sharing the hours of a full-time employment that do not overlap [3], [4]. Contingent a workforce of outsourced workers who are paid hourly or by the task, do not normally get corporate benefits, and are not regarded to be part of the organization. Temporary employees or independent contractors are examples of contingent workers. Independent contractor—in essence, an entrepreneur, but frequently a specialised individual who does not seek to start a business but supplies services or commodities to one.

Temporary individuals who are employed directly by the organization or through an employment agency/temporary agency; their hours may be fixed or variable per week, they do not generally receive any company benefits, and they are not considered part of the company; they are employed for a



# Vol 10, Issue 5S, May 2023

short period of time or as a trial for an organization's position openings. Reduced-hours a reduction in an employee's normal work schedule by the employer, sometimes as a measure to retain employees/reduce layoffs during economic downturns, such as Germany's Kurzarbeit program, which provides government subsidies to keep the workers on the job at reduced hours; employees are really only paid for the time they work. Internship a short-time position, usually with a set duration, aimed to offer practical training to a pre-professional, either with or without remuneration.

Anchored a worker who has an allotted office, cubicle, or desk area. Floating an employee who works in a communal environment with no allocated work area. A virtual employee is one who works over the Internet and is not physically present in an office. A flexible employee is one who is linked to an office yet can work from anyplace. Work from home a company-provided employee who works from a home office. Those that work in a single established location are considered local. Expatriate employees who are on lengthy abroad work assignments with the expectation of returning after a certain period of time, generally a year or more; sent by corporate request or on their own initiative.

Short-term assignees are personnel that are on overseas assignments that are longer than business trips but shorter than regular corporate expatriate assignments, often lasting 3 to 12 months. Employees that move for temporary assignments across cultural or national boundaries, generally for 1 to 2 months, are known as flexpatriates. Employees who take many short overseas business trips lasting 1 to 3 weeks are classified as international business travelers. Visa employee—an person who works outside of his or her place of residence and requires a work visa to work in the present nation.

Union/nonunion employee—an employee who is a member of a labor union, often by trade, and is subject to its protections and provisions, and who then negotiates with management on some of these working condition issues; or an unemployed person who works for a nonunion facility or who occasionally chooses not to join a unionized facility. Salary—employee remuneration based on a full-time workweek in which hours are often not logged on a time clock but where it is known that the employee will work as needed.

Hourly employee pay for each hour worked, often documented on time sheets or via time clocks. Overtime compensation for hours worked that exceed the usual workweek, paid at an hourly rate specified by law for hourly workers. Bonus—a sort of additional remuneration that is frequently connected to individual or organizational success. Contract prenegotiated pay for project work, often on a timetable as the job advances.

Time off paid or unpaid; negotiated time off in accordance with the job contract and/or granted by management as compensation for time spent Benefits generally stated inside the employment contract or the Human Resources Employee

Handbook; may include health insurance plans, savings plans, retirement accounts, discounts, and other options available to employees at various types of employment. For example, you may be employed full time inside of an office in a localized, nonunion setting with a salary and bonus compensation package, while at another point you may wish to negotiate for a flextime, virtual position and choose to work from home [5]. To summarize, today's difficulties provide possibilities for managers to use OB ideas. In this part, we will look at some of the most pressing difficulties that manager's face and for which OB has answers—or at least valuable insights toward solutions.

#### II. DISCUSSION

#### A. Responding to Economic Pressures

The Canadian economy had significant hurdles in early 2015. Oil price declines have had a significant influence on oil sands output and profitability. Since this sector is such an important part of the Canadian economy, everything from the currency to average housing prices suffered. 14 Layoffs and job losses were common, particularly in Alberta. Managers are on the front lines when things like this happen, dealing with people who must be dismissed, who are forced to accomplish more with less, and who are concerned about their futures. The distinction between excellent and poor management might be the difference between profit and loss, or, more importantly, survival and failure. Managing staff successfully in good times may be just as difficult, if not more difficult, as in bad times. Yet, the OB methods can diverge. Understanding how to reward, satisfy, and retain people is especially important in good times. At difficult circumstances, topics such as stress, decision making, and coping come to the forefront.

#### **B.** In Response to Globalization

National boundaries no longer limit organizations. McCain Foods, headquartered in Florenceville, New Brunswick, employs 19,000 people and has 50 manufacturing plants on six continents. 1-800-GOT-JUNK, established in Vancouver, licenses its business concept in Canada, the United States, and Australia. Custom broker headquartered in Toronto Livingston International employs approximately 3,200 people in over 125 border crossings, seaports, airports, and other sites in North America, Europe, and Asia. Bombardier, based in Montreal, sells aircraft and trains all over the globe and has facilities on all continents except Antarctica [6].

The globe has actually shrunk to the size of a town. The manager's role has evolved as a result of the process. Successful managers will foresee and adjust to the global concerns we shall examine next. Increasing International Assignments If you are a manager, you are more likely to be moved to your employer's operational division or subsidiary in another nation. Once there, you'll have to manage a staff with quite different demands, goals, and attitudes than you're used to. To be successful, you must first learn all you can



Vol 10, Issue 5S, May 2023

about the culture and workforce of your new site, as well as display cultural awareness, before implementing alternative techniques.

#### C. Dealing with Individuals from Many Cultures

Even inside your own nation, you may encounter supervisors, colleagues, and other workers who were born and nurtured in various cultures. What inspires you may not inspire them. Alternatively, your communication style may be simple and upfront, which some may find unsettling and intimidating. To operate well with individuals from various cultures, you must first learn how their culture, location, and religion have influenced them, and then adjust your management style to accommodate their peculiarities. Supervising Job Transfers to Low-Cost Labor Countries Managers in industrialized countries, whose minimum salaries are often \$10 or more an hour, are finding it more difficult to compete with enterprises that depend on employees from Bangladesh and other poor countries, where labor is available for 30 cents an hour. Jobs tend to migrate abroad where cheaper prices provide firms a competitive edge in a global economy, however labor unions, politicians, and local community leaders perceive job exporting as undermining the domestic employment market. Managers must balance the interests of their businesses with their responsibility to the communities in which they operate, which is a challenging challenge.

Adaptation to Diverse Cultural and Regulatory Standards Being global for a business involves more than just entering an international e-mail address, transporting products to a foreign port, or constructing facilities in other nations. Managers must understand the cultural norms of the workforce in any place where they conduct business in order to be successful. For example, in certain nations, a considerable proportion of the workforce takes extended vacations. There will also be national and local restrictions to consider. Managers of foreign subsidiaries must be aware of the particular financial and legal restrictions that apply to "guest firms" or risk breaching them. Violations may have ramifications for their business in that country as well as for international relations. Management must also be aware of variances in rules for rivals in that country; in many cases, the laws will provide native enterprises with considerable financial advantages over overseas subsidiaries [7], [8].

#### D. Handling Employee Diversity

Workforce diversity, the idea that companies are growing increasingly varied in terms of gender, age, colour, ethnicity, sexual orientation, ability, and inclusion of other different groups, is one of the most crucial problems for businesses. Although globalization focuses on disparities between individuals from various nations, workforce diversity focuses on differences between people within the same country.

Workforce diversity recognizes a workforce that includes women, men, and transgendered persons, people from various racial and ethnic groups, people with various physical or psychological capacities, and people of various ages and sexual orientations. Diversity management is a worldwide topic. Whilst we will go into further detail on workforce diversity later, suffice it to say that diversity brings both amazing possibilities and difficult problems for managers and employees in all countries. How can we use group differences to gain a competitive advantage? Should we treat all workers the same way? Do we value personal and cultural differences? How can we promote cultural awareness among workers without succumbing to stereotypical political correctness? What are the legal obligations in each country? Is it even necessary to be diverse?

Enhancing Customer Service Technical support agents, fast-food counter workers, sales clerks, nurses, vehicle repair technicians, consultants, financial advisors, and flight attendants are examples of service personnel. These roles have a significant amount of engagement with an organization's clients. By demonstrating how staff attitudes and behavior impact customer satisfaction, OB may assist managers in increasing the success of these encounters. Numerous businesses have collapsed because their personnel failed to satisfy their clients. OB may assist managers establish customer-friendly environments in which staff are nice and polite, approachable, competent, quick in responding to customer requests, and eager to go above and beyond to delight the client.

#### E. Developing Interpersonal Skills

We'll provide key ideas and theories as you go through this literature to help you understand and anticipate the behavior of individuals at work. You'll also learn about particular people skills that you may use on the job. For example, you'll discover how to create more stimulating tasks, tactics for enhancing your management abilities, and how to form more successful teams.

#### F. Working in Connected Organizations

People in networked companies can connect and collaborate even if they are hundreds of kilometers distant. Independent contractors may operate from anywhere in the world through computer and switch employers as the demand for their services changes. Those who can work from home or other non-office settings include software programmers, graphic designers, system administrators, technical writers, photo researchers, book and media editors, and medical transcribers. In a networked company, the manager's role is altered. Motivating and leading people, as well as making joint choices, need strategies that vary from those necessary when people are physically present in a single area. Managers must learn new abilities as more people accomplish their tasks by connecting to others through networks. OB may give useful information for strengthening such abilities.

#### G. Improving Employee Happiness at Work

Monday through Friday, the average employee in the 1960s or 1970s showed up at a certain workplace and worked



Vol 10, Issue 5S, May 2023

for clearly defined 8- or 9-hour blocks of time. It is no longer true for a major portion of today's employment; even the concept of the office has been broadened to cover any location where a laptop or smartphone may be used. Managers must consider workers' well-being at work, even whether they work from home or from half a continent away.

One of the most difficult obstacles to ensuring employee well-being is that firms are requiring people to work longer hours, either in the office or online. Workers are increasingly complaining about the blurring of the barrier between work and nonwork time, which is causing personal problems and stress. Second, extensive outside responsibilities put a strain on employee well-being. Millions of single-parent homes and workers with dependent parents, for example, have considerable challenges in managing work and family commitments [9]. Employees desire employment that provides them flexibility in their work schedules as a consequence of their growing obligations in and out of the office, according to recent surveys. Companies that do not assist their workers in achieving work-life balance will struggle to recruit and retain the most talented and motivated personnel. As you'll see in subsequent sections, the discipline of organizational behavior provides a variety recommendations to assist managers build workplaces and tasks that might help workers minimize such conflicts.

#### H. Building a Good Workplace

Positive organizational scholarship, which investigates how organizations create human qualities, encourage vitality and resilience, and unleash potential, is a prominent emerging topic in OB research. According to researchers in this field, much too much OB research and management practice has focused on discovering what's wrong with firms and their people. In response, they strive to figure out what they like about themselves. Engagement, hope, optimism, and perseverance in the face of adversity are some major independent factors in positive OB research.

Positive organizational researchers have researched a concept known as "reflected best self," which involves asking workers to recall times when they were at their "personal best" in order to understand how to capitalize on their strengths. The premise is that we all have something at which we are really strong, but we spend much too much time addressing our weaknesses and far too little time thinking about how to capitalize on our strengths. While positive organizational scholarship does not negate the usefulness of negative organizational scholarship, it does challenge academics to look at Things through a fresh lens and encourages firms to capitalize on people' strengths rather than concentrate on their weaknesses.

# I. Enhancing Ethical Behavio

It's not unexpected that many workers feel driven to cut shortcuts, breach regulations, and participate in other dubious actions in an organizational setting marked by cutbacks, expectations of increased production, and intense competition. Employees are increasingly confronted with ethical quandaries and ethical choices in which they must distinguish between good and bad behavior. Should people come forward if they discover unlawful activity in their workplace? Do they comply with commands with which they disagree? Do they use politics to further their careers?

What defines ethical behavior has never been properly defined, and this has been obvious in recent years. Whenever we look, we see government politicians pad their expense accounts or accept bribes, business executives exaggerate earnings in order to cash in attractive stock options, and university administrators turn a blind eye when successful coaches push scholarship athletes to take easy courses. When caught, these folks use explanations like "Everyone does it" or "You have to take advantage of every opportunity today." In a global economy, determining the morally proper way to conduct is more challenging since various cultures have different opinions on some ethical concerns. Employee treatment in an economic slump, for example, differs greatly among cultures. As we'll see, attitudes toward religious, ethnic, and gender diversity vary by country. Is it any surprise that people are increasingly unsure about what constitutes suitable ethical behavior in their workplaces? Today's management must establish an ethically healthy environment for workers in which they may perform their job successfully and with little uncertainty about what is good and wrong. Businesses that promote a strong ethical purpose, encourage workers to act with integrity, and give excellent leadership may impact employee ethical judgments. We'll talk about how managers can establish an ethically healthy environment and assist workers sift through confusing circumstances in the following s.

# J. Upcoming Events: Developing an Ob Model

Finally, we provide a generic model that defines the field of OB and specifies its characteristics, ideas, and connections. You will gain a solid idea of how the concepts in this book might guide your approach to management difficulties and opportunities after studying the model.

# K. Diversity in Personal Inventory Assessment

Canada was the first nation in the world to make multiculturalism an official policy, therefore embracing the worth and dignity of all people regardless of ethnic background, language, or religious views. We are not all alike. This should go without saying, yet managers often overlook the need of recognizing and capitalizing on differences in order to get the best out of their people. Differentiating yourself helps to reduce discrimination, which happens when job seekers or employees are treated differently based on factors unrelated to job performance, such as gender, ethnicity, or religious views. Apart from that, good diversity management broadens an organization's access to the broadest potential pool of talents, abilities, and ideas. This may help businesses develop more successfully, serve various client demands more effectively, and provide



# Vol 10, Issue 5S, May 2023

other advantages. Although variety may be a valuable advantage, managers must also know that differences between individuals can lead to misunderstandings, misunderstanding, and conflict. We'll study how individual attributes such as age, gender, color, ethnicity, and talents might affect employee success in this. We'll also look at ways managers may raise awareness of these qualities and successfully manage a diverse staff [10].

# L. Multiculturalism as a Guiding Principle and Formal Policy in the Canadian Setting

The Canadian Multiculturalism Policy of 1971 recognized Aboriginal peoples' rights as well as the formal status of the country's two official languages, English and French. This strategy was strengthened in 1988 by the Multiculturalism Act, which sought to be even more inclusive. The Act makes several changes, including requiring formal statements of support for the preservation of languages other than Canada's two official languages, mandating programs and practices that improve community participation for all citizens, mandating programs and practices that improve understanding and respect for diversity, and requiring the collection of statistical information measuring the outcomes of these initiatives. Multiculturalism as a policy guarantees that all Canadians may keep their identities, respect and celebrate their ancestors, and feel at home in Canada. As a consequence, it promotes concord and cross-cultural understanding, as well as attempts to integrate all people and allow them to participate actively in Canada's social, cultural, economic, and political activities. Multiculturalism has resulted in a larger proportion of immigrants obtaining Canadian citizens. With less pressure to abandon their native culture, immigrants are more likely to adopt dual citizenship. This enables them to fully participate in Canadian society while still recognising and honoring their family history and heritage. Legislation promoting multiculturalism has been challenged for a variety of reasons. According to some detractors, it encourages individuals to concentrate on their differences rather than their commonalities. Others argue that the Act indicates a flimsy commitment that lacks the resources needed to really support cultural preservation. According to the later criticism, multiculturalism has in reality concentrated on things like festivals while neglecting to address underlying structural hurdles to genuine cross-cultural acceptance and inclusion.

### III. CONCLUSION

The study of group and individual performance and activity inside an organization is known as organizational behavior. This field of research investigates human behavior in the workplace and assesses its influence on job structure, performance, communication, motivation, leadership, and so on. The qualities of a business plan are intended to persuade the reader of the company's success. Since businesses often write business plans in order to get financing or investors, the

conclusion should emphasize how the firm generates revenue and why it is a worthwhile investment.

#### REFERENCES

- [1] G. F. Tuazon, R. Wolfgramm, and K. P. Whyte, "Can You Drink Money? Integrating Organizational Perspective-Taking and Organizational Resilience in a Multi-level Systems Framework for Sustainability Leadership," J. Bus. Ethics, 2021, doi: 10.1007/s10551-019-04219-3.
- [2] L. Eldor, "Looking on the Bright Side: The Positive Role of Organisational Politics in the Relationship between Employee Engagement and Performance at Work," Appl. Psychol., 2017, doi: 10.1111/apps.12090.
- [3] J. P. Peronard and J. Brix, "Organizing for inter-organizational learning in service networks," Learn. Organ., 2019, doi: 10.1108/TLO-08-2018-0137.
- [4] F. Gino, "Understanding ordinary unethical behavior: Why people who value morality act immorally," Current Opinion in Behavioral Sciences. 2015. doi: 10.1016/j.cobeha.2015.03.001.
- [5] L. L. Eder and B. Meyer, "Self-endangering: A qualitative study on psychological mechanisms underlying nurses' burnout in long-term care," Int. J. Nurs. Sci., 2022, doi: 10.1016/j.ijnss.2021.12.001.
- [6] E. M. O'Hern and C. Argyris, "Understanding Organizational Behavior," Am. Cathol. Sociol. Rev., 1961, doi: 10.2307/3708154.
- [7] M. Ellmer and A. Reichel, "Mind the channel! An affordance perspective on how digital voice channels encourage or discourage employee voice," Hum. Resour. Manag. J., 2021, doi: 10.1111/1748-8583.12297.
- [8] S. C. Lilian, "Virtual Teams: Opportunities and Challenges for e-Leaders," Procedia - Soc. Behav. Sci., 2014, doi: 10.1016/j.sbspro.2013.12.972.
- [9] V. B. Klein and J. L. Todesco, "COVID-19 crisis and SMEs responses: The role of digital transformation," Knowl. Process Manag., 2021, doi: 10.1002/kpm.1660.
- [10] Z. Boz, V. Korhonen, and C. K. Sand, "Consumer considerations for the implementation of sustainable packaging: A review," Sustain., 2020, doi: 10.3390/su12062192.



Vol 10, Issue 5S, May 2023

# Demographic Characteristics of the Workforce

#### Dr. Vishal Soodan

Assistant Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

dr.vishalsoodan@cms.ac.in

Abstract— The most essential demographic features in a workplace are those protected by law, but they are by no means the sole demographic characteristics. Education, socioeconomic class, place of residence, and primary language are among the other demographics. In this chapter author is discusses sexual orientation and gender identity.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces

#### I. INTRODUCTION

Before, OB textbooks observed that a primarily white, male executive staff was giving way to a gender-balanced, multiethnic workforce. Today, that transformation is well underway, and progress is being made, albeit things are far from equal. The significant progress made so far is increasingly reflected in the composition of management and professional occupations. For example, between 1976 and 2012, the employment rate for women in Canada increased from 41.9 to 57.9 percent, while the rate for males declined from 72.7 to 65.8 percent. Gender-based job discrimination has not been totally abolished, as seen in Exhibit 2-1's gender-gap table. In order to measure women's total well-being, each subindex examines a separate area. The Economic Participation and Opportunities Sub-Index is particularly interesting since it addresses employment and job type factors. It demonstrates the extent to which women are underpaid and underrepresented in specific professions, as well as the amount of progress they have made over time. For example, the gender ratio among lawmakers, senior officials, and managers has stayed practically stable. This suggests that males outweigh women in these occupations by a factor of two. Despite continuing and significant disadvantage, some improvement may be seen in several of the index areas. Women now are more likely to work full-time, have a higher education, hold positions of leadership, and receive income comparable to males. 4 Similarly, although some groups continue to face labor market disadvantages, their employment numbers imply that workplace diversity is improving. Workers impairments, for example, made up 46.4 percent of the labor force in 2001. By 2006, the figure had risen to 51.3 percent. According to labor force surveys done in 2011, new immigrants had a labor force participation rate of 82.9 percent, whereas immigrants who had been in Canada for more than five years and Canadian-born residents had rates of about 87 percent. 6 Employees over the age of 65 make up a rising proportion of the labor force, accounting for 12% of all workers in 2012. Because of this move toward a more diverse workforce, Canadian firms must prioritize diversity

management in their policies and procedures.

The data gathered by Ontario's Human Resources Professional Association reveals important employer problems and possibilities as a consequence of the demographic mix of the Canadian workforce[1]–[3]. The aging of the workforce, together with the loss of skills due to the retirement of many baby boomers, higher medical expenditures, and the need to improve cross-cultural understanding, is constantly one of the most major worries of HR managers. Additional concerns include rising global talent competitiveness and the difficulty of achieving regulatory HR standards.

# **Diversity Levels**

While much has been written about age, color, gender, ethnicity, religion, and disability status diversity, experts today acknowledge that these demographic factors are just the tip of the iceberg. Demographics mostly represent surface-level diversity rather than ideas and emotions, which might lead to workers seeing one another via preconceptions and assumptions. Evidence suggests, however, that as individuals get to know one another, they grow less worried with demographic variations if they identify themselves in terms of other important attributes, such as personality and values, which indicate deep-level variety. This form of diversity is considerably more subtle, and it might be difficult to notice at first since it involves unseen patterns of thinking and unspoken cultural assumptions. People in certain regions of the globe, for example, may consider it impolite to question their management if they feel he or she is making a mistake, but others may believe it is expected and demanded of them. Deep-level variety may be accountable for prolonged disputes and misunderstandings since these sorts of variances go unnoticed. But, it may also result in radically diverse patterns of thinking, which can boost creativity and innovation in cooperative situations.

Consider the following examples to better grasp the distinction between surface- and deep-level varieties. At first appearance, Luis and Carol seem to have nothing in common. Luis is a Mexican immigrant who moved to Canada three years ago. He has a business degree from university. Carol is an elderly, long-tenured employee who grew up in rural



Vol 10, Issue 5S, May 2023

Manitoba and began as a customer service trainee after high school and worked her way up the corporate ladder. These employees may detect surface-level differences in education, ethnicity, geographical background, and gender at first. As they get to know one another, they may discover that they are both passionately dedicated to their families, have a similar style of thinking about critical professional challenges, like working jointly, and are interested in future overseas assignments. Such commonalities will overcome the more surface differences, and research indicates that the two individuals will work effectively together after an initial period of familiarization.

In another example, Steve and Dave are two unmarried White male college graduates from Ontario who have lately begun working together. On the surface, they seem to be a good fit. Nonetheless, Steve is quite introverted, tries to minimize risks, seeks the advice of others before making choices, and loves the workplace to be quiet. Dave is an outgoing, risk-taking, forceful individual who prefers a dynamic, vibrant work atmosphere. Since they have basic, deep-level differences, their surface-level similarity will not always result in favorable interactions. It will be difficult for them to cooperate on a regular basis at work, and they will have to make some sacrifices to get things done jointly [4], [5].

We will meet distinctions between deep- and surface-level diversity in numerous circumstances throughout this work. Individual variations in personality and culture influence incentives preferences, communication styles, and responses to leaders, negotiating techniques, and many other elements of organizational behavior.

People are normally observant of surface-level diversity features when they first meet, but as they grow to know one another more, they become conscious of deep-level diversity characteristics.

#### II. DISCUSSION

# A. Biographical Characteristics

Age, gender, ethnicity, handicap, and immigrant status are some of the most noticeable differences amongst workers. Having a varied staff is seen as a positive for a variety of reasons, including a greater knowledge of different customers' demands, increased creativity and innovation, and wider social justice via inclusion. Nonetheless, despite the benefits of diversity, variances in surface-level traits may still be used to discriminate against classes of workers, thus it is crucial to understand how closely these surface-level qualities are connected to critical work outcomes. Many are not as significant as people imagine, and there is significantly more variety in job success among groups that share biographical qualities than between them.

#### B. Age

For a variety of reasons, the association between age and work performance is projected to become more prominent

during the coming decade. For starters, the global workforce is aging; according to forecasts, employees over the age of 54 will account for 93 percent of labor-force growth from 2006 to 2016. The graph shown in Exhibit 2-2 illustrates why this is so: It depicts the proportion of working-age people to those aged 65 and above. This ratio reflects changes in the age structure of the Canadian population and indicates that our population is aging. The consequence of this demographic profile is uncertain, since compelled retirement is illegal under Canadian human rights law because it constitutes age discrimination. Most employees nowadays are not required to retire at the age of 65, while there are rare exceptions for positions where significant physical demands are a legitimate occupational need. According to a 2015 study of 3,000 Canadians between the ages of 30 and 65, 60 percent expected to work beyond the age of 65, up from 48 percent in

# C. Companies have varied attitudes about hiring older workers.

They identify a variety of beneficial characteristics that many older employees bring to their employment, including experience, judgment, a strong work ethic, and a dedication to quality. Yet, elder employees are characterized as being rigid and resistant to new technologies. Although firms deliberately seek employees who are flexible and open to change, the perceived drawbacks connected with age make it difficult to hire older workers at first. Let us now examine the evidence. What impact does age have on attrition, absenteeism, productivity, and employee satisfaction? You may be surprised by the connections. According to age-turnover research, the older you become, the less likely you are to leave your work. 14 This should come as no surprise. Workers may have fewer alternative career choices as they age since their talents have grown more specialized to particular forms of labor. There is also an incentive for elderly employees to continue working: Longer tenure is associated with better pay rates, longer paid vacations, and more appealing pension benefits [6].

It may seem that age is positively connected to absenteeism, however this is not the case. According to most research, older workers had lower rates of avoidable absence than younger employees and equivalent rates of unavoidable absence, such as illness leave. 15 In general, older workers are healthier than you may think. According to recent study, older employees do not have higher psychological or physical health concerns than younger workers globally. Many individuals assume that productivity reduces as one gets older. It is often considered that abilities such as speed, agility, strength, and coordination deteriorate with time, and that extended work boredom and a lack of intellectual stimulation lead to lower productivity. Yet, the data contradicts such beliefs. According to reviews of the literature, age and job task performance are unrelated, and older employees are more likely to participate in organizational-helping behavior.



Vol 10, Issue 5S, May 2023

Our third point of concern is the data on the association between age and work satisfaction. According to an analysis of over 800 research, older employees are more content with their jobs, have better connections with their colleagues, and are more loyal to their employers. 18 Some research, on the other hand, have shown a U-shaped link, which means that work satisfaction grows until middle age, when it starts to decline. It's possible that the relationship is complicated and varies depending on the work. When the data are broken down by job type, we see that satisfaction grows steadily among professionals as people age, but it dips among nonprofessionals throughout middle age and then rises again in later years. Hence, an employee's pleasure of a service-industry or manual labor employment may be influenced differently by age than her happiness with a professional role [7]. If age has some good and few negative impacts on job performance, what are the consequences of age discrimination against individuals? Age discrimination seems to have a detrimental impact on organizational culture and overall firm performance. According to one research of over 8,000 workers in 128 organizations, an organizational atmosphere that favors age discrimination is related with poorer levels of overall employee engagement to the company. This was linked to poorer levels of organizational performance. The findings imply that addressing age discrimination may aid in achieving greater levels of organizational performance.

# D. Gender

Few topics spark more disputes, misunderstandings, and unfounded views than whether women do as well in the workplace as men. The best place to start thinking about this is with the realization that there are few, if any, significant differences between men and women in terms of work performance. In reality, a meta-analysis of work performance studies published in 2012 showed that women scored marginally higher than males on performance metrics. There are no persistent differences in problem-solving abilities, analytical skills, competitive drive, motivation, friendliness, or learning capacity between men and women.

Regrettably, stereotypical sex roles continue to harm both men and women. According to 2011 Statistics Canada statistics, the gender pay gap for full-time employees was 26%. This meant that a female earned 74 cents for every dollar earned by a guy. Similarly, despite the fact that women hold 53.7 percent of bachelor's degrees in the working-age Canadian population, one recent research indicated that scientific instructors still see female undergraduate students less competent than males with comparable accomplishments and abilities. According to research, female students are also more likely to adopt vocational stereotypes and often see a mismatch between themselves and typically masculine jobs. Men are not exempt; males working in traditionally feminine industries such as nursing and childcare have reported enduring skill discrimination, social shunning, and unjust treatment, similar to what women in traditionally masculine positions have encountered.

According to study, managers are still impacted by gender prejudice when choosing applicants for particular roles in the recruiting sphere [8]. According to a recent research, men and women may be granted an equal amount of advancement opportunities while on the job, but females are less likely to be allocated tough jobs by men, assignments that may help them attain higher organizational positions. Women who excel in traditionally male sectors are regarded as less pleasant, antagonistic, and desirable as supervisors despite women at the top claiming that good interpersonal skills may counteract this impression. According to research, women feel sex-based discrimination is more widespread than male workers, and these attitudes are particularly strong among women who work with a high number of males.

According to research, employees who face the most blatant type of discrimination, sexual harassment, have greater levels of psychological stress, which is linked to poorer levels of organizational commitment and job satisfaction, as well as higher inclinations to quit. Similarly with age discrimination, data shows that fighting sex discrimination may be connected with greater overall organizational partially performance, because discriminated-against individuals are more likely to quit. While the causes for employee turnover are numerous, research continues to show that sex discrimination is harmful to organizational performance, especially for intellectual jobs, management personnel, in the United States, and in medium-sized organizations. As with the surface-level feature of employee age, there are several myths concerning male and female employees. Discrimination remains a concern, yet many companies strongly encourage a diverse workforce.

#### E. Gender Identity and Sexual Orientation

In 2012, a Harvard University researcher performed an intriguing field experiment. For 1,700 genuine entry-level employment opportunities, fictitious yet plausible résumés were submitted. The applications were identical, with the exception that half of them stated the applicant's membership in LGBT groups while in college, while the other half did not. While much has changed, the experiment discovered that full acceptance and accommodation of gay, lesbian, bisexual, and transgender employees is still a work in progress. Those applicants that did not disclose participation in LGBT groups got 60% more responses than those who did. 34 Despite the fact that this study was conducted in the United States, where legal protections based on sexual orientation are much weaker than in Canada, it suggests the presence of bias in the broader corporate culture.

Employee discrimination based on sexual orientation is illegal under federal law. This protection applies to all aspects of employment, including benefits provided to same-sex spouses and common-law partners. The unique workplace needs of transgendered people have also received



# Vol 10, Issue 5S, May 2023

increased attention, particularly in terms of respectful pronoun usage and access to safe and harassment-free restrooms. Only eight Fortune 500 companies had gender identity policies in 2001. By 2013, that figure had risen to about 50%. "Lockheed Martin is committed to providing the most supportive and inclusive environment for all employees," said Ken Disken, former senior vice-president of defense contracting at Lockheed Martin. Maintaining a healthy, respectful environment and a complete set of benefits for all workers is vital to keeping people and assisting them in reaching their full potential." In practice, modest accommodations such as gender-neutral restrooms and changing rooms may make the workplace more friendly to transgendered people, contributing to a culture of respect.

#### F. Race, Ethnicity, and Immigration Status

Race is a contentious subject in both society and organizations. We define race as the biological inheritance with which individuals identify. But, new genetic analyses of world populations by Princeton academics Cavalli-Sforza, Manozzi, and Piazza have cast considerable doubt on the existence of separate races. Their study reveals that there is a continuum of genetic features and that you cannot determine someone's race just based on their DNA, implying that race is a sociological rather than a biological construct. This social reality is clearly apparent; for example, persons of mixed race, such as actress Halle Berry and musician Bobby Dreadfull, are usually referred to as African-American or African-Canadian rather than African-American African-Canadian.

As Prime Minister Stephen Harper questioned the tradition in early 2015, the wearing of the hijab at citizenship swearing-in ceremonies became a contentious issue of discussion, resulting in a mix of support, reaction, and charges of institutional racism. being termed mixed-race. Ethnicity is a collection of cultural qualities that often overlaps with race. These concepts enable each person to define his or her own race and ethnicity. Immigration status, in addition to color and ethnicity, has an influence on people's particular job experiences in ways that will be studied soon.

Race and ethnicity have been researched in relation to outcomes such as employment choices, performance assessments, compensation, and workplace discrimination experiences. Individuals tend to slightly favor colleagues of their own race in performance evaluations, promotion decisions, and pay raises, according to research, though such differences really aren't found consistently, especially when highly structured methods of decision making reduce the opportunity for discrimination. 36 Most studies also demonstrate that individuals of racial and ethnic minorities face more employment discrimination and social isolation.

Although many racial and ethnic groups face labor-market issues in Canada, Native people have had some of the worst results. In 2012, the overall unemployment rate in Canada was 7.2 percent, whereas it was 14.8 percent for Aboriginals. Even when education and geographical location are

considered, Aboriginal people earn less than other Canadians when working. For example, in 2006, the median salary in Canada for non-Aboriginals was \$27,097, whereas it was \$18,962 for First Nations employees. Non-Aboriginal workers on urban reservations earned 34% more than their First Nations colleagues. On rural reservations, the economic disparity soared to 88 percent.

When immigrant status is included in, the situation gets much more complicated. To begin with, many Canadians have a misunderstanding of immigration policy and commonly mix up refugees with immigrants. Refugees are admitted into Canada on humanitarian grounds in order to fulfill the government's commitments under the 1951 UN Convention on Refugees. The Canadian government does provide considerable financial assistance to refugees during their first year in Canada, although their numbers are small. Just 12,200 refugees were allowed to enter Canada in 2013. 40 Recently, 25,000 Syrians were permitted in; however, this was a one-time occurrence due to the Syrian conflict and the resulting migration crisis in Europe. The majority of refugees welcomed into Canada are families with small children who have been living in deplorable circumstances in dismal refugee camps for more than a decade. In addition, gay and lesbian refugees who fear persecution and torture in their home countries/refugee camps because of their sexual orientation are given prioritized entrance to Canada [9].

Around 250,000 immigrants were permitted in the same year that the 12,200 refugees arrived. As a requirement of entrance, these individuals had to be employable having skills needed in Canada or financially self-sufficient entrepreneurs, or even have family members in Canada who signed documentation promising their financial support for a minimum of ten years. Exhibit 2-4 shows that in recent years, less and fewer family-class immigrants have been allowed to enter Canada. Migrants from both the familial and economic classes do not burden Canadian taxpayers; rather, they bring money into the nation. They are sometimes mistaken with refugees, a misunderstanding that is regularly utilized politically to create the misleading impression that immigrants are a drain on society. These views unjustly and unfavorably effect immigrants' day-to-day employment experiences and career results, despite the fact that immigrants make up a significant share of the Canadian labor pool and population. Exhibit 2-5 compares the proportion of our population that is foreign-born to that of other nations. This stresses the significance of immigrant success to the economy as a whole.

As newly arrived immigrants seek to join the Canadian labor market, they often face talent discounting and discrimination. The degree to which this is experienced is influenced by a concept known as intersectionality, which is defined by the United Nations as a "attempt to capture the consequences of the interaction between two or more forms of subordination and address the manner in which systems create inequalities that structure the relative position of



Vol 10, Issue 5S, May 2023

persons." This basically suggests that when it comes to identification, the whole is greater than the sum of the parts. This impact is shown by a simple mental exercise: Shut your eyes and imagine yourself as a mother. Then imagine yourself as an adolescent. Lastly, consider a single individual. The mental images you created in your brain are most likely considerably different from the mental images you would create if you were to envisage a young single mother. Individuals' preconceptions and forms of prejudice are similarly impacted by numerous facets of their identity in combination. Their race and ethnicity, for example, combine with their immigration status and gender to produce experiences that are very different from those of a newly arrived, Christian, White British guy and a recently arrived lady of color from Ghana who wears a hijab [10].

When unemployment rates are displayed separately based on group membership, this disparity is evident. According to 2007 labour market figures, the immigrant unemployment rate in Ontario was 6.8 percent, compared to 4.4 percent for Canadian-born employees. Immigrants who arrived in Canada during the previous five years had unemployment rates that were almost twice those of the general population. Even within that group, though, disparities in ethnicity and home location were significant. African-born recent entrants had unemployment rates as high as 20.8 percent, whereas Asian-born recent arrivals had rates considerably closer to those of domestic-born employees. These disparities persisted even after education and previous job experience were included, indicating that the disparities were not attributable to systematic variations in skill and education levels, but rather to the confluence of race, ethnicity, and immigrant status.

# III. CONCLUSION

As previously noted, prejudice, for whatever cause, leads to greater turnover, which is harmful to organizational effectiveness. Improved representation of all equity-seeking groups in organizations remains a priority. When companies fall short of that aim, new research shows that if there is a sense of inclusiveness—that is, a positive diversity climate a person of minority status is significantly less likely to quit his or her company. According to some study, having a favorable atmosphere for diversity generally may lead to greater sales, implying that minimizing racial and ethnic prejudice has organizational performance benefits. As a result, we may infer that discrimination based on non-job-related characteristics is unfounded and harmful to people and organizations. How can we get over discrimination? The solution is in understanding one another's points of view. Research reveals that some individuals find interacting with different ethnic groups unpleasant unless they are guided by explicit behavioral scripts; hence, building diverse work groups focused on shared objectives, as well as fostering a good diversity atmosphere, may be beneficial

#### REFERENCES

- [1] S. Szabo et al., "Health workforce demography: A framework to improve understanding of the health workforce and support achievement of the Sustainable Development Goals," Human Resources for Health. 2020. doi: 10.1186/s12960-020-0445-6.
- [2] H. Hwang, W. M. Hur, and Y. Shin, "Emotional exhaustion among the South Korean workforce before and after COVID-19," Psychol. Psychother. Theory, Res. Pract., 2021, doi: 10.1111/papt.12309.
- [3] M. Yar, D. Dix, and M. Bajekal, "Socio-demographic characteristics of the healthcare workforce in England and Wales-- results from the 2001 Census.," Health Stat. Q., 2006.
- [4] R. E. Gomez, S. L. Kagan, and E. A. Fox, "Professional development of the early childhood education teaching workforce in the United States: an overview," Prof. Dev. Educ., 2015, doi: 10.1080/19415257.2014.986820.
- [5] C. S. Nam, S. Daignault-Newton, K. H. Kraft, and L. A. Herrel, "Projected US Urology Workforce per Capita, 2020-2060," JAMA Netw. Open, 2021, doi: 10.1001/jamanetworkopen.2021.33864.
- [6] T. D. Shanafelt, "Physician Well-being 2.0: Where Are We and Where Are We Going?," Mayo Clinic Proceedings. 2021. doi: 10.1016/j.mayocp.2021.06.005.
- [7] S. Negrusa et al., "Work patterns, socio-demographic characteristics and job satisfaction of the CRNA workforce Findings from the 2019 AANA survey of CRNAs," Nurs. Outlook, 2021, doi: 10.1016/j.outlook.2020.12.012.
- [8] N. Neetha, "Contours of domestic service: characteristics, work relations and regulation," Indian J. Labour Econ., 2009.
- [9] A. Clardy, "What Does HR Manage? Workforce Measurement and Control," Merits, 2021, doi: 10.3390/merits1010004.
- [10] J. Bounsanga et al., "Using machine learing to identify factors associated with practice location of the healthcare workforce," Rural Remote Health, 2022, doi: 10.22605/RRH7050.



Vol 10, Issue 5S, May 2023

# Cultural Identities of Their Employees

# Dr.Krishna Koppa

Associate Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

krishnakoppa@cms.ac.in

Abstract— Cultural identity is an important component of the workplace, and having a diverse range of identities represented is important to businesses. Employing a diverse workforce improves the working experience for all employees and provides for a broad range of experiences and opinions. In this chapter author is discusses the intellectual abilities.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces...

#### I. INTRODUCTION

#### A. Cultural Identification

People identify themselves in terms of race and ethnicity, as we have seen. Many individuals, both immigrants and native-born, have a strong cultural identity. This connection to the culture of their ancestors or childhood lasts a lifetime, regardless of where the person lives in the globe. Individuals select their cultural identity, as well as how closely they adhere to cultural standards. Cultural norms impact the workplace, which may lead to conflicts. globalization and shifting labor markets, today's global corporations would do well to recognize and respect their workers' cultural identities, both as groups and as individuals. A corporation in the United States wishing to conduct business in, say, South America must realize that workers there demand extensive summer vacations. differences may exist. Certain cultures, for example, have a structured attitude toward hierarchy and authority, such that criticizing one's leaders is considered exceedingly disrespectful. In this setting, organizational transformation attempts that depend on gathering constructive feedback regarding management practices from workers may face difficulties. Some cultures place more emphasis on collective accomplishments than individual accomplishments, which influences expectations regarding reward and incentive systems. 46 When a firm breaches local cultural norms, it will encounter substantial employee pushback, even if that rejection is not necessarily overt [1], [2]. A corporation that wants to be sensitive to its workers' cultural identities should aim beyond appeasing its majority groups and instead promote as much individualization in practices and conventions as feasible. Managers may often bridge the gap between business objectives and individual demands by providing workplace flexibility.

### B. Disability

Employees with impairments have always faced several problems and restrictions in the workplace. Individuals with physical or mental impairments are more likely to be jobless or underemployed, to have turnover, to work part-time hours, to work in entry-level positions, and to face employment instability. These results are particularly regrettable given that two-thirds of persons with disabilities desire and are capable of working. 48 Accommodations supplied by employers may help such folks maximize their involvement. Receiving accommodations has been linked to better work retention, morale, and productivity.49 In Canadian legal thought on disability, a sociopolitical model has formed part of the human rights paradigm. This shift in disability attitudes was part of a wider rights-based movement that included requests for more government control and enforcement of fundamental human rights. It contends that disability is not so much a departure from an individual's physical norm as it is a naturally occurring and persistent component in every culture. 50 As attitudes about disability have shifted, substantial political resources have been spent to increasing labor-force participation rates and providing employer-sponsored accommodations to employees with disabilities as one component of achieving equitable objectives. The Canadian Charter of Rights and Freedoms, the Human Rights Act, and the Employment Equality Act in Canada are examples of Canadian laws designed to increase the labor force participation of people with disabilities. The Charter bans disability discrimination; the last two both discrimination prohibit and require reasonable accommodation.

Provincial acts augment these federal acts. For example, the Ontarians with Disabilities Act, most recently modified under Bill 125, was implemented in Ontario and is enforced by the Ontario Human Rights Commission. Its initial goal was to create a barrier-free Ontario for people with impairments. Compliance necessitates the elimination of impediments where this is possible within realistic cost limitations. Employment, public transportation, education, and provincial and local government service settings are all covered by the Act. Although the Human Rights Commission has the authority to issue monetary fines for noncompliance, its primary focus is on change via education and mediation [3], [4]. Exceptions to the "obligation to adapt" under human rights and equality law include cases in which doing so would cause excessive



# Vol 10, Issue 5S, May 2023

hardship or where legitimate occupational requirements cannot be met, implying that the position cannot be amended without posing a serious safety risk. Alberta Human Rights Commission established the following undue hardship standards for determining whether an employer is compelled to offer a particular accommodation, which have subsequently been adopted more generally in courts throughout the country:

- 1. Enormous costs are expected.
- 2. Existing collective bargaining agreements will be jeopardized.
  - 3. Other workers' morale will suffer as a result.
- 4. The employer's employees and facilities are highly interchangeable.
  - 5. The employer runs a tiny business.
  - 6. The employer is concerned about safety.

Although this list might help guide accommodation selections, employers should be mindful that most accommodations are easy to give and either free or low-cost. According to one survey, the average direct cost of non-free lodgings was just \$600. Technical devices such as Braille readers, software such as voice recognition, assistive devices such as special chairs or railings in restrooms, human support in the form of personal assistants, scheduling flexibility, and special parking spaces are examples of common accommodations for physical disabilities. Working in a quiet, private workstation without interruptions, schedule flexibility, social accommodations, and darkened rooms are all common accommodations for those with mental, sensory, and psychiatric problems.

Failure to accommodate should be an exceptional occurrence. Not only does providing accommodations help the person and the company, but it also communicates to other employees that the corporate culture is inclusive and supports varied needs.

The influence of disability on job outcomes has been studied from several angles. On the one hand, when hypothetical applicants are randomly given disability status, impaired persons are assessed as having better personal traits such as reliability and virility. Another study indicated that employees with disabilities got better performance assessments; however, it also discovered that people with impairments have lower performance standards and are less likely to be employed. Individuals with impairments are much more likely to be stereotyped in ways that harm their long-term work chances, often being misconstrued as less competent or even childish. These impacts affect all disabled employees, but are most severe for those with psychological and neurological impairments, as well as those with invisible disabilities or disabilities that are regarded to be one's own fault, such as obesity or addiction. Employees with mental disorders, in particular, face severe discrimination and are often labeled as erratic and aggressive. This happens despite the fact that, contrary to the media-driven perception perpetuated by crime shows, violence is not characteristic of mental illnesses such as depression, bipolar disorder, and schizophrenia. Mental disorders are curable, and persons with them may be fully involved, effective employees.

To summarize, the treatment of the impaired workforce has long been difficult, but the acknowledgement of disabled persons' skills and abilities has made a difference, lessening workplace prejudice. Moreover, technological advancements and the lessening of stereotyping have dramatically expanded the range of potential professions for people with all sorts of disability. Managers must be aware of the genuine needs of employee employment and match the talents of the person with the requirements of the work, making allowances for all competent employees where necessary [5].

#### C. Religion

Religious and nonreligious individuals not only question each other's belief systems, but members of various religious faiths often disagree. There are few, if any, nations where religion is not a problem at work. Employers are prohibited from discriminating against workers based on their religion under the Canadian Charter of Rights and Freedoms and the Human Rights Act. Similar restrictions exist in other nations, although many do not, and those that do do not always enforce them successfully. Islam is maybe Canada's most pressing religious diversity problem today. Islam is one of the most widely practiced faiths on the planet. Yet, there is evidence that individuals are discriminated against in the Canadian employment market because of their Islamic beliefs. Experiences vary from having abilities evaluated and interviews rejected to social alienation and bogus safety reports as a consequence of wearing a hijab. The Quebec Charter of Values, presented in 2014 but defeated after the sponsoring party lost the election, attempted to prohibit religious garb in government jobs. While all religious apparel was included, the general public saw this as an assault on the hijab and Muslim women in particular. This event emphasizes the need of continuing to defend religious liberties in our mixed society.

Religion may be a problem in the workplace when religious views restrict or promote specific behaviors. The behavioral requirements might be informal, such as staff departing early on Christmas Eve, which is a frequent practice. Sometimes they may be structural, such as the Monday-to-Friday workweek, which suits both a Christian and a Jewish conviction in not working on Sundays and Saturdays. Religious people may also feel obligated to communicate their values in the job.

Modest actions, such as having rooms open for daily prayers or constructing ventilation systems to control smoke from First Nations smudging rituals, may frequently be done to accommodate [6]. Before the election, when it looked that the planned Quebec Charter of Values may succeed, several Ontario hospitals understood Muslim Quebecers' uneasiness and saw a recruitment opportunity. They provided jobs in more tolerant and welcoming environments. One Lakeridge Hospital recruiting advertising included a Muslim woman



Vol 10, Issue 5S, May 2023

wearing a headscarf, a lab coat, and a stethoscope. "We care what's in your mind, not what's on it," the commercial boldly said.

#### D. Ability

Thus far, we've focused on surface features that are unlikely to be directly related to work performance on their own. Today we'll look at deep-level skills that are directly tied to work performance. Contrary to what we were told in elementary school, we were not all born with equal abilities. In a normally distributed ability curve, the majority of persons are to the left or right of the median. For example, no matter how determined you are, you may not be able to act like Scarlett Johansson, play basketball like LeBron James, or write like Stephen King. Of course, the fact that we are not all equal in talents does not suggest that some people are intrinsically inferior. Everyone has strengths and limitations that make him or her accomplish jobs or activities better or worse than others. The problem, according to management, is not if individuals vary in terms of their ability. They undoubtedly do. The challenge is how to use the understanding that individuals vary to enhance the chance that an employee will do a good job.

#### II. DISCUSSION

### A. Intellectual Abilities

Intellectual talents are required for mental tasks such as thinking, reasoning, and problem solving. For good reason, most civilizations place a high value on intellect. Clever individuals make more money and have a better degree of education. They are also more likely to emerge as group leaders. Yet, rating and measuring intelligence is not always easy. Individuals are not always capable of accurately measuring their own cognitive capabilities. 58 IQ tests are intended to assess a person's overall intellectual aptitude, however their origins, influencing factors, and testing are debatable.

Numerical aptitude, verbal understanding, perceptual quickness, inductive reasoning, deductive reasoning, spatial imagery, and memory are the seven most commonly mentioned characteristics of intellectual skills.

Since intelligence dimensions are positively associated, if you score high on verbal comprehension, you're more likely to score high on spatial vision as well. The correlations aren't perfect, which means that individuals have distinct qualities that, when viewed individually, predict important work-related outcomes. Nonetheless, the associations are strong enough that researchers have identified a generic intelligence element, general mental ability. Research clearly suggests that the structures and measures of intellectual capacities are universal across cultures. Someone in Venezuela or Sudan, for example, does not have a distinct set of mental talents than someone in the United States or the Czech Republic [7], [8].

#### **B.** Physical Capacities

Despite the fact that the changing nature of work shows that intellectual talents are becoming more important for many occupations, physical abilities have been and will continue to be significant. Exhibit 2-7 shows the results of research on hundreds of professions that found nine essential competencies required in the execution of physical activities. People vary in the amount to which they possess each. Not unexpectedly, there is minimal link between them: a good score on one does not guarantee a high score on the others. High employee performance is more likely to be accomplished when management determines how much each of the nine talents is required for a job and then ensures that individuals in that position have those abilities.

# C. Disability

When we try to model workplace rules that respect diversity in terms of disability status, the relevance of capacity at work plainly poses challenges. As previously said, recognizing that people have varied talents that might be considered while making employment selections is not an issue. Making broad conclusions about someone based on their handicap, on the other hand, is discriminatory. Accommodations for disability are also feasible. Companies should take into account the genuine occupational needs linked with their job descriptions and work specifications. Making sure job descriptions are accurate and thinking about alternate methods to do duties may go a long way toward reducing accidental obstacles for employees with disabilities.

# D. Discrimination

Although diversity provides several benefits for firms, effective diversity management also include striving to remove unjust discrimination. To discriminate is to see differences between things, which isn't always a negative thing. Observing that one employee is better qualified than another is required for hiring choices; noticing that an employee is doing particularly well in leadership tasks is required for promotion decisions. When we talk about discrimination, we usually imply letting assumptions about certain groups of individuals to impact our behavior. Unfair discrimination suggests that everyone in a group is the same, rather than looking at individual traits. This prejudice is often detrimental to firms and workers.

#### E. Diversity Management Strategies Implementation

After discussing several ways in which individuals vary, we will now consider how a manager may and should handle these variances. Everyone becomes more aware of and sensitive to the needs and differences of others as a result of diversity management. This definition emphasizes that diversity initiatives include and are intended for everyone. When we consider diversity as everyone's business, it is much more likely to succeed than when we assume it exclusively benefits specific groups of workers.



# Vol 10, Issue 5S, May 2023

Targeting recruitment messaging particular demographic groups underrepresented in the workforce is one approach of increasing workforce diversity. This includes placing advertisements in publications aimed at specific demographic groups, recruiting at colleges, universities, and other institutions with a significant number of underrepresented minorities, posting job ads in community centers and social venues within which underrepresented congregate, and forming partnerships organizations such as the Justicia Project and the Society of Women Engineers. If Native employees underrepresented, a corporation may opt to post job openings on the Aboriginal People's Television Network, in band offices, or in the specialised journal First Nations Drum.

According to research, women and minorities are more interested in companies that make extra efforts to demonstrate a commitment to diversity in their recruitment materials. Diversity advertising that fail to depict women and minorities in positions of organizational leadership convey a organization's impression about an diversity environment. 69 Of course, in order to exhibit the photographs, businesses' management levels must be diverse. Several businesses have made a concerted effort to attract members of underrepresented groups. Google, for example, has been ensuring that female applicants encounter other female candidates during interviews and has offered family advantages that may appeal to them. Etsy, an online store, presents engineering workshops and scholarships to budding female developers before hiring the best. One of the most essential locations to deploy diversity initiatives is during the selecting process. Managers who hire must emphasize fairness and impartiality in personnel selection and concentrate on the productive potential of new hires. When managers employ a well-defined methodology for evaluating candidate potential and the firm explicitly emphasizes nondiscrimination regulations, credentials considerably more significant than demographic traits in selecting who gets hired. In practice, this would entail the following:

- 1. Ensure that proper job analysis techniques are used to define job criteria.
- 2. Ensure that interview questions and selection tests do not include any hidden cultural or gender biases.
- 3. To reduce the influence of individual biases, use numerous interviewers.
- 4. To score their replies, ask all applicants the same interview questions in the same sequence and use a prepared scoring sheet.
- 5. Instead of using subjective methods to rate job prospects, use statistical score sheets.
- 6. Ensure that all new recruits get the same degree of training and assistance.
  - 7. Ensure that employees are nice and polite to all newbies.
- 8. Check that performance standards are stated clearly and objectively.

Another place where diversity initiatives might be used is in benefits. Certain benefits in a standard Canadian benefit package may be superfluous or culturally incorrect for some employees. A single individual in his or her first employment, for example, may have less need for life insurance than a single parent with two dependent children. A childless couple may value travel health insurance advantages, while parents may value daycare availability. In Canada, eldercare benefits often relate to aid in locating a facility in which to relocate your elderly relative. This service may not be appealing to persons from cultures where living with elderly relatives and directly caring for them is the norm. Flexible benefit plans that enable employees to choose from a broad selection of perks based on a points system are both cost-effective and beneficial for meeting the different demands of a diverse workforce [9].

People who are demographically different from their colleagues may be less committed and more likely to leave, but a favorable diversity atmosphere may be beneficial. Employers may choose from a variety of diversity training programs, and research is being conducted to identify the most successful approaches. The greatest programs seem to be inclusive of all workers in their design and delivery, rather than targeting certain groups of employees. The training should concentrate on behaviors rather than attitudes, establishing actual links to everyday communication and relationships. Instead of telling individuals to "be courteous to all others," which is an attitude, you may specify particular behaviors they should participate in, such as listening without interrupting and publicly appreciating all members' contributions. The objective should be to create a good diversity atmosphere based on mutual respect. Employees tend to favor a company that supports diversity.

# F. Diversity in Groups

The majority of modern jobs need considerable group work. As individuals work in groups, they must have a shared perspective on and approach to big tasks, and they must interact often with one another. If individuals lack a feeling of belonging and coherence in their groups, all group characteristics are likely to decline.

Is diversity harmful or beneficial to group performance? Indeed, the answer is yes. In certain circumstances, trait variety might impede team performance, but in others, it can enhance performance. The attribute of interest determines whether varied or homogenous teams are more successful. Demographic diversity seems to have little effect on team effectiveness in general. Teams comprising people that are extremely intellectual, diligent, and interested in working in team situations, on the other hand, are more effective. As a result, variety on these factors is likely to be a poor thing it makes little sense to attempt to establish teams that include people with lower IQ, lower conscientiousness, and little interest in cooperation. In other circumstances, disparities may be a source of strength. Groups of people with varying degrees of competence and education are more successful



Vol 10, Issue 5S, May 2023

than homogenous ones. Similarly, a group comprised only of aggressive individuals who want to be in control, or a group comprised completely of people who prefer to follow the lead of others, will be less productive than one comprised of both leaders and followers.

The effects of variety on groups are complicated. When many various points of view are represented, variety contributes to superior performance when innovation and creativity are needed. When time is of the essence, different organizations may struggle since it takes longer to reach results when viewpoints and methods differ. Nonetheless, regardless of the group's membership, disparities may be used to create higher performance. The most crucial aspect is to highlight the commonalities between members. Diverse groups will be much more successful if leaders can demonstrate how members have a shared interest in the group's success. Leaders that stress objectives and values in their leadership style are also more successful in managing diverse teams, according to research.

#### G. Diversity Programs That Work

There are three essential components to effective, comprehensive workforce initiatives that encourage diversity. To begin, they educate managers about the legal basis for equal employment opportunity and promote equitable treatment of all persons regardless of demographic features. Second, they educate managers how to better serve a varied market of consumers and clients by having a diversified team. Finally, they encourage personal development strategies that bring out the talents and capacities of all employees, recognizing how diversity in viewpoint may be a beneficial approach to increase overall performance.

Most of the concern about diversity is about equitable treatment. Most unfavorable attitudes to diversity initiatives are founded on the belief that any kind of discrimination is unjust, even if it aims to correct past imbalances. People are typically supportive of diversity-oriented initiatives, regardless of race or gender, provided they feel the policies provide everyone with an equal chance to demonstrate their talents and abilities. There are major differences in how this problem is addressed in the US and Canada, which might lead to misunderstanding. Affirmative action is a quota-based technique used by Americans in which a certain number of employment must be filled by minority applicants and there are actual repercussions, such as fines, for having a workforce that is not representative of the local community. This provides a strong incentive for companies to recruit historically disadvantaged people; yet, it may be regarded as unjust if a little less qualified applicant is given a job preference over a more qualified candidate because of minority status. As a consequence, these initiatives may be contentious, despite the fact that they have significantly improved minority labor-market results [10].

Canadian approaches to diversity management are process-oriented rather than outcome-oriented. Since they are

not based on quotas but rather on giving equal opportunity, they are referred to as employment equality initiatives rather than affirmative action programs. These programs are aimed at assuring fair recruiting and selection procedures, inclusive training, and bias-free performance management. For example, Canadian businesses must demonstrate that their interview questions and selection tests are devoid of cultural or gender prejudice, and that their promotion standards are objective, legitimate, and fair. Members of the majority culture typically like this method because it alleviates concerns that more talented applicants who are not minorities would be refused jobs. Others criticize the strategy, claiming that it leads to less responsibility overall. Notwithstanding these objections, the employment equity technique has significantly improved results for historically disadvantaged employees, generally with much less political opposition and between-group animosity than affirmative action. A large analysis of the outcomes of diversity programs found that firms with diversity training were not consistently more likely to have women and minorities in senior management roles than organizations without diversity training. What may be the reason behind this? Experts have long understood that one-time training programs that do not include measures to foster diversity management on the job are unlikely to be beneficial. Continuing diversity plans should involve tracking the representation of women and minorities in management roles, as well as holding managers responsible for creating more demographically diverse management teams. Researchers also believe that if a diversity experience undermines stereotypical attitudes, the perceiver is motivated and able to consider a new perspective on others, the perceiver engages in stereotype suppression and generative thought in response to the diversity experience, and also the positive experience of stereotype undermining is repeated frequently, diversity experiences are more likely to lead to positive adaptation for all parties. Multicultural programs based on these concepts are more likely to be successful than typical classroom instruction.

Organizational leaders should assess their personnel to see if any target groups are underused. If certain employee groups are underrepresented in top management, managers should search for any hidden hurdles to growth. Managers may often enhance recruitment methods, make selection systems more transparent, and give training for workers who have not previously had appropriate exposure to specific content. Employees should understand how and why certain procedures are followed if the organization's rules are properly communicated to them. Messages should emphasize credentials and work performance as much as possible; stressing certain groups as requiring additional support may backfire. According to research, worldwide firms will need a customised strategy. A case study of the multinational Finnish energy business TRANSCO, for example, discovered that it was feasible to build a uniform worldwide philosophy for diversity management. Yet, disparities in



# Vol 10, Issue 5S, May 2023

legal and cultural issues among countries compelled TRANSCO to adopt regulations tailored to each country in which it operated. For example, in a few Southeast Asian and Middle Eastern nations, remuneration is connected to family status, with married individuals with children getting paid more than single persons without dependents for the same profession. If this system is ingrained in the nation's culture and history, a foreign corporation is unlikely to be able to influence local expectations or rules..

#### III. CONCLUSION

The formation of one's cultural identity and the variables that influence it is a rich and intriguing topic. Individual cultural identity is a blending of ethnicity, race, gender, environment, social status, parental influence, and, in certain circumstances, popular culture. Culture refers to any society's symbols, language, beliefs, values, and artifacts. Culture is an important term in sociology since it shapes people's views and behaviour. It is possible to infer that organizational culture consists of values, beliefs, attitudes, and behavioral patterns held by organizational members in pursuit of organizational objectives, which give the organization a unique personality

#### REFERENCES

- M. J. P. Zagabe, "Impact of English language training on linguistic and cultural identity of call center employees," Qual. Rep., 2017, doi: 10.46743/2160-3715/2017.3438.
- [2] D. Brougham and J. M. Haar, "Collectivism, Cultural Identity and Employee Mental Health: A Study of New Zealand Māori," Soc. Indic. Res., 2013, doi: 10.1007/s11205-012-0194-6.
- [3] F. F. Shaik, U. P. Makhecha, and S. K. Gouda, "Work and non-work identities in global virtual teams: Role of cultural intelligence in employee engagement," Int. J. Manpow., 2021, doi: 10.1108/IJM-03-2019-0118.
- [4] T. Yoo, "How to use language agents for knowledge transfer? Evidence from translators and multinational organizations in Korea," J. Knowl. Manag., 2020, doi: 10.1108/JKM-09-2019-0498.
- [5] M. Dalton and D. Chrobot-Mason, "A theoretical exploration of manager and employee social identity, cultural values and identity conflict management," Int. J. Cross Cult. Manag., 2007, doi: 10.1177/1470595807079382.
- [6] J. Haar and W. J. Martin, "He aronga takirua: Cultural double-shift of Māori scientists," Hum. Relations, 2022, doi: 10.1177/00187267211003955.
- [7] J. E. Park, "Impact of Employees Cultural Values and Their Cross-Cultural Work Environment on Organizational Identity," J. Mark. Dev. Compet., 2016.
- [8] S. R. Fitzsimmons, "Multicultural employees: A framework for understanding how they contribute to organizations," Acad. Manag. Rev., 2013, doi: 10.5465/amr.2011.0234.
- [9] D. A. Harrison, T. Harrison, and M. A. Shaffer, "Strangers in Strained Lands: Learning From Workplace Experiences of Immigrant Employees," Journal of Management. 2019. doi: 10.1177/0149206318790648.
- [10] R. van Dick et al., "Identity leadership going global: Validation of the Identity Leadership Inventory across 20

countries," J. Occup. Organ. Psychol., 2018, doi: 10.1111/joop.12223





Vol 10, Issue 5S, May 2023

# Human Behavior in Organizations

### Dr.R.Satish Kumar

Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India dr.satishkumar@cms.ac.in

Abstract— Human Behaviours in Organizations is concerned with the application of organizational behavioral concepts, research techniques, and intervention strategies to actual challenges encountered by organizations, workers, and workgroups worldwide. In this chapter author is discusses the diversity in the workplace.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces...

#### I. INTRODUCTION

The study of human behavior in organizational environments with a focus on individual and group processes and activities is known as organizational behavior. As a result, it entails an investigation of organizational and management processes in the dynamic environment of the organization, with a primary focus on the human aspects of such action. The topic is anchored in the behavioral sciences, particularly sociology and psychology, and it informs the study of management in many ways. It is an applied behavioral science that strives to increase our understanding of the intricacies of human behavior in organizations and to influence management thought and action by drawing on a wide and vast theoretical and practical knowledge base. Both OB and management are social sciences that are influenced by study and discussion in conventional subject areas including as psychology, sociology, and, to a lesser degree, anthropology, political science, and Psychologists are primarily interested in the study of individual human behavior and the personality system, but social psychology is a part of that field that focuses at group, especially organizational, behavior. Sociologists study social behavior and are especially interested in society structures and control. Anthropologists study culture, or the symbolic, attitudinal, and behavioral aspects that unify different social groupings. Political science is the study of power and control between people and organizations in relation to Society, while economics aims to give a logical explanatory framework for human and organizational behaviour. Organizational behavior is considered an interdisciplinary topic since it has origins in many conventional academic subjects.

Knowledge of OB should allow you to understand and anticipate human behavior in organizations, as well as regulate it if necessary. Moreover, OB informs and adds to organizational theory and management theory, and as a result, it is a vital element of the majority of Masters and undergraduate programs and sub-degrees in business studies and management. Moreover, it is a crucial topic for everybody who works or manages in an organization [1], [2].

Before we go into the framework of this book, let's take a

quick look at the behavioral interaction between the organization and its business or contextual environment. Understanding this link, as well as the influence of organization and context on one another, is critical to understanding human behavior in organizations and, ultimately, management and organizational strategy.

All organizations operate in a complicated and often changing environment. The 'business' environment is made up of a variety of elements that both impact and are influenced by an organization. These forces may be classified. The PEST model is one such typology, in which the environment is assumed to influence political, economic, social, and technical factors. When we include legal, ecological, and competitive processes, we have covered the majority of the external environment. It is possible to claim that organizations act in reaction to environmental pressures, and that their behavior, or strategy, impacts their environment. Wilson proposes three broad perspectives on the business environment: an objective fact - a clear, measurable, and definable reality; a subjective fact, the particular characteristics of which are dependent on each individual's or group's interpretation and perception; and enacted, where the distinction between organization and environment is blurred and, more importantly, where the environment is created and defined by the organization itself, or rather, by the individual.

#### A. PLC Innovation

Innovate plc, a computer software business, had a widespread belief that their competitive environment was growing more dangerous. They feared that if they did not concentrate their research and development efforts in specified areas, a slew of smaller software businesses would encroach on their operations. When forced to make a choice, they opted to significantly raise R&D expenditure in order to build a new database solution. As a result, R&D spending was reduced, and management focused on their other goods.

Innovate had successfully produced and commercialized its database solution after two years. They remained the market leaders with almost unrivaled strength. There was, however, a cost. The rivals saw an opening generated by Innovative's choice to produce the database solution, so they concentrated on the areas that Innovation overlooked [3].



# Vol 10, Issue 5S, May 2023

Innovate's first impression of their surroundings led to a certain strategic management choice. In making that choice, Innovate acted on their surroundings. In other words, their actions made their views a reality. Their actions enabled their rivals to modify their strategic policy to capitalize on the opportunity. The views and acts of Innovate had become a self-fulfilling prophesy. If their initial impression had been different, their approach and that of their opponents may have been quite different, resulting in very different competitive situations.

#### B. The relegation fight

Every year, a number of Premier League clubs get demoted. On occasion, one or two are reported in the news to have given up far before the deadline.

The latter two definitions imply that behavioral characteristics at the individual, group, and/or organizational levels impact the nature of an organization's connection with its environment, emphasizing the importance of this to the study of organizational behavior. It is conceivable that two firms in the same industry would see their surroundings differently. One person may regard a technology shift as an opportunity for progress and development, while another may see it as a danger. There is substantial evidence that this kind of varied reaction happens. What is obvious is that the direction of interaction between the environment and the organization is multidirectional, with one impacting the other. Moreover, organizations and their employees may contribute to the 'creation' of their own environment [4], [5].

Organizational decision-makers acquire and digest incoming data from the environment, knowledge and ideas regarding new goods and services, technologies, competitor activity, organizational and management methods, and so on. Even the most advanced scanning and forecasting operations can only aim to acquire a tiny percentage of total environmental data. People, communities, and organizations all perceive facts differently. People read various things into it and form different opinions about what is significant or not, and how they should respond. These disparities in reception, interpretation, and assimilation are impacted by the organizations' history and evolution, as well as individual perception, power balances, and organizational culture. It may be argued that our "perception" only allows us to observe and understand information in limited ways. As a result, operational and strategic choices are based on this interpretive facts, and as Weick says, actions based on subjective knowledge will alter the organization's environment. The environment in which the organization functions is 'enacted' or created by the organization: The majority of early organizational studies envisaged a mostly s corporate environment. The classical school maintained that organizations should be machine-like, with centralized authority, clear lines of command, specialization and division of labor, and a plethora of rules and regulations. Such mechanised and bureaucratic organizations, however, are ill-equipped to adapt to dynamic and complicated situations.

By the 1940s, the flaws of the "classical" organization had become obvious in North America and, to a lesser extent, Europe. Technological advancements, more complicated marketplaces, and social, political, and cultural changes in the environment and workplace imposed new expectations on organizations, many of which were unable to meet. While many of the fundamental principles described by classical theorists are still in place in many contemporary organizations, additional modifications have happened. Along with the Hawthorne studies, the human relations school exemplified by the work of Chester Barnard and key research of the Tavistock Institute signaled transition. In the quest for better organizational efficiency and flexibility, attention has switched to 'people' concerns such as motivation and leadership. A highly motivated, well-led, and diversified staff will be more adaptable and capable of dealing with environmental change and complexity.

It is often stated that commercial enterprises' performance is dependent on their capacity to anticipate and then respond on environmental information. Miles and Snow recognized numerous sorts of organizations that have very varied capacities, incentives, and behaviors in this regard. Their organizational typology relates to their strategic behavior, which shapes their interaction with the environment and is impacted by that environment. These are the four types:

They contend that 'defender' organizations try to create an environment that favors their non-dynamic structure and tactics [6].

'Prospectors' perceive their environment as always changing and seek constant strategic and structural modifications to keep up. 'Prospectors' are always on the lookout for new possibilities, and in the process, they may cause disruption and uncertainty for others in their competitive environment. Analyzers may operate in both s and uns contexts, which is a valuable feature.

'Reactors' only behave when environmental change 'forces' them to. These are not 'forward-thinking' organizations. According to Boyd et al., 'given these disparities in internal vs external attention, one would predict a larger possibility for environmental misperception among defenders or reactors, compared to analysers.' It is suggested that all four kinds of organizations 'enact' or construct their environment. What they choose to observe and how they perceive their surroundings is unique to each organization. As a result, although a defender and a prospector may seem to be looking at the same environment, the defender sees stability and continuity everywhere, while the prospector sees only change and possibility.

Many of the ideas and arguments given in this book are relevant to the job of managers and other organizational personnel. Even for students with little or no formal organizational job experience, applying OB to other organizational' settings should be doable and helpful. Organizations include your family, circle of friends, sports or other groups, and the university or college where you study.



Vol 10, Issue 5S, May 2023

Organizational behavior is important to your career, studies, and leisure activities. As a result of studying this subject, you may change your'management philosophy,' including perhaps long-held beliefs, and you may obtain answers to unanswered questions about issues such as: how people are motivated or led, how groups or teams function, why the structure of an organization influences the behavior of people who work in it, and how both culture and power relationships in organizations affect human behavior at work[7].

#### II. DISCUSSION

You should be able to analyze organizational issues with some knowledge and skill after studying OB. After that diagnosis, you may be able to devise solutions to difficulties, methods of coping with challenging "human" concerns, or, perhaps most importantly, methods of avoiding such problems in the first place. In summary, many of the ideas discussed in this book are highly practical; nevertheless, you, the scholar and manager, will need to understand and apply them to the specific environment in which you work. If you accomplish this, you will have had a very useful, productive, and meaningful learning experience that will make you a better manager.

Human behavior in organizations is complicated because it is influenced by and influenced by a variety of elements such as management action, changing competitive situations, and new technology. Individuals in organizations engage with their surroundings, with stakeholders, and with one another. Individuals vary significantly in personality, many people act differently in groups than when working alone, and most are affected by the rules and values of the organization and the community in which they live and work. Because of these impacts and interactions, the study of OB is naturally intriguing and illuminating, particularly for those interested with human or people concerns in organizations.

Individual consideration - 2 focuses on each person's own collection of attitudes, perceptions, and values that shape their personality and behavior. This personality type influences how individuals work, how they interact with others, and their proclivity to work in groups, be inspired, and managed. As a result, the examines personality and perception, values and attitudes, learning, and decision making [8].

The study of human motivation - 3 stays mostly, but not completely, at the individual level. This is a fundamental part of OB as well as management theory and practice. The investigates some of the rich and diverse theoretical work and empirical study discoveries that contribute to our knowledge of how individuals are motivated, and also demotivated, at work.

Groups and teams - 4 starts by examining the many personality types assumed to make up a successful team. We investigate the process of group formation as well as the nature, causes, and effects of inter- and intra-group conflict, as well as the features of effective group work.

illustrates the evolution of thinking about organizations and management by focusing on the organization or macro-level of analysis. It acknowledges that the way we work, think, and act in organizations is influenced by organizational norms and recognized organizational structures. Understanding of organizational and management theory provides you with a unique perspective on the evolution of contemporary organizations. We investigate current ideas and research in this area, as well as examine organizations through a variety of 'lenses' and perspectives. This allows you to grasp the complexities of organizations and human behavior.

Understanding the nature of management and leadership - analyzes modern thinking, notably regarding leadership, and covers some of the major schools of thought in this area. The study also tries to identify the characteristics of effective leadership and investigates the inherently behavioral nature of both leadership and followership.

Exploring how organizations are formed and governed draws on a growing research basis to analyze current and potential future advancements in flexibility and flexible organizations. explores power, politics, and conflict in the continual fight for control in organizations. We examine the concepts of helplessness and empowerment. Focusing on the notion of organizational culture - 9 recognizes the importance of studying and being aware of organizational culture during the last two decades. It is commonly assumed that a company's culture has a significant impact on its efforts to change, on both the process and consequence of management decision making, on its competitiveness, and on its performance.

Studying culture in a larger global perspective - analyzes the nature and effect of national culture and cultural diversity on management and workplace activities in an interesting way. This aims to bring together the subjects and concepts discussed in a global, dynamic framework [9].

In the sake of concentration and brevity, this work does not cover, or does not give extensive discussion of, all of the themes that are often regarded within the 'territory' or remit of organizational behavior. They include, for example, human resource management, organizational growth, and stress management. Undoubtedly, OB supports and informs these functional areas, and understanding of OB is a beneficial, if not necessary, requirement for every HR manager and all managers who engage with people as part of their line duties. Yet, it is not necessary for an OB book to describe the numerous HR aspects that are properly handled elsewhere. These are essential issues that, if discussed in sufficient length, would need a far larger book than this. The contents of this book represent the subject's focus points, and its design is primarily based on research done among academic instructors of organizational behavior at over thirty universities and higher education institutions.



# Vol 10, Issue 5S, May 2023

#### A. Examples and case studies

Each chapter in the book includes a limited number of mini-cases that help to highlight a certain element of the information covered. These are intended to give insight into a "real-life" event and are worthy of additional examination and discussion. Several of the situations might be critically examined or investigated from many angles. Some promote a managerial problem-solving strategy, while others seek new perspectives to better understand organizational behavior.

A set of medium-sized case examples towards the conclusion of the book demonstrate the topic of OB. They want to deepen your grasp of OB by enabling you to use many of the theoretical concepts discussed in the book and investigate reasons for observable behavior. By handling the cases, it is intended that you would try to display your critical thinking skills and go under the surface in your analysis. It is also intended that the examples will help you grasp how complicated and rich organizational life is, as well as improve the ability to participate in thorough examination of behavioral problems in organizations. Change, diversity, conflict, and communication are the four themes.

A lot of the subjects explored in the book are informed and influenced by four themes. Organizational change, diversity, communication, and conflict are often treated as discrete chapters in OB literature. Yet, in order to demonstrate the interconnection of organizations and the all-encompassing importance of these four concepts, they have been interwoven throughout each essential chapter. Organizational behavior is heavily impacted by, and in turn impacts, the nature of change, diversity, communication, and conflict in the workplace. These four are ubiquitous in organizations. They are intertwined with the fabric and reality of organizational life. The degree of success in change management, communication management, and conflict management determines the organization's competitiveness and capacity to fulfill its goals.

The four themes are strongly related to the book's core issues, which include motivation, collaboration, structure, politics, and culture. Organizational culture, for example, is sometimes seen as "an intangible glue" that holds people together. As a result, culture, it is said, decreases potential conflict in organizations with a deeply held value and belief system. Organizational change often coexists with cultural change; understanding of the former requires knowledge of the latter, while communication, in its widest definition, is the mechanism through which culture is learnt and transformed. As a result, these four themes deepen and broaden our knowledge of culture and the other subjects presented. This method should help you better appreciate the complexities of organizational reality.

### B. Workplace diversity is important.

Most businesses employ a varied range of employees. The second chapter of this book looks at individual characteristics and how they affect how organizations operate. Yet, in addition to general variances in personality, perception, learning, and communication styles, there is also gender, race, class, native language, national origin, age, sexual orientation, and religious diversity. Organizations are rich human ecosystems that need all workers and leaders to recognize, tolerate, and ideally celebrate individual and group diversity. Each book will try, though briefly, to reflect on diversity in the context of organizational behavior. Moreover, we encourage the reader to think more deeply about this critical feature of organizations. Several of the concerns relevant to OB are briefly discussed below [10].

Historically, formal organizations have had strong ties to male stereotyped behavior. The male stereotype is a logical, analytical, aggressive, strategic, competitive decision maker, and formal organizations encourage and create much of this behavior. It is thought that these behaviors and the attitudes that drive them benefit males while holding back bright women and ethnic minorities in the workplace - the hurdles are often referred to as the 'glass ceiling'. Women who are regarded to be successful are often thought to be unfeminine or to have demonstrated masculine characteristics. Feminine stereotyped behavior is claimed to stem from their historical position as family-oriented caregivers and peacemakers, making them more sensitive to the needs of others and possessing strong nonverbal and perceptual abilities, intuition, and inter-personal skills. Some study data suggests that stereotyped differences exist. Behaviouralists argue that gender and racial disparities are taught beginning in infancy and are often persisted and strengthened in the workplace. While prejudice has been illegal for many years, it nevertheless exists in the society in a subtle form. Biased attitudes and behaviors, it might be claimed, can stymie the growth of non-traditional managers.

When it comes to dealing with diversity in the workplace, there are many perspectives and strategies. Others argue that workers should acquire unitary behavior, attempting to eliminate distinctions between sexes, ethnicities, and so on. Others believe, in a way, just the contrary, that an organization that celebrates diversity and recognizes the value each individual may contribute to the organization may not only produce a more pleasant work environment, but may help achieve organizational objectives. It denotes the major subject of each chapter, as well as the four themes that run throughout the book and the three levels of analysis: individual, group, and organizational. The whole thing is encased in a circle, illuminating the global framework in which organizations function and reminding you of the importance of context in the study and enjoyment of OB. The unrelenting trend toward globalisation, fueled technological advancements in communication information distribution, along with the quick speed of sociopolitical change, is producing the extremely dynamic global environment in which organizations must today function. Organizational change may be described as pervasive and discontinuous: it is not always predictable in its



# Vol 10, Issue 5S, May 2023

direction, nature, or speed. Most OB theories, ironically and often ineffectively, are not dynamic in and of themselves. Changes in most organizations have typically rapid and far-reaching consequences on individuals and their behavior. This book emphasizes context and change, notably in chapter 10, but also as a recurring subject. You will also need to apply the content in this book to your own experiences and to your environment, while keeping in mind that the world is always changing. We are all faced with a huge task, but one that may be overcome

### III. CONCLUSION

Human behavior is inherent in each person, which means that his qualities, manner of acting and thinking are unique to him, but organizational behavior is a group or business culture that is unique to each individual's feelings and actions. A comprehensive knowledge of how human behavior operates inside an organization is also critical to creating a company's objectives and cultivating a workforce capable of working successfully as a team to achieve them. This contributes to the coherence and shared ideals that define an organization's culture.

#### REFERENCES

- [1] R. Kanfer and G. Chen, "Motivation in organizational behavior: History, advances and prospects Organizational Behavior and Human Decision Processes Motivation in organizational behavior: History, advances and prospects," Organ. Behav. Hum. Decis. Process., 2017.
- [2] L. Tashtoush and S. Z. Eyupoglu, "The relationship between human resource management practices and organisational citizenship behaviour," South African J. Bus. Manag., 2020, doi: 10.4102/sajbm.v51i1.1726.
- [3] D. C. Gomathy, "Organisational Behaviour In Human Resource Development," Interantional J. Sci. Res. Eng. Manag., 2022, doi: 10.55041/ijsrem11678.
- [4] S. Detnakarin and S. Rurkkhum, "Moderating Effect of Perceived Organizational Support on Human Resource Development Practices and Organizational Citizenship Behavior," J. Asia-Pacific Bus., 2019, doi: 10.1080/10599231.2019.1647078.
- [5] A. K. Al-Swidi, H. Gelaidan, and R. M. Saleh, "The joint impact of green human resource management, leadership and organizational culture on employees' green behaviour and organisational environmental performance," J. Clean. Prod., 2021, doi: 10.1016/j.jclepro.2021.128112.
- [6] S. Pohl, A. M. Vonthron, and C. Closon, "Human resources practices as predictors of organizational citizenship behaviour: The role of job breadth and organizational support," J. Manag. Organ., 2019, doi: 10.1017/jmo.2017.14.
- [7] G. T. H. Vu, D. T. Nguyen, and T. P. Le, "High performance human resource system and organizational citizenship Behaviors: An empirical study in Vietnam," Manag. Sci. Lett., 2020, doi: 10.5267/j.msl.2020.4.015.
- [8] M. E. Gist, "Self-Efficacy: Implications for Organizational Behavior and Human Resource Management," Acad. Manag. Rev., 1987, doi: 10.5465/amr.1987.4306562.
- [9] S. Y. Malik et al., "Corporate social responsibility, green human resources management, and sustainable performance:

- is organizational citizenship behavior towards environment the missing link?," Sustain., 2021, doi: 10.3390/su13031044.
- [10] Y. Guerrier and M. Deery, "Research in hospitality human resource management and organizational behaviour," Int. J. Hosp. Manag., 1998, doi: 10.1016/S0278-4319(98)00017-6.





Vol 10, Issue 5S, May 2023

# Perspectives on Individual Behavior

Dr. Anantha Subramanya Iyer

Associate Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

asi@cms.ac.in

Abstract—Organizational behavior at the individual level encompasses the study of learning, perception, creativity, commitment, and personality. Moreover, it investigates turnover, task performance and assessment, coordinated behavior, deviant work behaviour patterns, ethics, and cognition. In this chapter author is discusses Jung's personality theory..

Keywords—Job, Organizational Behavior, Management, Teams.

#### I. INTRODUCTION

An organization, by definition, is made up of people who have been 'organized' in some manner or another to fulfill certain goals. Individuals are therefore the primary building material around which an organization operates, and understanding individual behavior is a necessary requirement for investigating how people work in groups and how the organization itself acts. In the quest for business survival, organizations sometimes lose sight of this principle. However, it could be argued that the radical changes being imposed on organizations as a result of increasingly volatile environments are forcing them to reassess the role of individuals in terms of their capacity for individual and collective development, as well as the potential for revitalizing the organization. It's worth noting that one of the most important innovations in recent years has been the notion of the Learning Organization, which aims to educate individuals so that the organization may continuously learn from excellent practice and adapt to a fast-changing environment.

Individuals are increasingly being emphasized in terms of assessing the significance of key players' personalities in an organization, how learning occurs in an organization, how decisions are made, how values and attitudes are determined and how they can be changed, and how perception influences all of these. Several of these difficulties are examined in light of relevant ideas and contemporary developments. The background of organizational change and conflict, as well as the role of communication as the effective cement that binds the organization together, are also examined [1], [2].

Personality is the beginning point for an evaluation of individual behavior in the workplace. Personality theory intersects heavily with other fields, most notably psychology, and there are several personality theories, each with a distinct point of view. There is a comparable broad variety of definitions of personality, which may complicate the idea. Personality shall be defined for our purposes as: unique traits of people that may be open or concealed and that may produce either commonality or variances in behavior in an organization.

According to the description provided above, personality not only impacts other people in an organization via contact, but it also affects how individuals see themselves, and hence the amount to which they are a good or negative force in the organization. Personality differences, for example, might lead to enmity between people, hampered the creation of successful teams, or the appropriate blend of diverse personalities can lead to the construction of efficient teams. Personality influences attitudes and motivation in terms of how people react to motivating cues or, more adversely, how a poor sense of self may lead to attitudes that may impede efforts to inspire employees at an organizational level. Leadership styles are also influenced, and the capacity to foster unity of purpose may be important in the process of building a good organizational culture.

Additionally, it may be claimed that personality has a significant impact on how individuals behave in an organization. The amount of this interaction is often discussed, since it is suggested that behavior is controlled by a variety of intrinsic elements based on personal traits, as well as a number of contextual circumstances outside the individual's control.

Lewin's theory proposes various theories created by interactional psychology, which imply that humans are impacted by both inherent and environmental variables, and that behavior is the consequence of the ongoing interaction between these elements. Additionally, it implies that environmental elements may be influenced by organizational conditions, but that they also have the ability to affect the organization. The person aspect implies that humans are impacted by a wide range of intrinsic elements. Individual behavior, according to the notion, should be analyzed from both an organizational and an individual standpoint. We concentrate largely on intrinsic individual qualities, but we also include organizational elements that impact or are influenced by various aspects of behavior [3].

# A. Consider the Big Brother phenomena on television.

Big Brother started in the Netherlands, has since been syndicated in most European nations, and is now in its fifth or even sixth season. It has inspired a slew of 'reality TV' series in which competitors must share a home while doing other



# Vol 10, Issue 5S, May 2023

responsibilities. Big Brother is a straightforward notion. Ten to twelve participants live in a home for many weeks while their behavior is monitored by a slew of concealed cameras. The competitors are given tasks to do, and suspense is generated at the conclusion of each week when the players must vote for the two persons they would most want to see leave the house, with the final choice determined by a television vote, phone call, or online vote. There will eventually be just two persons remaining, and the winner will be the one who wins the televised vote at this point, for which they will get a financial award. The concerts have been very popular throughout Europe, with many people getting hooked to them, either via the show's 24-hour video connection or over the internet.

So, what made it so popular, and why is it our image for number two? The solution is in our curiosity with studying individual interactions and comparing what we see in the home to our own. For students studying organizational behavior, the series covers a variety of topics. Whether the group grows well or if there are 'outsiders' who do not accept the group standards, there is the formation of leaders inside it. From this vantage point, there is the study of human behavior and how people interact with one another - a subject at the core of every organization. The examples in this post are from Big Brother's second season [4].

#### B. Theories about personality

If we assume that personality is the driving element affecting a variety of intrinsic qualities of the individual, we must examine how personality is produced and investigate some of the typologies that pertain to personality. Yet, as with behavior, there is controversy about whether personality is intrinsic or affected by contextual elements such as those listed. These two viewpoints have been labeled as nomothetic and idiographic, respectively. The nomothetic approach strongly supports the concept that personalities are fixed and formed by inheritance and that external variables have no significant impact. This method would imply that there are a number of distinct personality types that can be discovered and measured, and that it may be feasible to anticipate organizational behavior.

Although acknowledging that people do have distinct intrinsic features, the idiographic approach indicates that personality and behavior can be molded and that particular contextual experiences impact both personality and behavior. As a result, proponents of this method are less ready to accept the assumption that personality can be readily discovered by testing. It is obvious that the dispute over whether personality is impacted by nomothetic or idiographic variables has ramifications for education and criminal concerns, but this paper examines personality theories from an organizational standpoint.

#### C. Theories of personality

In the sense that it is proposed that persons have specific underlying qualities that govern their personality and

consequently their behavior, trait theories obviously match the nomothetic approach. These theories have been popular since Hippocrates identified four main types of personality phlegmatic, sanguine, melancholic, and choleric - which were frequently incorporated into medical examinations in ancient times, with often bizarre medical remedies being used to treat or temper these 'conditions'. Allport and Eysenck, among others, expanded on the notion.

Eysenck described a variety of personality traits ranging from extrovert to introvert and neurotic to s. As a result, phlegmatic is an introvert, sanguine is a neurotic, melancholy is a neurotic introvert, and choleric is a neurotic extrovert. According to Eysenck, if the important features of an individual can be discovered, the person's behavior may be anticipated. While Eysenck's theory has been criticized for taking a simplistic approach to a complicated subject, it has piqued the interest of managers who recognized the attractiveness of characteristic identification as a technique of selection in the organization. This prompted the suggestion that some of these theories could be used to develop methods of testing personality within organizations, particularly in the context of recruitment and selection, where the organization may have specific traits that it is looking for in employees and which can be identified by the use of a personality test. Cattell and Kline expanded on this concept by devising a far more comprehensive set of features that could be used as the framework for personality testing. Trait theorists have suggested that there are five major personality qualities that are the most important in shaping behavior. These main characteristics are as follows:

- 1. Individuals might be perceived as very amiable or extremely uncooperative.
- 2. The spectrum of openness to experience ranges from highly open minded to closed and limited minded;
- 3. Extrovert or introvert the spectrum runs from extroverted and social to reserved and cautious.
- 4. The spectrum of conscientiousness is from responsible to irresponsible.
- 5. Emotionally, the spectrum ranges from emotional control to a more unseen emotional pattern.

Yet, such ideas continue to be criticized on the grounds that an emphasis on fundamental personality qualities might mean that the effect of other variables is downplayed or neglected. There has also been criticism that some of Cattell's components are too near to one another, and so it may be claimed that the technique is too basic to give useful insights into a highly complicated topic

# II. DISCUSSION

#### A. Humanistic approach

Rogers' humanistic approach, which is nomothetic in sections, also focuses on the individual. Individuals have a desire for personal progress and fulfillment, according to Rogers' viewpoint. This method is primarily concerned with individual development, but it also investigates the notion of



Vol 10, Issue 5S, May 2023

'self' and self-concept, or how individuals view themselves. Individual fulfillment will be determined by self-concept as much as, if not more than, objective measurements of fulfillment or growth [5].

#### **B.** Theoretical Psychodynamics

Psychodynamic theory is related to Freud's work and undoubtedly has an idiographic viewpoint in that Freud considered personality development as being influenced by a variety of environmental circumstances, most notably parental relationships and the impact of different sorts of trauma. In the current context, one key part of Freud's work is the belief that behavior might be influenced by unconscious or hidden personality traits, and that these influences can sometimes be used to explain different sorts of illogical behavior. Freud believed that behavior and personality were determined by a perpetual conflict between the id, superego, and ego.

It is believed that it is the ego's compromise that leads to specific behavioral tendencies. Some of these may be crucial for the organization, such as 'denial,' in which the person refuses to recognize a potentially negative shift and hence ignores it. Another behavioral feature is 'compensation,' which occurs when a person compensates for inadequacies in one area by doing too much in another, such as avoiding making significant strategic choices by making countless little operational ones that nevertheless evade the underlying issue. It also contributes to a better understanding of individual defense mechanisms and, as a result, the behavior of managers who may feel threatened in a change scenario, i.e. over-reaction.

While Freud's work contributed to the development of psychoanalysis, it has been criticized in the workplace since many of his proposals have not been verified. Yet, Freud's idea of the subconscious and certain of his behavioral patterns are important for understanding personality. Some of these concerns are addressed by the Johari Window approach, which is covered later in the chapter.

# C. Jung's theory of personality

Jung's personality theory is tied to certain parts of psychodynamic theory, but it also has more practical consequences in that it has led to the development of many forms of personality testing. Jung's theory, which was also idiographic in nature, examined four aspects of personality. He began with personality categories discovered by Eysenck, namely 'extrovert' and 'introvert,' and then went on to identify two forms of perception, which he called 'sensing' and 'intuiting,' and which related to how individuals get information. The third component of this theory addressed judgment, which he classified as thinking and emotion, names that also apply to decision-making methods. The fourth dimension is assessing or perceiving, which represents how we interact with our surroundings. Apart from its importance in the development of psychology as a field, Jung's analysis was utilized by Myers to produce the Myers-Briggs Type Indicator, which can be seen in 2.3 and is again a foundation for personality testing [6], [7].

Questionnaires are used to evaluate personality and construct profiles based on combinations of features detected in the using the criteria indicated in 2.3. While the efficacy of personality testing has been questioned, it is widely utilized in organizations as a tool in employee selection, growth, promotion, and even redundancy.

#### D. Organizational personality

There are several organizational circumstances in which personality has an influence; nevertheless, some personality qualities may be more relevant for comprehending people who work in organizations and may be used to explain individual organizational behavior. One important concept is locus of control, which refers to how much influence people believe they have over a situation. An individual with an internal locus of control believes that he or she has a great degree of control over what occurs to him or her, while an individual with an external locus of control believes that he or she is predominantly impacted by other people or the organization. Individuals with an internal locus of control are more driven and dedicated because they feel they can affect outcomes in terms of job advancement, while those with an external locus of control are less likely to hold this perspective. The motivational aspect is related to expectancy theory, which states that when individuals believe they can influence the environment in which they operate, they will generally exert more effort to achieve and may work more independently; the individual with an external locus of control is more likely to require a more structured environment, such as that found in bureaucratic organizations. In the Big Brother scenario, one of the contestants with a strong internal locus of control attempted to exert this power by purposely involving certain individuals in hidden winks while excluding others, reinforcing the idea that he was in charge of the situation.

How employees view themselves inside the organization is a critical aspect in this respect. This is especially true in terms self-esteem and self-efficacy. Self-esteem and self-fulfillment are related to Rogers' humanistic worldview. Self-esteem is defined as an individual's assessment of one's own worth: Fundamentally, this refers to how well a person feels about himself or herself in the organization. Certainly, a person with high self-esteem will be more confident, yet there is always the risk of overconfidence in that the individual's judgment of his or her own value may differ from the organization's perspective. Positive self-esteem, on the other hand, may lead to an individual adopting a positive attitude in the workplace, which will impact that person's motivation, attendance record, and capacity to manage stress. The more significant problem for the organization is poor self-esteem, which may lead to a more negative attitude about organizational difficulties and an individual's value to the organization [8].



Vol 10, Issue 5S, May 2023

Managers are increasingly recognizing this idea of organizational-based self-esteem as a strategy for building self-esteem in organizations. It has ramifications for managers in terms of how much they should try to support or regulate it. Self-efficacy is related to self-esteem in that it refers to a person's belief in his or her capacity to perform a task. Considering the complexity of many jobs in contemporary organizations, it is critical to assist employees in developing their self-efficacy and encouraging them to think that they can perform tasks efficiently, maybe via time management and other techniques training. If a person has poor self-efficacy, it might impair their behavior and capacity to perform tasks. In a task-based culture, failure in this area might be harmful to both the person and the organization's growth. It should also be emphasized that the definition of'self' differs from one national culture to the next. Variables that generate strong self-esteem and self-efficacy in one culture may not be easily transferred to another.

### E. Myers-Briggs personality types

Another factor to consider is how people in an organization deal with stress. A variety of ways have been created to assess stress and an individual's capacity to cope with stress. One such technique seeks to classify individuals into personality types, A or B, based on how they react with stress. The type A personality profile describes someone who is always on the go, speaks quickly, is impatient, is always pressed for time, is competitive, preoccupied with numbers, and is often aggressive. The type B personality is more patient, less concerned with time, and takes a more easygoing approach to work. As one would expect, the type A personality is more prone to stress, although maybe being more successful in terms of employment. Moreover, type A people are more prone to heart disease and other stress-related ailments.

Personality assessment is one of the most important organizational areas where personality difficulties arise. Such testing may be utilized to guide selection and progression choices, as well as to enable downsizing. We've previously seen two types of personality tests: Cattell's Trait Analysis and Jung's Myers-Briggs Type Indicators. Despite the fact that various types of testing are employed in organizations, such as graphology, which is popular in France, personality tests are still commonly utilized. In the United Kingdom, for example, 51% of organizations utilize tests to attract CEOs and 40% use them for non-executive positions.

Individual behavior is influenced by perception both within and outside of an organization. We all have various perspectives on events that happen to us or circumstances that arise. Consider your favorite team losing a game. As a fan, you may believe that this is due to the team's weak players; another supporter may believe that it is due to poor management; and still another supporter may believe that it is a huge improvement over prior losses! We are all looking at the same issue from different perspectives, thus our responses to it may range significantly. A constant flow of events may

occur inside an organization, yet they may be viewed quite differently by people. Consider a company announcing a planned reorganization. Some in the organization may view this as a chance for progress via new employment options, but others may regard it as a danger to their current work: hence, some may embrace the change, while others may want to reject it [9].

#### F. Testing times for personality tests

Many of us may be subjected to personality testing throughout our careers, with an interview followed by a bank of questions designed to offer our present or prospective employer an impression of our personality, personal qualities, and potential. Recent advances, however, indicate that personality testing may not be as helpful as it was supposed to be.

One issue has been that some applicants are able to 'second-guess' the exams and provide answers that they feel would suit the company rather than providing their real response. This is especially true for several well-known sorts of examinations, which applicants may learn about before the interview. As a consequence of concerns about test manipulation, Halifax Bank has shifted away from standard psychometric testing and toward more work-related aptitude assessments.

A second source of worry has been the threat of legal action by those who believe the exams discriminated against them, particularly on a racial basis. A succession of race-bias lawsuits has resulted in a significant decrease in the usage of personality testing in the United States. Asian guards at Paddington station in the United Kingdom were concerned that their job chances would be harmed due to bad exam results. Cultural differences might alter applicants' test replies, according to the Commission for Racial Equality. This matter was resolved out of court, and the processes were changed.

The problem of Western cultural bias in personality testing has also come to light, particularly when multinational corporations utilize personality testing on a worldwide scale. Some of the issues So, what exactly is perception? Simply said, it is how we see and understand events and circumstances in our environment. It can be viewed as a cognitive and social information process in which we go through the steps of: picking up some external stimuli, such as an event or perhaps a personal interaction; screening, in which we only acknowledge the stimuli we choose to acknowledge; and some interpretation and categorization of these stimuli, possibly based on previous experience or upbringing.

As an example, in the prior case, maybe the external stimulus is hearing that my team has lost again. I may filter this information negatively, presuming that something is amiss with the team rather than that it is just having a poor day. Lastly, based on previous experience assisting the team, I may view this information as yet another evidence of poor management.



# Vol 10, Issue 5S, May 2023

Perception has a significant influence on topics such as selection interviews inside organizations, but it may also apply to a variety of scenarios, one of which we use to illustrate the fundamental paradigm of social perception. Consider a circumstance in which a new leader has arrived in an organization and is attempting to effect cultural change by addressing certain middle managers about the need to embrace new goals or establish a new vision for the firm. In other words, this is a transitional condition. The character of the perceivers, who may initially be wary of the new leader because of their experience with prior leaders, or because they have poor self-esteem, or because they link change with job losses, will determine much of the effectiveness of the change process. Much will therefore rely on the perceiver's ability to overcome their dread and distrust and hence modify their perception of him or her. The new leader will require strong presenting abilities, as well as the ability to persuade others of the need of the change via positive verbal and nonverbal communication. The setting, that is, whether the presentation is presented in an office at work over their lunch break or on an away day, where middle managers may concentrate on the change problems under discussion and mingle both officially and informally, may also be crucial. Finally, the engagement and impression of the new leader by middle managers may have a significant impact on the effectiveness of the transformation process.

Yet, there are a number of elements that might skew the whole process. One of the most prevalent is perceptual stereotyping, which involves generalizations about certain groups of individuals. What if the new boss is a young woman, but the intermediate managers are all older men? There is, of course, the risk that the middle managers have preconceptions about younger women that will impede her capacity to communicate with them. There are several domains where the ethos of male managers prevails despite the absence of any obvious intellectual justification for this, and where women have difficulty rising to the top of the organization. This trend is most prominent male-dominated national cultures, such as Japan, where Hofstede has said that the country's high masculinity index makes it difficult for women managers to advance in organizations.

Selective perception is a step beyond stereotyping in that perceivers may already be conditioned to perceive the observed in a certain way. In the above scenario, the new boss may have carried a reputation as a "job cutter" from a prior organization to the current one. Given the groups initial skepticism, it may be difficult to sway their minds if they just see the new leader as someone who has come to reduce employment in the organization. Other 'messages' that do not fit the anticipated archetype are likely to be filtered out or disregarded. The outcome of a meeting between middle managers and the new boss is generally predictable.

On the other side, the 'halo effect' may apply, in which perceivers choose a specific aspect of the seen and this impacts their overall impression. It is possible that the regarded communicates well, has a good sense of humour, or is considered as 'one of the group' in a social context, and that this influences views of the new leader's abilities. A new leader may enter with a strong reputation, which leads to an initial favourable view and, as a result, the newcomer may enjoy a 'honeymoon' phase. Another potential distortion is self-fulfilling prophesies, or the expectation that people will behave in specific ways regardless of what they actually do or say. Continuing to our example, the new leader may be attempting to describe a much broader strategy shift in the organization, but intermediate managers may only pick up on any statement or problem that may be seen as affecting employment. Consequently, although the general subject of the new leader's speech may be strategic and favorable, the middle managers will see it as operational and bad, thus fulfilling their prophesy [10].

Mezias and Starbuck studied key factors influencing managers' perceptions and discovered that they were conditioned by their level of experience, training and interpersonal skills, the nature of the organizational culture, and the individual's position in the hierarchy, though they did note that managers may bias information in order to improve their own position.

#### III. CONCLUSION

Individual personalities contribute to the culture and image of a company. As a result, every successful firm places a high value on the personality attributes of its personnel. Although everyone has a unique personality, there are certain qualities and characteristics that people share. It studies social behavior and human behavior in social contexts, including subjects like as aggressiveness, attitudes, attribution theory, group processes, interpersonal processes, prejudice and discrimination, self-concept, social cognition, social influence, and stereotypes.

#### REFERENCES

- [1] R. Crossler and F. Bélanger, "An Extended Perspective on Individual Security Behaviors," ACM SIGMIS Database DATABASE Adv. Inf. Syst., 2014, doi: 10.1145/2691517.2691521.
- [2] S. Grimmelikhuijsen, S. Jilke, A. L. Olsen, and L. Tummers, "Behavioral Public Administration: Combining Insights from Public Administration and Psychology," Public Adm. Rev., 2017, doi: 10.1111/puar.12609.
- [3] Z. M. E. Siregar, Suryana, E. Ahman, and S. H. Senen, "Factors influencing innovative work behavior: An individual factors perspective," Int. J. Sci. Technol. Res., 2019.
- [4] W. Hofmann, T. Gschwendner, M. Friese, R. W. Wiers, and M. Schmitt, "Working Memory Capacity and Self-Regulatory Behavior: Toward an Individual Differences Perspective on Behavior Determination by Automatic Versus Controlled Processes," J. Pers. Soc. Psychol., 2008, doi: 10.1037/a0012705.
- [5] M. Guillon, S. Fouéré, C. Segouin, and A. Simon, "The association between future time perspective and sexual



# Vol 10, Issue 5S, May 2023

- behaviours in individuals attending HIV testing centres," Eur. J. Public Health, 2019, doi: 10.1093/eurpub/ckz040.
- K. N. Balasubramaniam et al., "Impact of individual demographic and social factors on human-wildlife interactions: a comparative study of three macaque species," Sci. Rep., 2020, doi: 10.1038/s41598-020-78881-3.
- [7] N. N. Ofosu, K. Storey, and P. J. Veugelers, "Adolescents' perspectives on environmental and individual factors influencing their health behaviours," Alberta Acad. Rev., 2020, doi: 10.29173/aar30.
- S. C. Webber, J. D. Ripat, N. S. Pachu, and S. M. Strachan, "Exploring physical activity and sedentary behaviour: perspectives of individuals with osteoarthritis and knee arthroplasty," Disabil. Rehabil., 10.1080/09638288.2018.1543463.
- J. Yang, G. Ye, Q. Xiang, M. Kim, Q. Liu, and H. Yue, "Insights into the mechanism of construction workers' unsafe behaviors from an individual perspective," Saf. Sci., 2021, doi: 10.1016/j.ssci.2020.105004.
- [10] A. Ferrer-i-Carbonell, "Happiness economics," SERIEs, 2013, doi: 10.1007/s13209-012-0086-7.





Vol 10, Issue 5S, May 2023

# **Evolution of Attribution Theory**

Dr.Raja Sankaran

Associate Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

dr.raja\_sankaran@cms.ac.in

Abstract—It is a social psychology theory that deals with how people react to and make sense of their social environment. It is more precisely concerned with how individuals interpret events around them and how their interpretations influence their thinking and conduct. In this chapter author is discusses criticism of reinforcement theory

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Attribution is connected to perception in that it aims to examine how we view our own behavior and the behavior of others: that is, we seek causes or qualities of our own behavior and that of persons with whom we interact within the organization. Kelley created the initial work on attribution with his attributional theory. Attributions, or the apparent reasons of our or others' behavior, might be considered as internal, that is, drawn from our own personal traits. As a result, we have some influence over them: we have a strong locus of control. External attribution, on the other hand, implies that other influences, such as organizational characteristics, are the source of our traits. Presumably, we all have distinct attribution tendencies. Achievement-oriented people may believe that their attributions are mostly based on internal reasons and their own capacity to succeed. Kelley developed this notion by investigating whether we assign other people's behavior to internal or external factors. This analysis was based on three important factors:

- 1. Do other individuals in the similar scenario act in the same way?
- 2. Distinctiveness: Was the observed behavior unique, or does the individual act similarly in other situations?
- 3. Consistency: Has the individual always acted in this manner throughout time?

The answers to the preceding questions are dependent on the perceiver's judgment. Assume you get a complaint regarding one of your middle managers' behavior toward a customer. If you do an inquiry and discover that no other customer has complained about any other manager, this would reflect a low level of consensus, however a lot of complaints against a number of managers would imply a high level of agreement. If there had been previous complaints about the same manager in different areas of the organization, it would imply low distinctiveness; however, if there had been no previous complaints about this manager in different areas of the organization, it would imply that the manager's action was very distinctive and thus had high distinctiveness. Lastly, if there had been complaints about this management

throughout time, it would indicate high consistency, while no history of complaints about the manager would indicate low consistency. If, as a consequence of this research, you discover that the manager's attributional qualities are low consensus, low uniqueness, and high consistency, this would signal that the manager's behavior resulted from internal traits rather than external causes. This is an example of internal attribution, and you may believe that something about this manager's behavior warranted additional inquiry. If, on the other hand, a pattern of high con- sensus, high uniqueness, and low consistency formed, it may imply that the manager's conduct was mostly controlled by external circumstances, i.e., it was a case of external attribution. As a consequence, you may believe that this was a one-of-a-kind occurrence that reflected more on the personality of the complaint than on the particular behavior of the manager in question [1], [2].

As previously said, attribution is mostly reliant on perception, and so there is still the risk of bias or distortion of mentioned. Fundamental as previously attribution mistake is one sort of skewed perception in which we tend to look at other people's behavior via an internal attribution bias. Rather than accepting that external variables may have influenced their behavior, we presume that components of their attribution are driven by their own personality, IQ, emotions, and so forth. For example, we could see a coworker forgetting things or snapping at others and ascribe it to their personality, whereas in actuality it might be a stress response induced by external events over which the individual has no control. The second distortion might result from a self-serving bias in which we credit any accomplishments we have to internal sources and any challenges or lack of success to external ones. For example, you may get a low grade on an essay and claim that it's because the question was poorly stated or there wasn't enough time to complete it. Third, we must be mindful of cultural variations. In certain cultures, behavior and events are considered as a result of destiny rather than something that can be changed via our own choices. Such societies would see behavior as having an external rather than an internal attribution.



Vol 10, Issue 5S, May 2023

Attitudes, particularly personal attitudes, have a significant impact on how an individual works within an organization, especially when these views are represented in good or bad behavior. At times, attitudes are impacted by the organization itself, and one of the issues of the contemporary manager may be how to achieve an attitude shift within the larger framework of cultural or strategic change.

#### Older employees' perceptions

While perceptual bias and distortion are often associated to racial and sexual discrimination in the workplace, how older people are regarded inside the workplace is becoming more important. This problem has taken on more relevance since the world's elderly population has grown significantly, and these individuals are now fitter and more active than at any point in history. At the same time, organizations that are restructuring and transitioning to more flexible forms of operations have tended to 'downsize' by eliminating many people in this age bracket from the workforce. According to Casey, Lyon, and Pollard, as well as the Personnel Today study, frequent preconceptions about older people include being sluggish, physically unfit, unable to deal with new technology, cynical, adapting less well to change, and learning less rapidly. Positive impressions include that they are more loyal to their company, more dependable, more customer sensitive, work harder, and provide value via experience. While older employees who are 'known' in an organization are often regarded as successful, the challenge emerges when they depart for whatever reason and seek new employment: their perceived traits as older workers usually work against them in competition with younger workers [3].

The 2004 Personnel Today study of 500 Human Resource Managers and 1,000 members of the general public examined views of older employees. 91 percent of HRM professionals said that employers discriminated against hiring older persons, compared to 61 percent of the general population, despite the fact that the majority of HRM professionals were favorable about hiring employees over 50 based on their personal experiences with these workers. Most notably, 69% of HRM experts said that their own organizations were not adequately planning for the recruiting implications of an aging population.

The degree to which perception corresponds to reality is debatable. There are situations of older employees struggling with modern information technology, for example, but the picture may be demonstrated to be inaccurate in many other ways, and one that disadvantages a vast number of individuals. The research by Hogarth and Barth, who analyzed the experiment of the B & Q retail group, which recruited 55 staff in its Macclesfield shop only from individuals over 50, provides a distinct viewpoint.

A person's attitude may be influenced by a variety of things. An attitude may contain an emotional component that reflects emotions or moods about a person or an event, a cognitive component that is based on an individual's ideas, views, and knowledge, and a behavioral component that is

based on an individual's behavioral pattern. For example, if a person is requested to do some weekend work when he or she is used to working Monday through Friday, the attitude may differ. The employee's emotional reaction to working on a weekend, the impact on his or her behavioral pattern, and what this individual believes about the weekend work policy may all influence the employee's attitude. There is a considerable possibility of a negative attitude if the person is upset about shifting from their existing job routine and believes it will disturb their typical weekend behavior pattern, as well as if they disagree with the notion of weekend working. On the other hand, if the person desires a change, does not believe it will significantly disturb the weekend behavioral pattern, and agrees with the rationale of weekend working, the attitudinal reaction is more likely to be positive[4].

Attitude formation is influenced by personality development. Attitudes are created as a result of a combination of external circumstances and the individual's own personality. Direct experience may be a significant shaper of views. If you had a bad experience with physics and did not get along with your instructor, you may have a negative attitude toward the topic for the foreseeable future. Direct experience-based attitudes may be highly powerful and difficult to change. For example, if employees believe their supervisors have let them down on a specific topic, this direct experience may contribute to the establishment of attitudes that current or future managers may find difficult to modify. Social learning, which reflects attitudes picked up from our peer groups, families, or other social factors in our lives, is another source of attitude development. The peer group element may be very powerful, as seen by group behavior. Once a group's behavioral standard is established, individuals of the group find it difficult to deviate from the group's attitude. Since any disagreeing action may result in their exclusion from the group, they prefer to conform their opinions to those of the group.

The notion of modeling is also important in this situation, as one individual 'models' himself or herself on another and strives to mimic and imitate that person's behavior. Role models may have a positive impact both within and outside of the organization. One of the major challenges concerning attitude is the degree to which information of an individual's attitudinal set may be utilized to forecast that person's behavior inside the organization. There has been a lot of discussion on this, but no clear conclusion has emerged. Some trends, however, may be predicted. For example, if an individual has a particularly strong opinion on a specific subject, that person's behavior may be influenced more directly: strongly held religious or political ideas may cause instantaneous behavioral reaction in circumstances. If a problem is really dangerous, attitudes will be particularly concentrated, resulting in a strong behavioral reaction. Certainly, personality variables impact attitudinal reactions, but it is also important to note that every



Vol 10, Issue 5S, May 2023

organization has a variety of significant social limitations that may reduce an attitudinal response. For example, an individual may strongly disagree with a line manager's viewpoint but is unlikely to respond aggressively because aggressive attacks on colleagues may violate a prevalent social norm or culture, and antagonizing the line manager may weaken the individual's position in the organization. As a result, a measured attitude is required.

Cognitive dissonance is one aspect that determines organizational attitudes. This is caused by a clash between the behavioral and cognitive parts of attitude. A middle manager who gets promoted and placed in charge of a group of middle managers who were formerly his or her coworkers is an example of this. The first response may be behavioral, in which he or she seeks to maintain excellent relationships with past acquaintances and acts in a casual, easygoing way, as they may have done before. But, the responsibilities of the new job, which will be cognitive in nature, may force the senior management to discipline one of these old pals or perhaps fire one of them. As a consequence, the behavioral element clashes with the cognitive requirements of the new profession, resulting in cognitive dissonance. This may generate uncertainty, which must be handled by: adjusting his or her attitude toward former friends and separating himself or herself from them; or allowing someone else to make the choice in order to prevent being placed in this predicament.

A current example would be a football player who is promoted to team manager on short notice and must make fast judgments regarding altering the team configuration or squad members. Managers in organizations are clearly concerned with employee attitudes about work since they may have a substantial impact on attaining high productivity and fostering creativity in the organization. For example, achieving objectives may be difficult if there is underlying enmity between management and the employees or amongst the managers themselves. This contrasts with the experience of Japanese firms, where there is a strong devotion to labor, to the point where overwork has become an issue. Numerous surveys are conducted to assess people's attitudes about work and, in particular, their degree of job satisfaction. It is suggested that if issues with work attitudes can be discovered, they may be rectified by organizational reforms. Yet, although one would expect a high degree of work satisfaction to lead to great performance, the research suggests that there is no correlation, since the problem of job performance is very complicated [5], [6].

#### II. DISCUSSION

# A. Change at individual level: changing attitudes

We have shown that it is difficult to accurately assess attitudes and to draw straightforward linkages between attitude and behavior and work performance. Managers are quite concerned about this. The challenge of shifting attitudes may be very important for a manager attempting organizational transformation. Several formerly state-owned

sectors, such as British Rail and British Gas, had to undertake considerable operational adjustments as they transitioned from being state-run industry with little competition to being part of a much more competitive privatized sector. Suddenly, they had to become 'leaner,' adapt faster to the marketplace, and hence shift attitudes inside the organization, for example, by being more customer oriented. How can you, as a senior manager, influence a shift in organizational attitude? Much will rely on previously discussed problems such as personality and perception, however communication is also important here. As previously stated, the type of the individual carrying out the change, or 'the source,' determines a great deal. In this setting, the problem of perception is critical. The more the source's communication abilities and 'charisma,' the greater the source's possibilities of altering attitudes and views. It is not surprising that politicians are trained to perform in front of cameras, since their performance may have a significant impact on people's perceptions of them and, as a result, their capacity to lead change. There seems to be a recent tendency for political leaders to need to be telegenic in order to shift sentiments, while this may be less visible in the corporate sphere. The target audience's nature influences the process of altering attitudes. Returning to the previously discussed change scenario, we can see that the senior manager may have to address and persuade people at different levels of the organization in order for the change to succeed, and thus must carefully consider whether the same approach should be used with different groups of people. All groups may need reassurance, but what may be a comforting message for one group may be regarded as a threat by another, resulting in a different attitudinal response: one group may embrace the change, while another may fight it[7]. Another consideration is how the message is delivered: whether it is delivered in simple or complicated language, whether the bad and good elements of the shift are addressed, or whether just the positive aspects are addressed. Contrary to popular belief, identifying negative characteristics may elicit a more realistic reaction from the target audience than emphasizing solely the positive aspects.

# **B.** Values

Values are another component that determines human behavior. Many people believe that attitudes and values are connected, yet it can be firmly argued that values are deeper than attitudes and more deeply established in our character. It is also argued that values have a longer lifespan and provide us with a feeling of what is right and wrong, as well as what is good and terrible. Values evolve throughout time and may be highly tied to sociocultural variables such as family or peer group or strongly held ideas derived from participation in organizations or certain creeds. Organizations are becoming more interested in both individual and collectively held values that pervade the organization. The problem of ethics in the organization is very important. The organization may try to project a strong ethical position in its activities, reflecting



# Vol 10, Issue 5S, May 2023

widely held ethical principles inside the organization. The Co-operative Bank is an excellent illustration of this, especially in terms of ethical investing. Another reason an organization could be interested in values is because if it can build a set of widely held values among its employees, it is essentially developing a distinctive corporate culture that may separate it from its rivals, providing it a competitive edge.

Thus the difficulty is how to recognize values. Rockeach and Ball-Rockeach classified values as terminal or instrumental. Terminal values may be thought of as desirable outcomes, such as peace, harmony, security, happiness, partnership, love, and so on, while instrumental values can be thought of as methods of achieving these terminal values. The most important values discovered in the study conducted by Rockeach and Ball-Rockeach were honesty, ambition, responsibility, forgiveness, and open-mindedness. It should be emphasized, however, that this was mostly an American research of a topic where there may be significant national variances in what constituted values. According to Rockeach and Ball-American Rockeach's values study, ethics is a major concern in many American businesses. A distinct set of national values, on the other hand, may cast a whole different light on matters such as accepting presents. What is considered corrupt behavior in one nation may be considered necessary civility in another. As a result, global corporations' ethical attitude may have to be more sophisticated than that of organizations that simply operate in their native country.

When terminal values are transferred to a company, they may include achieving excellence or high quality, being inventive, or possibly becoming an ethical company. When an organization attempts to instill such values in its workforce, it may endeavor to promote or establish instrumental values that will lead to these goals. They might be efforts to change work attitudes or organizational communication methods. Ideally, the instrumental values may be refined to provide some terminal value or values that will aid in determining the organization's new culture. These may even be inscribed in the mission statement of the organization [8].

The topic of learning has grown in importance, both for the person in his or her own right and for the function of individual learning in the organization. One explanation for this is because restructuring into 'flatter' organizations is resulting in increased 'empowerment,' with choices taken lower down the organization. The increased usage of cooperation necessitates that people learn in a group setting. Additionally, as we enter the twenty-first century, the increasing complexity of the nature of work has resulted in an increased requirement for individuals to be able to adapt and evolve within the organization. There is a huge group of individuals referred to as "knowledge workers," whose relevance in the organization is based on their abilities and capacity to learn as well as their adaptation to new technologies. This kind of worker is likely to grow in the

future at the cost of conventional, manual trades. As a result, the problem of individual learning and how people might learn inside organizations has gained traction. We may even speak about the 'Learning Organization,' which aims to learn from its experiences in order to adapt to quickly changing settings. Individual learning studies often have their origins in the discipline of psychology.

One of the most influential schools is the behaviorist school, which encompasses the work of individuals like Pavlov and Skinner. Pavlov is well known for his work with dogs, particularly the experiment in which a dish of food was placed in front of the dog, causing it to salivate. If a bell was rung when the plate of food came, the dog would ultimately salivate on hearing the bell, regardless of whether food was there. This meant the dog had 'learned,' or been conditioned, to respond to the sound of the bell. Its behavior had been altered. The stimulus-response paradigm is so named because it involves a behavioral reaction to some form of stimulation. Skinner expanded on this method by developing the notion of operant conditioning, which proposed that the overwhelming majority of learning is caused by what occurs after we do a certain action. That is, the behavioral consequences promote learning.

A dramatic example would be if you were traveling on the Tube and a warning was broadcast urging people to be on the lookout for pickpockets. Would this alter your behavior on a packed transport with people crowding up close? This stimuli have influenced your behavioral reaction. Reinforcement theory, which is related to operant conditioning, proposes that we may modify our behavior, or 'learn,' by experiencing certain reactions to our actions. There are two kinds of reinforcement. Positive reinforcement might imply that your behavior has been tolerated and even admired by others in the organization, making you more inclined to repeat it. For example, if I spend in additional time to complete a report and my supervisor approaches me to thank me and commend me on the report, I will be much more driven to repeat the activity. Negative reinforcement is the inverse: for example, if one is singled out for criticism for a previous activity, that action is unlikely to be repeated.

There has been criticism of reinforcement theory as a method of behavior modification because it is argued that self-reinforcement, that is, the individual's decision to keep changing his or her behavior through self-motivation, rather than the negative or positive responses of others, is the most important factor. There is also the possibility that a person may pretend to modify his or her behavior in order to get a short-term benefit but will afterwards return to type. The behaviorist school has also been criticized for oversimplification of human behavior and for relying too much on laboratory testing [9].

The cognitive school is based on Tolman's work and considers learning to be more sophisticated than just responding to a stimuli. It regards learning as a cognitive process based on expectations and the mental link between



# Vol 10, Issue 5S, May 2023

two or more stimuli: in other words, it is a thinking process rather than a solely reaction-based response. According to this idea, learning is more dependent on values and beliefs, as well as whether expectations based on values and beliefs are reinforced when behavior occurs. As a result, this school of thought proposes that if a person feels that his or her kind behavior toward other people will be followed by a friendly reaction, and this occurs, that person is likely to continue that behavior. Similarly, if a person realizes through time that there are moments when comedy may help a situation and others when it cannot, that person begins to construct a 'cognitive map' that will assist him or her in future scenarios.

#### C. Learning modes

An understanding of learning styles and how individuals learn may be more important to the organization than the cognitive process or behavioral reactions. Kolb's learning cycle exemplifies one of the most important learning methods. Kolb views learning as a continual process that is dependent on the experiences we have and how we perceive and react to them. In some ways, Kolb's concept may be seen as experiential learning, based on the notion that we learn via our experiences. Assume my purpose is to communicate with another department inside the organization. I may opt to create an internal website so that I may disseminate information more readily around the organization. As a result, my practical experience is striving to put up the web page electronically. I may then notice that I am getting more input from colleagues inside the organization than I was before. After this observation and reflection, I may begin to conclude that internal web pages are a far more efficient technique of conveying information throughout the organization than approaches I had previously utilized. After reaching this conclusion, I may strive to put it to the test further, for example, by producing material for web sites and making it more interactive and aesthetically appealing [10]. If data supports my opinion that internal web pages are more efficient, I will very likely modify my behavior and utilize them much more often. In essence, I've learnt via observation, contemplation, and action. Indeed, the process may not end there: Kolb's approach recommends continual learning via experiences. In the preceding scenario, my experience with internal web pages may lead me to try with other types of electronic information transmission, such as electronic yellow pages. An aspect of continual learning is certainly appealing to the organization since it will boost the workforce's abilities and adaptability.

#### III. CONCLUSION

The goal of attribution is to gain cognitive control over one's surroundings by explaining and comprehending the reasons of actions and environmental events. Finally, attribution theory says that when students ascribe their success or failure to internal, unstable, and controllable variables, such as effort, they may increase their tenacity and persistence to reach learning objectives more effectively. Attribution theory is significant for companies because it may aid managers in understanding some of the reasons of employee behavior as well as workers in understanding their own thinking about their own behaviour.

#### REFERENCES

- [1] R. Hewett, A. Shantz, J. Mundy, and K. Alfes, "Attribution theories in Human Resource Management research: a review and research agenda," Int. J. Hum. Resour. Manag., 2018, doi: 10.1080/09585192.2017.1380062.
- [2] W. Ginder, W. S. Kwon, and S. E. Byun, "Effects of Internal– External Congruence-Based CSR Positioning: An Attribution Theory Approach," J. Bus. Ethics, 2021, doi: 10.1007/s10551-019-04282-w.
- [3] H. H. Kelley and J. L. Michela, "Attribution Theory and Research," Annu. Rev. Psychol., 1980, doi: 10.1146/annurev.ps.31.020180.002325.
- [4] R. Al-Sharif, "Critical realism and attribution theory in qualitative research," Qual. Res. Organ. Manag. An Int. J., 2021, doi: 10.1108/QROM-04-2020-1919.
- [5] Y. Zhang, G. Prayag, and H. Song, "Attribution theory and negative emotions in tourism experiences," Tour. Manag. Perspect., 2021, doi: 10.1016/j.tmp.2021.100904.
- [6] K. Zwickert and E. Rieger, "Stigmatizing attitudes towards individuals with anorexia nervosa: An investigation of attribution theory," J. Eat. Disord., 2013, doi: 10.1186/2050-2974-1-5.
- [7] W. T. Coombs, "Attribution Theory as a guide for post-crisis communication research," Public Relat. Rev., 2007, doi: 10.1016/j.pubrev.2006.11.016.
- [8] H. Seele and P. Eberl, "Newcomers' reactions to unfulfilled leadership expectations: An attribution theory approach," Eur. Manag. J., 2020, doi: 10.1016/j.emj.2020.02.007.
- [9] M. J. Martinko and J. D. Mackey, "Attribution theory: An introduction to the special issue," J. Organ. Behav., 2019, doi: 10.1002/job.2397.
- [10] L. Su, Q. Gong, and Y. Huang, "How do destination social responsibility strategies affect tourists' intention to visit? An attribution theory perspective," J. Retail. Consum. Serv., 2020, doi: 10.1016/j.jretconser.2019.102023.



Vol 10, Issue 5S, May 2023

# Analysis of Kolb's Learning Cycle

Prof. Suparna Ghosal

Adjunct Faculty, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

suparna.ghosal@cms.ac.in

Abstract—Kolb learning is a four-step process that includes tangible learning, reflective observation, abstract conceptualization, and active exploration. As a student advances through each step, effective learning occurs. The learner can also enter the learning cycle at any point utilizing a logical sequence. In this chapter author is discusses communication to change perception.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

With the trend toward more reliance on knowledge workers and increasingly complicated business settings, this might provide the organization with a competitive advantage over its competitors. One example is EDAP, which was established by Ford UK in 1987 and which establishes a wide variety of courses both inside and outside the organization with the goal of developing their personnel as people. Workers may get up to £200 per year for learning or health and fitness activities that are not directly connected to their job. This initiative is obviously related to the company's well-being, according to the corporation. Kolb's cycle is therefore a helpful model that may be applied in an organization; however, the problem is to ensure that employees have clear objectives in order to accomplish learning inside the organization; otherwise, they may not seek out new experiences. We should also keep in mind that ideas like introspection and the formation of abstract conceptions may have different consequences in various cultures, possibly affecting organizational learning.

Kolb's concept has prompted research into cognitive styles, or how we organize and process information, which may or may not be related to cognitive capacity. Honey and Mumford investigated this, basing their model on Kolb's cycle and applying it to management in the United Kingdom. They identified four cognitive styles associated with the stages of Kolb's cycle: activist, reflector, theorist, and pragmatist. Their efforts resulted in the creation of a learning styles questionnaire that may be used in organizations for selection and assessment. Allison and Hayes examined this concept, identifying two major cognitive types as the 'analysis' style, which is reflective and theoretical, and the 'action' style, which is more activist and spontaneous in character. In further study Allison and Hayes indicate that these two techniques could represent separate areas of the brain. As a result, they created a cognitive style index to assess this in people.

If it is accepted that different individuals utilize obviously distinct cognitive styles and that these can be quantified, this difference might be valuable in terms of analyzing and promoting learning in the organization. This applies to both the person and the organization, in terms of establishing a more effective manner of dealing with information. The notion of single- and double-loop learning may also be applied to both individuals and organizations, particularly in terms of how organizations can learn from changes in their environment and progress toward becoming Learning Organizations [1], [2].

The last aspect of human behavior explored in this is how individuals make choices. One of the most difficult tasks for organizations is ensuring that individuals make successful choices, both in terms of decision speed and decision quality. Decision making is obviously vital for managers, but as decision making becomes more delegated as we go to 'flatter' organizations, workers from all levels of the organization must be able to make successful choices. According to Nutt, the quality of management decision making is often poor, owing to managers' tendency to rush into choices or get obsessed on characteristics of a certain solution, even though it has proven ineffective. Bad decision-making is often the outcome of short-term objective setting, which is a characteristic of the decision-making processes of chief executives on fixed-term contracts.

As a result, we must examine the process of human decision making and determine if it might be affected by circumstances that may reduce the efficacy of the choices made. Our starting point is what is known as the rational model of decision making, which sees decision making as a logical, linear process with sensible conclusions. This model is intended to describe microeconomic behavior, such as how a price rise is likely to cause an individual to lower his or her demand for a product or service if all other variables stay constant. When faced with a decision, people first identify the problem that requires a decision; second, they gather information and materials that will assist them in solving the problem; third, they generate some potential solutions to the problem; and fourth, they make a rational choice and choose the most effective one, which is then implemented. It implies that a person will always make a reasonable choice based on his or her capacity to examine all of the possibilities and properly calculate the probable success of each option. It also



# Vol 10, Issue 5S, May 2023

implies a circumstance in which the environment in which the choice is being made is calm and slow moving: the decision maker has plenty of time to acquire information, consider all of the possibilities, and find the reasonable answer. Most persons who have worked in circumstances where choices must be made quickly and under duress would rapidly come to question the rational model's efficacy as a practical tool [3].

Herbert Simon was the first to identify this model's possible flaw. He established the notion of bounded rationality, which recognised that, in actuality, decision makers in organizations are under pressure and hence are more likely to produce a judgment 'that will do' or, to use Simon's phraseology, will'satisfice'. This often implies that they choose the first alternative that satisfies or achieves some form of satisfying solution. Finding a solution immediately makes the manager's life easier, therefore he or she may be eager to make choices on challenges. As a result, managers often use "short-cuts" to address issues and make speedy choices. This notion was supported by Nutt's research, which revealed that in reality, many managers make choices in this manner. One key issue in this situation is that individuals are risk averse and hence want a quick, efficient answer rather than exploring all choices - an activity in which more dangerous ideas may offer themselves for examination. This technique may represent the organization's business structure and culture.

Another issue to investigate is how certain organizations seem to have an inconsistent and rather unpredictable approach to decision making. This is especially important in organizations that operate in highly variable business contexts, where even a satisficing method may be difficult to adopt. This is when the 'trash can model' comes in handy. It proposes a situation in which choices are made at random. Within an organization, there are a number of persons, a number of issues floating about, possible solutions to these problems, and eventually a number of chances for individuals to make decisions. Problems and answers must be brought together in order to achieve an effective choice. Managers may see bringing them together as a task. They must learn to identify relevant issues and seek innovative solutions by bringing the appropriate people together at the right moment in order to make the often radical choices that will be required in frequently chaotic circumstances [4].

The presence of cognitive biases may potentially jeopardize the logic and objectivity of decision making. As previously said, an individual's cognitive structure evolves through time and is impacted by beliefs, attitudes, values, and the individual's own personality. The cognitive thinking of a person will always have an impact on the quality of choices made. The concept of cognitive dissonance has previously been examined in the context of attitudes, where it was noted that it relates to a scenario in which a person's beliefs and behaviors conflict. For example, evaluating many possibilities for addressing an issue may provide a logical

answer, but this may contradict the decision maker's views or attitudes, causing the rational approach to be refused.

Additional cognitive biases that may impact decision making include the illusion of control, which occurs when a person feels he or she can manage a complicated situation but lacks the necessary skills. For example, the individual may believe they are in control of everything and feel compelled to preserve this illusion no matter how severe the situation grows. This may lead to poor decision making for both the person and the firm, especially in a complicated and fast-moving commercial setting. This prejudice might be related to commitment escalation. An example of the latter may entail a manager who is in problems via the appearance of control. Maybe she or he has negotiated a forward foreign exchange contract for the firm that is more complicated than anticipated, leaving the company vulnerable to losses. The logical choice would be to cancel the agreement and accept the loss before negotiating a better bargain.

Nonetheless, it seems that managers who have made such errors persist in their line of action and often enhance, or escalate, their commitment. That is, they raise their foreign currency exposure in the hope of recovering some of their early losses, frequently at the expense of the company's continued failure. The classic example would have to be Nick Leeson, who worked for Barings Bank Plc in the global derivatives trading market and managed to lose \$1.3 billion for the business by February 1995, causing Barings to fail and be sold for £1 to the Dutch corporation ING.

There is substantial evidence that Leeson, although realizing he had incurred huge losses, continued to speculate in an effort to recover his losses, accruing even more debt and eventually bankrupting his employers. Maybe he did not want to recognize that he had made errors as a consequence of an illusion of control or ego-defensiveness, which caused him to interpret what was occurring in a positive light, believing that he could 'fix' his mistakes and therefore concealing the seriousness of the situation from himself. Whatever the reason, the poor decision-making quality in this situation was a catastrophe for the organization and for Leeson himself [5], [6].

We've seen a variety of aspects in this that might impact human behavior in the workplace, such as individual personality, perception, values, learning, and decision making. It is obvious that communication, change, and conflict all have an impact on these. Examples of when this applies are provided below. First, we look at how communication may alter perception using the Johari Window idea, and then we look at how change impacts the psychological contract and the possibility for conflict that this produces inside the organization

# II. DISCUSSION

The Johari Window: using communication to change perception. One of the most important ways in which communication may impact human conduct is via its power



# Vol 10, Issue 5S, May 2023

to modify individual perceptions and perceptual bias. We've previously seen that employees in an organization have a variety of personalities and that they are likely to have different impressions of one another. Their perspectives are often conditioned by organizational structure, in which employees are pigeon-holed in a single portion of the organization and consequently have minimal touch with others beyond their unique region. Moreover, they may have unfavorable perceptions about individuals in various sections of and at different levels of the organization. With the shift toward flatter, more flexible organizational structures, there has been an increase in cooperation involving workers from all levels of the organization. Individuals are increasingly coming into touch with folks for whom they may have unfavorable perceptual prejudices. If this happens during a teambuilding session, the formation of new task teams in the organization, which are formed by bringing together individuals from various sections of the organization, may be

Consequently, the issue for organizations is to modify people's opinions about individuals in other parts of the organization in order for them to operate more successfully together. The key to success in this process is good communication, since it is via this that perceptual preconceptions or biases may be modified. It is fairly commonplace for organizations to provide training weekends or days, bringing together employees from all sections of the organization, in order to address these issues and enhance communications across the organization. The Johari Window is one strategy that might be employed here[7], [8].

As shown in 2.4, a human has four regions of awareness. The top left-hand box indicates the 'public' open area, that which others know about the person and that the individual knows about himself or herself: 'Mr Scholes is very young and works in the Marketing Department,' for example. This region may initially be restricted in extent, occupying just a small portion of the square, and is most likely influenced by perceptual stereotyping and prejudice. The 'blind' part refers to features of an individual's behavior that are known to others but are unknown to the individual, such as a bothersome personal habit or trait. The 'hidden' part refers to aspects of a person that are known to the individual but unknown to others. The 'unknown' region may be in the subconscious, and allowing inexperienced persons to investigate there may be dangerous.

When new groups of individuals collaborate, the goal is for individuals to communicate more information concerning themselves to other members of the group as well as for the group to identify aspects of an individual's behavior about which that individual is unaware, preferably without straying into the 'unknown' area. In practice, the majority of improvement is generally achieved on broadening the 'hidden' region, and when this occurs, perceptual stereotypes and prejudices are broken down. If this can be done, more favorable impressions can be established amongst employees

from the various sections of the firm, enhancing communications and the flexibility of the organisation. This notion might also be used to integrate the management of two organizations that have amalgamated, as well as in the context of joint ventures and strategic alliances. Perceptual issues may develop at the worldwide level, as seen in 10, and the process of breaking down national perceptual preconceptions may potentially decide the success of multinational alliances or undertakings.

Would organizational transformation result in greater conflict due to psychological contracts?

According to Roehling, the term "psychological contract" was used by Argyris in 1960 and Levinson et al. in 1962, but the notion was significantly advanced by Rousseau's work, which examined duties between employers and workers based on perceived agreements between them. These promotions are 'psychological' in the sense that they are not written contracts but rather reflect workers' expectations and perceptions. Employees, for example, are provided the security of long-term employment as well as prospects for professional advancement within the organization in exchange for their loyalty and devotion to the organization. This has historically been the situation in many public sector businesses where staff thought they had 'a job for life'.

Psychological contracts have come to the fore in recent years as a result of fast organizational transformation when there was previously a slow pace of change. This might be due to privatisation and deregulation, or simply to a significant growth in competitiveness, both locally and abroad. Hence many organisations have experienced drastic transformations, including 'downsizing' or 'delayering'. Flatter organizational structures have been developed, allowing organizations to adjust to fast environmental changes more swiftly. These developments have resulted in a re-evaluation of the psychological contract, particularly from the viewpoint of workers who see change as being imposed from on high, with little consultation. Employees are increasingly seeing a shift away from "relational contracts," which are based on a long-term relationship between the organization and the employee, and toward "transactional contracts," which are frequently of shorter duration and may carry additional burdens for the employee, as well as greater uncertainty and potentially higher levels of stress. One strategy to promote this transition is to enhance the use of performance management, in which essential components of the psychological contract, such as career development, bonuses, and, by extension, job retention, may be contingent on the employee's success in the performance review. According to Styles, performance management is being utilized to move organizational attitudes away from relational-style contracts and toward transactional-style contracts.

At this stage, we must assess if the change in the psychological contract would affect the individual's connection with the organization and whether it may lead to



Vol 10, Issue 5S, May 2023

conflict inside the organization. According to Hendry and Jenkins, changes in the psychological contract, particularly those associated with longer hours, less security, and more stress, will almost surely result in changes in employee views. If workers believe that the organization has broken the old psychological contract, they will feel more helpless, lose faith in the organization, and therefore be less loyal to the organization, according to the authors. Individual behavioral features and how people react to the perceived shift in the psychological contract may determine whether there will be more conflict in the organization. Sparrow thinks that some persons will be more adaptable and regard the shifting nature of work towards transactional contracts in a good light and potentially as a way of progress. But, it is also clear that many people, who are naturally averse to change, would see the shift negatively. Some may choose to react by 'getting out' by means of early retirement, but others may attempt to respond by 'getting even' with an organisation they believe has let them down; and it is in this area that the possibility for conflict in the company may develop.

Guest and Conway discovered that when there is a positive psychological contract supported by high levels of communication between employers and employees, it can have a positive effect on business performance due to increased employee commitment and satisfaction, but they also discovered the negative effects mentioned above when the psychological contract breaks down. With the move to knowledge workers in the twenty-first century, many employees will have more discretion over how they do their job, and if they believe they are being treated properly, they will utilize this time discretion constructively, which may lead to high performance working.

### A. Emotional toil

The emerging field of emotional labor is another area where change has the potential to produce individual conflict. Hochschild defined this idea as the induction or suppression of emotion in order to maintain an external image that gives people the impression of being cared for in a convivial secure environment. It was historically associated with women's employment and the role of the mother in the home, and Smith and Gray expanded on this while studying the nursing profession, which is experiencing fast change. As James says, emotion management is crucial when dealing with other people's sentiments, but it may be taxing on the person[9].

This may be heightened when emotion management is required as part of the work, and when organizations may implicitly or overtly dictate what emotions are to be conveyed and how emotions should be expressed, even if this requires the employee to act. Individual conflict may emerge if what the employee is required to communicate differs with what the person feels, since this may result in emotional dissonance and, as a result, emotional tiredness. Totterdell and Holman investigated this possible contradiction while studying emotional labor in call centers. Today workers are required to show good sentiments all the time, irrespective of

their particular feelings. Employees who were naturally cheerful felt less tired and fatigued than those who were less optimistic and often had to fake emotions over the phone, resulting in a greater degree of emotional exhaustion. This might have broader ramifications for industry personnel retention and recruiting.

#### **B.** Managerial implications

An understanding of organizational behavior at the individual level has a number of consequences for managers. They include: A manager must recognize that the organization is made up of people with a variety of personalities and behavioral tendencies. As a consequence, the outcomes of managerial activities may change depending on the persons involved. Personality tests may be used to determine behavioral traits in people, but they should be utilized and interpreted with caution. Managers must be aware of how perception influences an individual's behavior in relation to others in the organization. Perceptual bias and stereotyping may impair the perceptual process, but good communication, including the use of the Johari Window technique, can significantly alter these perceptual distortions.

Managers should be aware of how values and attitudes emerge in individuals and how they may connect to the organization. Managers may be required to modify attitudes in an organization when confronted with a changing circumstance or while attempting to improve the company culture.

It is beneficial for the manager to be aware of how learning happens at both the individual and organizational levels. Managers will benefit from understanding cognitive types as the number of organizations that rely on "knowledge employees" grows. Good decision making is critical to the organization's well-being, particularly when more choices are made farther down the organization. Understanding the decision-making process and how it becomes corrupted is valuable.

This should have provided an understanding of: the complex nature of the factors that influence personal behavior; how trait, humanistic, and psychodynamic theories can explain personality; how the perceptual process works and how it is affected by perceptual stereotyping, selective perception, the halo effect, and self-fulfilling prophecies;

The importance of attribution theory in increasing our knowledge of how we view our own and other people's behavior; the process of individual learning, the differences between the behaviorist and cognitive philosophical schools on this topic, and how learning may be influenced by cognitive styles; the process of decision making, how it can be explained in terms of both the rational model, the bounded rational model, and the garbage can model, and how it can be influenced by cognitive biases; Communication, change, and conflict may all influence or be influenced by features of human behavior, including the Johari Window, psychological contracts, and emotional labor.

This has attempted to provide an overview of some of the



# Vol 10, Issue 5S, May 2023

major ideas that may assist us in understanding elements of individual behavior in an organization. An organization is the gathering together of people to pursue a shared goal, but we must recognize the variety of human behavior that is likely to occur when individuals 'organize' themselves together. As a result, the risk of trusting that organizations would be guided by reasonable and logical acts and behavior should not be underestimated. These concerns are becoming more significant as we enter the age of 'post-Fordism,' with the trend toward organizations being more flexible in increasingly complicated corporate situations. These flatter and more flexible organizations place higher demands on their employees. The development of behavior, attitudes, beliefs, learning, and decision making takes place against a continually shifting background. As we saw in our examination of the implications of psychological contracts, one of the hazards offered to people by fast change is the possibility for greater conflict, as well as increased stress and insecurity. They will put an ever-increasing focus on the role of communication in the organization, since it is only through good communication that perceptions, attitudes, and beliefs about change can be adjusted, and individuals can learn about the potential benefits of change[10]. Without good communication, current values, perceptions, and beliefs may harden, and people may eventually want to oppose change, resulting in increased conflict inside the organization.

#### III. CONCLUSION

Everyone has knowledge, resources, and interests from which to create. Instructors play an important role in supporting students to engage their knowledge, expanding on students' understandings, correcting misunderstandings, and watching and interacting with students throughout the learning process. The third step of Kolb's learning cycle is known as Active Experimentation. The learner uses freshly gained ideas and concepts in real-life settings at this level and examines if the cycle changes. The experiences gathered thus serve as the beginning point for the following cycle.

#### REFERENCES

- [1] S. K. Chiu and J. Lee, "Innovative experiential learning experience: Pedagogical adopting Kolb's learning cycle at higher education in Hong Kong," Cogent Educ., 2019, doi: 10.1080/2331186X.2019.1644720.
- [2] M. K. Watson, J. Pelkey, C. Noyes, and M. O. Rodgers, "Using Kolb's learning cycle to improve student sustainability knowledge," Sustain., 2019, doi: 10.3390/su11174602.
- [3] R. Vince, "Behind and beyond Kolb's learning cycle," J. Manag. Educ., 1998, doi: 10.1177/105256299802200304.
- [4] C. Shoulders, "Kolb's Experiential Learning Cycle," Cascade J. Knowl., 2020, doi: 10.46290/cjok000008.
- [5] D. Wallace, "Parts of the Whole: Theories of Pedagogy and Kolb's Learning Cycle," Numeracy, 2019, doi: 10.5038/1936-4660.12.1.17.
- [6] University of Iowa, "David Kolb's Learning Cycle," Cent. Teach., 2017.

- [7] K. Schultz, L. McEwen, and J. Griffiths, "Applying Kolb's Learning Cycle to Competency-Based Residency Education," Acad. Med., 2016, doi: 10.1097/01.acm.0000479943.21563.6f.
- [8] T. Secheresse, P. Pansu, and L. Lima, "The Impact of Full-Scale Simulation Training Based on Kolb's Learning Cycle on Medical Prehospital Emergency Teams: A Multilevel Assessment Study," Simul. Healthc., 2020, doi: 10.1097/SIH.00000000000000461.
- [9] S. H. Halili, N. Mohsin, and R. A. Razak, "Student Perceptions towards the Use of the Mobile Flipped Classroom Approach," Int. J. Web-Based Learn. Teach. Technol., 2021, doi: 10.4018/IJWLTT.20211101.oa3.
- [10] N. Cotič, J. Plazar, A. I. Starčič, and D. Zuljan, "The effect of outdoor lessons in natural sciences on students' knowledge, through tablets and experiential learning," J. Balt. Sci. Educ., 2020, doi: 10.33225/jbse/20.19.747.



Vol 10, Issue 5S, May 2023

# Distinction Between Content and Cognitive Traditions

#### Dr Xavier V.K

Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India xavier\_vk@cms.ac.in

Abstract—Cognitive learning, as opposed to the conventional classroom approach of learning, relies on prior knowledge. It teaches you to reflect on the topic and relate it to prior knowledge for deeper learning. In this chapter author is discusses the expectancy theory.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

While motivation is an important aspect in individual, group, and organizational performance, its definition is up for discussion. Motivation may be defined broadly as an individual's effort, perseverance, and direction of that effort. Simply said, motivation is the will to succeed. It may be more useful to discover the qualities that are usually connected with highly driven people. Such folks are often regarded to continuously accomplish at work while displaying energy and excitement. They typically collaborate with others to address organizational challenges or barriers to advancement, and they routinely demand and accept increased responsibility. They may also be more open to organizational change. Employees that are demotivated, on the other hand, may look disinterested and may view difficulties and concerns as insurmountable impediments to success. They may have poor attendance and time-keeping records, as well as an uncooperative and resistant attitude to change. Organizations that can excite their staff are clearly more likely to accomplish their organizational goals.

This focuses mostly on individual workplace motivation. It investigates the impact of organizational change, communication, and conflict on employee motivation and is backed by a number of case studies published later in the book, most notably Case Study 2, 'Organisational transformation: multiskilling in the healthcare industry'. The investigates expectancy theory as a valuable analytical framework and as a vehicle for investigating the probable nature and origins of motivation in considerable depth. Moreover, topics like as intrinsic and extrinsic incentives, human needs, and environmental stimulation are covered. We contend that a variety of perspectives often complement one another and provide depth to our knowledge of this complicated issue. The study also looks at how job design and role characteristics might be improved to guarantee a more engaged workforce [1], [2].

After empirical research operations, motivation theory was created, mostly in the United States. It has come a long way from the old or classical methods that believed workers performed rationally in order to maximize the economic

return on their labor. This logical economic notion stated that labour was intrinsically unpleasant and that pay rewarded employees for their efforts. Individuals perceived the amount of money they made to be more important than the kind of the work they did. Humans, it was thought, could be expected to accept any kind of job if well compensated. Most motivational models and techniques may be classified as either content or process theories. Process theories concentrate on how a range of personal characteristics interact and impact human behavior, while content theories aim to uncover and explain the elements that energise or drive individuals. Often frequently, the two sets of beliefs are compatible; in fact, when combined, they give significant insight into workplace motivation.

Moreover, motivation theories are derived from either a behaviouralist school, in which human behavior is deemed reflexive and instinctual, a reaction to particular positive or negative environmental cues, or a cognitive tradition. In the latter situation, it is presumed that individuals are aware of their aims and behaviors, and that they behave logically and purposefully. Behaviour modification and reinforcement theories are deeply rooted in the behaviouralist paradigm. They overlook the individual's inner condition, which is the domain of the cognitive school, and instead concentrate on the consequences of people's actions.

### II. DISCUSSION

# A. Distinction between process/content and cognitive/behavioural traditions

Motivation and learning are often related with behavior modification theory. It broadly implies that behavior is a function of its consequences, that is, the result of one behavior influences the type of subsequent behavior. People generally react favorably to encouraging input and/or consider adjusting their behavior if it leads to unfavorable feedback, thus both positive and negative reinforcement may improve the strength of a behavior. A study of students indicated that when provided feedback on their performance compared to others, participants reported increased feelings of competence and more work pleasure.



# Vol 10, Issue 5S, May 2023

Negative feedback, on the other hand, should not be mistaken with punishment, since the former is typically constructive. Punishment, particularly when employed arbitrarily, may have unexpected repercussions. It may, however, diminish a specific behavior if it is swift, fair, private, instructive, concentrated, and not followed by incentives. Moreover, by failing to promote certain good behaviors, managers may urge such behaviors to be shown less often. Employees are dehumanized, according to critics of workplace behavioral modification or shaping. This section defines expectancy theory and investigates different process and content theories that provide light on the nature of workplace motivation.

Since the 1930s, expectancy theory has evolved as an alternative to behaviorist approaches to motivation. It contends that individuals behave based on their cognitive expectations that a given behavior would result in specified desired outcomes. The theory, with all of its subsequent developments, offers a popular explanatory framework for a variety of employee behaviors, such as levels of motivation, performance, employee turnover, and absenteeism, as well as leadership effectiveness and career choice.

Vroom, an American psychologist, built on the original work of Tolman and Honzik to create a comprehensive explanatory theory of workplace motivation. It stated that motivation to conduct in a given manner is influenced by an individual's anticipation that behavior would result in a specific outcome, multiplied by that person's liking or valence for that outcome. For example, if an employee expects to get promoted in the future by working hard and long hours, and if that individual values advancement highly, we could anticipate that employee to exhibit such behavior. According to Vroom, subjective probability, or the individual's assumption that his or her behavior will result in a certain outcome, drives human behavior. Motivation = Expectation Valence is the basic expectation equation [3].

It is considered that an individual's degree of motivation stems from his or her conscious decision-making process: a logical appraisal of the anticipated outcome of their behavior. The theory also takes into account the importance that each person puts on the projected result. The underlying premise acknowledges that people differ: we are unlikely to value the same outcomes equally. The theory also seeks to quantify the level of motivation by a simple formula that involves multiplying the person's assessed likelihood of an anticipated result by the value or valence the individual sets on that outcome. A small personal example will help to demonstrate this.

# B. An example of the expectation theory

A university instructor believed she would get promoted within five years provided she published research, produced new courses, handled finances efficiently, and shown a willingness to adapt and move the organization ahead. It was her own likelihood or anticipation. She cherished the idea of promotion at the time because she thought it would allow her

to manage the changes she saw as vital, to more fully use her talents and abilities, to develop herself and accomplish new results, and to earn a bit more money. She would rate her valence as +0.9 on a scale of -1.0 to +1.0. As a result, she felt at the time that by acting in a certain manner, which required a great lot of hard and careful effort, she would almost certainly attain a highly desired outcome [4].

Her motivation was as follows: M = E V or Motivation = 0.8 0.9 = 0.72 The greatest possible score is +1.0, while the lowest is —1.0. If the score is positive, the person is more likely to act in the way that he or she expects will result in the desired outcome. In this scenario, a score of +0.72 is fairly high and positive, indicating that she would be highly motivated to work. That she accomplished, and she now obtains the coveted promotion. According to expectation theory, she made a subjective but reasonable choice; others may claim it was a planned risk.

It is worth noting, however, that despite her extensive grasp of expectancy theory, she did not do the computation described above. It did not prove to be a valuable tool or source of direction, despite the fact that it was never meant to be. Expectancy theory is based on human behavior observations and seeks to portray the cognitive process that humans are likely to go through. She may now consider the idea and argue that it has some merit in this circumstance.

Locke provided a simple and intuitively attractive cognitive explanation of motivation that has significant parallels with the expectation method. According to goal theory, people will be more motivated and perform better if they are given clear objectives that are demanding yet acceptable, and if they are provided feedback on their performance. Several studies seem to back up his theory, and goal setting is now a common approach in businesses. Goals impact behavior in four ways, according to Locke et al. They direct attention; mobilize effort; foster perseverance; and facilitate strategy creation.

It is suggested that self-evaluation and self-monitoring in relation to goals are essential. This has also been shown to be critical for effective individual learning, with one research finding that persons who got instruction in self-regulation processes had lower absenteeism. According to studies, difficulties in obtaining a high-order goal tends to lead to a move towards a lower-order objective: hence, the concept of a goal hierarchy is seen as helpful, allowing self-regulation and the attainment of longer-term goals.

Organizational bureaucracy often make goal formulation difficult, dissipating the potential motivating effects of methods like management by goals. In dynamic workplaces, yearly targets or individual goals may also fail to recognize the need for change and flexibility. Moreover, with an increased focus on the importance of cooperation in organizations, individual objectives and incentives may be seen as divisive or even counter-productive. Lastly, individual acceptance of objectives is required, hence



Vol 10, Issue 5S, May 2023

participatory goal formulation is seen as critical to improving performance [5], [6].

#### C. Porter and Lawler's expectancy model

The fundamental expectation model has been expanded further, most notably by Porter and Lawler, whose model contains additional, presumably realistic, factors and highlights some possible management consequences. It gives insight on the nature of the link between employee happiness and performance in particular. Porter and Lawler's approach extends current research by arguing that performance is influenced not just by effort but also by an individual's strengths and qualities, as well as his or her role perceptions. This lends an element of intuitive realism.

Performance results in two kinds of rewards. Intrinsic incentives are intangible, such as a feeling accomplishment or growth, recognition, responsibility, while extrinsic rewards are more concrete, such as money and working conditions. It might be claimed that the link between intrinsic rewards and performance is both more direct and immediate than that between performance and extrinsic rewards. As a result, Lawler contends that intrinsic incentives have a greater effect on motivation than money or promotion. Similarly, Herzberg contends that intrinsic incentives have a stronger and more direct impact on worker satisfaction than extrinsic rewards. This has been understood for some time, with Blum arguing that 'the primary fault in industry has been the oversimplification of the idea of motivation'. Herzberg's two-factor theory, as described below, gives insight on the motivating impacts of these two types of incentives and ads to our knowledge of workplace motivation.

After the receipt of benefits, the person evaluates the equity of the prizes obtained via social comparison. Adam's equity idea is examined more below. If the person believes that the incentives he or she is receiving are equip, that is, fair or reasonable in contrast to those obtained by others in comparable positions inside or outside the organization, that individual will be content. The valence of rewards is thus influenced by the perceived degree of satisfaction: if an employee is unsatisfied, the valence or value of such awards is likely to be low. As a result, if incentives are viewed as appropriate and equitable, performance and hence satisfaction improve. A good or virtuous motivational loop may arise [7].

Tyler and Bies propose five elements that impact perceived equality through contributing to workplace fairness perceptions: Appropriate consideration of an employee's opinion; Suppression of personal bias; Consistent application of criteria among workers; Provision of timely feedback following a discussion; Providing employees with acceptable reasons for a choice. If we return to the situation presented in Mini-case 3.1 of the woman who was promoted and evaluate the repercussions of her not being promoted, we can see how workplace imbalance might be a problem. She was 80% positive that if she put out effort in a number of particular

areas, she would get promoted, a desirable result. If a colleague had gained promotion ahead of her, she may have felt disgruntled if she had believed that the successful colleague had failed to exhibit better abilities in the crucial areas of performance than she herself had demonstrated. As a result, she may have felt demotivated as a result of a sense of injustice.

# D. Expectancy theory makes many key assumptions, including:

The recognition that various personal and environmental factors influence individual behavior; an individual makes a series of decisions or choices about his or her behavior and acts rationally in that process, taking note of any available information; people are different and have a variety of needs, drives, and sources of motivation. As a result, what works for one person may not work for another. The complexity of expectation theory is both a benefit and a curse. Its complexity better resembles reality, but it makes scientific verification of its essential assumptions difficult. The model often assumes that individuals are rational and objective: this may be a false assumption. Individuals, for example, vary greatly in their view of equality, the importance they put on certain incentives, and their personal requirements from, and expectations of, labor. Yet, research has validated some portions of the paradigm. Pinder discovered that both valence and anticipation were connected to workplace effort and performance, while Campbell and Pritchard demonstrated that an individual's motivation is impacted by the value this person sets on predicted benefits. Moreover, according to their findings, individuals must think that their efforts will result in improved performance and that their performance will result in the desired results in terms of rewards. Therefore, for many everyday tasks at work, habit or social norms may be a more common foundation for motivated behavior. This indicates that employees will not always go through the expectation theory process before exhibiting motivated behavior [8].

Imagine two graduates with upper second-class degrees who begin 'serious' employment in the late summer following graduation. Milan was hired in a comprehensive inner-city school in Leicester. He had always wished to assist secondary school students in achieving what he had. The pay, although not tremendous, was adequate: it was definitely considerably more than he had ever been accustomed to. His Head of Department informed him that if he settled in well, maintained excellent classroom discipline, his students loved his lessons, and their test scores were above the school average, he would not only pass his probationary term but also have a bright career ahead of him. Over a year or two, he may even rise to second in the department, allowing him to make an even bigger impact to student performance. This is all Milan desires: the opportunity to make a difference in the lives of youngsters, to help them succeed by succeeding himself. Moreover, he the degree to which various results are valued by people in the workplace is determined by their



Vol 10, Issue 5S, May 2023

specific demands. It has been suggested that persons have a set of hierarchically connected demands that serve as a source of motivation. Some 'needs theories' contend that people's basic wants or needs differ from one another, and that as a result, their sources of satisfaction and motivation will likewise differ. Maslow's needs hierarchy is perhaps the most often recognized needs theory. Regrettably, it also deserves to be criticized: empirical data does not support its fundamental claims, and it is profoundly ethnocentric. As a result, we will just briefly explore it here before moving on to more recent modifications and, in more depth, McClelland's work.

#### E. Needs hierarchy

Maslow, a sociologist, proposed in 1943 that humans are driven to meet a set of wants that are prioritized hierarchically based on their prominence. Consequently, man's most fundamental wants for food and water are sought at any costs until that need has been met. After his fundamental physiological requirements are addressed, he will turn his focus to a higher-order desire, security. Additional fulfillment is then obtained by association with others. People who have enough physiological, security, and social attachment may be driven to seek the regard of others as well as their own self-respect or self-esteem. Ultimately, man will try to self-actualize, to realize his potential, and to accomplish something other than the urgent demands of his body and social group. Maslow also proposed that freedom of inquiry and expression, as well as the desire for knowledge and understanding, are necessary precursors for satisfying other wants.

The concept implicit in this hierarchy is that humans would attempt to satisfy a higher need when lower needs are met: that is, the desire for self-actualization, for example, gets greater when esteem requirements are met but remains weak or non-existent until these lower-level wants are met. According to the paradigm, once lower-level requirements are met, they no longer function as sources of incentive. Individuals must be provided the option to fulfill a desire at the next level in the hierarchy in order to be motivated. Maslow recognized that this was not a permanent order and that for some, self-esteem, for example, may be a more potent motivation than connection or love of others. Similarly, for some individuals, especially creative ones, the drive for self-actualization may even outweigh the motivation to meet some fundamental physiological needs. In contrast, some individuals who may never be motivated to pursue higher-level desires may be pleased with enough physiological and social fulfillment. He also stated that a lower-level need does not have to be completely fulfilled before a person is driven to strive to satisfy higher wants; these lower-level needs would still have some, but limited, valence. It is not an essential necessary to be nourished and socially satisfied before seeking any kind of self-esteem. But, he contended that if lower-level requirements were not met, they would take primacy. He also claimed that the idea was

more or less globally applicable, and that it was neither ethnocentric nor culturally influenced.

Applying this theory to the workplace is tricky, however it should be noted that Maslow did not intend for this theory to be a management or organizational tool. Nevertheless, it has not received unquestionable empirical backing. A number of issues and flaws have been identified. Individuals often meet higher-level requirements via non-work-related activities. People vary, and as a consequence, some value certain requirements more than others. According to research, when managers rise within organizations, their desire for security and safety decreases, but their need for sociability, esteem, and self-actualization increases. This same study reveals that even after achieving significant achievement in these areas, people seldom fulfill their higher-order desires and continue to seek for status and autonomy. Satisfaction does not always imply drive, nor does it always result in enhanced job performance. While it is often assumed that "a contented worker is a more productive worker," multiple studies have shown that a straightforward correlation between working attitudes and job performance does not always exist. For example, although participatory decision making has been shown to increase work satisfaction, studies show it has little or no effect on performance.

Nonetheless, there is a correlation between work happiness and absenteeism, employee turnover, and the occurrence of both physical and mental health issues. Additionally, the model is ethnocentric in nature. It is mostly applicable to Americans and may not be the primary motivators for persons of Chinese ancestry, for example, where social requirements, the desire for connection and belonging, may be a more basic source of motivation than personal physiological demands. Maslow's hierarchy of wants was modified for the workplace by aldermen, who offered three types of demands.

#### F. Existence, Relatedness, Growth

In contrast to Maslow's rigorous, hierarchical sequencing, Aldermen's concept proposes that needs might be triggered concurrently. For example, a person may be motivated by a desire for money, companionship, and the potential to gain new skills all at the same time. This has an instinctively inviting quality about it. Consider an 'average' full-time student; they typically enroll in university courses because they believe that success will lead to greater professional opportunities and a higher-paying job in the future. They also recognize that they will be meeting a lot of other kids and will most likely have a nice time socially. All of this while learning new skills and growing as a person. University has been and will continue to be a desirable 'product' for decades. Alderfer also proposed that if higher wants are not met, a person would relapse to lower-level demands. This phenomenon is known as the frustration-regression effect. While this model is more widely accepted than Maslow's, its broad statements make it harder to test[9][10].



Vol 10, Issue 5S, May 2023

#### III. CONCLUSION

Cognitive development has proven that brains are formed via a variety of influencing variables rather than a consistent blueprint or natural knowledge. For example, if we want our children to have a solid command of the language, we may focus on phonemic awareness early on. All data suggests that persons of various races have no genetic differences in cognitive capacity. It is a psychological method that tries to explain human behavior by studying your mental processes. For example, a therapist is applying concepts of cognitive theory when they educate you how to detect dysfunctional thinking processes and turn them into constructive ones.

#### REFERENCES

- [1] O. Morin, "Reasons to be fussy about cultural evolution," Biol. Philos., 2016, doi: 10.1007/s10539-016-9516-4.
- [2] M. Iori, "Teachers' awareness of the semio-cognitive dimension of learning mathematics," Educ. Stud. Math., 2018, doi: 10.1007/s10649-018-9808-5.
- [3] M. H. Erdelyi, "The unified theory of repression," Behav. Brain Sci., 2006, doi: 10.1017/S0140525X06009113.
- [4] Z. W. Pylyshyn, "Mental imagery: In search of a theory," Behavioral and Brain Sciences. 2002. doi: 10.1017/S0140525X02000043.
- [5] A. Kamp, "The Conceptualization of God's Dwelling Place in 1 Kings 8: A Cognitive Approach," Journal for the Study of the Old Testament. 2016. doi: 10.1177/0309089215613901.
- [6] E. Garber, "Craft education in finland: Definitions, rationales, and the future," Int. J. Art Des. Educ., 2002, doi: 10.1111/1468-5949.00308.
- [7] M. A. Lewin, "Kurt Lewin's View of Social Psychology: The Crisis of 1977 and the Crisis of 1927," Personal. Soc. Psychol. Bull., 1977, doi: 10.1177/014616727700300203.
- [8] G. Capano, "Administrative traditions and policy change: When policy paradigms matter. The case of Italian administrative reform during the 1990s," Public Adm., 2003, doi: 10.1111/j.0033-3298.2003.00371.x.
- [9] S. Kontos, "An application of cognitive-developmental theory to the identification of gifted children," Roeper Rev., 1982, doi: 10.1080/02783198209552671.
- [10] S. Franchi, "Homeostats for the 21st century? Simulating Ashby simulating the brain," Constr. Found., 2013.





Vol 10, Issue 5S, May 2023

# McClelland's Achievement Theory

#### Dr. Hemanth Kumar

Assistant Professor, Department of Marketing, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

dr.hemanthkumar@cms.ac.in

Abstract—According to McClelland's Human Motivation Theory, everyone possesses one of three basic driving motivators: the drive for accomplishment, affiliation, or power. These motivators do not come naturally; we acquire them from our culture but also life experiences. Achievers like solving challenges and achieving their objectives. In this chapter author is discusses Adams's model

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

McClelland's work is perhaps more significant and potentially valuable to managers and scholars striving to understand workplace motivation. According to McClelland's need accomplishment theory, persons develop and acquire three fundamental needs as a result of their life experiences. These are the requirements for:

#### Power, Affiliation, and Accomplishment

People acquire a dominating bias or concentration on one of the three requirements. Those with a high accomplishment demand, for example, desire environments in which they have personal responsibility for issue solving, project management, and overall performance, where feedback is often clear and swift, jobs are moderately tough, and creativity is necessary.

If we assume that each person's combined success, affiliation, and power requirements total 1.0, we have a lot of room for individual variance depending on the intensity or prominence of a given need. This gives a relative assessment that may help us better understand ourselves and others in the workplace. We may create three distinct and severe circumstances. Individual A, for example, has a high need for accomplishment, a moderate need for power, and a low need for affiliation, while B has a high desire for affiliation and a low need for power and success. Person C is pushed or motivated by the need for power rather than success alone, and his/her desire for connection is minimal. Obviously, these are exceptional examples. Such people will, most likely, build completely diverse professions from one another by exploring various means of achieving their demands. If these three people were handled in the same way, as is frequently the case in old bureaucracies, it is doubtful that they would all be satisfied in the workplace. A research conducted in the United States discovered that successful managers had high power requirements and reduced accomplishment needs. Power seems to be the most important factor of success, especially when success is measured in terms of prestige and advancement to senior positions. McClelland differentiated between socialised

power and personalised power, with the former supporting managers and leaders in their efforts to attain organizational and collective objectives, whilst the latter often assists the individual in satisfying his or her desire for dominance. The desire to succeed is connected to entrepreneurial activity and is seen as a necessary component of organizational and national economic success. Managers have greater accomplishment requirements and lower affiliation requirements than non-managers. We are all probably aware of folks who seem to have a strong need for one of McClelland's three recognized drives. Nonetheless, people with high accomplishment demands are often seen as the most important for achieving organizational success. Money is typically regarded a gauge or indicator of success, a kind of feedback for these individuals, but it is not a very powerful incentive in and of itself [1]–[3].

McClelland's motivations are similar to Maslow's self-actualization requirements, esteem needs, and love/social needs. This view, however, acknowledges that the proportional amount or importance of these demands varies greatly across people. McClelland's approach emphasizes the significance of context, or the social environment outside of work, in the creation of wants or motivations, while Maslow and others contend that needs are instinctual.

McClelland's notion that this need may be enhanced by a mix of management action and training is of special importance to managers aiming to inculcate greater accomplishment needs in their employees. Managers, he suggests, should reinforce successes and provide positive feedback, identify role models and successful mentors but also encourage employees to emulate these achievers, modify the self-image of employees with lower achievement needs and encourage them to think of themselves in more positive terms.

This study has important implications for expectation theory. A person with high accomplishment needs, for example, is likely to place a high value on an anticipated result comprising progress, good feedback, more responsibilities, and a new challenge. Similarly, that individual's potential disappointment in not achieving such results would be considerable, perhaps leading to



Vol 10, Issue 5S, May 2023

demotivation and, possibly, departure from the organization. People with stronger affiliation requirements, for example, may be driven by activities and professions tailored to meet their desire to mingle socially and form connections. It should be obvious that, as in the anticipation model, the type of prospective outcomes and incentives would impact people' motivation levels differently [4].

Herzberg's two-factor theory, which focuses on inner and extrinsic motivational variables, contributes significantly to our knowledge of what drives individuals at work. According to the expectation model, it will change what individuals perceive as the worth or valence of certain outcomes, so influencing both their performance and work satisfaction.

Many academics, students, and managers find the two-factor theory attractive, at least intuitively. Yet, when it was initially published, it represented a rather paradoxical notion since it addressed some 'established' assumptions. It implies that a set of so-called hygiene variables might cause discontent if people believe them to be insufficient or inequitable, but individuals will not be particularly motivated if these characteristics are seen to be enough or excellent. Salary or pay, job security, working environment, and business regulations are examples of hygiene aspects that are not intrinsic to the actual employment. The suggestion is, for example, that if an employee's earnings are not as high as he or she perceives to be acceptable, then this can lead to unhappiness. Therefore, even if the employee's salaries are considered to be competitive, this will not be enough to encourage or even entirely please them. These environmental influences cannot maintain motivation, however they may lead to a sense of personal happiness. This contradicts the widely held idea that compensation is the primary, or in some circumstances the sole, source of incentive. Such traditional notion was reinforced in the early twentieth century by the work of Frederick Taylor and the Scientific School of

Taylorism promoted the use of scientific concepts in job design and work administration. It was premised on the notion that if occupations were created to maximize output and people were chosen with the required physical, rather than mental, qualities, pay could be raised: this, Taylor thought, would provide the essential motivation for workers. While productivity increased greatly as a consequence of properly, although mechanically, designed activities and meticulous worker selection, severe disillusionment and demotivation often ensued due to the physically taxing and repetitive nature of the resulting occupations. Yet, despite significant criticism of the work of the Scientific School of Management, the conventional assumption that got ingrained in organizational belief systems was that compensation was a major, if not the primary, source of motivation: this perspective persevered and continues to exist to some degree today [5].

Herzberg also identified a number of elements that, he said, contribute to satisfaction and, at the very least,

improved motivation. These intrinsic aspects include a feeling of accomplishment, acknowledgment from superiors and coworkers, responsibility, and opportunities for personal development and progress. As a consequence, managers should strive to provide workers with access to intrinsic satisfiers while preventing unhappiness caused by the perceived insufficiency of extrinsic incentives. Maslow's higher-level demands are represented by intrinsic rewards, whilst hygienic and external factors correspond to his lower-level physiological and security needs.

#### II. DISCUSSION

I initially obtained a job at a call center. I was delighted about the potential of earning £5.50 per hour, which was a respectable income in compared to my prior job. I expected this to be an interesting job, much better than working in a supermarket or a café. The work was fantastic at first; the first week of training went by quickly, learning about the product and how to manage calls was engaging, and the trainers were enthusiastic. Eventually, we were led to the center and sat in a group to make our first calls. We were tightly monitored as trainees at first, with a team leader on hand to help us if we got into trouble. The first several weeks flew quickly, and I really loved them. Then came the ennui. All of the calls were the same, and dealing with people's concerns from daylight to night became demoralizing. After-call work non-existent, and the pressure to handle as many calls as possible became evident, accepting one call after another with no breaks in between. The promised monthly incentive of £50.00 was contingent on maintaining the call rate as high as feasible. It was also clear that as my confidence grew, the supervisors were less willing to assist with difficult calls and would deny calls when clients asked a supervisor. My colleagues and I were often left alone to deal with difficult and aggressive individuals[6].

I was a 'temp,' and the agency informed me after several weeks that my contract would not be extended. There was no sign that there was an issue with my job, and they had usually appeared satisfied with me. The reason cited was my timekeeping, and I was informed that I had'signed on' to the computer eleven times late. I was not granted a log-in code of my own due to poor communication between departments, and despite making myself ready for work on time, I had to utilize other people's codes, often needing to go and get a code before commencing work.

Staying motivated in a contact center job is quite difficult, in my experience. One agency assigned me to a telesales position that paid £3.00 for each sale in addition to my hourly wage. This, I thought, was a dream come true. I worked for almost three weeks, generating 12-15 sales every day, believing I'd pay off my student overdraft and take a vacation. Then came the crunch. I was informed that I would have to work for eight weeks before receiving my bonus. This was unthinkable, since I would be back at university by then. This was not disclosed to me by the agency. I attempted to



Vol 10, Issue 5S, May 2023

bargain but left quickly, although I'm confident my team leader will benefit from my sales. Telephone employment seems to be the kind of job that can only be done for a limited time. Employers' expectations seem to be unnecessarily high, given that they are hiring humans rather than robots. The capacity to perform at a high level for an extended period of time is definitely a talent that some develop, but anybody capable of autonomous thinking cannot survive such an environment, and whatever number of candy, pizzas, and trifling incentives from team leaders can only be a temporary answer [7], [8].

According to the two-factor hypothesis, the promise of earning intrinsic benefits is more likely to inspire people than the prospect of better working conditions, job stability, or wage increases. Pay increases and other hygienic considerations may be seen as beneficial in the short term, but according to Herzberg, they have only a little impact on long-term motivation in the job. Personal progress, recognition for one's contribution, increased responsibility for the result of an individual's or group's effort, and the nature of the actual job itself will all contribute to motivate on an ongoing and sustainable basis. Kerr has observed that many organizations' incentive systems function to'reward' bad behaviors while ignoring or even penalizing more good ones. While feedback and reinforcement procedures seem to be essential for achieving and maintaining a motivated workforce, many organizational practices and regulations aim to decrease employee motivation, sometimes unwittingly. As a result, when people believe they are not being recognized for a job well done, they become unsatisfied and perhaps under motivated. Prior to Herzberg's studies, it was widely assumed that job happiness and performance were mostly, if not entirely, the outcome of external stimuli such as salary. He suggested the very possible possibility that intrinsic incentives are among the elements that contribute to job satisfaction, motivation, and performance. Few scholars and practitioners currently think that hygienic considerations alone will assure that organizations have motivated, productive, engaged, and creative workers, and the majority recognize the need of considering work life quality as part of the motivation equation and management process.

Notwithstanding the two-factor theory's intuitive appeal, its premises and, especially, its validity may be criticized. Herzberg's initial study used a rather small sample size of professionals. As a result, its applicability to other groups has been called into doubt. Yet, Blackburn and Mann's study of low- to medium-skilled workers discovered a broad variety of orientations and concluded that people are frequently driven by considerations other than income. Several of the respondents in this study were shown to have a main and strong orientation toward many of Herzberg's intrinsic motivators, such as concern for autonomy and job worthiness. It also determined that blue collar employees varied in terms of their primary orientation and most probable

source of job motivation. It did not discover, however, that money and other hygienic issues completely dominated their considerations. Several more research, involving workers from a range of industries, such as nurses, food industry personnel, technicians and assembly staff have, roughly, reproduced the initial results.

Herzberg used a study approach known as the critical event technique, which asks respondents to reflect on their work experiences in hindsight. It may be claimed that such historical reflection may distort 'reality' when respondents analyze causes that lead to contentment or discontent. Some authors, like Vroom and House and Wigdor, have criticized the idea, with the latter claiming that the two-factor approach oversimplifies the various origins of happiness and discontent.

In summary, the theory is criticized for having limited relevance for non-professional or non-manual employees, for simplifying of causes of happiness and discontent, and for being methodologically faulty. It should be highlighted that, despite often well-considered objections, the theory is not disproved, but rather challenged and developed. One may argue that the fact that this hypothesis has received so much critical attention reflects its popularity.

Adams' equity theory provides a particularly important, albeit basic, insight into the link between incentives and the potential pleasure that people obtain from them. It clarifies our comprehension of the expectation model. The degree of happiness and possible motivation that an individual has as a consequence of getting a reward cannot be viewed in isolation. People seem to be driven to obtain what they perceive a fair or equal return for their labor, which influences an individual's degree of pleasure. For example, if anticipation is great, possibly unnecessarily so, folks may feel upset or even tricked if the intended result is not delivered. This perception of injustice or imbalance may lead to dissatisfaction and demotivation [9].

# A. Adams' model has three critical components:

Individual perception and judgment clearly influence the weighting or value assigned to both inputs and results. In the expectation model, these two components correspond to 'effort' and'rewards'. The awareness that people draw comparisons between themselves and others when appraising the size or merit of rewards received distinguishes this from anticipation theory.

If a person believes that the total outputs he or she gets from the organization in exchange for their specific inputs are equal to or greater than those received by colleagues in the firm or peers abroad, they would consider the situation as fair or even favorable. If people are driven to eliminate such discrepancy, the reverse consequence leads to under-reward inequity. This may cause them to reduce their contribution. Inequality, whether actual or perceived, may lead to conflict between people and groups inside and across organizations. It may cause problems in relationships between, say, management and workers if the latter group believes they are



# Vol 10, Issue 5S, May 2023

being treated unfairly. This impression, which is typically shared by a significant number of workers at the same time, is frequently the core cause of union/management conflict, worker dissatisfaction or demotivation, and poor morale. In reality, equity theory has shown to be true. As a result the idea underlies the work of managers and, in particular, industrial relations but also compensation experts in HRM.

Most theories of workplace motivation or satisfaction are based on the premise that essential factors are stable or unchanging. These are often non-dynamic models, in which features of the person, the organization, and the business environment are seen as insignificant or constant. In actuality, the individual, and especially the connection he or she has with a company, is a dynamic phenomena. Individual, group, and organizational responsibilities and goals are always evolving. Change may be a cause of irritation, dread and anxiety or a challenge and fresh source of motivation: possibly even both. Organizational change, and how it is handled and, if necessary, conveyed, may have a long-term influence on the motivation of people engaged.

When individuals join an organization, they'sign' a psychological contract. In other words, they reach an agreement with their employer on anticipated and legitimate behaviors and outputs. This collaborative agreement often contains an understanding of the amount of engagement required of workers as well as the level of assistance provided by the employer. Most people would anticipate equal treatment, some type of engagement in decision making, a certain amount of job stability, and so on. Substantial organizational transformation may disrupt these often assumed expectations. Employers would expect workers to adopt the organizational philosophy and aims, to protect the company's image, and to demonstrate diligence and trustworthiness. Individuals in an organization may have distinct psychological contracts with their employers at any one moment. Substantial organizational changes may not only break that contract, but may also have a range of consequences for various persons. Major disagreement between people and groups, as well as between organizations and individuals, may also break the psychological contract. Such violations may lead to anger and animosity, which can lead to demotivation.

The constant push on organizations to adopt more flexibility has given rise to the flexible organization. Organizations are flattening their hierarchies by delayering and downsizing, outsourcing more, and hiring a smaller core personnel. There is, as a consequence, a rising peripheral group of personnel, some only loosely related to the business. Those inside and outside of the flexible organization are affected by these developments. Individuals are increasingly forced to have multi-skill competencies as roles become larger and more dynamic, and job security is dwindling. These modifications have far-reaching implications for motivation and raise critical challenges for management and employee groups. Paradoxically, multiskilling, cooperation,

and change all need higher levels of individual motivation from workers, yet all may contribute to tension, worry, and uncertainty. These advancements have undoubtedly harmed the motivation equation [10].

The problem of salary and status arises regularly inside organizations and is especially pertinent during particular organizational reform processes. Mini-case 3.4 depicts a difficult situation encountered during organizational restructuring. The possibility for conflict and demotivation is clear in this real-life situation, as is the opportunity for heightened motivation: a thin line lies between the two.

Conflict management in organizations has an impact on individual and group motivation. Contrary to popular belief, fighting may have a good impact. According to research, conflict may stimulate excitement in certain people, although intergroup competition can serve as a form of solidarity and boost esprit de corps inside groups. Schmidt discovered both good and bad consequences of conflict after doing empirical study among management leaders in the United States. Several of these 'outcomes' may have a direct impact on job satisfaction, motivation, and performance in the workplace. He discovered that disagreement may spark creative thought and push individuals to tackle long-standing issues and try new methods. It may inspire introspection, assist individuals in clarifying their opinions, and increase their interest in the subject at hand. It also puts people's talents to the test.

#### **B.** Motivation and transformation

This mini-case study investigates the motivating challenges around compensation and status differentials in the context of change management. All cleaning employees, nursing assistants, and ward clerks at a medium-sized NHS Trust hospital in the United Kingdom formed a flexible, multiskilled, ward-based team of care assistants. Formal status and pay differentials between workers were decreased, and many employees were promoted and earned a basic salary increase as a result. The new streamlined grade and pay system, which applied to all caregivers, minimized status differentials and simplified the formerly complicated bonus programs. Some employees were compelled to adjust their shift pattern and total number of hours worked in any given week. Managers thought it would boost worker morale since everyone would 'feel like they were part of a team' throughout the design stage. This, they reasoned, would be especially true for domestics, who were often unaffiliated with a ward and hence isolated from patients and care assistant colleagues.

#### C. Problem with pay

The suggested pay rates for these new jobs were one of the primary concerns addressed at the change project meeting prior to project execution. All employees would be classified as either Health Care Assistant 1 or HCA2, and their duties would be evaluated to determine which category they fit into. All workers would have their pay safeguarded for a year, which means that even if they were put on a pay grade and



# Vol 10, Issue 5S, May 2023

job rate that was lower than their current pay, their income would not decrease instantly.

Just before implementation, the Director of Human Resources said, 'What I'm interested in is if the basic concepts are correct: that is, are all occupations, nursing, cleaning, and administration ranked similarly, allowing for two classes of these personnel?' The Chief Executive, accountable to the Board of Directors for the Trust budget, noted that he had 'some difficulties with the premise of believing that they are all valued the same. I would have placed cleaning lower on the priority list than administration and nursing. What concerns me is that in order to recruit for administration and nursing, we will wind up with the best paid domestic workers in the area.' 'It's very easy to revert to "old lingo," said the Director of Nursing. Why should those who clean toilets be treated differently from those who make beds?'

#### III. DISCUSSION

Should porters, administrators, and nursing aides be paid the same as cleaners? Using the theories and models offered in this chapter, discuss the motivating implications of these changes. Several of these beneficial results, clearly, seem to inspire thought and action: they excite or motivate individuals. Conflict, on the other hand, may cause unhappiness, demotivation, and poor performance. Schmidt discovered that persons who felt defeated by dispute restricted their interaction with others and harbored mistrust and suspicion.

Parties who needed to collaborate in the interests of the organization tended to seek self-interest, and several study executives departed their organization to avoid conflict. Conflict that is ongoing and severe may have a significant and sometimes long-term influence on an individual's psychological well-being. According to Blake and Mouton, tension, anxiety, and resentment are caused by conflictual circumstances that threaten people' own aspirations and values, making trustworthy relationships hard to sustain. Kohn proposed that there is a direct relationship between conflict and the resulting motivation. Conflict-related stress causes rigidity in behavior and cognition, as well as a decrease in motivation. although it is believed that conflict has benefits in the workplace, the potential drawbacks, particularly with regard to levels of motivation, are potentially severe. As a result, all competent and responsible managers are accountable for the cautious management and control of conflict.

#### **Communication and motivation**

Communication within organizations, particularly between workers and managers, is an essential component of motivation. Strong intrinsic incentives need communication to be obvious. Employees, for example, are more likely to be motivated by recognition and constructive comments from their line boss. It is not enough for workers to perform an excellent job; most of the time, some acknowledgement of it

is required. Also, communication must be two-way. According to expectation theory, humans are driven by efforts to accomplish desired outcomes. Workers must convey their intended objectives to their supervisor. Although one person may be motivated by a year-end bonus, another may prefer to work with a certain team or on a specific project, and conveying these demands is critical if they are to be addressed. Miscommunication, such as giving out erroneous or misleading information, may also contribute to motivational issues. Managers who promise the moon but fail to deliver will not be trusted again, but those who speak clearly and plainly may be trusted and cherished for their honesty.

#### IV. CONCLUSION

Ultimately, providing and getting feedback is an essential component of motivation. Both, giving and receiving, are vital talents to develop and ones which many, including many managers, lack. Poor, negative, or simply nonexistent feedback may demotivate workers, but well-delivered, timely feedback can empower them to strive. Everyone, according to McClelland's Human Motivation Theory, is fundamentally motivated by three needs: achievement, affiliation, or a desire for power. These motivations are acquired via social interaction and personal experience. High achievers like taking on and excelling at new tasks.

#### REFERENCES

- [1] Alex Acquah, Takyi Kwabena Nsiah, Elizabeth Naa Akushia Antie, and Benjamin Otoo, "Literature Review On Theories Motivation," EPRA Int. J. Econ. Bus. Rev., 2021, doi: 10.36713/epra6848.
- [2] M. Ridha, "Teori Motivasi Mcclelland dan Implikasinya dalam Pembelajaran PAI," PALAPA, 2020, doi: 10.36088/palapa.v8i1.673.
- [3] L. L. Moore, D. K. Grabsch, and C. Rotter, "Using Achievement Motivation Theory to Explain Student Participation in a Residential Leadership Learning Community," J. Leadersh. Educ., 2010, doi: 10.12806/v9/i2/rf2.
- [4] H. A. A. Saif and U. Ghania, "Need For Achievement As A Predictor Of Entrepreneurial Behavior: The Mediating Role Of Entrepreneurial Passion For Founding And Entrepreneurial Interest," Int. Rev. Manag. Mark., 2020, doi: 10.32479/irmm.8949.
- [5] N. H. Susanto and C. Lestari, "Problematika Pendidikan Islam di Indonesia: Eksplorasi Teori Motivasi Abraham Maslow dan David McClelland," Edukasia Islam., 2018, doi: 10.28918/jei.v3i2.1687.
- [6] M. J. Arquisola and S. U. Walid Ahlisa, "Do Learning and Development Interventions Motivate Employees at PT Danone Indonesia? Applying McClelland's Theory of Motivation to FMCG Industries," FIRM J. Manag. Stud., 2019, doi: 10.33021/firm.v4i2.780.
- [7] W. Lloyd, "Entrepreneurial motivation: The impact of cultural capital on the 'who' is motivated," Int. J. Bus. Glob., 2019, doi: 10.1504/IJBG.2019.100791.
- [8] H. E. Mansaray, "The Role of Human Resource Management in Employee Motivation and Performance-An Overview,"



# Vol 10, Issue 5S, May 2023

- Budapest Int. Res. Critics Inst. Humanit. Soc. Sci., 2019, doi: 10.33258/birci.v2i3.405.
- [9] D. W. Chambers, "Motivation.," J. Am. Coll. Dent., 2007, doi: 10.1079/9781845932879.0040.
- [10] M. T. Royle and A. T. Hall, "The relationship between McClelland's theory of needs, feeling individually accountable, and informal accountability for others," Int. J. Manag. Mark. Res., 2012.





Vol 10, Issue 5S, May 2023

# Hackman and Oldham Job Characteristic Model

# Dr Sarangapani Nivarthi

Assistant Professor, Department of General Management, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

dr.sarangapani.nivarthi@cms.ac.in

Abstract— According to Hackman and Oldham's job characteristics model, five main job aspects influence specific personal and work-related outcomes, including job satisfaction. Autonomy, feedback, skill diversity, task identity, and task importance are the five key employment aspects established. In this chapter author is discusses the existence of a psychological relationship

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Most incentive theories were developed by Western, generally Anglo-American, males, with little or no emphasis on workplace diversity concerns. They claim to be context-insensitive, universally applicable, or normative models. Individual variances, are significant, particularly those induced by cultural and gender inequalities. Having said that, there isn't a well-developed corpus of study guiding motivation in a variety of circumstances. While much research has been done in comparative management - the study of cultural variations and their effects on organizations - the reader should consider the relevance of motivation theories to both genders and in diverse national and workplace contexts.

In this chapter, some recent work on motivation has been briefly mentioned. We shall now investigate additional current research. Important challenges that have lately engaged scholars have been focused on increasingly complicated settings and professions, such as computing, learning, and long-term performance. Individual differences have been studied, as well as how we might adopt processes that rely on and integrate current ideas [1], [2].

Several of the assumptions contained in various motivation theories have been heavily criticized. Moreover, the usefulness of these models as managerial tools is debatable. Recent research in the discipline has shifted away from proposing all-encompassing generic answers to motivational difficulties. Additionally, as shown in this chapter, another tendency is toward a consolidated view on the key motivation theories, with the goal of identifying and working with the links between various theories. Also, the focus has moved away from the creation of new incentive theories and toward related issues such as leadership and organizational culture. Personnel commitment, as well as engagement and participation in decision making, have been the focus of research and literature.

It is acknowledged that the employment environment is changing fast in many circumstances, and that people's national cultures and subcultures reflect these changes. According to Maccoby, there are five social character types,

each with its own set of primary motivators. He contends that one kind, the self-developer, is more frequent in the present day. They are ideally adapted to the needs of contemporary organizations since they have a higher degree of education and are well equipped with problem-solving, information processing, and diagnostic skills. Such individuals, he contends, are driven by possibilities for expression, challenge, and development. They need managerial commitment to obligations and incentives, as well as involvement in corporate matters and access to information. Obviously, this 'type-environment' fit model undermines Maslow's and others' relatively simple assumptions that requirements are comparable for all persons and are accessible hierarchically.

There has been considerable progress in identifying personality dimensions, and there is some consensus that there are five core traits:

Neuroticism; extrovertism; openness to new experiences; agreeableness; conscientiousness. Conscientiousness seems to be the most closely related to motivation of these five. McCrae and Costa define those high on this dimension as diligent, achievement-orientated and enduring. Lately, scholars have investigated the link between personality and several aspects of work performance. Likewise, conscientiousness seems to be most strongly related to the majority of work dimensions and job performance criteria [3], [4].

Although most classic motivation theories hold that people primarily react to organizational and other external cues, a different approach or viewpoint in the area of psychology holds that humans are not passive receivers and responders. People may actively try to affect aspects that impact the benefits they get. For example, they may use ingratiation, the process by which individuals alter their superiors' perceptions of them, to increase their chances of receiving desired benefits. This might explain why certain workers are more likely than others to get promotions or other benefits.

Those who anticipate to influence or even control performance and reward results for themselves discount such outcomes if they are imposed or selected by another, according to research on intrinsic motivation and



# Vol 10, Issue 5S, May 2023

commitment. Reactance theory states that when freedom and control are challenged people are driven to reclaim or reestablish that freedom or control. Those who recognize or think that they cannot manage their rewards undergo learned helplessness, a process of giving up and diminishing effort, if their efforts to recover independence and control are denied, as they often are in the job. For example, in the often-occurring battle for advancement in organizations, many people are unable to recognize the grounds on which others are promoted. This may lead to the 'unsuccessful' feeling disempowered and powerless, which can be demotivating.

Much attention has been done on intrinsic incentives and the potential demotivating consequences of poorly implemented extrinsic rewards. Malone and Lepper classified intrinsic motivations into three types: Curiosity, excitement, and arousal; competence, mastery, and challenge; personal control and self-determination. A new light is cast on the age-old topic of income as a motivator. While salary is an obvious extrinsic reward, obtaining a bonus, for example, may communicate a feeling of competence and so fulfill an internal need. Similarly, understanding the bonus system and, more significantly, having personal influence over the results to be rated may fulfill the demand for self-determination and control.

Employees are more likely to cycle between motivated and less-than-motivated periods, indicating that intrinsic motivation is not a constant process. Humans create or ascribe false justifications for occurrences such as a person's promotion or the awarding of a bonus. Heider and Kelley have made significant contributions to the field of attribution theory. The four primary causes for success are effort, skill, chance, and task complexity. If an individual owes his or her success to chance, that individual is unlikely to raise motivation to guarantee success continues, however if the individual feels work was the core reason, that individual is likely to maintain a high degree of motivation. Individuals with a strong internal locus of control think that events are within their own control, whilst others ascribe occurrences to external sources. The latter may plausibly argue that they received their recent bonus by chance, whilst the former would argue that they earned it via hard work and competence. Obviously, this research indicates that people vary and that the capacity to inspire workers may be influenced in part by their perceived or actual locus of control [5].

It is now time to shift from a theoretical and, at times, abstract examination of how individuals are driven to a focus on how understanding of motivation theories might impact management in job design. Early concerns about work design centered on efforts to boost individual motivation by emphasizing job rotation, job expansion, and job enrichment. Job expansion entails broadening the scope of the work, often by increasing the number of tasks to be completed. Job enrichment is an effort to expand on Herzberg's two-factor

theory by developing employment that enrich people by increasing their responsibility and engagement, as well as providing better opportunities for progress, accomplishment, and acknowledgment.

Current motivation theory has made major contributions to work design. According to expectancy theory, occupations that emphasize the link between effort, performance, and reward, for example, will encourage employees, particularly those who value an exciting and difficult work experience. In the workplace, Herzberg attempted to apply his two-factor theory. He contended that in order to enrich occupations as a mechanism for assuring happiness and increased motivation, steps must be done to allow people to profit from intrinsic rewards while avoiding possible dissatisfiers. As a result, he proposed seven vertical loading variables, the execution of which may lead to increased motivation. They are links the elements to different intrinsic and extrinsic rewards that may result and provides possible management measures that may be taken to attain each loading type.

#### II. DISCUSSION

#### A. Hackman and Oldham's job character model

Hackman and Oldham, two of the most influential contributions to work design theory, believed that a well-designed job may increase employee engagement. Their work depended largely on the theoretical considerations mentioned above, particularly the contributions of Herzberg and several needs theorists, such as McClelland. They proposed that motivation improves when people acquire three important psychological states: experienced meaningfulness, experienced responsibility, and knowledge of outcomes [6], [7]. There are five employment factors that should foster the three psychological states and, as a result, motivated employees:

A well-designed job that evaluates and includes the aforementioned characteristics results in strong internal work motivation, development, overall satisfaction, and work effectiveness. As a result, the model takes into account internal motivational factors in addition to work features and individual variances. The model may be used to compute the overall' motivating potential score' for any work, particularly when combined with the Hackman and Oldham job diagnostic survey.

This investigation looked at the difficult subject of workplace motivation, drawing on a variety of known and modern theory and empirical study. The following are the key points raised:

Motivation theories can be divided into process and content theories, as well as those based on cognitive principles and those based on behavioralist principles; Expectancy theory is a useful explanatory model of motivation that allows us to consider other process theories, such as equity theory, and content models, including such needs and two-factor theories; Change management,



Vol 10, Issue 5S, May 2023

communication, and people's involvement in the change process, to name a few.

Motivation theories support and lead attempts to enhance work, define activities and responsibilities, and prevent demotivation.

The work of motivation and job design theorists has a variety of consequences for management. There does not seem to be a single generally applicable motivation theory. Nonetheless, the ones described here significantly improve our knowledge of workplace motivation. Motivation is a complicated, dynamic, and culturally bound term, and the reader should be wary of simple' solutions' that purport to supply the answer. If motivating workers were a straightforward administrative activity, most workplaces would be teeming with them. The degree to which they are motivated is determined not just by the quality of management, but also by a variety of other personal and environmental variables. What drives people clearly varies across individuals, is tied to and influenced by circumstance, and is both culturally dependent and constantly changing.

#### B. Teams and groups

Work is increasingly being done in groups and teams, which is a popular and vital component of it. The quickly changing circumstances confronting today's organizations are one of the reasons for this rising interest in work groups and teams. Organizational restructuring is resulting in flatter structures, broader spans of control, and a general decrease in managerial levels. This is followed by an inevitably corresponding growth in employee empowerment. Many of these factors contribute to a greater focus on the value of groups and collaboration. Moreover, the influence of global economic competitiveness, rising workforce diversity, and the developing importance of technology imply that new methods of working within these teams are necessary. Parker has observed that the usage of teams has resulted in enhanced productivity, more effective use of resources, better choices and problem resolution, higher-quality goods and services, and more innovation and creativity in this increasingly dynamic setting. Under this enhanced team concept, team achievements and failures may be dramatic and obvious, making understanding group and team performance a critical part for organizations seeking to succeed in these new settings. This course will look at the notions of groups, psychological groups, and teams. We will also look at some of the aspects that influence their functioning and performance [8].

Before defining and investigating what a group is, it is necessary to understand why individuals feel the need to join in groups and why organizations emphasize their significance. After investigating these broad topics, we will turn our attention to the many sorts of organizations and the needs that those groups serve. We assemble in social settings to satisfy our desire for it. It might be described as a feeling of belonging. Human behavior has always been characterized by group behavior. Humans are, in Aronson's words, "social

creatures," and we often need input and contact from others in order to operate properly as people. Regardless of how tempting and seductive the aforementioned feelings are, they do not provide a whole picture of why groups emerge and individuals join them. Individuals do not join organizations solely to surround themselves with others, though this may seem to be the case at times. Most individuals are members of a number of organizations, both within and outside of work, each of which provides distinct advantages to its members and meets different requirements.

#### C. Security and protection

'There is strength in numbers,' as the saying goes. The sheer presence of another person while watching a scary film might increase our sense of security. We may lessen the uneasiness of standing alone by joining an environmental protest organization, and as a group, we are more resistant to attacks. The situation is no different with organizations. Workers who believe their employment are under danger from new technologies may band together to decrease their anxiety and dread.

Members of a new product design team may feel safer in their judgments since the blame for a faulty decision is shared and distributed among others. Without being aware of it, a group might diffuse the danger. There are few more dramatic instances of individual heroism and success than Ellen MacArthur's astounding round of the world in 71 days 14 hours 18 minutes 33 seconds. It's also a great illustration of collaboration from a distance, and how the single-handed heroics and genius of a team member may sometimes eclipse the team's performance. Ellen has made a point of emphasizing the collaborative aspect of her achievement. During a seven-month period, for example, it took a team of 30 employees more than 30,000 hours to construct B & Q. The complete project was financed to the tune of £4 million by the Kingfisher group utilizing their DIY firm, B&Q, as the principal sponsor. Yet the true collaboration began when she was 'all at sea,' ironically.

# D. Status and affiliation

A recent newspaper headline stated, '£1 million Lotto winner still works'. More investigation reveals that the headline is not as odd as it first appears: the winner is still working to meet a social need, not a monetary necessity. Frequent encounters with a group of individuals we know may help us meet our demands for affiliation and social touch. Needs for companionship and self-worth are addressed on a deeper level. The remark 'I am a member of the British Psychological Society and sit on the committee of the Division of Occupational Psychology' not only expresses one's status to others outside the group, but it also increases the group member's sense of self-worth. Getting invited to join a highly regarded and recognized group might be even more significant in terms of satisfying one's demands for competence, progress, and prestige. For others, public affirmation of one's worth and value is a significant incentive.



# Vol 10, Issue 5S, May 2023

Organizations may provide us with prestige, recognition, and social position among our peers [9].

#### E. Power

The saying "the whole is larger than the sum of its parts" emphasizes an attractive feature of groups: they signify strength. By collective activity, the impossible becomes possible. As we shall see later, informal organizations and networks may often offer a method for individuals to exert power that would not be available to them under the official system. Groups A group may be defined in a variety of ways. A group is defined as "any grouping of persons who feel themselves to be a group" by Charles Handy. Yet, when examining successful or ineffective groups in organizational contexts and scenarios, this is of little utility. In order to determine which of the aforementioned groupings are more than simply collections of people who happen to identify themselves as a group, we must concentrate and clarify our definition.

As a result, the Oasis concertgoers in the above list do not constitute a group since they do not meet all of Schein's requirements. When we say 'groups' or 'group relationships,' we are almost certainly alluding to the presence of a psychological link.

Teams although social psychology still discusses groups and group work, organizations are more interested in teams and efficient collaboration. The emphasis on teams in organizations marks a shift away from a Taylorist view of personnel as expenses and toward a more dynamic view of people as resources. Organizations in the twenty-first century will develop collaborative teamworking cultures and self-directed or self-managed teams, with an increased focus on working across functional divisions and an emphasis on flexibility, empowerment, and creativity.

It is undeniable that collaboration is popular. According to an Industrial Society poll of 500 people managers, 40% worked in organizations with self-managed teams. The typical team consisted of eight individuals, and the key reasons for its utilization were enhanced customer service, greater worker motivation, and output quality. According to a 1996 Dale Carnegie Training study, 90% of American employees spent at least part of their workday in a team situation, despite the fact that only roughly half got any team-work training. Kreitner et al. cite a number of newspaper stories on big corporations that emphasize their commitment to teams and teamwork in various ways. 'All these major multinational firms have placed their future competitiveness on teams and collaboration,' write Kreitner et al. [10].

So what is the difference between a team and a "work group"? Guzzo and Dickson suggest that distinguishing between groups and teams at work is sometimes difficult and is probably a futile task. Martin defines a team as "a small, cohesive group that works successfully as a single entity by focusing on a shared goal." In their seminal study, Katzenbach and Smith provide a more thorough definition: "a

team is a small group of individuals with complementary abilities who are dedicated to a shared purpose, performance objectives, and methodology for which they hold themselves mutually accountable." Moreover, they identify a variety of groups and teams that differentiate between various degrees of collective performance, ranging from working groups and pseudo groups to prospective teams, actual teams, and high-performance teams. Their work is significant because it begins to discriminate between true teams and groupings of individuals that are often referred to be teams but are anything but. It broadens Schein's definition of a psychological group to incorporate more precise collaboration components.

#### III. CONCLUSION

From this preliminary study, Hackman and Oldham developed the Job Attributes Model. This was founded on the notion that the key to retaining motivation is found in the work itself. They discovered that monotonous jobs diminished motivation and productivity whereas diversified ones increased them. The approach does not meet the demands of the individual employee. That is, this model cannot forecast what needs to be incorporated in work design to maximize job satisfaction for specific individuals. The equation leads to the conclusion that feedback and autonomy have a greater influence on motivation than the other factors.

#### REFERENCES

- [1] M. M. Siruri and S. Cheche, "Revisiting the Hackman and Oldham Job Characteristics Model and Herzberg's Two Factor Theory: Propositions on How to Make Job Enrichment Effective in Today's Organizations," Eur. J. Bus. Manag. Res., 2021, doi: 10.24018/ejbmr.2021.6.2.767.
- [2] R. J. Casey and J. Robbins, "the Hackman and Oldham Job Characteristics Model: Implications From Four Industries.," Int. J. Bus. Public Adm., 2010.
- [3] J. L. Pierce, I. Jussila, and A. Cummings, "Psychological ownership within the job design context: Revision of the job characteristics model," J. Organ. Behav., 2009, doi: 10.1002/job.550.
- [4] O. Saheed, "The Applicability of the Hackman and Oldham's Job Characteristics Model to Assembly Line Manufacturing Organisations in Nigeria," UNIUYO J. Humanit., 2018.
- [5] R. Casey and J. Robbins, "Impact of culture on worker motivation in selected economic sectors of the United States and Latin American countries," J. Bus. Behav. Sci., 2018.
- [6] S. Sonnentag, "A task-level perspective on work engagement: A new approach that helps to differentiate the concepts of engagement and burnout," Burn. Res., 2017, doi: 10.1016/j.burn.2017.04.001.
- [7] A. Z. A. Muku, "Job Characteristics Model of Hackman and Oldham in Garment Sector in Bangladesh: A Case Study in Savar Area in Dhaka District," Int. J. Econ. Financ. Manag. Sci., 2013, doi: 10.11648/j.ijefm.20130104.12.
- [8] A. Uruthirapathy, "The effects of an Enterprise Resource Planning System (ERP) implementation on job characteristics: A study using the Hackman and Oldham job characteristics model," ProQuest Diss. Theses, 2001.



Vol 10, Issue 5S, May 2023

- [9] A. Khakpour, H. Habibi, and S. Fathi, "Predict of nursing students job stress on the Hackman & Oldhamâs job characteristics model," Futur. Med. Educ. J., 2018.
- [10] B. Boonzaier, B. Ficker, and B. Rust, "A review of research on the Job Characteristics Model and the attendant job diagnostic survey," South African J. Bus. Manag., 2001, doi: 10.4102/sajbm.v32i1.712..





Vol 10, Issue 5S, May 2023

# Self-directed and Self-managed Teams

# Dr Praveen Gujjar

Associate Professor, Department of Business Analytics, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India dr.praveengujjar@cms.ac.in

Abstract—A self-managed team in the workplace is a group of individuals that work collaboratively to finish a project or achieve a predetermined objective with little to no direct supervision from a manager. Many workers in your organization are likely to exercise some kind of self-management. In this chapter author is discusses knowledge management and organisational learning.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

The concept of self-directed teams arose from research undertaken in the Swedish automotive sector. One of the most well-known tests was carried out at the Saab-Scania Group's engine manufacturing in Sodertalie. The corporation chose to change the plant layout based on previous tests. The new arrangement consisted of a con-veyor loop which shifted the engine blocks to seven assembly groups, each with three members. Each group built a full engine and selected how their work would be allocated and planned. The whole assembly procedure was not mechanically driven; each crew was simply given 30 minutes to build each engine and was free to use that time anyway they saw fit. Needless to say, production grew and labor turnover decreased, as did product quality and absenteeism. The assembly workers became a more cohesive group with genuine ownership and pride in their product. In time, via 'natural' work rota-tion, they each gained all, or most, of the abilities necessary to execute any portion of the engine construction.

The success of these groups led to the 'high-performance teams strategy' utilized by Digital Equipment. As a result, self-directed teams are becoming more popular. Self-managed teams are described in a variety of ways. One of the older descriptions was created by Buchanan: 'A work group is assigned an overarching task and granted authority over how the job is completed. These groupings self-regulate and function without direct supervision.' They may be seen as a small group of personnel in charge of a complete work process or section. Team members collaborate to varied degrees to enhance their operations or products, plan and manage their work, and deal with day-to-day challenges. Adding to this they may even supervise the recruitment and selection of colleague team members, such as their leader or supervisor. They often become engaged in company-wide concerns like quality and business strategy. Salem et al. identified the following as typical 'benefits':

Improved productivity; increased employee happiness, morale, and cohesion; multi-skilled workforce; more flexibility in work procedures; reduced demand for management. Several of the possible advantages stated above

were clearly discovered years ago in the Saab-Scania study involving autonomous work groups. One may argue that the self-directed and self-managed teams of the 1990s are just renamed independent work groups from the 1970s. This critique may be legitimate; yet, self-directed teams have taken accountability and empowerment a step farther than work groups did in the 1970s. Organizations that support and enhance the usage of self-directed teams clearly vary from more conventional organizations in a number of ways:

There are fewer layers of managers and supervisors; reward systems are often skill or team based, rather than seniority based; leaders may be elected by the team; the leader is more of a coach and facilitator than a director or authority; information is shared with all employees; employees learn all of the team's jobs and tasks [1], [2].

Self-directed teams, oriented on learning, shared ownership, trust, autonomy, and flexibility, seem to offer a template for how the organization of the future would work. But, like with the creation of any new style of working, there are challenges. Salem et al. also found several common 'pitfalls,' which include the following: The difficulty of repealing the system after it has been implemented and experienced by the workforce;

Growing peer pressure and its repercussions; varying levels and degrees of resistance by organizational components; Balkema and Molleman address a variety of hurdles to the growth of self-organizing teams. The first category they find has to do with management's opportunities for self-organization. The deployment of self-organizing teams has an impact on the'vertical border' between lower-level management and operational personnel. The manager's position should shift more toward that of a facilitator and coach. Managers may be resistant to such a new role, believing that the self-organizing team structure would jeopardize their status. This scenario may also be an insult to their pre-existing psychological contract, and it may be colored with a concern that they will be unable to facilitate and coach. As previously said, self-organizing teams lower the hierarchy, and managers will realize that this might cost them their jobs or, at the very least, drastically change their positions. Additional difficulties mentioned by Balkema and



Vol 10, Issue 5S, May 2023

Molleman include worker attitudes, worker skills and learning capacities, and impediments relating to the real need for self-organizing teams [3].

Teamwork is considered as a remedy for many of the associated organizational challenges in the current craze for flatter organizations, and self-directed teams are seen as a possible antidote to the accompanying 'unmanaged' hierarchy. I've yet to hear anybody clearly describe what "team account-ability" entails, Levinson Institute CEO Gerry Kraines told Training magazine. Every time we investigated a claim of an exceptionally successful SDT, we discovered that an account manager was involved.' Brower offers the phrase 'empowering teams', which are 'teams that plan, carry out and enhance their value-adding activities. To do this, they improve their members' abilities so that they may function as learning teams and development engines.' What is evident is that creating and supporting "empowering teams" or similar initiatives would need a comprehensive change of our organizational, management, and informational ideas, attitudes, and practices. Most organizations are experiencing a significant transition.

#### II. DISCUSSION

#### A. Communities of practice

With the advancement of knowledge management and organizational learning, a variety of methods have emerged to aid in the collection, transfer, and use of this most valuable of commodities. Certain organizations, such as BP Amoco, have created the concept of communities of practice. They are informal groupings of individuals who are united by a common experience and a desire to work together. They freely share their learning, expertise, and information, fostering and encouraging novel approaches to issues and transferring this learning from one section of the organization to another. Yet, these 'communities' are not always confined by the organization's conventional structure and limits. Wenger and Snyder address engineers from various businesses who are all involved in deep-water drilling and consequently face a variety of comparable difficulties. Several companies form similar networks with their supply-chain partners [4].

With the adoption of remote working methods such as teleworking and the emergence of virtual teams, the need for recording and supporting this transfer of knowledge and learning seems to be growing. Communities of practice are more likely to succeed if the needed interaction builds on existing patterns of engagement, such as small groups of individuals doing similar jobs or existing friendships. Yet, one of the concepts is to create a variety of contacts across individuals, departments, and business units that have not previously had much in common. As a result, these communities of practice will need a fundamentally new sort of 'team' and style of working together, which may not have been fully appreciated inside the organization before.

#### B. Subgroups inside subgroups

Groups and teams may be seen as a series of concentric rings. All groups are defined by the outer circle, which includes psychological groups and teams. All teams are represented in the center circle. Not all groupings are teams, but all psychological groups are. A team must meet all of the requirements for being a psychological group and a group in order to be successful. To summarize our consideration of groups and teams, we can state that teams vary from groups in the degree to which its members are interdependent and that the team as a whole, rather than individual individuals, has performance and reward objectives. The lines between the two are clearly blurred, but the main thing is to recognize that there are certain broad and substantial distinctions between the two. In conclusion, external circumstances may transform a small group of individuals into a fully functional psychological group or team.

#### C. Formal organizations

Organizations' processes and structures are continually being organized and reorganized. This may include disbanding existing groups and forming new ones that are explicitly formed, generally by middle or senior management. Formal groups are therefore purposefully formed in order to meet the organization's common aim as well as particular organizational and departmental goals. They are task oriented and primarily focused with the organization of work operations. They are immersed and ensnared in the organization's fabric, hierarchy, and structure: individuals are brought together based on established roles. The formal group is distinguished by the nature of the duties accomplished. Management establishes rules, relationships, and behavioral norms after identifying and developing goals. They were purposefully designed and organized, recruited for, and assembled by someone [5], [6]. Formal groups are an essential component of organizational structure.

Individuals in formal groups are more analogous to teams formal teams - since they have some commonality of aims, goals, and incentives. They help people to: achieve goals much more haphazardly than in informal groups; coordinate the activities of the organization's functions; establish logical authority relationships among people and between positions; apply the concepts of specialisation and division of labor; and create more group cohesion as a result of a common set of goals.

#### D. Woodcock

Woodcock also sees four phases in the growth of a team. The Undeveloped Team is the first stage. This stage is characterized by sentiments that are not dealt with or even permitted. While the goals are uncertain at this point, any set policy takes precedence. The group is characterized by a lack of common understanding about what has to be done, with the leader often holding opposing views to those being led. Human flaws are concealed because the collective lacks the ability to sustain or remove them. Errors are exploited as



# Vol 10, Issue 5S, May 2023

"proof" to punish individuals rather than as learning opportunities.

2nd Stage - The Experimenting Team. When the team becomes more eager to explore, dangerous concerns arise. There is greater listening than in the previous stage, and participants begin to discuss more personal difficulties and emotions. Almost often, the group grows more inward-looking and may even reject other groups and people.

The Consolidating Team is the third stage. More often than not, the team chooses to take a more systematic approach, which results in a more methodical manner of working. Regulations and procedures are now the team's agreed-upon operational rules, rather than edicts from on high, as they were before. The enhanced relationships and more exciting approaches of Stage 2 are preserved, but they are utilized to establish the ground rules and working processes that the team will follow.

The Mature Team is the fourth stage. The openness and enhanced relationships of Stage 2 are now combined with the methodical approach of Stage 3 to finish the goal of developing a really mature team. High degrees of adaptability become critical. For many scenarios, appropriate leadership is developed. There is efficient utilization of energy and capability. Development is becoming more important since long-term success is dependent on it. Is this team nirvana? Trust, openness, honesty, collaboration and confrontation, and a continuous examination of outcomes become part of the team's way of life.

#### E. Tuckman

The last model offered is perhaps the most often mentioned, owing to the rhythm of its sequence, which makes it simple to remember: forming, storming, norming, performing, and adjourning.

#### F. Forming

Initially, this stage involves bringing together a group of individuals who may be nervous, apprehensive, or doubtful. Obviously, there are few, if any, ground rules in this case. The group is riddled with ambiguity and misunderstanding. Everyone is preoccupied with figuring out who the other individuals are. Members are eager to establish their particular identities in the group and create a personal imprint, which may cause substantial worry, if not terror. The possible lack of concentration and clarity regarding the group's mission, as well as ambiguity about the job ahead and its terms of reference, add to this uneasiness. This anxiety manifests itself in cautious behavior, defensiveness, and scapegoating of forces outside the group [7].

Storming - having climbed the treacherous slope of 'forming', the group now faces the turbulent seas of 'storming'. This is a time of dispute, dissatisfaction, and even conflict, but it is something that every organization must go through. Good may emerge from disagreement, and the group has to remember this at this time. The potential conflict is present because members now feel more

confidence to confront one other, and to voice their opinions more freely and aggressively. There will be some jockeying for positions of authority, as well as disappointment at the seeming lack of progress. The storming stage is crucial because it increases the group's energy level and may lead to substantial changes in creativity and invention. The film Jerry Maguire comes to mind. Jerry, a sports agent and manager, turns and walks away after a heated dispute with a hot-headed football client. The footballer chases him, saying 'Hey, you see that's the difference between us. You believe we're arguing, but I think we're finally communicating!'

Norming occurs when there is a strong feeling of collective identity, when rules, standards, processes, roles, and structure are explicitly formed. Feelings are now constructively expressed and heard! In organisational contexts, it is at this stage that management should act if they are attempting to influence the group since it is at this time that the all-important group norms are produced and entrenched. Intervention is essential since it should not be assumed that what the group puts in place will automatically lead to managerial effectiveness. If the Hawthorne Studies of the 1920s and 1930s taught us anything, it was that group norms can affect, and frequently impose, boundaries and restrictions on a wide range of crucial areas such as productivity and quality. It is far more difficult to change or influence the attitudes and behavior of dysfunctional groups after they have completely evolved, with an entrenched culture and standards.

Performing - Having proceeded through the previous phases, a team will have developed some structure and cohesion in order to function successfully. With these mechanics in place, the team can now focus on achieving its goals. This is the stage at which task performance is most effective. The group should now be tight and supportive, open and trustworthy, resourceful and efficient.

Since most teams have a finite lifespan, Tuckman and Jensen introduced a new step to the model called adjourning. The group may disintegrate because the work and goals have been met satisfactorily or because members have departed. Yet, before disbanding, it is crucial for the group to reflect on their time together - what went well, what didn't go so well, and what, and how, they may do better the next time. Such contemplation may be a significant source of learning for both people and organizations [8].

Sadly, when it comes to people, events do not unfold in a linear form, and teams do not advance in straight and predictable directions. In the 'storming' phase groups may develop a widespread response against all earlier arrangements and this may possibly send the group back into the 'forming' stage. On the surface, this seems to be a backward step, yet it may lead to much more important and imaginative answers and paths ahead. In other cases, some groups may never get to the level of performance, becoming stuck at an earlier stage. Some groups, on the other hand, may



Vol 10, Issue 5S, May 2023

skip from one step to the next, occasionally missing out or jumping over phases.

Teams made up of individuals who are used to working in this manner may go directly to the norming step. The road of team development is not an exact route in the actual, more complicated reality. Every team is unique, and various groups may absorb information differently and go through the phases at different rates. As a consequence, knowing the broad concepts behind these models is more essential than a deep grasp of any particular technique. This information may help us either shorten the procedure or make it better and more successful. Moreover, members of a team who understand the dynamics of group formation are less likely to get stuck in one of the intermediate phases.

#### G. Group norms

Groups acquire normal ways of acting and doing things in a very natural and almost silent manner over time, a development that becomes a shared, 'taken for granted' group psychology. Groups develop habits and rituals that they are unable to explain. Of course, some of these rituals and routines are spelt out for work groups and made explicit in the form of processes, established rules and regulations, and well-accepted working practices. Work groups, however, may create unwritten and more 'informal' standards of behavior or 'norms,' as revealed by the Hawthorne Study. Norms may have a beneficial or bad impact on an organization. Any infractions of group norms are detrimental to group unity, and offenders face punishment, social isolation, or ejection from the group. Incoming members are immediately socialized into the standards and are expected to conform and fit in. Norms may give a group its identity and help it stand out from the crowd.

# H. Roles in a group

There is a pattern of roles that members establish and display in that specific group within the framework of norms that groups have formed. Individuals' positions in a group have a significant impact on its development and cohesion. People will consistently favor some behaviors over others in a normal group activity, such as a team meeting or a seminar discussion. A simple but effective exercise in studying group and role behavior is to separate a team's activities, and hence roles, into 'task/content' and maintenance/process'. The purpose of task/content activities is to solve problems and achieve the team's clear goals, such as building a new product. Maintenance/process activities include regulating how the team works together, its emotional life, and the quality of relationships among members. They are concerned with issues such as dispute resolution and providing persons with encouragement and support.

In additional work on the difference between task and maintenance, Benne and Sheats created a popular framework for the categorization of member responsibilities. Group task roles, group building and maintenance roles, and individual roles were used to categorize responsibilities performed in

well-functioning groups. Before the group may become a genuinely successful team, individual roles such as blocking, dominating, or avoiding must be replaced with maintenance, building, or task responsibilities.

Ancona and Caldwell studied the boundary management behaviors of new product teams and discovered that team members engaged in four different types of intergroup activity: ambassador, who represented the team to others; coordinator, who communicated laterally the team's effort on its task with other work units; scouting, which involved scanning the team's immediate environment; and guarding, which involved keeping information and resources within the group. In line with previous research on team development models, they discovered that the team's boundary management actions varied throughout the product development cycle. There are also different categorization schemes for deciphering and recognizing group responsibilities.

#### I. Belbin's team roles

Belbin created what is perhaps the most common team role classification. He first established eight team positions, which were increased to nine after additional development. He contends that team members must fulfill these nine duties in order for the team to be functional and successful. Obviously, not all teams are made up of nine persons, each of whom plays a particular job. Most people find it relatively normal to fulfil two or three favorite jobs. Belbin's team responsibilities have proved so popular in team development and teambuilding that he has included them in a computer-scored questionnaire. 'No one is flawless, but a team can be,' says Belbin. He preaches the gospel of team variety and balance, emphasizing that his team roles questionnaire is just a beginning point for team composition and further evolution. Some ignorant followers of his recommendations have regarded individuals "scores' as the final truth about what that person brings to a team. This is a bad technique, especially when used to attract and choose new team members. Belbin's team duties should not be seen as black and white, yes or no, true or false. The questionnaire itself is not a completely scientifically accurate or trustworthy instrument, especially for gauging personality traits. Yet, this should not be regarded as a critique on Belbin's work. He would argue that team role ratings are a good guide in developing a team profile and a starting point for identifying a team's deficiencies. Moreover, since the process entails appraising each team member's chosen responsibilities and encouraging all members to value the features and talents of the others, his model gives an accessible and common language to facilitate this. We are not inundated with data produced by the questionnaire when we use it. It is only a beginning point for reaching a shared understanding and pursuing team problems further. If Belbin's questionnaire only enhances a team's awareness of its collective strengths and flaws, it has been a success. To summarize, having a ragtag collection of individual abilities



# Vol 10, Issue 5S, May 2023

is just not adequate for organizations or teams working toward a shared objective. To fulfill their group's aims and objectives, team members' diverse behaviors must mesh together [9].

Some managers may 'play' at human engineering by attempting to choose just the ideal blend of individuals, but more often than not they end up in a state of con-fusion. Successful teams might emerge naturally as a consequence of a certain set of conditions. Many sports teams are made up of brilliant individuals who perform badly as a team, therefore the secret to success does not always seem to be in the selection of team members. Similarly, there are several instances of groupings of less gifted people that function well as a team. Douglas McGregor's landmark book The Human Side of Business provides an overview of the contrasts between productive and ineffective organisations. McGregor defines a successful group as one that is cohesive, easygoing, and welcoming. Their debate is open, thus disagreement is always conceivable. Efficacy is a function of group members' orientation and attitude, not only the leader's behavior. McGregor's concept of effective groups aligns to Tuckman's previously noted norming and performing phases of group Yet, the characteristics of ineffectual organizations are more akin to Tuckman's storming stage. One notable difference between these two authors is that McGregor regards certain organizations as stuck and locked in their own bad behavior, while Tuckman believes that groups tend to go from ineffective to more effective behavior [10].

Mullins considers the qualities of a good work group to be more comprehensive and humanistic. He views the underlying trait of these groups as 'a spirit of collaboration in which members work well together as a cohesive team, and with har- monious and supportive connections'. Mullins claims that this is especially evident when members of a group display the traits listed. A minor critique of these principles is that the list represents successful work teams rather than work groups, which is correct since they are teams, not groups. The list illustrates the higher tier of group dynamics that teams work at.

#### III. CONCLUSION

Many individuals like being part of a self-managed team. It requires a lot of responsibility, dedication, patience, understanding, and honesty, but having the ability to define your own work and success is well worth the effort. Effective decision-making: Self-managed teams may improve their decision-making abilities. Improved productivity: Teams work together to achieve a shared objective and are accountable for their own activities. Self-managed teams, when effective, may be 15-20% more productive than other forms of teams. The purpose of self-management is to prevent getting overwhelmed-whether you are a manager, an employee, or someone moving to management. A balanced existence allows a person to think clearly and manage well

with stress..

#### REFERENCES

- [1] M. Goncalves, "Self-Directed and Self-Managed Teams," in Team Building (The Technical Manager's Survival Guides), 2010. doi: 10.1115/1.802515.ch8.
- [2] H. R. Flores, X. Jiang, and C. C. Manz, "Intra-team conflict: the moderating effect of emotional self-leadership," Int. J. Confl. Manag., 2018, doi: 10.1108/IJCMA-07-2017-0065.
- [3] J. R. Wilson and C. M. Whittington, "Implementation of self-managed teams in manufacturing: More of a marathon than a sprint," AI Soc., 2001, doi: 10.1007/BF01205738.
- [4] K. Danhieux et al., "The impact of COVID-19 on chronic care according to providers: a qualitative study among primary care practices in Belgium," BMC Fam. Pract., 2020, doi: 10.1186/s12875-020-01326-3.
- [5] M. Roy, "Self-directed workteams and safety: A winning combination?," Saf. Sci., 2003, doi: 10.1016/S0925-7535(02)00040-1.
- [6] J. W. Gibson, "Management fads: Emergence, evolution, and implications for managers," Acad. Manag. Exec., 2001, doi: 10.5465/AME.2001.5898744.
- [7] M. Geoghegan, K. Cormican, and Q. Wu, "Sustainable team design: A challenge to traditional beliefs in information-intensive service industries," Sustain., 2021, doi: 10.3390/su132413552.
- [8] J. Choi, "Let's agree to disagree?: The impact of perceptual gap of work environment on self-directed behavior," Int. J. Confl. Manag., 2019, doi: 10.1108/IJCMA-02-2019-0037.
- [9] J. M. Myers, "Interprofessional Team Management: Partnering to Optimize Outcomes in Diabetes," J. Nurse Pract., 2017, doi: 10.1016/j.nurpra.2016.11.012.
- [10] R. Usui et al., "Park rangers' behaviors and their effects on tourists and tibetan macaques (Macaca thibetana) at Mt. Huangshan, China," Animals, 2014, doi: 10.3390/ani4030546.



Vol 10, Issue 5S, May 2023

# Characteristics of Effective Work Groups

# Dr Rupesh Kumar Sinha

Assistant Professor, Department of Business Analytics, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India rupesh.sinha@cms.ac.in

Abstract—A successful group works together to finish a job in the time allotted, with each member contributing to the team based on their abilities, experience, and personality. In order to complete a job in a collaborative project, you will go through many phases. In this chapter author is discusses the intra-group behaviour and conflict.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

It must be recognized that for a team to be successful, it must include diversity: individuals with perspectives and talents. To some degree, the rising inevitability of globalization and cross-cultural fertilization satisfies this demand for variety. Although vocational or organizational role variety is expected of a team, diversity in terms of nationality, age, ethnicity, personality, or even gender is frequently less easily accepted. Managing a really diverse workforce is difficult. Team members almost always have extremely varied values, conventions, and ideas about how to act, as well as quite distinct views of what is going on around them. Kandola observed that, although diverse teams have the potential to be very productive due to the diversity of perspectives they hold, they often fail to fulfill that high potential. Maznevski has suggested that teams need and demand cohesion. This integration criterion entails a paradox: integration becomes more difficult to fulfill as teams grow more varied. According to Arnold et al., integration is based on the following factors: a social reality shared by group members; the capacity to sympathize with and perceive things from the perspectives of others;

- 1. The capacity to negotiate and agree on norms within the team; The ability to recognize the actual sources of any challenges that occur;
  - 2. Everyone in the group has confidence in themselves.
- 3. If one combines Mullins1 list with that of Arnold et al., the outcome is a comprehend set of qualities for a successful work team.
  - 4. Cohesion and performance in groups

Group cohesiveness is connected to group effectiveness, and the elements that contribute to cohesion may be considered to mimic some of the ones that influence group effectiveness. Group cohesiveness may be defined as the group's 'pulling power,' it's attraction, and its capacity to keep members. Piper et al. described it as 'the attractiveness of the group to its members, along with their drive to stay as part of the group and resist leaving it'. In a cohesive group, group identity is obvious, interpersonal relationships are positive, and members value belonging to the group. Members of such

organizations have less work-related anxiety and perform better in the workplace than members of less cohesive groups. They had better work satisfaction and lower levels of stress, absenteeism, and labor turnover. Cohesive organizations foster higher levels of collaboration among its members, and participation may be a highly satisfying and instructive experience in and of itself. All in all, a cohesive group is likely to be a successful one [1], [2].

In terms of relatedness, Handy recognized group size as an essential moderating element in a group's potential to be productive. Between five and eight persons seem to be optimal for greatest participation and engagement. Size may be connected to cohesion and member satisfaction in work groups, with bigger work groups having poorer morale and higher absenteeism. With big groups of more than 15 members, people begin to feel less connected and committed, contact with all members becomes more difficult, and the capacity to sustain a single aim becomes more challenging. The frequency of clique formation also rises, therefore lowering overall cohesion.

Thus far, everything we've mentioned about cohesive groups has yielded an outstanding list of benefits. They exhibit more collaboration, with simpler and more fluid communication, a higher resilience to frustration, and lower labor turnover and absenteeism. If a manager wants to build and lead successful work groups, he or she must simply pay attention to the aspects that determine a group's identity and cohesion. The tightrope of tension that the manager must walk in order to establish strong and cohesive groups, on the other hand, is a very hard balancing act, since extremely highly cohesive groups also offer challenges. They begin to focus too much on themselves and may become highly defensive and protective of their 'territory,' as well as envious of, or even hostile against, other groups. Life may be challenging for new members of the organization, limiting the introduction of new habits and recommendations. This third issue is linked to the fact that very cohesive groups resist change and the 'invasion' of new ideas, which is extremely important in today's more flexible corporate climate. The status quo is comfortable and pleasurable, and the cohesive group believes it is invincible and powerful. As



Vol 10, Issue 5S, May 2023

a consequence, there is a formidable collection of forces ready to oppose any suggested reforms. It should come as no surprise that these too tight groupings are seen by others as uncomfortable, overpowering, and bombastic.

#### Groupthink and conformity

The 'energy' of particularly tight groups is not just focused towards persons who are beyond the group's limits. Even in a highly cohesive group, individuals are put under pressure to adhere to the group standards. Solomon Asch's famous laboratory research demonstrated the power of group pressure to conform. A set of seven respondents were given a line and instructed to identify which of three additional lines had the same length as it. Just one of the subjects was a legitimate volunteer, with the other six acting as stooges. The subjects responded, with the true volunteer coming in sixth. At the first session, everyone in the group correctly identified the lines. The stooges regularly delivered erroneous replies during the second session. Within hearing of the actual volunteer, they would declare that a line visibly shorter than the test line was equal to it. Despite some initial reluctance, the volunteer agreed with this assessment in 32% of occasions. Asch's research proved a group's ability to generate homogeneity of thought and judgment among its members. More significantly, it highlighted how difficult it can be to reject other people's ideas, even when those beliefs are incorrect [3], [4].

Asch's work was based on the laboratory, where life and research results are not always the same as they are in the actual world of a commercial organization. In light of more current developments in the corporate environment toward flatter organizational structures that empower and entrust people to make their own choices, we must call Asch's conclusions into doubt. Managers are increasingly pushed to question the status quo and think more laterally in order to be more creative and inventive in a shorter period of time. Organizations are hard at work establishing learning cultures, cultures in which everyone has the right to question and where diversity of thought is fostered and rewarded. Many management consultants, and the tools they use, are focused towards helping the business examine and confront it's taken-for-granted assumptions about 'the way we do things around here'. What we can say is that there is always a tremendous social pressure to conform when we are among our peers, but in the setting of a corporate organization, this pressure is watered down and controlled for the reasons stated above.

Janis' study expanded on an Asch concept, namely, that the presence and pressure of others significantly impairs a group's capacity to make successful decisions. Janis' work struck a highly practical note of truth since it was based on significant incidents from global history. The term 'groupthink' was created, which Janis defines as 'a way of thinking in which individuals participate when they are firmly immersed in a cohesive group, in which strivings for unanimity overcome urges to accurately assess alternative

courses of action'. Groups do not have full knowledge or flawless reason when making choices, but groups suffering from 'groupthink' believe they have, as well as a range of other 'symptoms' highlighted.

Janis concluded that the historical choices he examined were all characterized by a process in which the group was just 'drifting along,' giving birth to the illusion of false agreement. Another feature shared by the instances was a propensity to restrict debate and explore just a narrow range of choices. Again, we must consider how relevant these results concerning highly cohesive groups are to today's commercial organizations. While considering this subject, keep in mind the above mentioned facts, as well as the fact that Janis was mainly concerned with highly large and vital foreign policy judgments [5], [6]. Teams depend on communication; it's their lifeblood. Tomorrow's global and virtual teams will need it more than ever. This reliance on communication, although in the guise of telecoms, seems to be developing intuitively. We should pause for a while to consider communication, secure in the knowledge that the primary forms of communication networks will continue to be useful in the future. Individual power and autonomy, self-responsibility, trust, empowerment, and the capacity to make judgments and act quickly are all preached by many management critics. This is part of a popular modern ideology, and if we accept it, we must ask, 'How relevant are communication networks when workers are encouraged to think and act independently?' We must address this problem since we are being enabled to be more independent and responsible. Email and other modes of comparable communication tend to 'open up' and democratize dialogue. Sproull and Kiesler studied how small groups make decisions using computer conferencing, email, and in-person meetings. The use of an electronic medium encouraged participants to speak more openly and equitably, and to give more action proposals. Just a few persons dominated the face-to-face debates. Yet, they discovered that the greater democratization of electronic media interfered with decision making and increased conflict levels. Decisions were made more slowly through email, and participants voiced more extreme views and aired their rage more freely.

# II. DISCUSSION

#### A. Intra-group behaviour and conflict

Organizations are pushing more diversity in teams. Diversity is a pathway to greater effectiveness; nevertheless, the more homogenous a team is in terms of common interests, attitudes, and backgrounds, the simpler it may be for that team to be a cohesive force. Team members can empathize and connect to one another more easily. Individual differences, such as personality or abilities, may, on the other hand, serve as a positive impetus for cohesiveness. Yet, if these personality differences are overemphasized, severe, or acute, personality conflicts may emerge, causing conflict and disruption for the team. Belbin discusses team balance and



Vol 10, Issue 5S, May 2023

individuals complimenting one another. More complex recruiting and selection methods may be one strategy to achieve the proper levels of balance in a team, taking into consideration a wide variety of individual variations such as talents, attitudes, traits, and personality. In this approach, we can anticipate and mitigate possible conflict situations.

Another form of conflict for teams is when team members compete with one another for limited resources. When a sales team operates in a certain geographical region, the salespeople on that team may compete for revenue, individual incentives, and bonuses. Some team members will perform better than others, which may lead to the stealing of sales leads and the sabotage of others. The subsequent hatred and disagreement may make the whole team dysfunctional. This is obviously an extreme case, but individual incentive payment programs and the fostering of intra-team rivalry do exist. As previously said, it all comes down to balance. Some amount of rivalry among members of the same team may be beneficial in a variety of ways, but the key is to know where to pitch that competition and how to reward it. Individual incentive systems in a team, by definition, need a very precise mechanism for equitably assessing performance. A rising number of businesses are experimenting with systems based on a group's, section's, or department's production, sales, or productivity. Reward systems based on a work group's distinct performance try to foster flexibility and collaboration among its members, and to some degree allow workers to select how to share up the ensuing rewards and incentives. According to Armstrong, such strategies tend to be more successful when the work groups:

- 1. Stand alone as functioning units with distinct goals and objectives;
- 2. Have a significant degree of autonomy; are made up of persons whose work is interrelated;
- 3. Members should be multi-skilled, adaptable, and strong team players.
  - 4. Perform in a manner that is immediately quantifiable.

While team-based remuneration systems may increase motivation, productivity, collaboration, and 'tameness' among team members, there are certain drawbacks. The team may wind up 'carrying' someone who eventually reaps the same benefits as the other members but with less effort. Yet, the Hawthorne tests imply that the other members of the team performing the 'carrying' would most likely resolve the matter. In this approach, team-based strategies may be argued to promote the team to be more proactive in managing itself and each other. Conversely, pressure to comply and the necessity to consider others may lead to effort being reduced to the lowest common denominator and exceptional achievers being demotivated. Another downside of these schemes is that they might contribute to the development of an unbalanced and skewed pattern of labor mobility within the organization. People will avoid leaving high-performing teams for fear of losing their individual profits. Employees may also be resistant to being assigned to teams that perform badly. The demand for a change in organizational culture is perhaps the most critical problem in the creation, implementation, and success of these programs. There must be a shift away from a personally oriented work environment, which the system would support, and toward the recognition that an individual's salary will not be entirely determined by his or her own efforts. Moreover, a person's remuneration may be more directly connected to the success of a team than to his or her own. This, in turn, will establish a very genuine dependency within teams [7], [8].

According to Sid Joynson's experience, the sheer spirit and character of collaboration may produce powerful motivation - much greater than financial incentives can provide. 'In my experience, efforts to motivate via performance-based compensation systems are very ineffective and tend to damage the all-important team ethic.'

#### B. Conflict and intergroup behavior

Organizational groups are not isolated from one another; they do not exist and act in a vacuum. In truth, the scenario might be very different. They may become too reliant on one another, and the performance of an organization is often based on the seamless functioning of its many teams. Yet, since each group is rated largely on how successfully it does its job, there will be conflict between the need to concentrate on its own problems and the need to collaborate with other groups in order to perform well. As previously said, cohesion may be beneficial to a group, but it can also lead to friction and conflict amongst groups. The issue is clear: some degree of conflict or competition between organizations is both beneficial and unavoidable, but the mix of 'friendly' rivalry and competitiveness must be balanced with the necessity for collaboration. This is where many businesses go wrong when it comes to organizing their sales teams, for example. They see team rivalry as a good method to motivate employees and to keep the workplace healthy. Teams who regularly outperform their peers may be eligible for substantial bonuses or other incentives at the end of the year. Yet not everyone can be top; the system may possibly produce a poisonous environment of 'winners' and 'losers'. In severe circumstances, inter-group conflict may have a negative impact on organizational productivity. Groups that work together, on the other hand, may better coordinate their efforts, exchange ideas and information, and share both expenditures and benefits.

The inevitability of change is an established fact in today's corporate world. Groups, on the other hand, may provide us with some painful moments of truth while facing change; they are not adept at dealing with change.

- 1. Organizations will first consider what they must give up.
  - 2. They are uncomfortable and self-conscious.
- 3. Groups vary in their willingness and acceptance of change.
  - 4. Some groups will feel very alone.



# Vol 10, Issue 5S, May 2023

- 5. Others will be concerned that they do not have enough resources.
- 6. Groups will return to their previous behaviors if we do not 'constantly' encourage the change.
  - 7. The influence of technology

Clearly, technology has a significant impact on the pattern of group operations and behavior. One of the most startling findings of Trist et alresearch .'s was that the technical innovations being implemented in a coal mine under observation had resulted in alterations in the workers' conventional social groups. The disruption of small group integration was caused by technological development, which resulted in a lack of coordination across various shifts.

The kind, quantity, volume, and use of technology available to an organization may often impact how certain activities or work packages are completed. In certain cases, technology may significantly impact and modify the fundamental core of a profession and how it is done. For example, how work is organized around technology may restrict possibilities for social connection and the degree to which one may identify as a part of a cohesive work group. As a result, this might have a negative or good impact on work attitudes and job satisfaction. Manufacturing organizations have been working for decades to reduce some of the most alienating characteristics of mass production by expanding the range and kind of duties and responsibilities assigned to small groups. As previously noted, these efforts include a growing use of group technology techniques, autonomous work groups, and self-directed teams [9]. Downsizing large-scale centralized organizations into smaller working units may assist to create an atmosphere in which people can relate to one another more readily.

#### C. Global collaboration

As more businesses expand their operations across and around the globe, managing and leading global teams is becoming a new challenge. The existence of multinational teams cannot be ignored. The European export administration manager at Hewlett-Packard oversees a staff of 35 workers spread across many countries, including 15 in the United Kingdom. Certain senior project managers at Ford Motor Company have direct supervisory responsibility for 25 individuals, with the most senior group consisting of five project managers situated in Europe, South America, Australia, Japan, and China. A variety of all-encompassing and intrinsically related tendencies are fostering this predicament. The technological revolution, notably in telecommunications, is at the top of the list. Email, voice mail, laptops, handheld organizers, videoconferencing, internet telephones, and interactive pagers are all technologies that make cooperation, mobility, and working from a distance more convenient. The only issue is that technology evolves quicker than our attitudes and assumptions about employment. Another contradiction is that all of this technology is designed to aid organizations in communicating with and managing distant staff. In truth, just

a few global corporations have begun to address the issue. They often have no defined information technology plan; alternatively, one element of the company, owing to some technical mismatch, may be unable to 'speak' to another section. Often times, few people have been taught to utilize new technology, and many are unfamiliar with it. The technology may establish a two-tier hierarchy of individuals who can and cannot utilize it inside the same global team [10].

#### III. CONCLUSION

Groups are more than three or more persons chatting to each other or gathering together. Instead, a major trait of groups is that members are reliant on one another in order for the group to survive and fulfill its objectives. The development of groups is a desirable yet very dynamic process. The life cycle of a team may sometimes be compared to different phases of human growth. Individuals should be aware of important phases as well as techniques to avoid being stuck along the route in order to preserve group efficiency. This instills pride and confidence in everyone involved. Successful teams foster solid working connections, which promotes greater performance.

#### REFERENCES

- [1] M. A. Campion, G. J. Medsker, And A. C. Higgs, "Relations Between Work Group Characteristics And Effectiveness: Implications For Designing Effective Work Groups," Pers. Psychol., 1993, doi: 10.1111/j.1744-6570.1993.tb01571.x.
- [2] J. Zerwekh, Nursing today: transition and trends. 2018.
- [3] J. Wilcox, "Challenges of nursing management and leadership," Nurs. Today Transit. Trends, 2018.
- [4] X. Wang, L. An, N. Yasir, N. Mahmood, and Y. Gu, "Empirical study on the relationship between effective following behavior and derived creative work behavior: A moderating role of perceived organizational support and sustainable leadership," Sustain., 2021, doi: 10.3390/su13105693.
- [5] I. Niks, J. de Jonge, J. Gevers, and I. Houtman, "Work stress interventions in hospital care: Effectiveness of the DISCovery method," Int. J. Environ. Res. Public Health, 2018, doi: 10.3390/ijerph15020332.
- [6] O. K. Ornek and M. N. Esin, "Effects of a work-related stress model based mental health promotion program on job stress, stress reactions and coping profiles of women workers: a control groups study," BMC Public Health, 2020, doi: 10.1186/s12889-020-09769-0.
- [7] Y. Steinert, "Student perceptions of effective small group teaching," Med. Educ., 2004, doi: 10.1046/j.1365-2923.2004.01772.x.
- [8] G. Strakšienė, H. Ruginė, and L. Šaltytė-Vaisiauskė, "Characteristics of distance work organization in SMEs during the COVID-19 lockdown: case of western Lithuania region," Entrep. Sustain. Issues, 2021, doi: 10.9770/jesi.2021.8.3(12).
- [9] J. P. Unger, "Comparison of COVID-19 Health Risks With Other Viral Occupational Hazards," Int. J. Heal. Serv., 2021, doi: 10.1177/0020731420946590.
- [10] R. Sambasivam et al., "Occupational groups and its physical and mental health correlates: results from the Singapore



Vol 10, Issue 5S, May 2023

Mental Health Study 2016," Int. Arch. Occup. Environ. Health, 2022, doi: 10.1007/s00420-021-01741-8.





Vol 10, Issue 5S, May 2023

# Cross-cultural Team Working

#### Dr Moovendhan.V

Associate Professor, Department of Business Analytics, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India dr.moovendhan\_v@cms.ac.in

Abstract— Cross-cultural teams are global teams made up of individuals from many cultures and backgrounds. Businesses fail to address these basic distinctions within a team, resulting in disputes and dissatisfaction that may be easily avoided if a rapid grasp of the people in a team is gained. In this chapter author is discusses the procedures for completing tasks...

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Most of the study into developing concepts and models for groups and teams—how they emerge, develop, flourish, and grow—could be considered ethnocentric. Many of the concepts arose from a Western way of thinking. The biggest obstacle to intercultural communication comes when a person feels that 'only my culture makes sense, espouses the appropriate values, and represents the proper and rational way to act'. Looking at Geert Hofstede's study, we can see several important contrasts between the United States and Japan, for example. The United States has one of the most individualistic civilizations, whereas Japan has a strong collectivist society. Moreover, the United States has a society that tolerates ambiguity and has a low regard for authority. The Japanese, on the other hand, have a national culture that values authority and is extremely driven to avoid ambiguity in their professional life. With this information, we may speculate that Japanese businesspeople would not be at comfortable participating in any intense storming; rather, they would be more ready to comply while working in groups. Whatever we conclude, it is unavoidable that the national cultures of the United States and Japan are highly different, and so individuals from both cultures will approach the process of creating and working in teams in very different ways.

It is critical to understand the business and cultural conventions of the individuals with whom you will be having a worldwide teamworking experience. Consider the following scenario: a face-to-face gathering of the worldwide design/sales team. The Japanese couples are sat across from the wide windows, staring out, and the most senior Japanese guest is near the entrance. On two counts, the seating arrangements may irritate your team members. First, they will infer that you feel that they are not engaged in the meeting, since you have positioned them in front of the windows, thus offering them a vista to look out on and occupy them. Second, and more historically, in Japan, the most senior persons are situated farthest from the entrance, facing it. This traces back to a point in Japan's history when the first persons to 'get the chop' were the folks closest to the

entrance [1].

diversity in organizations is becoming more important. There is evidence to show that organizations with a diverse workforce are better positioned to recruit and retain great employees. The same may be true of teams inside such companies. Well-led diverse teams may outperform homogenous teams by as much as 15 per cent. Moreover, businesses have recognized the advantages that a diverse team's different experiences and opinions can offer to the workplace. It allows businesses to be more competitive in servicing their customers' demands, expanding into new areas, and hiring bright employees from an increasingly mobile workforce.

Of course, diversity is not confined to the workforce categories highlighted under equal opportunity regulations. Functionally diverse teams may include people from a range of job, educational, and training backgrounds. Work teams that span Europe or perhaps the globe may encounter cultural, perceptual, and even socially acquired cognitive disparities. Conventional diversity in teams along the lines of functional diversity does guarantee that the team will have the required mix of skills, knowledge, expertise and experience to steer itself. Moreover, when members of a team offer varied points of view and knowledge to the job at hand, the team may be able to avoid the potentially deadly issues of groupthink. While diverse teams may create better levels of innovation, be more adaptable, adapt to change more easily, and have a broader 'global reach,' they also have team leadership and management issues. They may just be too different and'spread,' and may sometimes provide all of the challenges of managing individuals with widely divergent thoughts and perspectives on nearly everything!

#### Networks and virtual teams

With organizations increasingly downsizing and outsourcing or subcontracting a rising number of jobs and responsibilities, some work teams may include full-time employees, part-time and temporary employees, two-days-a-week associate partners, and outsourced labor. In The Age of Unreason, Charles Handy discusses the shamrock' organization, a flexible organizational structure design. There are three major categories of



Vol 10, Issue 5S, May 2023

individuals in this structure: the professional core, the contractual periphery, and the flexible labor force [2], [3].

Each of these three workforce parts has a distinct level of commitment to the organization and a different set of expectations; each group must be handled differently. What are some of the consequences you may anticipate if they are placed together in mixed teams? Several organizations are now working on collaborative initiatives with other organizations, building strategic partnerships and alliances, or developing loosely connected teams spanning many organizations, including rivals. Learning and development in groups and teams is beginning to transcend conventional organizational boundaries.

Virtual organizations, workspaces, and teams are becoming more widespread. A virtual team's principal contact occurs via some combination of electronic communication tools, allowing team members to bridge time, geographical, and cultural borders. Members are unlikely to ever'meet' in the classic sense. Virtual teams are significantly more likely to include far more varied and transitory membership from various geographical locations inside the organization; contingent employees from outside the organization; suppliers and customers; and even resource providers from a variety of cultures. Young distinguishes between virtual teams, which operate as one across distances concurrently with individuals from the same function, and cross-functional virtual teams, which include people from various functions, business units, or time zones. Young emphasizes that virtual teams allow the organization to operate 24 hours a day, allowing it to break free from the limits of conventional working hours and worker availability. Cassio highlights many benefits of virtual teams, including: savings in time, travel expenditures, and removal of a lack of access to specialists; teams may be organized regardless of whether the members are reasonably close to one other;

Enabling businesses to broaden their prospective labor market and acquire and retain employees regardless of their geographical location; people may transfer from one project to another thanks to dynamic team membership.

Workers may be allocated to many teams at the same time. There are, of course, negative consequences. Although significant technological advances in 'telepresence' or 'virtual presence' have been made, many virtual teams continue to find that effective collaborative work is still performed in face-to-face meetings, where the issues of trust and ambiguity that surround identity in the virtual world are most easily overcome. The absence of physical contact, with its associated verbal and nonverbal clues, will be damaging to communication quality. Nonverbal clues might contribute up to 70% of a message's meaning. Face-to-face communication frequently results in synergies, which will be lost. Another drawback might be a greater dependence on technology and communications. Technology will become all-too-powerful determinant of how we communicate, organize and govern teams, and, eventually, organizations.

Already, technology is outpacing other organizational operations. Virtual teams offer another degree of complexity to any cooperation structure, and while more common, they are still a relatively under-researched organisational type. These are based on the most recent technology developments in communication, so how can team leaders learn not to depend too much on these innovations, such as email, newsgroups, and interactive groupware? Membership is often based exclusively on required knowledge; the teams seldom interact, and their performance potential is unclear. Virtual work teams bring a new set of management issues that organizations are just now beginning to address. Some individuals are just not made for distant collaborating, which virtual teams will undoubtedly promote; how do we handle the ones who are left behind by the whole process? Developing and managing virtual teams involves knowledge of both team development and virtual team technology [4], [5].

Hackman's examination of teamwork suggests a variety of scenarios in which teams fail. The fact is that they do not always function well. Several management books describe procedures in which employees from all backgrounds gladly lay aside their innate biases and preferences in order to march in rhythm, or at least in time, to the heroic leader's drumbeat. Yet, some of these techniques overlook the reality that individuals have their own reasons for doing things. Groups may be considered as underachievement multipliers; a tiny shortfall that one individual has on an assembly team is spread over the whole team; each shortcoming contributes to the overall deficiency. Organizations are seldom unified, and attempting to achieve unanimity at all costs is impractical. There will be varying levels of devotion and comprehension within each group. The dynamics might magnify disappointments. Negativity may linger on in groups that are prone to rumor, conjecture, and innuendo even after it has naturally dissipated in individuals. Conformity suffocates, or at the very least dilutes, variety. The same thing that teamwork aims to promote might be the first thing it eliminates.

When one looks under the surface, one might uncover evidence of the weakness and silliness of working in groups and teams. We've previously discussed some of the 'folly' of groupthink, such as how personality variables may stymie group decision making. Dominant people may have undue influence on choices or solutions, even if their solutions are incorrect. The person with the proper response is often prevented from persevering due to the status structure. A lack of trust; weak tactics; a competitive and dictatorial workplace; a "fad" attitude; limited experimentation; vague tasks; poor team skills; and poor staffing were among these.

This list will undoubtedly give 'food for thought' for both team-oriented organizations and team leaders. There is considerable disagreement over whether the quality of ideas is higher when people work alone or in genuine groups. According to Diehl and Strobe's evaluation of the data,



Vol 10, Issue 5S, May 2023

persons working alone develop higher-quality ideas. Group performance issues extend to studies of collective decision making. According to research, the quality of group decision making typically equals, but does not surpass, the level of decision making of the average member.

A recent meta-analysis of research on the connection between cohesion and effectiveness found that effort was directed from performance to cohesiveness rather than vice versa. Teams who performed well were more cohesive as a consequence, thus organizations should focus on boosting performance rather than establishing cohesion. There is no reliable influence of team-building treatments on task effectiveness or team performance in research done in organizational contexts. Treatments aimed at changing interpersonal processes in groups are unlikely to result in any improvement in performance [6]. Some potentially beneficial teams are poorly managed and supported. Team management is a talent that requires training and growth. Moreover, as the following examples show, managing creative and inventive teams is more uncomfortable and challenging. There may be a backlash against the procedure of pushing individuals to establish and function as a team when one is not required. Collaboration might take longer than solo effort, especially at the start of a project. Training is often necessary to develop a specific set of team abilities.

#### II. DISCUSSION

There are also concerns about the changing nature of teamwork, such as virtual teams, teleworking, and diversity. Most study currently focuses on the negative sides of collaboration, such as groupthink leading to inefficient solutions, increased stress = competitiveness between teams, and competition for finite resources. In recent years, a number of authors have begun to recognize a reaction against the overuse of teams. According to Drexler and Forrester, "the notion of collaboration has been abused and has been applied even in tasks that essentially demand individual efforts and have very little influence on the other group members." They also examine whether some sorts of work really need cooperation, and how to ask these questions before applying a team-building technique to everything and everything. Collaboration is not always the best solution.

Butcher and Bailey reflect these comments, reporting that firms often regarded teams as an end rather than a means, putting them in places where they were not needed. However, even in cases when their usage was acceptable, their performance was limited by managers' adherence to firmly held assumptions about how they should work. Teamwork is typically considered as one of the centerpieces of modern management, and it is firmly in the core of that centerpiece. A manager's value is often weighed against his or her abilities as a group leader and their capacity to evolve, grow, and encourage cooperation. This has addressed some of the most important components of groups and teams while also

attempting to highlight a number of difficulties. To bring these topics together, consider the following consequences.

Several of the factors that contribute to group cohesion are being regulated, and this must be acknowledged. Physical closeness enhances cohesion and yet, with modern technologies and worldwide teams, proximity is no longer important. In another aspect, modern telecommunications technology brings us even closer together than before.

While it is impossible to entirely regulate group norms, they may be influenced. Managers must develop the skill of molding these norms by making explicit declarations about desirable behaviors, reinforcing them via their own actions, and tying them to incentives.

Leading and managing a team requires a delicate balance of continuity and variety, individual and team incentives, conformity and individuality, face-to-face team meetings and remote communications, and diverse but complementary tasks [7]. The informal group's ability to make change and influence the organization is often underestimated. Leaders must recognize and use the informal, "shadow side" of the organization. The increase in teamwork should result in a significant and substantial increase in the frequency of group performance assessments and team rewards. The accurate and fair assessment of a team's productivity or performance will become critical.

Effective teams do not usually simply happen. They must be intentionally constructed, produced, and chosen for. Roles must be defined and developed, diversity must be promoted, and an open culture of trust must be sought. Cohesiveness and groupthink have undesirable features that should be avoided. While many textbooks define formal groups as permanent, many organizations are attempting to alter structures and build more flexible and proactive working patterns. In this sense, the permanence of a formal group in a matrix structure may be no more than the lifetime of the project. Reduced permanence will be increasingly prevalent.

While making collective choices might take time, cause conflict, and include improper conformity demands, the decisions are generally more correct, innovative, and accurate. This is due to groups' intrinsic ability to display synergy - 'the whole is greater than the sum of its parts'. Yet, synergy does not happen by itself; it must be fostered and controlled. Leaders of global, virtual, and self-directed teams confront challenges such as how to manage an anonymous team and what to do about performance management.

This investigation looked on the rapidly changing nature of groups and teams. The following are the main points made: Humans have an innate 'craving' to be in a variety of groups, and organizational life helps to satisfy this need; There are clear differences and similarities among both informal and formal groups; There are significant distinctions between groups, psychological groups, and teams; Groups occur, grow, develop, and are maintained in a number of different but complementary ways; There is a fine balance between effective and dysfunctional teams;



# Vol 10, Issue 5S, May 2023

Because of changes in organizations and the nature of the work they accomplish, the nature of teams is changing dramatically. Organizations are increasingly dispersed beyond conventional geographical borders and sectors. What were once rivals are now partners, what were once outsiders are now stakeholders, and what were once clear borders are now blurred. Organizations have increasingly realized the need of collaborative work, both inside and outside. There is a growing focus on knowledge management and extracting learning from people's experiences inside organizations. Globalization and technology are also having a significant impact on how organizations organised themselves and their work. Technology has taken on an increasingly significant role in the way we coordinate, structure and manage teams. It has the ability to fundamentally alter the character of organizations and teams as we know them. While technology may help organizations overcome geographical and time restrictions, it also requires groups to study and comprehend it in order to fruitfully adopt its structures and realize its intended benefits and undeniable inadequacies. It is unclear how computer-mediated contact may alter crucial group and team characteristics such as demand for homogeneity, status, and power[8].

#### A. Organizational theory

This starts by briefly addressing a variety of macro or broad theoretical approaches to the study of organisations before studying conventional organisational theory. You will see that much of the theoretical work done in this discipline in the first half of the twentieth century had a considerable impact on contemporary thinking and practice in organizations. The essay proceeds by delving into the fundamental points of the human relations school: work done mostly since the 1930s that improves our understanding of organizations as human communities rather than mechanical structures and interactions. This critical foundation will guide our investigation of systems theory and contingency theory, both of which offer important explanatory frameworks and provide rigor to our knowledge of OB. The author next briefly examines organizational behavior in its environmental setting before concluding presenting some modern views of organizations and behavior by looking at organizations as though through a number of lenses or from a range of viewpoints. This will provide you with further knowledge and help you to see that 'what you see depends on how you look,' to put it simply. The content of this section, though crudely, connects the numerous contributions. The idea of transformation is completely incorporated throughout the chapter. We will next look briefly at several current concepts in organizational analysis that, although not treated in depth in this book, may become tomorrow's mainstream OB.

Understanding organizational and management theory can help you identify and address organizational challenges. It will help you grasp the remainder of the book, including management and leadership, organizational structure, transformation, politics and power, and organizational culture. Let's take a look at some broad viewpoints on organization. It is created by a group of academics and researchers as a means of researching and comprehending organizations. Among the points of view are:

According to the population-ecology model, environmental influences pick organizational features that are most suited to the environment in which they function. Organizational kinds, structures, and so on that survive are those that have the best match with their environment's needs. Organizations fill voids in their surroundings. The school's study is focused on 'populations' of organizations rather than individual organizations.

According to the resource-dependence paradigm, organizations make choices that are mediated by their political setting. Organizations, especially their management, will shape their surroundings and make strategic choices rather than being passive beneficiaries of external influences. rational-contingency paradigm proposes organizations will interact with their environment by combining reason with contingency. The approach downplays the political or non-rational decision-making process while emphasizing the significance of situational circumstances. The transaction-cost model is derived from economics and aims to explain the emergence of private-sector organizations. It implies that people operate in their own best interests, and that by forming hierarchies to conduct business, they incur transaction costs while reducing uncertainty and untrustworthiness via adequate organizational monitoring and control [9]. According to the institutional model, organizations operate alongside others in the same area and share many traits - therefore one university is substantially similar to another. These similarities are aided by exposure to comparable environmental factors and networks that favor mimicking.

#### **B.** Bureaucracy

Max Weber, a German philosopher and sociologist, coined the term "bureaucracy" to describe the following ideas: People in organizations have well-defined tasks and responsibilities; Organizations have hierarchical reporting structures, which means that most employees report to another person and may have management responsibilities for others; Organizations develop their own rules and procedures for completing tasks; Employees occupy positions of authority;

It is critical to recognize that the word "bureaucracy" has taken on a negative connotation in recent years, with organizations or procedures seen as bureaucratic being viewed as self-serving, lethargic, and uncaring. This negative connotation was not part of Weber's philosophy and should not be mistaken with it. Weber believed that organizations were bureaucracies to varying degrees, and that rising bureaucracy would result in more efficient operations. Bureaucratic types of organization expanded with the emergence of huge organizations in the early twentieth century. Job specialization increased, and complex norms



# Vol 10, Issue 5S, May 2023

and procedures for working were developed. As we shall see, bureaucracy has several drawbacks. For example, workers may become dissatisfied if they believe rules and procedures to be useless or unreasonable, stifling individual initiative and innovation. Mainly, when company environments were believed to be more stable and predictable, top management had an easier time making appropriate business judgments regarding goods and markets. Since most organizations now operate in highly competitive contexts and rely on complicated technology, they rely heavily on supporting attitudes and behaviors from their employees to be successful. Managers must use workers' specific knowledge of consumers, goods, and marketplaces much more than was previously the case.

Hence, Weber's literature on bureaucracy continues to be relevant in organizational theory, but the concept that rising bureaucracy leads to increased effectiveness is less popular. Likewise, contemporary philosophers often suggest that bureaucracy should be eliminated in order to offer organizations more flexibility to think and maneuver in order to maintain high performance.

#### C. The traditional school

Contributions to organizational theory in the early twentieth century were dominated by attempts to discover principles that, supporters said, would assure success if followed. It was assumed that these basic rules or principles constituted the single best approach to govern and organize. The military forces provided inspiration, since they had organized vast numbers of troops, frequently in dynamic and tough conditions. Even now extensive military vocabulary infiltrates mainstream organisational discourse: for example, groups of workers are sometimes referred to as 'the army' and bureaucratic institutions have 'lines of command'. Organizational members who challenge tactics are sometimes urged not to "raise their heads above the parapet," and many traditional organizations maintain the old division between line and staff. Mechanistic parallels predominate alongside military speech. Corporations are sometimes considered as machines, thus the assumption that a 'well-oiled machine' is similar to a good, efficient functioning [10].

Most of the early work on organizational theory was a distillation of management experience, and most current businesses use some of these principles. Traditional organizational and management theorists argued that management and organizational principles were a non-contextual, technical problem. That is, such ideas might be used to any organization, regardless of size, setting, output type, or technology used. Henri Fayol and Lyndall Urwick, Frederick Taylor, James Mooney, and Mary Follett proposed a 'one ideal approach' to organize and administer, which is known as structural universalism. Their primary aim was to provide effective control methods, such as how to assign work and reward individuals, as well as how to build organizations. The presence and importance of bureaucratic

institutions and procedures were emphasized. They featured clear and narrow lines of command or spans of control that represented obvious hierarchical connections, thorough job descriptions, and well-defined processes.

Although the rather simple prescriptions of classical theorists continue to inform much activity presently, a number of largely environmental factors have been identified that encourage the questioning of these injunctions, including: recognition that context - that is, the size of the organization, its products/services, the level of advanced technologies employed, its cultural environment, and other factors - can influence both the most efficient and effective way of organizing.

Recognizing that the workforce has undoubtedly become a more important aspect in determining organizational performance; the need to recruit, retain, and inspire a qualified staff is crucial in most organizations. The dynamism of the business environment, as well as the complexity of the marketplace and the global economy, necessitate organizations being flexible and innovative; it is widely held that bureaucratic organizations founded on classical school principals are ill-equipped to embrace change and are better suited to repetitive activities and known territory.

Several of the excesses of the late nineteenth and early twentieth century organizations have become unacceptable, immoral, and/or illegal as a result of changes in societal standards and the political and legal context. Recognized that, in part owing to the volatility of the business environment, organizations have increasingly sought employees with leadership abilities rather than just mechanical management or administrative skills.

# III. CONCLUSION

In summary, cross-cultural management is the study of how individuals from different origins and cultures work together in an equitable business. In an organization, people from all cultures work together in peace. In an organization, people from many cultures coexist peacefully. Although managing multicultural individuals is difficult, the notion has several facets. A cross-cultural team is 35% more efficient than a typical group, according to statistics. The actions and accomplishments of a group of individuals from various cultural and ethnic origins who work cooperatively together, or the work produced by that group or team.

#### REFERENCES

- [1] R. Phoewhawm, P. Yossuck, and J. Tangkittipaporn, "Preparing students as team learners to support team learning in a cross-cultural working environment," Int. J. Manag. Educ., 2014, doi: 10.1504/IJMIE.2014.060232.
- [2] A. D. Sperber et al., "Conducting multinational, cross-cultural research in the functional gastrointestinal disorders: Issues and recommendations. A Rome Foundation working team report," Aliment. Pharmacol. Ther., 2014, doi: 10.1111/apt.12942.



# Vol 10, Issue 5S, May 2023

- [3] S. Bogilović, G. Bortoluzzi, M. Černe, K. Ghasemzadeh, and J. Žnidaršič, "Diversity, climate and innovative work behavior," Eur. J. Innov. Manag., 2020, doi: 10.1108/EJIM-03-2020-0100.
- [4] M. Vidovic, M. Hammond, J. Lenhardt, M. Palanski, and J. Olabisi, "Teaching Virtual and Cross-Cultural Collaborations: Exploring Experiences of Croatia- and U.S.-Based Undergraduate Students," J. Manag. Educ., 2021, doi: 10.1177/1052562920972170.
- [5] A. Velez-Calle, M. Mariam, M. A. Gonzalez-Perez, A. Jimenez, J. Eisenberg, and S. M. Santamaria-Alvarez, "When technological savviness overcomes cultural differences: millennials in global virtual teams," Crit. Perspect. Int. Bus., 2020, doi: 10.1108/cpoib-01-2018-0012.
- [6] G. Jones, B. Chirino Chace, and J. Wright, "Cultural diversity drives innovation: empowering teams for success," Int. J. Innov. Sci., 2020, doi: 10.1108/ijis-04-2020-0042.
- [7] M. Iskhakova and D. L. Ott, "Working in culturally diverse teams: Team-level cultural intelligence (CQ) development and team performance," J. Int. Educ. Bus., 2020, doi: 10.1108/JIEB-11-2019-0052.
- [8] F. M. Horwitz, D. Bravington, and U. Silvis, "The promise of virtual teams: Identifying key factors in effectiveness and failure," J. Eur. Ind. Train., 2006, doi: 10.1108/03090590610688843.
- [9] A. V. Matveev and P. E. Nelson, "Cross cultural communication competence and multicultural team performance: Perceptions of American and Russian managers," Int. J. Cross Cult. Manag., 2004, doi: 10.1177/1470595804044752.
- [10] G. Jones, B. Chirino Chace, and J. Wright, "Impact of diversity on innovation," International Journal of Innovation Science. 2020. doi: 10.1108/IJIS-04-2020-0042





Vol 10, Issue 5S, May 2023

# Determination of Scientific Management

Dr Lakshmi Sevukamoorthy

Assistant Professor, Department of Business Analytics, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India dr.lakshmi@cms.ac.in

Abstract— Scientific management is a management paradigm that examines and synthesizes procedures. Its primary goal is to improve economic efficiency, particularly worker productivity. It was one of the first efforts to apply science to process engineering in management. In this chapter author is discusses the contingency factors.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

The focus on reason, along with a disregard for the human dimensions of organization, resulted in the application of scientific concepts to labor management. It may be claimed that scientific management is a subset of the classical school: the latter is primarily concerned with the larger organization and its structure, whilst the former is primarily focused with job design. It was recommended that scientific ideas be used to work organization in order to find the "one optimum method" to do any task. As a result, there would be huge efficiency improvements, an increase in productivity, and hence in both pay rates and profitability, as well as, potentially, a more dehumanized workplace. Frederick Taylor was the school's most important proponent, although Frank Gilbreth and Henry Gantt also made significant contributions.

Taylor believed that doing so would increase production and so provide working people with the greater pay they desired. He proposed that advances in productivity be complemented with the use of piece-work, an incentive payment system that connects incentives to degree of production, in order to assure worker happiness and motivation. Taylor, however, overestimated the power of worker alienation and rejection of his worldview. It is critical to situate advances in scientific management within their historical context. Management was a fairly imprecise activity in the early twentieth century. There had been little systematic study, and procedures differed greatly. Meanwhile, employees were under the impression that any improvement in productivity would just result in job losses. To restrict production, they understandably took advantage of lax managerial oversight. This was made feasible since employees often developed or organized their own efforts and were uninterested in finding efficiency [1], [2].

Most OB and organizational theory literature reference Taylor's work at the Bethlehem Steel Works in the United States, which included the efforts of a pig iron handler named Schmidt. Taylor aimed to significantly modify the way a basic activity, the moving of iron, was carried out. As a consequence of his precise time-and-motion observations and

measurements, production in the process was increased fourfold, or 400%. In other words, just one-quarter of the employees would be needed to transport the same amount of iron; alternatively, the corporation might move four times as much iron with the same number of personnel.

Taylor's efforts at the steel plant resulted in a 60% rise in earnings. The cost of pig iron supplied to various engineering firms has decreased. Despite this, the 'economic' gains were not always well received, resulting in nearly universal animosity from labor, management, and the US government.

Taylor's ideas were first used in Britain in 1905, and the Iron and Steel Union criticized them. Similarly, they were met with tremendous resistance in Germany in 1912, while in France they resulted in strike action and violent protest. In the Soviet Union, however, Lenin formed the League for the Scientific Organization of Labor in 1918, immediately after the Bolshevik revolution. The reader may be excused for thinking that such behaviors are uncommon, socially unacceptable, and no longer economically feasible. This is true in various industries. The modern desire for employees to be encouraged to take initiative and assume responsibility makes the rigorous application of scientific concepts difficult [3], [4]. It is also worth noting that many contemporary organizations use similar strategies to sustain or boost productivity. This is especially true when comparable or equal outputs on a near-continuous process are needed. Most readers will be acquainted with McDonald's, whose labor practices exemplify many of Taylor's traits. For example, detailed directions are provided about the exact period for which fries should be submerged in the hot oil or the time necessary to cook a burger. Employees are given very little, if any, discretion.

Taylor's work was innovative at the time, but it is now mostly taken for granted. Aspects of it have increasingly been rejected in the name of more 'human' or social concerns, and the whole methodology has proved less beneficial in many current circumstances. However, the ideals of management and worker roles, standardization and specialization, division of labor, and efficiency remain key precepts in many organizations.



# Vol 10, Issue 5S, May 2023

#### A. Gantt and Gilbreth

Frank Gilbreth, not Taylor, was the first to suggest the use of time and motion techniques. He, like Taylor, tried to reduce the size and frequency of 'unnecessary' movements involved in job completion. He began his career in the construction sector. By decreasing superfluous motion, he claimed, it would be able to minimize worker tiredness. He believed that exhaustion was impeding attempts to boost productivity, thus he proposed shorter working days and frequent quick break times at work. Gilbreth was the first researcher to carefully examine that employees had complicated requirements by modifying lighting conditions, contemplating allowing music to be played, providing canteen facilities, and even seats for moments of rest.

Henry Gantt was the first to create comprehensive instruction cards for employees to guide them through difficult yet repetitive operations step by step. 'Desk instructions' are still used in many duties today, notably clerical ones. In addition, he created new payment methods that combined basic and bonus plans. In addition, he recognized the 'human' component in job design issues. For example, if an employee failed to achieve the needed standard, the foreman was personally obligated to show that the task could be completed at the requisite speed [5].

#### B. A criticism

There is no doubt that Frederick Taylor's and others' work work organization techniques organizations, initially in the United States and then worldwide. It may be claimed that their efforts sparked improvements that resulted in considerable gains in productivity, as well as aided mass manufacturing methods and pay increases that allowed for mass consumption. As a result, North America and Europe saw unprecedented economic expansion. It would be quite foolish to suggest that such a revolution of the global economy was the consequence of Taylor's work, but changes he fostered surely had some impact on these dramatic occurrences. That so, it is vital to analyze his scientific concepts objectively and recognize the shortcomings which have occurred. Taylor said that his core concepts could and should be applied to any organization, implying that they were universally applicable. This is still a contentious issue. A slew of intervening circumstances may and do have an impact on 'the one ideal technique' of managing and organizing work. They are discussed in further detail later in this. Taylorism's practical and effective issues include the following:

Workers' widespread, sometimes violent opposition; considerable opposition in the early twentieth century from management, who considered his work as critical of their efforts, and from the US government, which questioned the ramifications of his method and its implications for worker morale and alienation;

Decrease in worker morale, owing in part to the excessively dull and repetitive nature of their labor; decrease

in skill requirements for employees, lowering flexibility due to a lack of multiskilling and allowing management to provide cheaper salaries [6].

These issues emerged as a result of:

Workers were viewed as individual units of production, much like machines, by Taylor in particular: workers are not machines; the assumption that pay was a sufficiently powerful motivational factor to elicit cooperation; although Taylor, like classical economists, assumed that workers were rational economic thinkers who would respond to financial incentives, there are many other variables.

The strategy plainly reflected an overt exercise of management control over employees: it stripped workers of all decision-making authority. Further studies revealed that employees have substantial social needs, which include the urge to build connections, feel meaningfulness or accomplishment at work, have some job satisfaction and task variety, and enjoy a sense of responsibility. Scientific management theorists generally neglected these factors. Moreover, Taylor, in particular, downplayed the importance of the work group and the variety of employees' abilities. His tactics intended to diminish uniqueness or individualism: attributes that are valuable in many settings.

## II. DISCUSSION

Burns and Stalker conducted a study of electronics businesses in the United Kingdom to determine why certain companies were able to deal with changes in their environment, notably dynamism in their product markets, while others were unable. They contended that successful innovators had a 'organic' structure, whilst those with mechanistic structures were less adaptable. Lawrence and Lorsch discovered a similar association between the business climate and the internal organization of US corporations. They differed from previous studies in that they did not think organizations or their environs were uniform or constant. They hypothesized that the more tumultuous and complex the environment, the higher the degree of differentiation between organizational sub-parts. As a result, they contended that successful businesses were those that maintained acceptable degrees of separation between specialised areas while still fostering integration based on shared aims.

Organizations will tend to create a shape and structure that is most efficient in response to that environment, most likely one with a high degree of managerial control and mechanical structures and processes, in particular and certain settings. When an organization's environment is unclear and complicated, managers create structures that are more adaptable. Yet, perception may play a role in this process: managers in organic organizations may view their environment as dynamic and unpredictable, while those in more mechanical systems may regard their environment as more assured; however, the truth may be very different. Yet, many businesses have collapsed because management



# Vol 10, Issue 5S, May 2023

'regarded' their workplaces as safe and secure when, in reality, they were rife with harmful dynamic forces [7].

Woodward argued that organizations that adapt their organizational structure to meet the sort of manufacturing technologies they use are more likely to succeed. She discovered significant disparities in organizational structure amongst organizations, arguing that most of the variety was due to differences in production procedures. Structures vary, for example, between organizations engaged in specialized or small batch manufacturing and those using mass production methods and technology. She specifically highlighted that some elements differed significantly depending on the manufacturing processes used. Typical spans of control; levels in the hierarchy; the ratio of managers to other people; and the overall compensation bill to total expenses were among them.

In other words, and in contrast to the generalizations made by traditional management exponents, substantial variation in structure and managerial activity existed amongst organizations, but with no meaningful or obvious impact on commercial performance.

Perrow discovered, somewhat unsurprisingly, that in organizations where routine technology predominates, there is minimal need for decision making at the lower levels of the organization. Middle managers have considerable control, and organizations are distinguished by meticulous planning and limited collaboration within groups/departments. The structure is mechanical and dominated by bureaucratic concepts. In non-routine workplaces, on the other hand, there is more discretion at lower levels, more feedback and interaction between groups and levels in the hierarchy, and substantial interdependence between groups. This model is close to the biological structure described above.

According to the Aston research, organizational size has significant consequences for organizational design. Despite the fact that determining organizational size can be difficult and that its influence can be difficult to distinguish from the effects of other variables, the Aston studies and the work of Porter et al. and Child discovered that: Size of organizational unit was negatively correlated with job satisfaction, staff turnover, and absenteeism from work;

Internal communications and coordination are more challenging in bigger organizations and are handled via structural and procedural mechanisms, that is, line managers have a duty to interact with workers and follow approved processes while doing so.

- 1. The link between organizational size and productivity was ambiguous and unpredictable.
- 2. Increasing bureaucracy is connected with higher organizational size.
  - 3. Criticisms and conclusions are possible outcomes.

The contingency method has received considerable criticism. First, although much study has been undertaken with obvious theoretical and academic significance, the work's conclusion is more challenging to use in the

workplace. It is not considerably prescriptive by definition: the answer to the question 'It relies on a vast host of only partially known internal and external factors. It is no surprise that the simple, if extremely dubious, panaceas proposed by classical theorists had, and continue to have, tremendous attraction among certain managers. Several of the top-selling management books of the last few decades have offered 'one best approach', oversimplified prescriptions. Second, contingency theory can never provide a complete picture. Since there are so many variables and combinations of elements that impact organizational activity and firm performance, and because the environment is so complex and dynamic, perfect information is impossible to gain. Finally, contingency theorists downplay the importance of very 'human' features of organizations, such as power, the participation of various stakeholders, and organizational culture. Furthermore, keep in mind that organizations and their environs are always changing. Change is often abrupt and discontinuous. Factors impacting the 'proper fit' between structure and environment, for example, may become less important at one point in time. After rejecting "the optimal method" of organizing, the critical goal of management, and hence the interest of academics and researchers, is to establish an adequate, satisficing "fit" between the person, task, and business environment. After that, emphasis has been made on determining which variable or factors most impact organizational structure and other organizational variables. According to the deterministic viewpoint, some essential factors will have a considerable and quantifiable impact on organizational structure, job design, the degree of specialisation or standardisation, and so on. Yet, a competing perspective implies that these organisational factors are themselves powerfully and dramatically influ- enced by strategic choice: they are the result of the political power of major stakeholder groups, such as senior management. Others say that organizational culture, a collective social construct, explains much of the variety seen in organizations. 8 delves into this perspective as well as the interaction of power and politics inside organizations. Obviously, the intricate interaction between physical and intangible features of organization and environment offers fertile veins for academic and management investigation in quest of "truth" or, maybe more realistically, improved understanding into organizations and their behavior [8], [9].

#### A. Perspectives or frames

One of the most fundamental discoveries in organizational theory in recent years has been the awareness that organizations may be several things at the same time, depending on our viewpoint. This method is based on substantial research in the fields of organizational culture, organizational politics, organizational learning, and other OB theoretical advancements.

Morgan proposes a set of metaphors that help us comprehend organizations. They represent 'a manner of thinking and perceiving that pervades how we interpret our



# Vol 10, Issue 5S, May 2023

environment in general'. Metaphors, or viewpoints through which we perceive or'see' organizations, are critical for understanding, controlling, and constructing them. Managers, for example, tend to manage and create organizations like machines when they conceive of them as machines. As a result, thinking in metaphorical terms may impact organizational structure, systems, and organizational methods. For example, the mechanical mode of thinking that is prevalent in many Western organizations has become so ingrained in daily perception that it is impossible to organize in any other manner. In some ways, we have been conditioned to believe that 'our' reality is the only reality.

An 'organism' viewpoint or frame is an alternate perspective or frame for analyzing organizations. A substantial amount of research has been dedicated to the study of organizations being classified into kinds or'species' that have 'evolved' via interaction with their environment. This viewpoint allows us to examine how organizations are "born," "develop," "decline," and "die," and has resulted in the creation of several "life-cycle" models. Another prominent viewpoint, the'structural' frame, is especially prevalent in Western organizations. This is so prevalent that, as we will see, it even impacts the study of organizational culture. When the structural perspective is adopted, organizational problems are thought to be the result of structural deficiencies, and as a result, change initiatives frequently focus on structural issues, with the popular belief being that if you get the structure right, everything else will fall into place. The 'political' viewpoint is also a popular diagnostic and analytical tool.

Proponents of this school of thought contend that patterns of power and control fundamentally impact organizational behavior and organizational structures. While managing, evaluating, or investigating organizational structure and activity, there are several views or paradigms that may be used. Each viewpoint, when utilized as a problem-recognition and problem-solving tool, may detect distinct issues and offer alternate solutions.

#### B. The cultural perspective

One highly effective approach of perceiving organizations is via a cultural or symbolic metaphor. The organization may be seen as a culture, in which case even the more mechanical aspects, such as structure, rules, procedures, and processes, can be understood as cultural artifacts that help define the continuing reality for individuals in an organization. Employing this viewpoint guarantees that every component of the organization is rich in symbolic significance, allowing the familiar to be seen in a new way. Meetings, other routines and ceremonies, such as selection and promotion boards, become rituals which serve a significant cultural function. Morgan discusses the cultural metaphor's merits. It emphasizes the symbolic value of even the most logical components of organizational activity and focuses on the human dimension of organization. Moreover, culture focuses on common systems of meaning, providing a new focal point

for the production of 'organized' activity. As a result, if the symbolic aspects of organizations, such as language, conventions, rituals, and other practices that express essential values and beliefs, can be affected, managing, or at least influencing, culture may become conceivable. Culture also impacts how organizational members understand the nature of their business environment, since knowledge of the link between the organization and its environment is an extension of organizational culture; the environment is seen through 'cultural glasses'. For example, corporations in a sector often construct a vocabulary for making sense of their market: they can claim that it is a 'dog eat dog' culture, or imply that 'he who dares wins'. This phrase tells us something about the organization's culture, not only about the competitive climate in which it works.

Weick and Morgan contend that organizations "enact" the reality with which they must contend. A competitive mentality inside businesses, for example, is likely to promote a competitive corporate climate. That example, if all or many enterprises in a business sector feel they operate in a highly competitive environment, their following actions may assure that competition is prevalent; they may participate in competitive pricing, special offers, faster delivery times, and so on. This has significant consequences for the understanding of organizational strategy, since strategy is derived from organizational culture and impacted by the business context in which it is implemented. Lastly, the cultural viewpoint gives essential information on the process of organizational transformation and its success or failure. It is possible to claim that successful organizational reform necessitates cultural change.

Metaphors have been used to describe how the culture of an organisation works as an integrating force. They often depict a visual, subjective, and meaningful interpretation of the notion of organization. Culture, for example, might be thought of as an intangible'social glue' or 'normative glue' that ties and keeps everything together. Culture and organization may be compared to a 'iceberg,' a metaphor implying that what appears on the surface conceals a much deeper, mystical, and powerful reality. The metaphor implies a strong caution to change agents, or those whose primary function it is to manage and facilitate change in an organization: it is easy to modify superficial appearances, but to have a lasting influence, the underlying truth must be addressed..

We may analyze organizations as systems of complex information, communication, decision making, and learning from the viewpoint or paradigm of the learning organization. Substantial effort has been done in Management Information Systems, Operations Research, and Management Decision Systems to build decision-making tools and data management concepts and practices that are similar to the human brain in certain aspects. The resulting complicated data management systems in logistics, manufacturing, finance, and marketing, as well as the adoption of teams that can 'think' for the rest of the organization and control



# Vol 10, Issue 5S, May 2023

operations, are suggestive of a centralised brain that governs activity[10].

The learning capabilities of an organization is a topic of special importance in contemporary organizational behavior. A current topic of discussion and interest is whether or not organizations can learn. It is suggested that if they can, they will be better equipped to accept organizational change since they will be able to learn to handle and deal with situations they have never encountered before.

According to Argyris and Schon, most organizations engage in and are proficient at single-loop learning: that is, learning within accepted limits in which an organization can scan its environment, set objectives, and monitor its performance to keep it on track, usually resulting in'same again', single-frame solutions. For example, in bureaucracies, basic organizing principles based on precedent, rules, procedures, and regulations can inhibit the learning of new methods of functioning, organizing, or managing. As a consequence of the same or similar solutions being generated in response to perceived organizational challenges, the organization becomes trapped in single-loop learning and defensive routines. Only when organizations and people reflect on practice, challenge established practices and norms, recognize that answers do not lay in prior experiences, and enable alternatives to develop, can double-loop learning occur. For these acts to take place, an organization must be able to break free from the paradigm in which it is trapped.

# C. Organizational analysis: current topics

Numerous academics, mostly from business, management, sociology, psychology, and philosophy, do study on human behaviour in organizations. They are interested in discovering answers for a wide range of human behaviors and activities. For example, a more contemporary focus of some of this study analyzes how individuals express, utilize and misuse emotions in companies. Some scholars have focused on time and the many interpretations of it in an organizational environment. Two of the most prevalent modern problems knowledge management and inter-organizational networks. Academics have long studied organizational ideals. beliefs. tales, myths, and other symbols. Understanding these allows us to understand the complexity of human interaction in an organizational environment and to reject the simple and logical ideas that dominated Western organizational theory for so long. We will only look at two 'current' themes: emotions and time.

# III. CONCLUSION

The purpose of scientific management theory was to maximize the productivity of each person inside the organization. Humans are only seen as adjuncts to machines in the performance of repetitive tasks, with the primary goal of boosting production via the employment of modern technology. It is a management philosophy that examines and synthesizes processes. Its primary goal is to improve

economic efficiency, particularly worker productivity. It was one of the first efforts to apply science to process engineering in management.

#### REFERENCES

- [1] F. W. Taylor, "The Principles of Scientific Management," in Modern Economic Classics-Evaluations Through Time, 2017. doi: 10.4324/9781315270548-22.
- [2] L. J. Kemp, "Modern to postmodern management: Developments in scientific management," J. Manag. Hist., 2013, doi: 10.1108/JMH-02-2011-0005.
- [3] K.-P. Huang, J. Tung, S. C. Lo, and M.-J. Chou, "A Review and Critical Analysis of the Principles of Scientific Management.," Int. J. Organ. Innov., 2013.
- [4] Y. Su, "Taylor Scientific Management Theory Carding and Significance of Organization Management," Soc. Sci., 2017, doi: 10.11648/j.ss.20170604.12.
- [5] N. Uddin and F. Hossain, "Evolution of modern management through taylorism: An adjustment of scientific management comprising behavioral science," in Procedia Computer Science, 2015. doi: 10.1016/j.procs.2015.08.537.
- [6] K. Caldari, "Alfred Marshall's critical analysis of scientific management," European Journal of the History of Economic Thought. 2007. doi: 10.1080/09672560601168405.
- [7] J. Paramboor and M. B. Ibrahim, "Scientific management theory: A critical review from Islamic theories of administration," Al-Shajarah. 2018.
- [8] D. N. Koumparoulis and A. Vlachopoulioti, "THE EVOLUTION OF SCIENTIFIC MANAGEMENT," Acad. Res. Int., 2012.
- [9] V. Z. Chen and M. A. Hitt, "Knowledge Synthesis for Scientific Management: Practical Integration for Complexity Versus Scientific Fragmentation for Simplicity," J. Manag. Inq., 2021, doi: 10.1177/1056492619862051.
- [10] N. Whitfield, "Surgical Skills Beyond Scientific Management," Med. Hist., 2015, doi: 10.1017/mdh.2015.28.



Vol 10, Issue 5S, May 2023

# Analyzing the Emotion in organizations

#### Naveen Kumar.V

Assistant Professor, Department of Business Analytics, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India
naveenkumar\_v@cms.ac.in

Abstract—Our emotions have a significant influence on our work environment. Good emotions like joy and optimism may boost our productivity and help us form positive connections with our coworkers. Negative emotions, on the other hand, such as worry and wrath, may cause conflict and make it difficult to concentrate on the work at hand. In this chapter author is discusses management and leadership..

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Pleasure, sorrow, rage, envy, remorse, and love are all felt and shown at the workplace and in daily life. The assumption that organizational order and efficiency are a matter of logical, non-emotional action is deeply ingrained in Western society. In other words, untidy sentiments are often thought to impede with ordered, efficient decision making and activities. For decades, experts have questioned these assumptions, and more lately, the significance of emotion in organizations has been examined.

As a result, research has looked at how individuals transfer their early effects into their interpersonal interactions at work. Fine has studied the psychology of emotions in organizations. Mumby and Putnam proposed 'bounded emotionality,' and, along with Simon, recognized that decision making is likely to be impacted by both 'rational' and emotional concerns. Abramis analyzes workplace fun, excitement, humor, and play. It has also been shown that knowing our own and others' emotions at work might impact how we communicate and inspire others.

## Organization and time

Time has always been crucial in organizations, but it has lately been emphasized as being critical in affecting organizational competitiveness. Our grasp and use of time at work is deep. Let us look at three examples of time-based language and thinking:

Time may govern and profoundly affect our everyday lives, such as when we begin and end work and how we are assessed at work. Productivity, for example, measures how much we do in a given amount of time. Time flexibility is often emphasized as a source of competitive advantage and is a cause of continual conflict in organizations between employers and workers [1], [2].

Organizations consider time in terms of both short-term and long-term roles. A corporation may leverage current information to acquire a short-term competitive advantage, but another firm may strive to generate new knowledge to gain a long-term competitive advantage - these two hypothetical organizations would vary greatly.

Some academics and managers consider company and product life cycles. Thus, corporations are supposed to go through a succession of phases, just like individuals themselves, before they inevitably decline, while goods likewise eventually attain maturity and subsequently 'die'.

Moreover, change management, a key issue in organizations and in this book, implies variation across time. In change management, we consider phrases such as revolution, evolution, incrementalism, and quantum alterations, all of which need an understanding of time. Management theory implies that conceptions of the past and future are important: that is, we look back and prepare for the future. Organizational reality, on the other hand, often emphasizes the present, the crises and obligations that we confront and that preoccupy us in the now.

The search for a "one best way" approach was considered hackneyed and inappropriate because situational or contingent factors influenced organizational management activity; organizational size, levels and types of technology, the business environment, and all manner of internal social aspects act as contingent factors and, as a result, affect organizational activity; organizations may be considered as open systems with intricate interrelationships between technological and social subsystems; organizations can be viewed through several 'lenses,' such as cultures, brains, or machines. Whatever viewpoint or paradigm is used will have a significant impact on our interpretation of organizational practice [3].

The most important lesson to be drawn from the study of organizational theory is that our understanding of organizations today, whether as individuals or as a group, is heavily influenced by historical context, past and current organizational practice, and the writings of a relatively small number of key researchers in the field. As Morgan said above, when we are locked into a specific way of seeing and thinking, it is difficult to envisage or develop viable alternatives to what we take for granted. The early classical theorists did not so much dismiss or rule out the prospect that influence productivity variables may organizational forms as they were generally ignorant of their significance as early academics. They couldn't'see' because



# Vol 10, Issue 5S, May 2023

they were 'locked' inside frames of reference. Similarly, if we analyze people's social demands in the workplace apart from technological, structural, managerial, or environmental issues, we may get trapped in an equally unsatisfactory paradigm. The last element of this enhances our awareness of the need of 'paradigm-hopping,' a talent that is well worth pursuing, while also reminding us that there are numerous ways to understand organizations, and each will offer us a completely different picture of how and why people act as they are thought to do.

#### II. DISCUSSION

#### A. Management and leadership

The theoretical foundation offers insight on the nature and practice of management and leadership, thus it is now relevant to investigate the evolution of management theory, from Frederick Taylor's early writings to modern understandings presented by Henry Mintzberg and others. The examines the evolution of leadership thought before delving into the distinction between leadership and management. This body of knowledge arose independently of management theory, despite the fact that many leadership ideas seem to be as important to managers and management as they are to leaders and leadership. In line with the broader goals of the book, this chapter examines several current concerns and offers two new perspectives on leadership, namely re-framing and pluralism. It finishes by expanding on the concept of change, looking at both theoretical and case study material, as well as diversity, communication, and conflict [4].

# B. Charles Taylor

Taylor's work in the early twentieth century, centered on task management. His focus on logic led to the application of scientific ideas to work administration in order to determine the most efficient method of operation. He contended that scientific administration of labor activities would result in increased efficiency, standardization, and discipline. Such analysis, according to Taylor, is a primary management job.

It is critical to situate advances in scientific management within their historical context. Management was a little studied and imprecise activity in the early twentieth century. Taylor's work before the widespread use of mass manufacturing methods. There had been little systematic study, and procedures differed greatly. Workers were under the impression that increasing their productivity would only result in job losses. To restrict production, they understandably took advantage of lax managerial oversight. They were able to do so because employees often devised or organized their own efforts and had little interest in efficiency.

Several contemporary organizations continue to use Taylor-like ideas to maintain or boost productivity. This is especially true when comparable or equal outputs on a near-continuous process are needed. Taylor's work was

groundbreaking at the time, but it is now widely accepted. Aspects of it are increasingly being discarded in favor of more 'human' or social concerns, and the whole method has proved less beneficial in many contemporary circumstances. Yet, the ideals of separation of administrative and worker roles, standardisation and specialisation, division of labor, and efficiency continue to be fundamental in many organizations.

While Henri Fayol did not originate management, he distinguished it from other organizational activities and explained in considerable detail what he regarded to be the primary tasks of a manager. This is a normative and prescriptivist model: it specifies how managers should perform their activities in order to maximize efficiency. Some readers may be aware with Fayol's recommended management functions: they are regularly included in various conceptions of management. Managers, according to Fayol, have a duty to:

- 1. Plan and forecast create a set of measures that will allow the organization to fulfill its goals in the future.
- 2. Organized in accordance with Fayol's administration ideas;
- 3. Coordination entails ensuring that resources, activities, and outputs are coordinated in order to accomplish the intended results.
  - 4. To command is to guide personnel.

Control entails ensuring that actions are carried out in line with the plan, that instructions are obeyed, and that management principles are followed. He also formulated 14 management principles, many of which continue to profoundly impact and considerably reflect how many'modern' organizations are governed. This might be regarded seminal work, having a significant effect on management theory, and hence deserves some discussion here. These concepts are divided into those that are mainly related to organizational structure and those that are concerned with wider management duties [5], [6].

While many of these ideas were ubiquitous in organizations before to Fayol's work, they were not laid down in this systematic fashion until 1949. Several of the concepts have been called into question by recent organizational changes. The notion of unity of command, for example, where each individual has one superior to whom they report, although still the norm, is violated in many matrix or project-based organizations. Also, the fairly strict concepts do not play well with modern innovations, such as teamworking, flatter hierar- chies, professional control and flexible working.

Peter Drucker and Henry Mintzberg, two more modern authors, have sought to describe and comment on what managers do. In management writing, this functional approach has a long history. Although Drucker provides a prescriptive view of the management position, akin to Taylor and Fayol, Mintzberg aims to remark empirically on the actuality of managers' duties.



# Vol 10, Issue 5S, May 2023

Drucker distinguishes three major tasks:

- 1. Satisfying the organization's objectives or purpose;
- 2. enabling the worker to accomplish and c
- 3. oncentrate on productivity; and managing social duties.

According to Drucker, managers must: create goals; organize; motivate and communicate; and measure and develop people in order to fulfill these core duties. The primary distinction between this latter work and prior work is the examination of human and interpersonal problems, particularly the recognition of the value of communication and broader societal concerns. It was essentially the work of the human relations school that brought such issues to the attention of practitioners and academics.

After careful observations of what managers really did, Henry Mintzberg released his famous book on management in 1973, while Fayol and others presented prescriptive interpretations that became' myths of contemporary management'. Managers, contrary to popular belief, did not spend the majority of their time planning, organizing, commanding, and managing. coordinating, Mintzberg defined 10 responsibilities that managers play in the course of their duties, which are divided into three categories, as shown in 6.2. Mintzberg proposed that managers often seek and frequently fail to sequence their duties rationally in pursuit of their goals. A straightforward temporal sequence of activity: initially, the manager establishes relationships with people and networks internally with other departments. This allows the manager to gather information and begin to serve as the group's spokesman. When connections grow, they provide quality information, which leads to the third stage: decision making, goal setting, and resource allocation choices.

Kotter discovered that managers tend to spend relatively little time alone on solitary activities, which largely supports Mintzberg's results. According to Mintzberg, they prefer to work or consult with subordinates, superiors, peers, and outsiders. A 'typical' manager's day includes many pauses for short talks, whether by phone, in person, or, increasingly, by email and other forms of electronic communication, which serve not just to punctuate action but also to keep the manager informed. Managers, according to Dailey, should not be afraid of such disruptions since the resulting push for connection development and information distribution is vital in informing decision making.

Several management theorists, such as Rosabeth Moss Kanter, Tom Peters, and Henry Mintzberg, have emphasized the strategic approach. As a result, they have emphasized the significance of purpose and vision, as well as culture and value leadership within a customer-oriented, outward-facing company environment. They aim to provide a comprehensive picture of the circumstances required for organizational success [7].

We may now define management and leadership and seek to distinguish the two. Managers execute responsibilities in organizations, carry a formal title, and/or play a role. A divisional marketing manager, for example, is responsible for marketing a product line in a geographical region, or a personnel manager, for example, is responsible for the recruitment and selection of workers for a single site organization. These managers have a title, a job, and a set of responsibilities, which include managing subordinates as well as physical and financial resources. They are accountable for their subordinates' performance and output. According to Fayol, management is often concerned with planning, organizing, coordinating, commanding, and managing the actions of employees.

Leaders, on the other hand, try to influence and direct people into following certain aims or ideas of the future and to motivate others into wanting to follow. Leadership illustrates one person's authority over others. Leadership is not always associated with a hierarchical role, as management is. Informal leaders may be found at all levels of a company. Leadership is often a dynamic endeavor involved with shifting attitudes. Management is less inspiring and requires more emotional involvement than leadership. This second argument is reinforced by Zaleznik, who claims that managers are less emotional and more passive than leaders, and are more concerned with finding a middle ground between clashing opinions and maintaining order than with starting change. It is not always true that people are either managers or leaders. A manager, for example, is likely to demonstrate leadership traits on certain times. Likewise, one of Mintzberg's 10 management responsibilities is that of the leader. Others, such as Handy, Watson, and Kotter, argue that leadership is only a subset of management's wider job, and that it is mainly concerned with interpersonal elements of the position. Similarly, a leader who is focused on behavioral and organizational change and uses all of the political, emotional, and symbolic instruments of leadership may also do 'regular' administrative tasks. Individuals may, however, be predisposed to either a management or a leadership disposition. Numerous scholars have sought to distinguish between leadership and management. Kotter distinguishes between management and leadership at four phases of action: when formulating the agenda, forming the essential human network to advance the agenda, executing the agenda, and dealing with the results of this activity. Throughout, Kotter suggests that leadership is more concerned with the human, visionary, inspirational, motivational, and dynamic aspects of both the total management/leadership role, whereas management is more particularly worried with the tasks identified by Fayol: planning, organizing, and controlling, as well as problem solving and maintaining a certain level of predictability and stability.

Henry V's address to his troops just before the battle of Agincourt in 1415 is perhaps one of the most rousing leadership speeches in literature, and later on cinema. The reader was encouraged to assume that the English triumph against the French was largely due to King Henry's leadership. Throughout millennia, there has been a great deal



Vol 10, Issue 5S, May 2023

of interest in leadership. People have long been drawn to the charisma or character of extraordinary leaders, regardless of whether they brought societal benefit or harm to their followers. Leadership research may be divided into three primary schools: trait, behavioral, and situational approaches [8].

By the middle of the twentieth century, there was a strong desire to identify the personal qualities, or features, of successful leaders. Trait theories can only provide a limited and frequently superficial view of the topic of leadership. Subsequently, behavioral theories were attacked, particularly for being non-context specific, which has resulted in an emphasis on the context or setting in which leaders work. Situational theories focus on the leader in an organizational or other setting, and they enrich the study of leadership. The following section summarizes some of the most important discoveries from each of these three schools.

#### C. Theories of personality

Personal characteristics were, and still are, regarded to influence an individual's aptitude to lead. These criteria included physical attributes including height, social background, IQ, and a variety of personality traits. Significant research has been conducted in an effort, although with little success, to identify correlations between several characteristic factors and leadership performance. Several characteristics are only tangentially connected to leadership. However, Bennis and Nanus discovered a link between leadership effectiveness and the traits of logical thinking, persistence, empowerment, and self-control, where logical thinking refers to: the ability to translate ideas into simple forms; persuasive abilities; and explaining phenomena in novel ways. Persistence was supposed to be characterized by the following characteristics: seeing losses as small errors; working long hours; and attempting to achieve despite all difficulties.

Enthusing others about their aims; being passionate and energetic oneself; and increasing trust in workers' own skills were all empowerment attributes. Working under pressure; being cool and even-tempered; and resisting intimidation were all examples of self-control qualities. Several other academics and researchers have sought to demonstrate a correlation between qualities and leadership effectiveness, including some meta-analytical work that combines the results of hundreds of individual study studies.

Each creates its own list of leadership attributes; most look intuitively reasonable. Sadly, there is little agreement among all of these investigations. For example, intelligence seems to be required to boost leadership effectiveness. The researchers' various interpretations, along with the variety and complexity of materials with which they are working, have assured that the results provide little new information. After all, they are, like most research, efforts to link two or more factors that may or may not be connected.

While this study is valuable, characteristic theories have severe flaws. Some studies are gender, even racially biased,

while many more concentrate on a very restricted, though typically majority, portion of the managerial work force in North America and the United Kingdom - white males. Just a few characteristics seem to be highly related to leadership effectiveness. Some people believe that leadership capacity may be easily assessed. Several studies presume that leadership effectiveness, success, or competence are results of position in the organization, or that subjective judgment is used to categorize excellent or successful leaders. The adage that leaders are born, not produced, cannot be justified; science simply does not support it.

Moreover, trait theories exclude any situational or contextual considerations. Perhaps, some leaders become successful because the circumstances are 'appropriate' for them. It's possible that the right circumstances 'create' outstanding leaders. Ultimately, characteristic theories may result in harmful stereotyping. These may lead to the notion that once one has, or has not, the requisite attributes, leadership effectiveness is, somehow, determined. If such characteristics are physical or otherwise of a nature that makes them difficult to grow or acquire, the conclusion is that leaders are born, not formed, and that management education or experience is irrelevant [9].

#### D. Theories of behavior

The behavioral approach evaluates leadership behavior, especially that which effects the performance and motivation of subordinates, rather than the features or attributes of the leader. As a consequence, the focus is on leadership style. The Ohio State University investigations, in the 1940s and 1950s, studied leadership style, and determined that there were two essential sorts of leader behaviours: 'initiating structure' and 'consideration'. Initiating structure refers to behavior that is focused on achieving goals and involves explicit supervision and role clarification, work planning, and a results orientation. Behaviours that enhance cooperation and emphasis on supporting networks, group wellbeing, and job happiness are all factors to consider. Similarly, to the Ohio trials, researchers at the University of Michigan discovered comparable results. Leaders and managers demonstrated employee-centered and/or production-centered qualities. These broad descriptions have lately been labeled 'task' and 'people' orientations. As a consequence of this research, commenters stated that the 'one best' style of leadership may be identified, that is, a leader who demonstrates high initiating structure and high consideration behaviors: a strong orientation to both task and people concerns [10].

#### III. CONCLUSION

Although emotions are universal, emotional experience is profoundly individual. We are not all triggered by the same situations, feel anger in the same manner, and display anger in the same way. Our culture, social groups, and personal experiences all form who we are. In more technical terms, an



# Vol 10, Issue 5S, May 2023

emotion is described as a brief, powerful sensation triggered by an event. Not everyone responds the same way to the same scenario. For example, a manager's tone of voice might make one individual feel energized, another furious, and a third melancholy

#### REFERENCES

- J. L. Bowen, "Emotion in Organizations," J. Manag. Educ., 2014, doi: 10.1177/1052562913488110.
- [2] J. L. Bowen, "Emotion in Organizations: Resources for Business Educators," J. Manag. Educ., 2014, doi: 10.1177/1052562913488110.
- [3] N. M. Ashkanasy, "Emotions In Organizations: A Multi-Level Perspective," Research in Multi-Level Issues. 2003. doi: 10.1016/S1475-9144(03)02002-2.
- [4] S. Kouamé and F. Liu, "Capturing emotions in qualitative strategic organization research," Strateg. Organ., 2021, doi: 10.1177/1476127020935449.
- [5] H. A. Elfenbein, "7 Emotion in Organizations," Acad. Manag. Ann., 2007, doi: 10.1080/078559812.
- [6] S. Scheibe, F. Walter, and Y. Zhan, "Age and Emotions in Organizations: Main, Moderating, and Context-Specific Effects," Work, Aging and Retirement. 2021. doi: 10.1093/workar/waaa030.
- [7] W. Küpers and J. Weibler, "Emotions in organisation: An integral perspective," Int. J. Work Organ. Emot., 2008, doi: 10.1504/IJWOE.2008.019426.
- [8] S. Maitlis, T. J. Vogus, and T. B. Lawrence, "Sensemaking and emotion in organizations," Organ. Psychol. Rev., 2013, doi: 10.1177/2041386613489062.
- [9] C. Zietsma, M. Toubiana, M. Voronov, and A. Roberts, Emotions in Organization Theory. 2019. doi: 10.1017/9781108628051.
- [10] D. S. Dougherty and K. Drumheller, "Sensemaking and emotions in organizations: Accounting for emotions in a rational(ized) context," Commun. Stud., 2006, doi: 10.1080/10510970600667030.





Vol 10, Issue 5S, May 2023

# Evolution of Leadership Style

#### Vaibhay Goutham Suresh

Assistant Professor, Department of General Management, CMS Business School, JAIN Deemed to-be University, Bengaluru, Karnataka, India

vaibhavsuresh@cms.ac.in

Abstract—A leader's leadership style relates to how he or she directs, motivates, and manages people. A person's leadership style also influences how they create and execute plans while keeping stakeholders' expectations and the well-being of their team in mind. In this chapter author is discusses the Fiedler's contingency theory.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Leadership style relates to how leaders interact with their subordinates, as well as how activities and responsibilities of leadership are carried out. Tannenbaum and Schmidt proposed a leadership style continuum ranging from a so-called boss-centered approach to a subordinate-centered approach. The idea is that managers' or leaders' styles may be 'mapped' along a spectrum between authoritarian and democratic extremes. Nonetheless, it is probable that a leader's actions will always be impacted by the scenario in which they find themselves. As a result, even if a leader is able to adapt his or her style to the circumstances, a variety of contextual elements, such as group effectiveness, the nature of the work environment, and time constraints, must be considered. Tannenbaum and Schmidt recognized the significance of situational circumstances. They contended that factors in subordinates, such as their degree of experience and the style to which they are used, and forces in the leader, such as knowledge and chosen style, interact to decide the best leadership style to use. Managers examine their own value system and leadership tendency, the degree of trust they have in their subordinates, and their capacity to deal with the uncertainties of the circumstance when selecting a suitable style. They will assess their subordinates' temperament and experience, their preparedness to accept responsibility, their knowledge and interest. This refinement to the fundamental concept placed their work in the situational leadership school.

One limitation of the basic style continuum model is that it only has one dimension. Other styles, not covered by the autocratic-democratic spectrum, may be appropriate. For example, leaders may try re-framing a situation, thinking about it in a novel way or from an unusual viewpoint. This paradigm also assumes that leaders make logical judgments based on a wealth of information about the setting, themselves, and their subordinates, which is not always supported by experience. Yet, the model may be a beneficial management development tool and increases the importance of self-awareness of one's leadership style[1], [2]. A simplified version of Tannenbaum and Schmidt's study

implies that the continuum may include four different leadership styles, namely:

joins - management specifies the issue, but gives room for other problem definitions to emerge and the scope of the endeavor to broaden; then becomes a member of the problem-solving group and delegated decision-making authority to the group;

consults - the management recognizes the issue and takes the choice, but only after listening to and perhaps accepting recommended remedies.

Sells - the management decides on a solution to a problem and then persuades the workforce that this option is correct.

Tells - the management recognizes issues and decides on remedies, as stated above, and expects personnel to follow such judgments without inquiry.

Conclusions from a behavioral school

A cursory examination of the information supplied above reveals four main leadership styles:

- 1. Orientation to the task/structure.
- 2. Humans and interpersonal orientation.
- 3. Autocratic/directive leadership.
- 4. Participative/democratic leadership.

Styles 1 and 3 are often connected, as are styles 2 and 4: hence, these four ways may be further reduced to just two, as shown by Ohio State University and University of Michigan study, as well as subsequent work by McGregor, Blake, and Mouton. McGregor's now-popular thesis, Theory X and Theory Y, was that leaders and managers might be distinguished by their attitudes and beliefs about human nature. Theory X leaders believe that people, particularly subordinates, are sluggish, hesitant to take on responsibility, and lacking in ambition, and that they must be managed, directed, and, if necessary, forced and punished. According to Maslow, they are solely driven by physiological and security needs. Theory Y stands in stark contrast. It is assumed that individuals align with organizational goals, and as a result, people require little control or direction, seek rewards consistent with their performance, may accept but rather relish responsibility, possess initiative and creative



Vol 10, Issue 5S, May 2023

skills, and are potentially motivated by higher-order needs for affiliation, esteem, and self-actualization[3].

According to Blake and Mouton, a manager's style may be defined and mapped based on the 'people' and 'task', or 'production' orientation. The mapping exercise provides for degrees of people or production orientation, so you may have a high people and a high production propensity, a high production and a medium people orientation, a low orientation in both dimensions, or a variety of different combinations.

The behavioral school's work is an upgrade over the trait approach. Conduct is visible and learnable, and the emphasis is on what a leader does rather than who he or she is. Yet, there are issues with this school of thinking. It is assumed that high consideration or people orientation, as well as a high starting structure or task/production emphasis, result in good performance. The link between the two main factors may be more intricate in reality. For example, leaders may acquire or sustain a task orientation and people concern in subordinates because it looks to deliver positive outcomes. In other words, the followers' style may be both a cause and a consequence of the leader's style. Behavioral methods, like attribute theories, also disregard the environment or circumstance in which leaders and followers find themselves. The situation is likely to influence the most acceptable style to choose. For example, an organisation could have a long-engrained norm which demands or supports the adoption of a task orientation. This cultural trait may prohibit a leader from diverging considerably from that strategy. Leadership context-specific, at least according to situational theories.

#### II. DISCUSSION

# A. Situational theories

When some components of the behavioural and trait approach are joined with con-sideration of context, or the circumstances in which leaders find themselves, a complicated but more hopeful account of leadership is evident. We found in 3 that taking into account situational or dependent elements increased our knowledge of workplace motivation. Similarly, considering these situational aspects improves our understanding of leadership. Contingency theory, once again, adds complication, but also depth, to our understanding of organizational behavior.

# B. Fiedler's theory of contingency

According to the contingency theory, leadership behavior interacts with a situation's favorableness to influence effectiveness. It contends that certain circumstances are more favorable than others and, as a result, need various behaviors. This approach demands the evaluation of both the leader's style and three major features of the scenario or context:

Relationships between leaders and group members - the character of the work group environment and the resultant loyalty, trust, and so on; Relationship-centered leadership, in which the leader is driven to maintain excellent interpersonal

relationships, or task-oriented leadership, in which the leader is motivated to get the work done. It is determined by asking leaders to identify their attitude toward their least liked coworker. Relationship-oriented leaders characterize their LPC in 'accepting' terms, while task-oriented leaders feel their LPC has few redeeming features. This, according to Fiedler, exhibits a personality attribute known as the leader's motivating pattern[4].

#### C. The path-goal theory of Housing

Path-goal theory was briefly discussed in 3 and is brought up again here since it has consequences for leadership. It is a situational and transactional leadership paradigm, as well as a motivation theory. According to House, it is a leader's responsibility to clear routes for subordinates to acquire their intended incentives. When a subordinate sees that a desired reward is attainable by doing a certain action, motivation to acquire that reward should follow. The leader gives the incentives and explains the connections between employee effort and performance, as well as between performance and reward. The leader enters into a transaction that rewards performance. This necessitates leaders exercising flexibility and developing abilities to engage in: directive behaviors such as planning, setting expectations, and clarifying instructions; supportive behaviors such as friendly consideration; participatory behaviors such as involving subordinates in decision making; and achievement-oriented behaviors such as setting objectives and expecting them to be

The leader must examine environmental conditions as well as subordinate traits before taking a flexible strategy. The prescriptive approach suggests an acceptable style for a range of situational combinations, such as:

- 1. Directive leadership is the greatest way to assure good performance for subordinates who demand a high level of work structure.
- 2. Achievement-oriented leadership behaviors are best suited to subordinates who have a strong desire to succeed.

#### D. Entrepreneurs and business owners

Consider the nature and activities of entrepreneurs and entrepreneurs is uncommon in organizational behavior. Entrepreneurship is the development of economic riches by the addition of value, and it entails the risking of cash, time, and energy. When this activity occurs inside a company, it is referred to as intrapreneurship. Intrapreneurs often have to succeed in a bureaucratic atmosphere that stifles creativity and dynamism. Both entrepreneurs and intrapreneurs might be regarded, in a broad sense, to be leaders. They are in charge of an organization's value-added skills, as well as the creation of new ideas and solutions to existing challenges. They often lead individuals to adopt creative ideas and new ways of doing things [5].



Vol 10, Issue 5S, May 2023

#### E. Leadership contexts

Fisher and Torbert have done some of the most fascinating work in this area. They contend that managers fit into one of six frames that represent different phases of management growth. They are: Opportunist, Diplomat, Technician, Achiever, Strategist, and Magician. Manager qualities in each shot. Several components of the organization, the environment, their subordinates, management, and leadership are seen differently by people in various frames. Achievers, for example, are said to regard leadership as a process of molding people to their own way of thinking, but a Strategist is more likely to try to include a diversity of points of view and ways of thinking.

Although managers in the first four frames are unable to recognize themselves as working in that built frame and are unaware that others operate from other frames, those in the fifth frame, the Strategist, are aware of the ever-present interaction of people functioning in various frames. As a result, they are concerned with testing and framing assumptions found in social interaction. It may be claimed that when managers go from Achiever to Strategist, they will be able and ready to embrace double-loop learning and, as Fisher and Torbert indicate, put in greater effort to understand subordinates and push the boundaries of perceived organizational restrictions. According to Fisher and Torbert, as a leader progresses from Achiever to Strategist, he or she gains significant efficacy [6], [7].

According to the report, the percentage of managers in each of the six groups varies. Reports on a large study project involving over 500 managers in the United States, ranging from first-line supervisors to senior managers and executives. Of course, this and comparable work has its detractors. We may all identify traits in ourselves and others that span across the positions listed. Few individuals tend to correlate clearly to one frame alone, which might be a fundamental critique of the whole notion, implying that people are, although not always permanently, 'locked' into just one frame. Moreover, research in this field is notoriously difficult and plagued with issues that call its trustworthiness and validity into doubt. There is also a belief that Strategists and, if they exist, Magicians are superior at leadership, particularly leadership of large revolutionary change. There is no concrete evidence to support this claim. Yet, considering frames of reference, reflecting on one's experiences, and striving to explore different perspectives is very beneficial, especially in improving management and leadership knowledge and competence.

As a recurring issue throughout this work, organizational transformation is especially important in any study of leadership. After all, one of the primary distinguishing characteristics of strong leadership is successfully guiding people through change. We will begin with an assessment of pluralistic leadership of organizational change before moving on to transformational leadership and two case studies.

#### F. Pluralistic leadership

Leadership has always been thought of as an individual or solo action. That is, one individual takes the lead and the others follow. Leadership and leaders may be found in many facets of our life. Many individuals demonstrate leadership traits most of the time. Most organizations have leaders at various levels, both official and informal. But, when we think of leadership, we normally think of individual leaders; we seldom think about excellent leadership teams. According to Bate, leadership is best seen as a collective or plural idea, especially in the management of change. His argument is that networks of leadership, rather than individual leaders, are more successful in effecting change. He contends that leadership has five major aspects, and that no one leader is likely to be able to provide all of these attributes. A leadership team, on the other hand, may embrace the wide range of traits necessary to effectively manage transformative change. Leadership's five aspects [8].

If each of these five dimensions is put at the corner of a pentagon, it may be feasible to 'map' the leadership capabilities of any specific organisation. That is, the pentagon may become elastic, with some dimensions - the organization's strengths - being indicated by an extended 'arm' and underdeveloped dimensions by a limited extension. This might be a beneficial team leadership development exercise. The elastic pentagon model, which represents the five aspects of leadership; and an organization with excellent creative and political leadership abilities but lacking in action and the capacity to embed change into its structures.

Organisational change is best accommodated, Bate says, by an appropriate mix and balance of leaders who may have varying contributions at various times in the change process. As a consequence, a network of leaders with varying capabilities and at various hierarchical levels will be formed to effect change.

# G. Leadership that is transformational

We will look briefly at a relevant distinction sometimes made between two sorts of leaders and study research that seeks to link leadership style to different forms of transformation. 6.7 uses the work of Bass and others to highlight two types of leadership behaviors: transactional and transformative. Transactional leadership tends to be concerned with relative stability, while transformational leadership suggests dynamism and movement.

The acts of select so-called transformational leaders, such as Nelson Mandela in the 1990s or Margaret Thatcher in the 1980s, or Richard Branson and Bill Gates in the business sector, pique the curiosity of the media and academics. Anecdotal evidence shows that these leaders exhibit the quality known as charisma. This quality is difficult to describe and almost hard to quantify, but it is perhaps easier to witness. A transformational leader's charisma is supposed to inspire and excite followers, who are thus more open to change, highly driven, and unquestioning followers. Robbins



Vol 10, Issue 5S, May 2023

believes that a transformational leader is one who 'inspires followers to transcend their own self-interest for the welfare of the organisation and who is capable of having a deep and remarkable influence on his or her followers'.

Transformational leaders drive large organizational change by addressing both political and cultural systems as well as questioning prevailing conventions. They envision a desirable future state and mobilize devotion to achieve that vision. It is suggested that the ultimate phase is to institutionalize that transformation, to make it a reality. To create transformational change, leaders must have a thorough understanding of organizations and the social interactions they promote. They must grasp political conversation and comprehend the nature of power, equity, decision-making dynamics, and when to push and when to back off [9].

The change matrix developed by Dunphy and Stace connects four kinds of leadership styles to four types or scales of change. This concept, based mostly on intuitive understandings, indicates that corporate transformation or other substantial change, when accomplished by application of a collaborative or consultative style of leadership, may result in 'charismatic transformation'. Transformation may also be accomplished by using a more directive or authoritarian approach. In fact, their study in a variety of service sector organizations found that adopting a prescriptive or forceful approach was more likely to result in revolutionary change. Yet, Dunphy and Stace argue that once change is underway, a more participative approach, especially at the subunit level, is essential to obtain employee support. A substantial amount of change management research has been conducted on the link between style and the efficacy of change initiatives. It is also worth noting that the context of change is a critical deciding variable in the success or failure of change management.

#### H. Conclusions on Leadership and Change

This section mainly features two mini-case studies which strive to show, first, the behaviors of a transformative leader and, second, a case of pluralistic leadership.

# I. Change management leadership

This mini-case examines transformation leadership in a medium-sized NHS Trust hospital in the English Midlands. In the 1990s, the organization was effective in making major and demonstrable quality improvements, exceeding its wide range of targets, and managing with severe environmental flux. A rapidly approaching, centrally enforced shift in the NHS triggered a response. The Chief Executive and the senior management team conceptualized and implemented an internal change management approach based on a cognitive model of change that was not stated but helped to constrain and guide their leadership efforts. This paradigm is examined more below.

The three processes, in the interlocking rings in 6.7, took place in an environment which was made open to change, in part, by leadership efforts. Leadership saw a desirable future

state, a goal or ideal to strive towards. This was in contrast to the weary and increasingly unsatisfactory condition of things at the time, and it impacted the direction, magnitude, and breadth of the transformation. The 'hard' changes mentioned below, together with a real endeavor to transform the culture of the organization to make it more susceptible to innovation, might be said to reflect the 'content' of the change. The reform process included a continuous time frame, punctuated by symbolic and physical acts centered on acceptance politics and cultural interventions, all directed by a leadership team, an example of pluralistic leadership. To manage change, a three-pronged strategy was used:

Conscious and active symbol management, including 'talking up the situation' and modifying symbols While external change triggered action, the leadership team deliberately heightened the existing feeling of looming catastrophe, partially by utilizing 'crisis' language, while building confidence in workers that they were capable of dealing with the repercussions.

The restructure of the organization was overseen by the executive team. Business managers were assigned to each clinical directorate, and mechanisms, including new financial processes, were created to help meet operational and strategic goals. These 'hard' adjustments helped the organization to deal with externally imposed change: the internal market's demands. These reforms, however, were not handled independently of the political and symbolic leadership processes.

The leadership team devoted special attention to acceptability politics, taking a collaborative, rather than forceful, approach. They participated in extensive debate early on, including persons and organizations with both official and informal influence. The need of developing a shared awareness of environmental realities and then taking collaborative action was emphasized. Leadership saw it as critical to instill in others a feeling of ownership of both the issue and the solution. As a result, leaders were developed and nurtured at all levels to champion the change.

It is worthwhile to discuss briefly a basic model helpful for analyzing organizational transformation. Every change has four primary parameters, which are the content, context, process, and timing of change: The nature of what is changing, whether transitional, gradual, or transformative and revolutionary, is referred to as content.

Context refers to the internal and external context in which the change is taking place. An analyst or change agent would need to analyze all sorts of internal contextual features, such as the prevailing management style, leadership attributes, the structure and processes of the organization, and try to determine the receptiveness of that environment. The process of change refers to the set of procedures and actions that are used to carry out the change - how it is carried out. Change occurs over time; it is not an event, but specific 'events' often punctuate the change process. The content, contextual factors, and techniques used in the majority of substantial



# Vol 10, Issue 5S, May 2023

organizational reforms vary with time. Understanding the nature and complexities of organizational transformation may be aided by familiarity with this paradigm. Leadership and management are gendered words; specifically, the word 'management' is more strongly linked with males than women. Work on leadership, like most organizational research, was frequently performed by males in the Anglo-American environment and focused primarily at the same target audiences. Having said that, the evidence regarding gender disparities in leadership is equivocal, although such differences are visible. Differences in leadership styles between men and women are often discovered to be the result of differing working environments; these contextual variables attenuate what could otherwise be more substantial and demonstrable disparities. We are still influenced by the 'conventional' view of a 'good leader': someone who is powerful, charming, and determined. In reality, when a powerful female leader is appraised, such as Margaret Thatcher, they are often thought to have masculine qualities. This begs the issue of whether our perception of 'excellent' leadership is gendered. Judy Marshall contends that feminine and masculine ideals are not exclusive to one sex and that both sexes have access to them. This allows men and women to be both similar and distinct. The goal is to recognize diversity and accept a variety of management and leadership techniques. Many management writers, theorists, and practitioners argue that 'female values' like interdependence and cooperation, receptivity but also acceptance, emotional tone, and intuition are more relevant to the modern workplace than traditional male values' like self-assertion, control, competition, and rationality [10].

A large'meta-study' of management or leadership styles conducted by Eagly and Johnson found that, although women often chose more democratic and participatory methods than men, men were no more task oriented than women and women were no more interpersonally oriented than men. In actuality, the changes were minor.

Communication inside and outside of an organization is crucial to leadership. It is the capacity to communicate, to establish touch with and connect with actual people that distinguishes leadership from administration or even management. Leaders spend the majority of their time in the organization making speeches, writing messages, listening and chatting with colleagues, observing and responding to needs, and generally communicating. Leaders also engage with their surroundings, including suppliers, markets, and even rivals. Moreover, leaders communicate in ways other than words. Charisma is a method of communication. All leaders, whether deliberately or unconsciously, send symbolic signals. How a leadership team employed symbolic communication as a change management method.

Communication skills, the use of all available media, and sensitivity to the power of symbols, as well as an understanding of how others interpret words and actions, are crucial for a good leader. Organizations have multiple stakeholders, or factions, who frequently have opposing views on how the organization should be handled and led. Conflict is unavoidable in organizations, and managing such conflict is a key leadership function. Stakeholder analysis entails identifying relevant parties and determining how to effectively meet their frequently conflicting requirements. Leadership becomes very political when having to handle such divergent, sometimes irreconcilable, expectations. By succeeding in this, leadership gains credibility in certain ways.

#### III. CONCLUSION

The fulfillment of a goal via the guidance of human assistance is referred to as leadership. A leader is someone who skillfully rallies his human partners to accomplish certain goals. A great leader is one who can do so day after day, and year after year, under a broad range of conditions. Finally, leadership is defined as the process of leading, educating, inspiring, and directing the actions of others in order to achieve a goal. It entails the ability to influence people; the roles of leadership and management may function in various capacities when building an organization. Leadership is nothing if it does not create a management framework based on systems, and management would be nothing without the work of leadership as the backbone of ideas.

#### REFERENCES

- [1] A. Fries, N. Kammerlander, and M. Leitterstorf, "Leadership Styles and Leadership Behaviors in Family Firms: A Systematic Literature Review," J. Fam. Bus. Strateg., 2021, doi: 10.1016/j.jfbs.2020.100374.
- [2] D. F. Sfantou, A. Laliotis, A. E. Patelarou, D. Sifaki-Pistolla, M. Matalliotakis, and E. Patelarou, "Importance of leadership style towards quality of care measures in healthcare settings: A systematic review," Healthcare (Switzerland). 2017. doi: 10.3390/healthcare5040073.
- [3] T. N. Hai and Q. N. Van, "Servant leadership styles: A theoretical approach," Emerging Science Journal. 2021. doi: 10.28991/esj-2021-01273.
- [4] M. A. Khan, F. B. Ismail, A. Hussain, and B. Alghazali, "The Interplay of Leadership Styles, Innovative Work Behavior, Organizational Culture, and Organizational Citizenship Behavior," SAGE Open, 2020, doi: 10.1177/2158244019898264.
- [5] Y. Xie et al., "Leadership style and innovation atmosphere in enterprises: An empirical study," Technol. Forecast. Soc. Change, 2018, doi: 10.1016/j.techfore.2018.05.017.
- [6] N. N. Dewi and R. Wibowo, "The effect of leadership style, organizational culture and motivation on employee performance," Manag. Sci. Lett., 2020, doi: 10.5267/j.msl.2020.2.008.
- [7] S. Ilyana and M. Sholihin, "The Effect Of Incentives And Leadership Styles On Creative Performance," J. Indones. Econ. Bus., 2021, doi: 10.22146/jieb.59893.
- [8] U. D. Abasilim, D. E. Gberevbie, and O. A. Osibanjo, "Leadership Styles and Employees' Commitment: Empirical Evidence From Nigeria," SAGE Open, 2019, doi: 10.1177/2158244019866287.



# Vol 10, Issue 5S, May 2023

- [9] E. B. Essa and A. Alattari, "The relationship between followership styles and leadership styles," Res. Educ. Adm. Leadersh., 2019, doi: 10.30828/real/2019.2.7.
- [10] A. Saleem, S. Aslam, H. B. Yin, and C. Rao, "Principal leadership styles and teacher job performance: Viewpoint of middle management," Sustain., 2020, doi: 10.3390/SU12083390.





Vol 10, Issue 5S, May 2023

# Determination of Organization Structure

#### Umakanth S

Professor & HoD, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India umakanth@cms.ac.in

Abstract—An organizational structure is a framework that describes how various operations are handled to meet a strategic purpose. These activities include rules, roles, and responsibilities. The organizational structure also governs the flow of information throughout the company. In this chapter author is discusses the multidivisional structures.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Work organizations try to achieve economic and social goals, and the senior managers who work in them confront the constant challenge of developing and maintaining a competitive organization. Managers are continually monitoring their markets as well as the behavior of their rivals. Senior managers must maintain a keen outward focus while also keeping a close eye on what is going on inside the organization. Internal challenges and problems may be linked to how the organization is formed, and this may have a significant impact on an organization's capacity to maintain high levels of individual success and performance. The concept that an organization's structure and operations should fit or match its environment has been around for a long time and there is evidence that organizations with high structure/environmental fit outperform those without. Getting the structure 'correct' creates difficulties that are unique to the business since it entails organizing a specific group of people to 'manage out' inefficiencies and conflict so that the workforce can provide optimum value to the firm's consumers. Organizational structure has a significant impact on organizational behavior; this paper discusses some of the ways organizations are formed and highlights some of the management difficulties that occur [1].

Organizations have some type of hierarchy that is concerned with the lines of power used to ensure that individuals know from whom they get information and advice and to whom they are accountable. The numerous reporting links combine to form a hierarchical structure in which management roles become fewer as one ascends the ladder but are linked with increasing degrees of responsibility. A chief executive stands at the top of the hierarchy, having ultimate accountability for the whole organization.

Even in tiny organizations, individuals are divided into parts or departments. A small clothing factory may have design and fashion, buying, manufacturing, marketing, and general administration divisions. This style of organization is based on functional sectors such as manufacturing and marketing. For reasons that we shall discuss later, the

attractiveness of organizing into divisions and departments grows as the size of the organization grows.

So, a typical perspective of organizational structure is that it specifies how an organization is divided into work groups, as well as the reporting and authority ties that link people and groups together. Structure serves to develop distinct identities for various work groups and has a significant impact on the effectiveness with which people and groups interact. Structure's function is to organize and divide work among an organization's members so that their efforts are best harnessed to accomplish the organization's goals and objectives. Like with other studies there is a language to define the ideas and variables that are linked with organizational structure. The most crucial are discussed further down.

#### A. Decentralization and centralized administration

The amount to which decision-making power in an organization is centralized such that it lies with senior management is referred to as centralisation. A head office often maintains tight control over all crucial decisions in extremely centralized organizations. Divisional managers may be consulted on matters impacting them, but the center retains the majority of decision-making authority. The structure is considered to be decentralized when senior management allow significant latitude to engage in and make choices at or near the location where the job is conducted. When such autonomy is granted, it usually involves the flexibility to operate within a budget, to choose how to work, to innovate with goods and services, and to communicate with suppliers and customers. Centralisation offers a few individuals total control, which has the benefit of making judgments more likely to be consistent and simplifying duties at lower levels since crucial decisions are eliminated. The downsides of centralization include that it may become synonymous with unhelpful bureaucracy that hinders decision-making, and front-line personnel may feel that they have little obligation to think about topics that they believe are essential [2]–[4].

In principle, decentralisation increases the potential for employee motivation, and since choices are made closer to the workplace, the organization can respond to consumer requirements quicker and better. Yet, in an exhaustive



Vol 10, Issue 5S, May 2023

examination, Hales demonstrates that the idea of decentralisation is far from obvious and warns that decentralisation alone is unlikely to affect managerial behavior much. Only through changing human resource management methods like selection, training, and incentive can the circumstances for new behavior be established.

#### **B.** Differentiation

Vertical differentiation refers to the degree to which an organizational structure has multiple levels of authority. The degree to which an organization is split into specializations is referred to as horizontal differentiation. Consequently, a highly differentiated organization would have several reporting levels in its hierarchy and be organized into many separate product or service sectors. A company with a modest number of workers and a single product line may have three degrees of vertical diversification but no horizontal differentiation.

# C. Integration

Integration refers to how well various levels of the hierarchy are integrated and how well coordination happens across functional domains. Lawrence and Lorsch also employed the notions of differentiation and integration, seeing differentiation as the amount to which an organization splits apart, so that separate departments concentrate on and service distinct markets. The more this occurs, the more the departments' aims, values, and methods of operation diverge. Even when there is substantial difference, there is a need to coordinate departmental operations around the organization's shared objectives, and integration refers to the degree to which coordination happens. As a result, we might envisage a very distinct but yet highly interconnected organization working in a complicated business environment.

## D. Specialization

Employees in small organizations with little job variation might migrate between occupations to increase their adaptability and interchangeability. Employees are more likely to specialize in the sort of work they perform as organizations grow and the nature of the job they conduct diversifies. The amount to which various expert positions exist in an organization is defined as specialisation: the greater the number of specialist roles, the greater the degree of specialisation. The degree to which personnel doing similar or closely related duties are grouped together is sometimes referred to as specialisation. This is known as routine specialisation, and it happens when occupations are divided such that workers only perform one or a few components of a job rather than the whole job. Since roles are narrowly defined, people with high specialisation achieve high levels of efficiency, and control is simpler. Potential downsides include establishing an inflexible environment, producing people who do not perceive or are not interested in the "big picture," and producing labor that gets dull over time[5].

#### E. Formalization

Formalization refers to an organization's proclivity to develop and implement written policies, regulations, and procedures that control how work is done. This comprises job descriptions and staff manuals that define the processes for workers to follow in certain scenarios, many of which seem minor to employees.

# F. Span of control

The number of individuals who can be effectively managed by one person varies depending on the organization and, in particular, the nature of the activity. The span of control refers to the amount of workers who report directly to a manager. It runs from one to one hundred, although for practical reasons, it is unlikely to exceed 100. Control and synchronization become more difficult as the breadth of control expands. The average number of subordinates reporting directly to a boss is 10-12. Typically, another level of management or supervision is added above this.

#### G. Bureaucracy

In an organizational environment, the word "bureaucracy" refers to Max Weber's work. Weber was interested in the 'rationalization' of Western civilization. This is really about understanding the manner in which the options that individuals have over the ways they do things were more constrained by laws, rules and regulations. Bureaucracy is a key component of rationalization, and it encompasses several aspects of organizations such as hierarchical structures, employees with clear responsibilities, rules, and procedures, managers with legitimate authority based on their position in the organization, and motivated employees to achieve organizational goals. Weber was worried that the future held out only hopes for increased rationalization, and his contribution to organisation theory is

#### H. Structures with several functions

Big companies arose in the United States before Europe and were widespread by the end of the nineteenth century. The framework they used is regarded to be one of the reasons for their success. This usually included centralized management and the presence of various functional divisions, such as buying, manufacturing, and marketing. Another feature of their organization was vertical integration, or the consolidation of activities such as purchasing materials, manufacturing and assembly, distribution, and retailing under the supervision of a single firm. It should be noted that this is a different definition of vertical integration from the one offered above. Vertical integration in this context refers to the extent to which the various stages involved in getting products to customers are owned and controlled by the same organization, whereas the previous meaning, discussed above, referred to the extent to which an organization's hierarchical levels are coordinated.

General Motors, the huge American automaker, was founded on centralized authority over a functionally divided



# Vol 10, Issue 5S, May 2023

structure and had become a model organization for other big firms in the 1940s. The multifunctional form separates and organizes a firm's business processes based on the many inputs. It is feasible when items share common manufacturing processes and technology and where personnel may become highly specialized in their profession. Big American organizations had mostly maintained the same structure for decades, but developments beginning in the 1960s forced them to adopt a more restless attitude toward their structures. The causes are outlined below. Businesses in the growing service industries need structures that differed from those that suited large manufacturers [6].

- 1. Companies used several technologies to generate a wider variety of products.
- 2. Transnational businesses were expanding, necessitating the creation of new structures in order to service markets and make the greatest use of market intelligence.
- 3. Emerging technology and new markets called for entrepreneurial thinking and speedier reactions from managers and the expanding numbers of knowledge employees.
- 4. Drucker did not dictate what alternative structures should look like but he did make certain comments that are still relevant today.
- 5. Structures must incorporate three elements: product/service production, future product/service innovation, and management's vision for the future.
- 6. Structures do not develop on their own. They need thorough consideration and analysis, and should correspond to a clearly expressed vision of what the organization wishes to accomplish.
- 7. Work and tasks should be tailored to meet the ambitions of those who do them.

The hierarchical organizational structure with superiors and subordinates is almost unavoidable. Scalar structures provide workers with both safety and the opportunity to develop.

# II. DISCUSSION

#### A. Structures with many divisions

While functional structures were crucial in early twentieth-century economic development, their usefulness was called into doubt by the 1970s, when a more efficient structure known as the multidivisional form started to replace them. Divisions were developed in this structure to oversee all parts of the production of a certain product, from acquiring supplies through manufacture and distribution. In this respect, multidivisional structures emphasize a firm's outputs rather than its inputs since the structure revolves around the primary product categories rather than the inputs in terms of resources and expertise required to make them. They mitigate the risks of poor communication and coordination inherent with multifunctional organizations and should allow for quicker market reaction. Faster reactions are feasible because

each division has access to and control over the main resources it requires, such as market forecasts and manufacturing facilities. The multidivisional type of organization is also known as the M-form.

Toyota's divisional organization includes textile machinery, compressors, vehicles, engines, materials handling, and technology development. The headquarters is separated into two sections: the Corporate Centre, which deals with business strategy and administration, and the Business Support Center, which supports all divisions. BP, which employs over 100,000 people and works in over 100 countries, is divided into four divisions: exploration and production, gas, power, and renewables, refining and marketing, and petrochemicals. Each of these companies has a chief executive and multiple business divisions that answer to him or her [7].

While divisional structures are more market-oriented, top management must ensure that the benefits are not undermined by redundancy and diseconomies of scale. When an organization is organized according to its outputs, substantial communication between functional domains is required, such as between production and logistics. A variant of the multidivisional form has the same structure as but substitutes divisions based on product categories with divisions based on geographical locations in which the firm For example, a worldwide manufacturer may organize around divisions servicing North America, South America, Europe, Asia-Pacific and the Middle East plus Africa. This structure is employed by multinational corporations who believe that producing and distributing products locally is the best method to serve geographically diversified markets, enabling managers to match local product-market preferences caused by cultural variations.

#### **B.** Structures of matrices

Thus far, we've seen how organizations may be organized along functional lines to obtain the advantages of specialisation, and along divisional or regional lines to acquire a strong market focus. The divisional organization has the disadvantage of potentially duplicating effort. For example, if each division has its own buying operation, there may be redundancy and maybe a lack of common purchase information, which might lead to inefficiencies.

The matrix is another structural form available to managers. Its defining characteristic is that workers must report to two or more tiers of authority. The formal part of the employment contract, such as performance management and pay negotiations, is managed by one line of authority, which is frequently the functional area. Employees are involved in current projects and activities as part of their job via the other line of authority.

When there is a genuine requirement for employees to split their time across a variety of tasks, matrix arrangements may help. They may assist to accelerate development on several fronts at the same time, allowing employees to realize the



Vol 10, Issue 5S, May 2023

advantages of working together in functional areas. The primary criticisms leveled with matrix arrangements are that they may lead to uncertainty regarding who reports to whom, the priority that should be assigned to various activities, a loss of responsibility, and inadequate information management. Since the functional line manager will have position authority over the project manager, and because there are unlikely to be established norms and processes for involvement in development projects, unproductive power battles may emerge. The center of attention, the consumer, may be lost in such fights as priorities move towards self-interest and political posturing. Nevertheless, matrix structures do not have to apply to the whole organization and are often limited to a subset of it [8].

According to Bartlett and Goshala, prominent firms' strategies have outstripped the capabilities of organizational structures to support them. They proposed that there is a 'structural-complexity' trap that paralyzes organizations' capacity to respond swiftly to market requirements. As a result, they believed that senior managers should focus less on establishing the "perfect" company structure and more on developing the correct attitudes and behaviors in a high-commitment work environment. One method is to train personnel to conceive of the organization as a matrix while without really adopting a matrix structure. The matrix structure is used at a university Business School, where employees are divided into four "divisions": marketing, human resource management, strategy, and finance. A Head of Programmes is in charge of developing new courses. There are additional heads of quality teaching, research, and commercial growth.

Each division has a Subject Leader in charge of day-to-day employee management. The Subject Leader reports to the Dean and has power. When lecturers teach a specific course, they have duties to the Head of Programmes. They may also have a duty to colleagues at the same hierarchical level, such as if they are teaching on a course directed by a colleague. Lecturers report to a Head of Quality and, depending on their workload, may also report to a Head of Research and Business Development. Each employee reports to at least two people: the Dean for line management and a Head of Programmes. Likewise, those employees who do research or business development will be held accountable to those Heads.

A matrix structure superseded a multidivisional version in which around 100 academics were separated into five Schools. The previous structure had resulted in inefficiencies in that competition among some of the smaller Schools was creating delays in the overall capacity to design and execute programs quickly and efficiently. Since some academics with very similar teaching interests worked in separate schools, the flow of ideas and expertise was hampered. Although matrix structures have much to offer in theory, maybe the last word on them comes from Saint Matthew, who said that 'no one can serve two masters'.

#### C. Network structures

What counts most in organizational structure is not the sort of structure adopted, but how effectively it functions. With this in mind, many organizations are increasingly gravitating toward a network-based structure to supplement multifunctional or multidivisional structures. Rather than having all, or at least the majority of, the activities required to produce a product or service in one organization, a small core organization coordinates, for example, design, production, transportation, and marketing across four legally and geographically separate organizations in network structures. The central core is analogous to a spider pulling on the threads of a web that connects the network's other organizations. These additional organizations may be deleted or added to provide the most adaptable configuration [9].

Networks, which are built on connections between teams and individuals, provide an environment conducive to building a strong sense of identification with project objectives and with other people working toward a similar goal. To do this, each team must be extremely clear about its purpose, and individuals may belong to more than one team to aid in common understanding and communication across teams. There are several benefits to networked architectures. They optimize the potential and flexibility to respond swiftly to local market requirements while maintaining large-scale, potentially global, activities. People with delegated authority may exploit their local talents and expertise. Disagreement and disagreement may be addressed in a more productive, task-oriented environment, in contrast to the typically territorial atmosphere seen in multidivisional multifunctional institutions. Before the recent and fast growth of ICT, the nature of organizations was limited due to coordination and communication challenges across long distances. With time and space no longer being impediments, it is conceivable to form geographically dispersed organizations tied together by ICT.

#### D. Organizations that operate virtually

They have been characterised as 'nearly edgeless, with porous and continually shifting interfaces between firm, supplier and customers. The perspective from inside the business will be no less nebulous, with conventional offices, departments, and operational divisions continuously reconfiguring in response to necessity'. Such an organizational 'structure' is the obvious result of an information-based and constantly developing firm. They are essentially a network of links between individuals, groups, teams, and components of formal organizations. They are well-suited to quick information exchanges in order to solve issues or identify resources.

There is no common physical address, thus the virtual organisation idea is beneficial to small firms that can join up with other organisations into a network to acquire or supply value-adding services. A sequence of projects completed for customers is a frequent emphasis for a virtual organization.



Vol 10, Issue 5S, May 2023

To deliver services to customers, virtual businesses bring together various knowledge therefore each partner has to have a particular competency. To facilitate client contacts, one person representing the virtual organization might serve as a portal to the complicated set-up that lies behind it [10].

Virtual organizations may emerge spontaneously through historical links between enterprises, or they can be assembled by a broker who strives to bring disparate sources of knowledge together after determining what the customer needs. A virtual organization needs high levels of trust among partners to function well since they rely on each other at some point. Because of their flexible nature, virtual organizations may be purposely short-lived, and dissolving or withdrawing from one can occur without long and formal legal formalities. Ahuja and Carley investigated the structure that emerged in the information sent in a virtual organization and discovered evidence for three dimensions of structure. Hierarchical levels, degree of hierarchy (the extent to which individuals reciprocate in information flows), centralisation were among them. In this sense, the virtual organization resembled conventional organizational patterns. These results are intriguing, indicating that even when measures are made to eliminate structure, it is human nature to reconstruct it. The UK public sector employs Local Strategic Partnerships, which show how public organizations collaborate to solve issues and enhance services in areas such as regional economic growth, crime, and housing. In an LSP, a variety of local organizations collaborate in collaboration with local communities. Together with official agencies, commercial organizations, community and volunteer organizations may all be engaged and collaborate. LSPs are voluntary associations that vary greatly in terms of size, membership, and purpose. While each one LSP may include features of the many kinds, four types or modes of LSP may be identified:

#### E. Quick reactions

Personalized information shared by a large number of individuals Strong adaptability due to the ability to replace component organizations Perhaps the lowest-cost structure Establishing clear lines of power Obtaining the optimum match between network structure and information processing capabilities Preventing structure from forming on its own Inadequate organizational identity Keeping and rewarding essential personnel in the future.

Advice - The LSP is a discussion platform for reaching agreement on topics. This kind has no personnel, no budget, and no decision-making authority.

This kind has its own personnel and the power to make decisions and commission projects.

Laboratory - This kind serves as a think tank, looking for innovative methods to operate and providing local services. It is creative and will choose its members based on their creativity.

Community empowerment - this form ties together community networks.

Since LSPs may serve a variety of functions, it is critical that they have the ability to govern themselves. The Laboratory type requires fewer ground rules than the Commissioning type, which requires defined boundaries and member agreement. The following are some of the factors that contribute to the success of LSPs:

All members must have a common understanding of their individual contributions. Early clarity of the LSP's goals and objectives, as well as what it should and should not accomplish, and the establishment of reasonable targets. LSP members' power bases may vary significantly, thus it is critical to explain who has decision-making authority and how decisions will be executed. Members with little authority need to feel heard and that their contributions are respected.

It should be acknowledged that varied membership may cause communication to get tangled in language that is unintelligible to many. To achieve common comprehension, simple language is required. Understanding that the many organizations inside an LSP do things their own way is also essential.

After reviewing the major structural forms, we must consider some of the major aspects that determine the kind of structure discovered. They include organizational strategy, organizational scale, organizational technology, internal power conflicts, and the nature of the business environment. In other words, structure is assumed to be impacted or reliant on a few critical aspects. This technique is referred to as a contingency approach in 5 because structure is thought to be dependent on external forces.

#### III. CONCLUSION

An organizational structure is a set of rules, roles, connections, and duties that define how your company's operations are directed in order to achieve its objectives. There are eight different kinds of organizational systems, each with either centralized or decentralized authority. Organizational structures are critical because they enable organizations to adopt effective decision-making processes. Businesses may make better judgments quicker by giving specialized tasks to lower-level staff. An organizational structure gives workers specific job tasks and duties and assists management in coordinating and controlling operations.

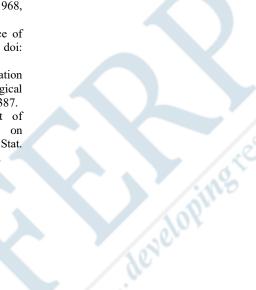
#### REFERENCES

- A. F. Otoom, G. AL Kateb, M. Hammad, R. J. Sweis, and H. Hijazi, "Success factors importance based on software project organization structure," Inf., 2019, doi: 10.3390/info10120391.
- [2] C. L. Lee and H. J. Yang, "Organization structure, competition and performance measurement systems and their joint effects on performance," Manag. Account.
- [3] A. Cosh, X. Fu, and A. Hughes, "Organisation structure and innovation performance in different environments," Small Bus. Econ., 2012, doi: 10.1007/s11187-010-9304-5.



# Vol 10, Issue 5S, May 2023

- [4] C. Weigelt and D. J. Miller, "Implications of internal organization structure for firm boundaries," Strateg. Manag. J., 2013, doi: 10.1002/smj.2074.
- [5] F. Wang and Z. Shao, "Study on the variation law of bamboo fibers' tensile properties and the organization structure on the radial direction of bamboo stem," Ind. Crops Prod., 2020, doi: 10.1016/j.indcrop.2020.112521.
- [6] R. Singh, P. Charan, and M. Chattopadhyay, "Relational capabilities and performance: examining the moderation-mediation effect of organisation structures and dynamic capability," Knowl. Manag. Res. Pract., 2020, doi: 10.1080/14778238.2020.1843984.
- [7] D. S. Pugh, D. J. Hickson, C. R. Hinings, and C. Turner, "Dimensions of Organization Structure," Adm. Sci. Q., 1968, doi: 10.2307/2391262.
- [8] D. Shaw, "On Misunderstanding Heraclitus: the Justice of Organisation Structure," Philos. Manag., 2019, doi: 10.1007/s40926-018-0097-y.
- [9] N. S. Argyres and B. S. Silverman, "R&D, organization structure, and the development of corporate technological knowledge," Strateg. Manag. J., 2004, doi: 10.1002/smj.387.
- [10] M. Nekovee and J. Pinto, "Modeling the impact of organization structure and whistle-blowers on intra-organizational corruption contagion," Phys. A Stat. Mech. its Appl., 2019, doi: 10.1016/j.physa.2019.01.140.





Vol 10, Issue 5S, May 2023

# Implementation of Strategy and Structure

#### Babitha B.S

Assistant Professor, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India babitha@cms.ac.in

Abstract— The strategy of a corporation might lead the structure to alter or vary. When a company develops particular objectives, marketing tactics, and market research, its structure may need to alter. A firm that wants to create a new location, for example, may need to modify its staff and department numbers. In this chapter author is discusses the information technology and structure.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Work on the strategies and structures of significant American corporations resulted in a classic study of the strategy/structure link. Chandler described structure as 'the architecture of organisation through which the organization is governed'. This comprises the lines of authority and communication that exist between the various administrative offices, as well as the information and data that pass via these lines of authority and communication.

One of his primary discoveries was that an organization's structure follows its strategy: that is, after developing a strategy, an organization must decide on roles and responsibilities, as well as how resources would be dispersed within the organization to aid in plan execution. When an organization's strategy is changed, numerous subtle and sometimes substantial changes must be made to its structure. This line of thought became generally accepted, but it is vital to recognize the distinctions between today's competitive contexts and those that existed during Chandler's time.

Throughout the 1950s, demand for manufactured products often outstripped supply, and organizations were 'dragged' forward by customer's eager to improve their quality of life. The commonly held belief was that an organization could logically define its plan and then put in place a structure to assist it accomplish it. Yet, seeing strategy as identifying long-term objectives and then allocating resources to attain them is an oversimplified perspective of what we currently consider strategy to include. Supply now generally surpasses demand, and Drucker's comments above have become more pronounced. Long-term planning is more difficult, and strategy is seen as something that evolves from an organization's attempts to remain competitive. Although strategy continues to have a direct impact on structure, it seems that structure will affect an organization's strategic behavior [1].

#### Structure and technology

Technology refers to the mechanisms through which an organization converts its inputs into outputs for the purposes of this discussion. According to this definition, all organizations utilize technology, regardless of the amount or

complexity of the technology employed. Joan Woodward published a famous study on the influence of technology on organizations in 1958. Woodward discovered that when 92 English enterprises were categorized based on commonalities in their production processes and technology, each production system corresponded with a certain organizational design. The three manufacturing techniques she defined were: Little batch or unit production; Large batch and mass production, for example vehicle manufacture; Continuous production, for example of plastics and chemicals. The following were Woodward's key findings:

- 1. The number of levels of authority expanded from three to six as technological complexity increased.
- 2. The first-line supervisor's span of control was greater in mass production than in unit production, which was more than in process production.
- 3. In process manufacturing, the ratio of managers and supervisors to workers was greater than in mass production, which was higher than in unit production.

The significance of Woodward's research is that it sparked an ongoing interest in the interaction between technology and organizations. Charles Perrow investigated American companies, adopting a wider perspective of technology than Woodward. His point of view embodied: the amount of routine and variety in a work; and the ease with which breakdowns in the routine may be studied and addressed.

As a result, the lowest level of technology entailed modest amounts of variation and simple answers to any difficulties that arose. When the activity was non-routine and difficulties needed individual investigation before solutions could be developed, the greatest degree of technology happened. Researchers have examined the relationship between the amount of technology and organizational characteristics using this and other methods of classifying technologies. These findings were similar with Woodward's prior findings. The following are some of the research's findings:

Increased vertical and horizontal integration is related with high levels of repetitive labour. High levels of regular work are often connected with high degrees of formalization, i.e., written rules and procedures. here is usually no need for decision making at the lowest levels of an organization in typical work environments. Intermediate managers have



Vol 10, Issue 5S, May 2023

considerable control, and there is minimal coordination across groups and departments [2], [3]. Lower levels of the hierarchy have more discretion in high-tech environments, and there is more communication between persons and organizations in the hierarchy.

#### II. DISCUSSION

#### A. Information technology and structure

Structure has been directly influenced by information and communication technologies. Organizations are always reacting to changes in their markets, which results in the accumulation of new roles and responsibilities over time. Although each additional job makes sense in the short term, the long term consequence is to create complexity and impede decision making. Organizations often restructure their structures in order to maintain market alignment. As markets get more complicated, one could expect organizational structures to hit a limit in their ability to adapt. This is not occurring at the present due to the rising complexity of ICT, which is proving to be one of the "levellers" of hierarchy.

Employees have access to more and better information as a result of advances in information technology. Managers may have greater control over processes and operations as the quantity of information accessible grows. Managers, on the other hand, may bring information closer to the point where it is used and raise the responsibility put on workers to utilize it successfully. Both may exist in the same organization.

When professions need a high degree of technology, people' skills and expertise will adapt to meet the technology. Employees at the 'lowest' levels of an organization may one day know as much as those higher up, putting pressure on supervisors and middle managers. Since new technologies and the information associated with them need specialized knowledge, it may be desirable for organizations to boost the autonomy of 'lower' level workers to work in teams to solve difficulties of organizing and regulating labor. Several significant organizations, such as financial institutions, were early adopters of computers in the 1960s, but broad adoption of information systems did not occur until the 1980s. Computers started to have an impact on many aspects of business by allowing for the analysis of large amounts of data as well as the control of machinery and systems. Mukherji cites many implications of computers on structure:

- 1. The rise of information technologies encouraged decentralization by facilitating communication and control from a distance, and has supported matrix and networked organizations.
- 2. Certain professions have become more routine, yet workers now have access to a greater amount of data.
  - 3. They contribute to the reduction of hierarchical levels.
- 4. Significantly stronger relationships with suppliers and customers have been established, resulting in more integrated corporate processes.

5. Boundaries inside an organization and between organizations have become hazy and irrelevant. The internet, in particular, has transformed the way small enterprises may function.

#### **B.** Dimensions and Structure

The Aston studies, another classic organizational research, are briefly described here. According to the Aston research, for British corporations in the 1960s, the influence of technology on structure decreased in big organizations, while size seemed to have a substantial effect on structure. When the number of workers increases, there is a trend for employees with diverse expertise to be grouped together so that management can reach the levels of control desired and employees may benefit from exchanging information and ideas. The challenge of coordinating the numerous specialty departments grows as organizations grow in size. One typical solution to this challenge is to decentralize decision-making power down the hierarchy to specialised divisions. The attractiveness of combining individuals with comparable activities, knowledge, and experience, along with management's incapacity to handle varied specialisms directly, leads to increased formalization, decentralization, and specialization [4], [5].

The research revealed certain issues with organizational structure. It is a wonderful thing to get people interested and participate in their job, but the hierarchies required to manage activities tend to restrict engagement, resulting in a waste of potential opportunity. Another conundrum is the utilization of regular work procedures against personal input, which might lead to greater levels of job satisfaction and better work results. The third issue is one of specialisation vs shared aims, since groups of experts may be motivated to strive towards their own goals rather than sharing common ones. There is also the risk of 'groupthink,' which occurs when demands to agree on actions in pursuit of objectives are so strong that workers cannot express opposition. When the group grows more insensitive to genuine changes in its working environment, such unthinking pursuit of similar objectives leads to bad decision making. Such structural quandaries are unrelated to goods or markets.

#### C. The business setting

Burns and Stalker conducted another famous research on organizations and their relationships with the environment. Their enduring contribution to the structure discussion was the proposal of two ideal forms of working organizations: one 'mechanistic' and fitted to s operating circumstances, and one 'organic' and far more adapted to s conditions and climates for change.

Mechanistic structures, according to Burns and Stalker, are ones in which duties and challenges confronting the whole organization are broken down into specialisms, with each employee executing his or her role. Activities are completed in isolation, and it is the responsibility of senior management to ensure that tasks are integrated and relevant to the



Vol 10, Issue 5S, May 2023

organization. Communication often occurs up and down authority lines rather than across them. Interaction flows upwards, is filtered at various levels, and replies are passed down the line, with structures resembling family trees. Organic structures are significantly better adapted to our operational circumstances, in which new issues arise that cannot be treated effectively by mechanistic processes. Organic frameworks place less emphasis on specifying and defining specific roles. People avoid demarcation and do their work with understanding of the organization's overarching mission and the contributions of others. Contact and communication occur both up and down the organization. Burns and Stalker described the features of both slow-moving and reactive organizations, rather than the structure itself. Their conclusions are still highly relevant in the field of organizational theory.

Managers must constantly examine whether the structure in place in their organization is generating the proper attitudes and behaviors to effect change. The Burns and Stalker theory, which states that mechanical organizations' bureaucracy impedes organizational learning and communication, is generally acknowledged. The contrasted organic style has grown so popular that it is now considered 'accepted knowledge' as a generic paradigm for structural outcomes. Perrow, who studied high-risk organizations and projects, presented an intriguing twist to this concept. According to Perrow, technological growth has outpaced human capacity to govern such devices. He raised concerns about the organic system argument, especially that when the repercussions of failure influence solely the future of an organization, the risk may be accepted. Yet when the danger extends to events such as the theft of military weapons or national secrets, catastrophic environmental accidents or to institutions that absorb large public investment, it is improper to opt for loose, flexible management structures. Organization theorists may explore the logic of this argument and if the mechanical form is better suited when failure would be catastrophic.

# D. A summary of structural influences

Thus far, four traditional impacts on structure have been observed: strategy, technology, organizational scale, and the business environment. These variables influence judgments on centralization and decentralization, functionalization and divisionalization, the extent of specialization, and control spans in different ways. From the perspective of organizational behavior, identifying the impacts on structure and the influences that structure has on people and organizational performance is very difficult. Since there are so many interconnected factors, large-scale and extremely thorough investigations like the ones conducted by Chandler, Woodward, and the Aston group are required before managers can be confidence in their conclusions. According to Burns and Stalker, the impacts of diverse structures on a workforce in terms of positive attitudes and behavior are significantly more important than the actual structures used[6].

Since all organizations must build structures, the Aston group hypothesized that patterns and regularities will emerge over time across thousands of organizations. Since all organizations are distinct, a systematic examination of their similarities and differences should result in meaningful organizational theory if patterns and regularities can be established. One critique is that contingency theory provides little practical guidance to managers who must organize people and things. That raises some issues for managers to consider, but what else? Another difficulty is that, in each firm, there are hundreds of factors that impact the attitudes and actions of workers. These variables stem from characteristics of people's positions and occupations, from personal considerations, and from aspects of the organization itself. Since the publication of the Aston research, we have recognized that various national cultures have distinct approaches to labor and organization. Different methods place varying emphasis on characteristics such as the level of engagement and consultation that workers might anticipate, as well as whether job responsibility is personalised or collective. Scandinavian cultures, for example, are very participatory, while French cultures are more authoritarian. The studies are largely Anglo-American, and although they sought generalizable hypotheses regarding structure, the theories are heavily westernized.

Thus far, we've concentrated on the structural formations discovered and how they appear. It is, however, dangerous to place too much emphasis on the tangible aspects because organization's charts only describe grouping and reporting relationships; they need not tell us anything about how the organisation actually functions there at level of the individual or what it feels like to work in a structure. They simply represent the organization and have no links to other organizations in the operational environment. They represent the organization as a closed system, despite the fact that it is evident that organizations function in a network, engaging with outside actors to achieve strategic objectives.

Henry Mintzberg established what became a popular manner of seeing buildings as six 'fundamental sections', as inside the core. The biggest group is generally a 'operational core,' which is in charge of carrying out daily duties and manufacturing and delivering the product or service. Is there a 'strategic apex' at the top of the organization that houses senior management? A group of intermediate managers connects the core and the apex. A team of technical support personnel is required to help the core, middle management, and strategic apex. This is referred to as a 'techno structure' by Mintzberg, and it aids in bringing uniformity to the way things are done. Designers, engineers, and information professionals are just a few examples. Administrative assistance, such as financial controllers and human resource managers, are included in the fifth category. The last component of the company is its culture. This is shown by a dotted line in the picture, although culture will pervade all staff groupings. The dotted line that surrounds the whole organization reflects the concept that organizations are not closed to the outside world, but rather open to it. It is a free and open system. Differences in the size and power of the



Vol 10, Issue 5S, May 2023

first five elements distinguish organizations. The following are the five general structures that result from these variations:

Basic structures may be found in both new and established organizations with an authoritarian attitude. The strategic apex is in charge of overseeing the activities of the operational core. Numbers of technical and support employees are small and there is nothing in the way of established norms and processes [7].

Machine bureaucracies may be found in huge organizations in very simple settings, such as mass manufacturing. Standardization and formalization are high. To increase productivity, the technological framework and support personnel dominate operations. Machine bureaucracy may be effective at providing regular service to clients, but they may be lacking in innovation and employee relations. The apex may be separated from the core. Professional bureaucracies have a substantial functioning core of professional staff, similar to hospitals and colleges. The core has great power, and it values professional accomplishment and reputation. Technical and support personnel will be limited. Decentralization to specialists carrying out specific activities has to be significant.

Divisional zed forms are prevalent in extremely big organizations, such as multinational corporations that serve several markets. The middle management oversees company operations and looks for new opportunities. Each division, each with its own specific structure, has its own technical and support team to assist it in serving its market.

Adhocracy occurs in complicated, generally high-tech workplaces and creative sectors where quick reflexes are required. The operational core collaborates closely with support personnel. Fast-forming teams and matrix structures may be utilized to expedite project completion. There will be a high level of decentralization and a strong professional culture.

Mintzberg's perspectives on other organizations that operate in the external environment and impact the structure of the organization in the center of the diagram. Other organizations often include rivals or, in the non-profit sector, organizations with similar purposes. A charity may not have rivals in the traditional sense, but it may work alongside other organizations that compete for contributions from the same sources. Consider the exposure generated by Greenpeace when Shell planned to demolish an old oil platform in the North Sea, as well as the notoriety generated by Shell's activities in Nigeria when the military regime there killed 'activists'. Many organizations are run to suit the interests of its shareholders or a governing council or committee. The arrows connect rivals to supply chain partners and indicate that external organizations may be linked. The dotted line that circles the whole system represents the concept that the organization's interface with its operational environment is open, rather than tightly restricted or closed. The erratic shape of the whole system, as well as the external organizations, indicates the shifting strength and form of the links that have been formed. Maybe symbolically, they are similar to single-celled creatures that constantly change form

and split throughout their lives [8]. To summarize, it is preferable to think of an organization as existing in a network structure that will reconfigure itself over time as new structural links are made and old ones are removed.

#### E. Representation of equality organizations

Systems contain hierarchies and there is much of evidence that women are under- represented at the highest management levels. According to the gender-centered approach, women's poor representation may be linked to their unique ways of thinking, attitudes, and behavior, which contradict with the ideal kind of top management as aggressive, powerful, and decisive. In addition to their traits deviating from the ideal type, the way women are oriented toward family commitments may conflict with the demands of top management jobs.

An alternate hypothesis explaining the relative paucity of women in top occupations suggests that characteristics of organisation structure, not sex role socialisation, have an influence. Kanter offered two work kinds. Advantageous positions provide opportunity and influence and are held by the majority of the population. Disadvantaged employment have limited influence and opportunity and are held by a social minority. Advantageous positions encourage career-enhancing behavior, while disadvantageous jobs encourage behavior that justifies their occupation. As a result, according to Kanter, women's weaker commitment and power ambitions are attributable to unfavorable situations rather than gender.

A third explanation employs a gender-organization-system perspective, which contends that both gender and structure impact women's workplace behavior. It also implies that the culture of the company has a significant influence. A culture established in ideas, history, and practices that distinguish between the roles acceptable for men and women will unavoidably effect structures and advancement opportunities. Organizations must examine how women and other equality groups are represented in their organizations and, where under-representation exists, consider legal and non-discriminatory methods of boosting representation.

#### F. Ethics and structure

Organizations should have clear protocols in place for employees to follow if they have concerns about anything, such as unlawful, unethical, or inappropriate behavior. When workers believe they cannot access these processes or that the procedures have failed them, one option is 'whistleblowing,' which is the revelation of information to others within or outside the organization who may be able to act [9].

We have seen that communication is an important aspect of organizational life and that communication flows change depending on the structural type. As a result, it's worth considering if various organizational structures impact workers' ethical behavior. Miceli and Near discovered that organizational size influences the probability of whistleblowing because people in big organizations may see themselves as less capable of making a difference than those in smaller ones. Hierarchical, centralized and bureaucratic



# Vol 10, Issue 5S, May 2023

companies might be anticipated to discourage ideas about speaking out since communication normally is more top to bottom than up and down.

King carefully researched the connections between structures and whistleblowers and proposes numerous hypotheses, which are more theoretical than practically supported:

- Since decision-making is dispersed under divisional systems, internal whistleblowing will be encouraged.
- 2. If views of communication routes are unclear, functional structures favor external whistleblowing.
- Top-down, bureaucratic organizations will inhibit whistleblowers.
- 4. If obvious avenues are not accessible, matrix architectures promote external whistleblowing.
- 5. Since there are open communication routes between departments and with management, hybrid arrangements might promote internal whistleblowing

King argued that organizations must be cognizant of the impact their structures may have on reporting unethical behavior. Reporting routes that look clear and functional to upper management may not appear so to lower-level personnel. Internal reporting is preferable to external reporting from an organizational standpoint, therefore one way is to appoint an impartial person inside the organization who can receive complaints from anybody. Such a person would need to have access to senior management and be available from and have the trust of the lowest levels. Although structure seems to have an impact on whistleblowing, corporate cultures appear to have a significant impact on the formation of moral reasoning among workers, and hence on attitudes about reporting suspected wrongdoings [10].

Regardless of structure, cultures that tolerate harsh tactics will see minimal reporting. Organizations may contribute to develop good behavior by committing to corporate social responsibility goals, adopting codes of ethics, and forming committees or organizations to monitor organizational progress in that area. There are also consequences for the design of human resource management methods such as performance evaluation and incentive systems, which may promote unethical behavior. This may occur when unreasonable objectives are established for individuals, causing them to engage in unethical behavior in order to reach them.

#### III. CONCLUSION

It presents a summary of your important points (therefore reinforcing them in your audience's memory). It gives a feeling of completion (the essay or speech feels as though it is finished). A reference to anything from the Introduction often offers this feeling of closure, creating the impression that things have come full circle. The corporate level is the highest and hence most comprehensive level of strategy in company. The primary goal of your firm should be defined at

the corporate level. It should also guide all of your subsequent decisions.

#### REFERENCES

- [1] E. Ogliastri, U. P. Jäger, and A. M. Prado, "Strategy and Structure in High-Performing Nonprofits: Insights from Iberoamerican Cases," Voluntas, 2016, doi: 10.1007/s11266-015-9560-8.
- J. N. Rodrigues, "Strategy and structure redux," Bus. Strateg. Rev., 2002, doi: 10.1111/1467-8616.00218.
- [3] D. Miller, "Configurations of strategy and structure: Towards a synthesis," Strateg. Manag. J., 1986, doi: 10.1002/smj.4250070305.
- [4] X. Yin and E. J. Zajac, "The strategy/governance structure fit relationship: Theory and evidence in franchising arrangements," Strateg. Manag. J., 2004, doi: 10.1002/smj.389.
- [5] D. J. Hall and M. A. Saias, "Strategy follows structure!," Strateg. Manag. J., 1980, doi: 10.1002/smj.4250010205.
- [6] F. Jia, G. Orzes, M. Sartor, and G. Nassimbeni, "Global sourcing strategy and structure: Towards a conceptual framework," Int. J. Oper. Prod. Manag., 2017, doi: 10.1108/IJOPM-09-2015-0549.
- [7] K. H. Myers and A. D. Chandler, "Strategy and Structure: Chapters in the History of the Industrial Enterprise," Mississippi Val. Hist. Rev., 1962, doi: 10.2307/1902596.
- [8] P. Jarzabkowski, J. Lê, and J. Balogun, "The social practice of coevolving strategy and structure to realize mandated radical change," Acad. Manag. J., 2019, doi: 10.5465/amj.2016.0689.
- [9] R. E. Miles, C. C. Snow, A. D. Meyer, and H. J. Coleman, "Organizational strategy, structure, and process.," Acad. Manage. Rev., 1978, doi: 10.5465/AMR.1978.4305755.
- [10] S. Kavale, "The Connection Between Strategy and Structure," Int. J. Bus. Commer., 2012



Vol 10, Issue 5S, May 2023

# Ethical Management through Organizational Design

# Supriya Rai

Associate Professor, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India supriya@cms.ac.in

Abstract— The technique of accounting for morality while controlling a company is known as ethical management. This strategy enables managers to emphasize the well-being of workers, consumers, and the community without considering the company's bottom line. In this chapter author is discusses the organisational power, politics and conflict.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Bristol-Myers Squibb's Board of Directors, which is accountable for policies and overall performance, has enacted corporate governance rules. A Committee on Directors and Corporate Governance is part of the Board. In addition to the traditional financial objectives of a major public business, such as return on equity, BMS leaders are assessed in non-financial areas, such as the firm's Principles of Corporate Conduct and Ethics. They include social ideals, environmental responsibility, and stakeholder expectations.

BMS has a vice president for Environmental Health and Safety who keeps the company up to date on sustainability problems. Divisional presidents are in charge of EHS policy in their respective divisions. EHS management is handled by 150 persons worldwide on behalf of a total workforce of 44 000

Policies and processes for conducting lawful, responsible, and ethical company operations are covered by the Standards of Business Conduct and Ethics. Effective corporate governance enables BMS to attain high moral and ethical standards in all sectors of the organization. Standards address issues including marketing methods, buying processes, and conflicts of interest and disclosure of information. Top financial officers have more stringent codes of conduct to protect the very sensitive information that they handle. Every year, BMS assesses and reports on its success against its 16 EHS practice codes.

Adapting to new business issues typically necessitates the adoption of new organizational structures. People are the most important, but also the most expensive, resource in every organization. While necessary, they may be prone to rigidity and inertia. As a result, many organizations have sought more adaptable structures and working conditions. Flexible working and the flexible company have major consequences for organizational behavior, not least in terms of motivation, teamwork, leadership, structure, communications, culture, and transformation.

Teleworking is the practice of doing work at a distance from the employer and relying on Technology. Flexibility is a key benefit of teleworking, since work may be done from home, at customers' offices, or at telecentres. When workers work from home, an organization may feel that strict controls are required, but telecentres may benefit from a more relaxed, organic approach. In exchange for more independence from the 'regular' workplace, a superior's degree of supervision grows significantly, and pre-planning work is required, as well as contacts to monitor progress. Vertical communication lines are probable, and effective teleworking requires a high degree of trust [1], [2].

## A. Numerical adaptability

Overtime, homeworking, shift and part-time work, and other practices like as flextime, teleworking, yearly hours and zero hours contracts, the employment of temporary personnel, and task sharing all have an impact on employees' working hours.

Contracts with zero hours are comparable to temporary jobs. An organization may cancel employee contracts only to re-employ certain employees on part-time contracts, with others granted employment as and when it is needed. Zero-hours contracts allow businesses to change their labor numbers in response to changing client needs. Moving to annualized hours, for example, when workers work larger hours at different times of the year to meet market demand, is a variant on this.

#### **B.** Distancing

Distancing happens when workers are replaced by subcontractors and employment contracts are replaced by service contracts. Although it has long been used in sectors like as construction and manufacturing, it is becoming more popular in other areas such as services and the public sector. It has a huge impact on structure as non-core operations are farmed out more and more. The core/periphery notion is used when a limited number of experienced employees work in the core, while others work in the peripheral and may be hired by satellite organizations or as part-time or temporary employees.

## C. Functional and monetary flexibility

Functional flexibility is removing unnecessary barriers between tasks in order to promote effective cooperation and increased production. Multiskilling is becoming increasingly frequent, when people are educated to under- take a larger



Vol 10, Issue 5S, May 2023

range of occupations. The uniformity of terms and conditions throughout a workforce is what pay flexibility entails. Managerial and manual employees, who were previously separated in terms of hourly pay and wages, distinct pension plans, sick pay, and vacations, are now experiencing unified incentive systems. Pay flexibility also includes situations in which firms provide varying pay rates for the same work in different areas in order to recruit certain abilities

#### II. DISCUSSION

## A. Numbers on flexible working arrangements

In 2002, 18% of the European Union's working population worked part-time, up from 14% in 1992. Part-time contracts were held by 7% of males and 33% of working women. Numbers differ from one nation to the next. In France, 5% of men and 30% of women work part-time, but in the Netherlands, the figures are 21% and 73%, respectively. Part-time employment is less common in southern Europe, with just 3% of men and 17% of women working part-time in Spain. Part-time employment accounts for around 13% of the workforce in the United States and 25% in Japan. Part-time employment is associated with fewer training and development opportunities, worse job stability, lower pay, and weaker protection, according to research.

Part-time employment is increasingly widespread among young individuals and elderly persons throughout the EU. It is also more prevalent in health, education, and other services than in agriculture and industry. The status of the labor market is one factor influencing the expansion of part-time employment [3], [4].

Tax laws and social security provisions; Employers' preferred practices: for example, companies may utilize part-timers to manage pay expenses and increase flexibility. As we can see, women are much more likely than males to work part-time. Women do so to care for children and other family members, while males who work part-time do so because they do not wish to work full-time. Temporary employees, i.e. persons who are engaged for a short duration, are utilized for numerous reasons. They decrease recruiting and selection expenses, for example, by using recruitment agencies, fill short-term posts, streamline dismissal processes, and reduce employment costs.

In the United Kingdom, figures from the Labour Force Survey reveal that the usage of 'temps' fell from 7% to 6% from 1998 to 2003, corresponding to a 24% decrease in the actual number of temporary employees employed. This might be attributed in part to the recent passage of laws protecting temporary employees, as well as the UK economy's overall stability. If this trend continues, implications for more flexible approaches to permanent employment, such as supplementary compensation and knowledge and skill development, may be on the horizon. According to research, permanent employees may respond badly to the presence of temporary workers, especially if they believe their boss would terminate their more secure

contracts if given the chance. Bad views about temporary employees and the organization might reveal themselves.

Although structures are designed to help organizations achieve their goals and objectives, they may sometimes impede individuals from working in the manner that they would like. To get over these institutional barriers, communities of practice arise. These are groupings of individuals that have a common interest in some kind of collaborative activity. They freely offer their knowledge and skills in free-flowing, creative ways that reflect innovative approaches to issue resolution and are excellent learning tools[5].

The growth of knowledge workers in organizations is driven by the development of knowledge and technology. Knowledge is becoming so specialised that knowledge workers desire to transcend beyond the formal structures and restrictions that organisations confine them with. They want to work with individuals who share their values, both within and outside the organization, and the structural paradox is that this is incredibly difficult to do using traditional structuring approaches. Contrary to popular belief, the only structure that works is one that members of the society create for themselves. Efforts to impose structure risk suffocating the initiative. Managers who attempt to meddle with communities by managing their activities are likely to disintegrate or, at most, convert into a formal team or committee. In any situation, the community's spontaneity and originality are likely to be gone permanently.

International corporations have additional obstacles as compared to domestic organizations. When a local organization establishes worldwide operations, it may begin with overseas sales offices, which evolve into subsidiary organizations or partnerships as sales increase. With additional development and expansion, a complicated scenario emerges that necessitates coordination not just between company departments and goods, as is the case in domestic enterprises, but also beyond geographies. Added to this is the necessity to contend with varied national cultures in terms of the ways they approach structure.

Global and multicultural teams are often employed to coordinate interests, which is somewhat unsurprising. These teams are distinct in that its members are separated and meet seldom, necessitating the use of the internet for communication. The formation of trust among individuals who do not know each other and seldom meet is a particular problem for 'virtual' teams, as is developing connections that will last the test of time, culture, and distance.

Ten distinctions in country cultures are explored in this article. When cultures are seen as value systems, we can observe how values vary, such as attitudes toward risk taking or desired interactions between employees and their employers. Countries with a large power gap are anticipated to generate greater hierarchy and to be more centralised, since decision making is seen as a responsibility for top managers. Cultures that strive to reduce uncertainty would



# Vol 10, Issue 5S, May 2023

establish highly formalized organizations in which rules and regulations dominate workers' daily life. Such cultures would likewise favor specialisation in terms of job definition [6].

To keep individuals in check in cultures that are more collectivist than individualist, organizations emphasize cooperative labor and group discipline. The capacity to collaborate with others and work as a team member would be more highly rewarded than in individualist settings that respect individual effort more. Structure would collect these elements in cultures that express feminine ideals of support for others, care, and relationship quality. Structures in masculine societies would reflect task success rather than relationships. According to Hofstede's cultural mapping, Latin nations, as well as Japan and South Korea, combine both high power distance and significant uncertainty avoidance. Consequently, struc- tures in such nations may be anticipated to be bureaucratic, hierarchical and dependant upon following rules and processes. Countries that are tolerant of uncertainty and have a short power distance, on the other hand, are more prone to create flatter, more organic

To summarize, it seems that national cultures do impact how work organizations are constituted. A global corporation, for example, will need to enable the structure to adjust to local variances in desired relationships between individuals and the way work is done while adopting a divisional structure overall. This is required in order to attain the most productive unit, since imposing structures that work in one culture on another may not be as effective. The methods through which organizations achieve structural change, as well as the reasons and consequences of these changes, are notoriously difficult to study. Most of the research in this field is done on a small scale, making it difficult to generalize from the findings. One example is a big European study of how 450 businesses organized themselves in the 1990s, which is outlined here. Organizations may be classified into three types:

Structures that connect their people and resources inside and externally to other networks of people and organizations. The procedures that allow for the creation and distribution of goods and services. When new technology and knowledge are added, processes evolve. The parameters within which they supply their goods and services. Borders may be determined geographically or in terms of product/market.

#### **B.** Structure

In 30% of firms, the number of management levels between the CEO and the lowest-level managers has decreased, and this was constant throughout Europe. In contrast, 20% of businesses had expanded the number of management levels. There was a significant tendency toward decentralized decision making at both operational and strategic levels throughout Northern Europe and German-speaking nations. Changes in suppliers or manufacturing methods are examples of operational decisions. Long-term planning and big investment choices

are examples of strategic decisions. In comparison to Hofstede's studies on cultures, there may be a relationship between higher decentralization and relatively low uncertainty avoidance and lower power-distance, which allows for more freedom of thought down the organization [7].

The research discovered that functional areas were still highly significant to European businesses, indicating that greater cross-functional structure was taking place. Nonetheless, there was a greater usage of project-based organizing, which necessitated less dependence on hierarchy and more emphasis on collaboration across internal boundaries, such as between research and development, marketing, and manufacturing. People are reassigned from their original functional area to work solely for a project team when strategically essential initiatives are discovered. After the project is over, individuals can return to their functional area or move on to the next project.

#### C. Internal operations

Internal communication has increased dramatically as a result of ICT, both horizontally and vertically. With the rising inclination to decentralize, this resulted in considerably greater usage of internal networks of individuals aiming to receive the greatest input of talents, expertise, and resources. Another part of how organizations work is the utilization of human resource management initiatives. Organizations reported an increase in the concept of internal labor markets: workers were no longer considered as being entirely restricted to the functional area in which they regularly worked. The use of planned transfers of individuals to different areas of organizations, organization-wide conferences to maximize knowledge capture and usage, and the employment of professional teams to handle challenges and problems has increased. The major goal of these projects is to create new avenues for knowledge sharing inside organizations.

#### D. Outside bounds

According to the findings of the study, organizations were progressively outsourcing tasks that were seen to be peripheral to their major value-adding operations or that, if not peripheral, might be offered more efficiently. Research and development is a great example since it is critical to long-term organizational performance while also being quite expensive, with some organizations spending up to 20-30% of their yearly revenue on R&D. Outsourcing all or part of their R&D to a network of collaborators, for example, may bring more value to an organization. Strategic partnerships have also influenced boundary changes. A strategic partnership might entail, for example, a car manufacturer committing to buy components from a supplier, such as brake systems. The alliance is created on the premise that suppliers and manufacturers collaborate to identify methods to reduce costs, improve quality and performance, and ultimately provide value to customers. The emerging understanding of



Vol 10, Issue 5S, May 2023

genetics has created excellent potential to generate new medications to cure sickness and hereditary diseases. Yet, since the science is so specialized, major pharmaceutical corporations often collaborate with smaller research and development firms that have the necessary expertise. These coalitions leverage their combined skills to determine the most cost-effective paths ahead[8].

This has covered some of the classic literature on structure as well as some of the more recent advancements in the field. Against this backdrop, we may identify several managerial implications. Managers must fit organizational structure to the needs and difficulties posed by the business environment in order to optimize organizational performance. Structural change may announce the commencement of a business rejuvenation initiative, but it will not maintain it. Cultural transformation is also required to maintain change and renewal.

Cultural transformation necessitates that managers recognize and harness each employee's individual knowledge and talents and incorporate this knowledge in the growing structure. This is famously difficult to do. Managers have significant incentives to control and constantly monitor their staff as they strive for higher organizational performance. Structures can, however, impact behavior, and control and monitoring measures may stifle individual creativity. Management must find solutions to balance these two opposing requirements. Understanding and incorporating country cultural variations into organizational structure is critical for global corporations.

Even the 'greatest' structure can only carry an organization so far in terms of competitiveness. Managers must continue to foster positive attitudes and behaviors and connect them to the processes used to deliver goods or services. Managers are always challenged to optimize organizational structure in order to get the optimum fit between the information the organization needs to process and its information-processing capabilities. Organizational structure is influenced by organizational strategy, size, technology, and the business environment.

Multifunctional, multidivisional, and matrix structures are the most common structural types, with networked structures becoming increasingly common as tactics need collaboration. Current trends continue to shift away from vertical structures and formal boundaries and toward greater horizontal interactions over fuzzy borders. Technology is a critical enabler of structural transformation. Organizations that operate across cultures must evaluate how to effectively incorporate cultural preferences into how work is organized.

Despite the rhetoric of flexibility and empowerment, organizations continue to impose strict management. With the present cost-cutting demands, substantial effort is spent in creating targets, assigning resources, and tracking progress. The constant quest for more shareholder money and value implies that new organizational model sare emerging.

The employment of part-time and temporary labor to provide flexibility is not without its own set of issues. Structures influence a variety of factors, including culture, learning, and communication, which in turn influence critical attitudes such as dedication and professionalism. Structures will evolve as long as competition and deregulation exist. While the drivers and features of various structures are widely established, what actually counts to top management is the success of the specific structure that they utilize. Large elements like culture and management methods also have an impact on performance, and it is difficult to determine their relative importance. The current trend is toward flatter, more fluid forms with greater lateral connection.

Changing organizational structures need that workers reconsider how they operate and what they are accountable for. They must go beyond their own interests and empathize with those of other parties, especially in collaborative and cooperative situations. Organizational performance is a broad notion that includes aspects such as responsible business, ethics, and moral behavior in addition to financial metrics. Structures are not simply about creating profit, as they must now do so responsibly and with respect to appropriate representation of groups in them [9].

Management should not modify structure just in reaction to a poor performance. Prudent managers should maintain a close eye on structure in connection to strategy and advocate for adjustments as necessary. Failing to align strategy and structure will result in the annihilation of the organization. Employees, of course, are the ones who give new structures life, and managers must not lose sight of the personal and professional growth that new structures need in order to function.

#### E. Power in organizations, politics, and conflict

Few elements of organizational behavior look more mysterious, difficult to understand, and hard to control for the untrained than power and organizational politics. This course investigates the political viewpoint, defines and evaluates power, politics, and conflict in an organizational environment, and considers the implications of power and politics for transformation.

#### F. The political viewpoint

From a political standpoint, it is conceivable and possibly productive to evaluate organizations as if they were political systems. We looked at how to analyze organizations using different viewpoints or frames. Concepts like as power, politics, conflict, and control are considered as natural, everyday parts of organizational reality in which everyone is engaged. Yet, there are other frames or views that may give helpful information. We'll start by looking at a six-tiered taxonomy of power dynamics in organizations. From this vantage point, Morgan recognized six sorts of organizations:

Organizations are classified as autocracies when control is held by a single person or small group; bureaucracies when rules are written and power relationships are clearly defined;



# Vol 10, Issue 5S, May 2023

technocracies when knowledge and expertise rule the system; codetermination when opposing parties share a ruling system; representative democracy when officers are elected for specific terms by workers; and direct democracy when everyone participates in the right to rule.

The bureaucracy is perhaps the most frequent kind of organization in the Western world, yet many, maybe especially small businesses, show autocratic inclinations, and some professional organizations are technocracies. There are examples of each of them.

We now look at two opposing organizational models, rational and political, as well as three conflict analysis frameworks, unitary, pluralist, and radical. If we regard organizations to be rational bodies, we would consider human behavior to be logical, led by defined aims, and informed by perfect information availability assimilation. Nothing is unreasonable or non-rational, and very little is random or unintentional. For example, communication is open and free, and everyone interprets it the same way. The decision-making process establishes and supports certain objectives. The issue is clearly stated, alternative solutions are developed, decision factors that allow choice are understood, and alternatives are completely analyzed before the optimal option is reached. Power, politics, conflict, and other possible elements of non-rationality are absent, or if present, do not impact decision making. Decisions are constantly optimized, organizational members have similar values and objectives, and efficiency is emphasized. This is the stuff of fantasies!

Another point of view is that organizations are political entities made up of coalitions with competing interests and aims. Communication is not flawless; instead, information is limited and unevenly available. Moreover, it is susceptible to manipulation and different interpretations. As a consequence of disagreement, stress, and conflict, authority is necessary to settle conflict. Decisions driven by uneven power are often irrational.

It may be argued that these two theories reflect opposite ends of a continuum, with 'reality' being somewhere in between. Organizations that are completely rational cannot exist, according to the author, since human characteristics exclude this possibility. Similarly, organizations that completely embrace political action, individual beliefs, and purpose disparities will become so dysfunctional that survival will be impossible. An alternate, but related, method is to study organizations from three viewpoints or frames: unitary, pluralist, and radical. Each represents a frame of analysis, a method of evaluating and interpreting organizational action, and, more particularly, a method of investigating organizational conflict [10]. The unitary viewpoint implies that organizations have objectives to which all members adhere and that there is a shared knowledge of how to achieve those goals. The work of the human relations school maintained this conventional viewpoint. Academics who supported this viewpoint stated that conflict and instability in organizations were caused by a lack of trust and transparency, and that they could be handled by adopting a people-oriented approach and speaking openly. Setting and enforcing agreed objectives would deprive conflict of its source of motivation.

The pluralist viewpoint acknowledges diversity in aims, interests, and aspirations, as well as the existence of many realities. Efforts to form a coalition of these disparate interests become a top focus for the leadership. Conflict is pervasive and chronic. That is a natural occurrence that cannot be avoided. As a result, conflict cannot be considered as entirely unwanted, as it would be under the unitary framework, particularly as it serves as a mechanism for evolutionary development and maintains the organization sensitive to internal and external changes. The manager's responsibility within this framework is to manage these competing interest groups and to establish compromise and cooperation among stakeholders. There is still a widespread assumption that conflict can be handled and controlled.

The radical viewpoint, inspired by Marxism, contends that society has basic and profound social/structural and political differences that make collaboration impossible and conflict inevitable. By distinguishing ownership from work in the firm, exploitation and social division are assured, leading to conflict.

These three frameworks may be used to analyze organizational conflict. Many workers seem to follow identical goals in certain organizations, yet significant and persistent antagonism develops between diverse parties in others. Conflict may be less visible in an organization with limited and clear goals, a stable and predictable environment, empowered employees, and a team working ethos than in one with entrenched hierarchy and other structural divisions, power struggles, multiple and ambiguous goals, and a complex and dynamic environment.

Morgan contends that each frame leads to a distinct managerial strategy. For example, he claims that "if one feels one is directing a team, one tends to anticipate and demand that individuals unite behind similar goals." Only legal power sources, not conflict and political action, may be sanctioned by unitary managers. Pluralist managers, on the other hand, believe that conflicts of interest and complicated power sources are unavoidable. Their task is to balance this variety while working within the limits imposed by organizational objectives. When we've established these foundations, we'll look at organizational power.

Robbins defines power as 'a capability that A has to affect the conduct of B, such that B does something he or she would not otherwise do'. The essential term here is 'impact,' yet it is only a possibility that does not need action. If we accept that conflicts of interest occur in organizations, as they do in every human community, Morgan proposes that power is the means through which such conflicts are handled. Power is assumed to come from a variety of sources in organizations. French and Raven's early work shed light on this, establishing



Vol 10, Issue 5S, May 2023

that it is not held or utilised equally by various people and organizations.

#### III. CONCLUSION

A company organization that supports ethical business practices is more likely to achieve employee commitment, loyalty, and happiness, which leads to higher work quality and performance than an unethical one. The second role in the management duties is organizing. When an organization is well-organized, it is considered to be in the best of conditions. One of humanity's most crucial prerequisites is undoubtedly ethics. Additionally, the world would have been an awful and chaotic place if ethics had not existed. Moreover, human progress is impossible without ethics. There must be broad ethical consciousness among societies young

#### REFERENCES

- [1] N. Huang, S. Qiu, S. Yang, and R. Deng, "Ethical leadership and organizational citizenship behavior: Mediation of trust and psychological well-being," Psychol. Res. Behav. Manag., 2021, doi: 10.2147/PRBM.S311856.
- [2] A. Anlesinya and K. Amponsah-Tawiah, "Towards a responsible talent management model," Eur. J. Train. Dev., 2020, doi: 10.1108/EJTD-07-2019-0114.
- [3] Q. Yang and H. Wei, "The impact of ethical leadership on organizational citizenship behavior: The moderating role of workplace ostracism," Leadersh. Organ. Dev. J., 2018, doi: 10.1108/LODJ-12-2016-0313.
- [4] F. Tafolli and S. Grabner-Kräuter, "Employee perceptions of corporate social responsibility and organizational corruption: empirical evidence from Kosovo," Corp. Gov., 2020, doi: 10.1108/CG-07-2020-0274.
- [5] A. Blanco-González, C. Del-Castillo-Feito, and G. Miotto, "The influence of business ethics and community outreach on faculty engagement: the mediating effect of legitimacy in higher education," Eur. J. Manag. Bus. Econ., 2021, doi: 10.1108/EJMBE-07-2020-0182.
- [6] D. Metz, L. Ilieş, and R. L. Nistor, "The impact of organizational culture on customer service effectiveness from a sustainability perspective," Sustain., 2020, doi: 10.3390/SU12156240.
- [7] D. Kim and C. Vandenberghe, "Ethical leadership and organizational commitment: the dual perspective of social exchange and empowerment," Leadersh. Organ. Dev. J., 2021, doi: 10.1108/LODJ-11-2020-0479.
- [8] M. S. Neill and S. A. Bowen, "Ethical listening to employees during a pandemic: new approaches, barriers and lessons," J. Commun. Manag., 2021, doi: 10.1108/JCOM-09-2020-0103.
- [9] T. Kähkönen, "Repairing trust within teams after organizational change," J. Organ. Chang. Manag., 2021, doi: 10.1108/JOCM-11-2020-0348.
- [10] B. W. Wirtz and W. M. Müller, "An integrated artificial intelligence framework for public management," Public Manag. Rev., 2019, doi: 10.1080/14719037.2018.1549268.





Vol 10, Issue 5S, May 2023

# Sources and Uses of Power at Different Levels of an Organization

#### Yashoda L

Assistant Professor, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India yashoda@cms.ac.in

Abstract— Power is the capacity to do things despite the opposition of others. Legitimate power, formal authority, expert power, reward power, coercive power, and informational power are all sources of authority for leaders. In this chapter author is discusses inter-departmental power

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

#### A. French and Raven identified five sources of power:

Coercive power is based on fear, and in the 'carrot and stick' metaphor, it symbolizes the stick, or penalty, and in severe cases, it may entail physical assault. It is unambiguous, and the recipient is unlikely to be happy if this kind of power is used. Compliance may be an instant reaction, but long-term commitment is very improbable. The 'carrot,' or motivation to act in a certain way, is represented by reward power. It is the power obtained from a people or group's ownership and control of organizational resources. Individuals may cooperate if they believe the resulting advantage is valuable. As a result, in the workplace, awards are often 'used' to exercise authority over subordinates. In a good sense, they might include the potential of pay increases, bonuses, particular amenities, or promises of advancement; in a bad meaning, they can include the danger of losing present or anticipated benefits. The scarcity of resources raises the possibility of their being exploited as a power source. As a result, their usage may lead to dependency.

Expert power is influence gained by the possession of specialized skills or knowledge. This may apply to those with better technical abilities, for example, and may or may not be related to their position in a formal hierarchy. A good example is the internal IT specialist, whose quick reaction to a 'call-out' is highly valued. The user's relative ignorance, frequently that of a significantly more senior employee, provides the technician with a continuing source of power, which may be exerted by adjusting reaction time and service quality.

The power acquired from having a formal position in an organization is referred to as legitimate or position power. Position power is especially essential in bureaucracies and military forces, where status is deemed vital. A comparable idea was referred to as 'rational-legal authority' by Weber. It gets its legitimacy from societal consent and serves as a mechanism for order and the stability of power relations. Historically, the labor union movement has served as a

counter-force to position power. Power at the top of the hierarchy is challenged by concerted action by people who lack authority at the bottom. Morgan observes that "trade union power, to the degree that it is legitimized by the rule of law and the right to unionize, constitutes a sort of formal authority."

One's regard or esteem for another person generates referent power. Charisma, which means "gift of grace," may inspire followers, allowing leaders to exercise control over subordinates, as Weber saw[1], [2].

This preliminary work has been expanded upon. Robbins identifies the 'bases of power' as the sources of power and the methods of exerting influence. Position in the hierarchy and an individual's competence, for example, are both sources of power, while persuasion, information, and reward are instruments or bases of power. To enforce or preserve position authority, the bureaucrat will have to resort to a slew of rules and procedures. A bully uses aggressive dominance, the threat of violence, or real physical force to gain control. In order to exercise influence, the manager with reward authority will use the concept of exchange. These are the foundations or instruments utilized to wield power. The distinction between power sources and the instruments or methods required to exercise that power.

Morgan mentioned more sources of electricity. We shall look briefly at the sources of power achieved via knowledge and information control, boundary and interpersonal alliance control, and control of the informal organization. Each implies some level of communication flow management.

The capacity to govern information and knowledge in an organization is tied to an individual's or group's status. It is possible to define or influence information by choosing to regulate the time, destination, and 'quality' of information. The organizational agenda and dependencies. For example, British governments have recently engaged a number of high-level media and information managers in order to control and influence official news. In organizations, the 'gatekeeper' job is a major source of power manipulation. Information may be screened to ensure that it conforms to or supports the accepted worldview, and potentially hazardous



# Vol 10, Issue 5S, May 2023

or opposing information can be repressed or changed. The possibility for information control and centralization has grown as technology has advanced. Technologies now allow managers to remotely monitor and analyze operations, progress, and objectives. It is no surprise that major contemporary political parties place a high value on information management in national politics. In this aspect, technology has drastically transformed the possibility for control and manipulation[3], [4].

In the development of wealth, modern organizational structures emphasize cooperation across functions, units, and organizations. Control of these limits, made possible by extensive networking, information and system control, or specialized expertise, may allow people or organizations to accumulate significant power. Although it has long been recognized that membership to the "old school tie" network was a beneficial source of power, attention has lately shifted to the power of the informal organization and that derived from an individual's larger social network. The skillful organizational politician creates a network of informal allies and mutually beneficial ties. This may be used to appease prospective foes as well as entice cooperation. This network, with the competent politician at its heart, may be utilized to keep the management informed of developments occurring across the organization. A senior management may obtain influence by more overt tactics, such as putting managers in critical positions within an organization, by being highly educated, getting access to various sub-networks, and generating many dependents on himself or herself. Patronage has probably been an endemic feature of human organization from the beginning of time.

Three dimensions of power need more consideration. To begin, negative power is an illicit influence that may be utilized to disrupt or oppose. This is especially important in the management of organizational transformation. Second, powerlessness, a condition in which a person or organization has, or believes they have, no ability to affect a situation, is discussed more below. Finally, power may be used in a very covert, or unseen, manner. These three are mentioned in this chapter as applicable.

#### B. Secret power

Power may be obvious, even palpable, or it can be unseen and hidden. Many managers, for example, believe they can control information and speed or halt its transmission. Many employees, particularly those in conventional organizations, do not have access to specific information. Power is wielded when access is restricted. Similarly, by exerting budgetary control, managers may wield power in a 'invisible' way, with few, if any, colleagues understanding the 'political' choices being made. Covert power may be utilized to influence decision-making agendas. Power influences what actually appears on the agenda of a group. Power, on the other hand, may be publicly exercised, for example, by delivering a clear verbal or written command or instruction to a subordinate, or openly symbolized, such as when the Chief Executive parks

his or her costly new automobile in a specified, allotted parking place [5].

Dalton discovered that cliques were an essential component of power dynamics in organizations. Cliques often emerge across departmental and organizational divisions to seek individual self-interest. Cliques may not always adhere to established organizational hierarchical or horizontal hierarchies.

Covert power may be utilized either negatively or positively. The Hawthorne studies, for example, recognized that employees can control the rate at which production happens; they may raise or decrease the rate of labor while still seeming to be occupied. This is an example of power being wielded surreptitiously but by 'agreement'. As we will see, there is often individual and/or group opposition to initiatives to accelerate the pace of organizational change. Subordinates seldom overtly refuse to comply, instead paying lip service to new ideas, occasionally going along with them without being persuaded or concerned about their validity, and, at best, temporarily changing their outward behavior. This is an example of hidden power in action.

As a consequence of this research, it is feasible to analyze departmental power sources in every organization and try to estimate the relative power each department may generate. This model may also be used as a management tool for departmental managers to try to improve their influence by building or acquiring these power sources.

# C. Powerlessness

Powerlessness, an actual or perceived lack of power, is a common organizational reality for many. It is normal to believe that one has little influence over organizational choices, especially those affecting one's professional life. It might be seen as a relative concept: if A has less power than B, A may feel powerless. Employees, regardless of their status or job, may sense emotions of powerlessness. Even top executives who recognize that their organization is more powerful than any person inside it, or who think that the environment in which they work is predetermined for them, express anxiety about their apparent lack of influence.

In this way, management differs from other professions in that it is dependent. Dependency is a possible trap. Managers direct operations and issue commands, which must be followed in order for authority to be exerted. When subordinates refuse to obey, they are refusing to comply and using their authority to reject and promote mutual reliance. As a consequence, managers' credibility is always under attack. Managers cannot control everything: they do not have all of the knowledge and abilities needed to manage well, and they must satisfy numerous interested parties, or many stakeholders. It is not strange, therefore, that the phrase "the paradox of power" has been used, in which the mighty are helpless [6].

Of course, there are many workers who lack the sources of authority mentioned by French and Raven or Morgan. Some believe they are alienated and criticized because they are not



# Vol 10, Issue 5S, May 2023

encouraged in their efforts. These workers may be seen to be really weak. Obviously, the prominence of an individual's sense of helplessness is a result of the intensity of that person's desire to be powerful. Perceived' powerlessness is therefore a result of: the degree of an individual's desire or need to keep power; and the perceived power of participants in the individual's working environment in relation to their own power, i.e. perceived relative power. The proportional strength of an individual's sources and bases of power determines 'real' helplessness.

Powerlessness may manifest itself on a collective or communal level. Certain categories of workers, for instance women, first-line supervisors, some ethnic minorities and handicapped individuals, typically believe themselves to be somewhat weak. A collective manifestation of powerlessness may take many forms, including trade union involvement, pressure group lobbying, collective discontent and poor morale, and even partial workplace exclusion.

Workplace powerlessness serves little use. People often withdraw, becoming irritated and unsatisfied. They may lose confidence and, interestingly, avoid accountability. They may erect real or fictitious barriers between themselves and others. They may hinder from an organization's ability to become dynamic and adaptable if they are concerned with 'turf' concerns and averse to change that they feel would further undermine their limited influence. Many feel that empowering employees is the answer.

#### II. DISCUSSION

#### A. Empowerment

A shift toward the creation and acceptance of flatter structures and more delegated authority. This displays itself in the formation of self-managing teams, organic structures, less levels of management, and decentralized financial control and decision making. When authority to make choices and address organizational issues is handed to subordinates, this is referred to as empowerment. Giving authority to individuals who perform the organization's job is seen to promote flexibility, decision-making speed, and employee motivation [7], [8].

According to Conger and Kanungo's study, empowerment better satisfies an individual's demand for self-efficacy, or the drive to achieve results or outcomes. They say that motivation is increased as a consequence of increases in an individual's efficacy and capacity to select how to complete a task utilizing his or her creative talents. The reward from personal control and actual or perceived effectiveness boosts drive. There is a virtuous loop of participation, effectiveness, and motivation.

Tannenbaum and Cooke contend that empowerment enhances the overall amount of power in an organization, presumably power to accomplish good. The implication is that power does not exist in a zero-sum competition, but rather rises via empowerment. The cake grows in size! Top managers gain influence as a consequence of increased

morale, flexibility, and productivity, while subordinates acquire the ability to make choices and act independently. This assumption has some obvious sense to it. Yet, as many managers will point out, increasing autonomy, competence, and power at lower levels may and do render some middle and senior managers obsolete, both figuratively and literally: good for the organization, possibly bad for the person. Some managers are hesitant to empower their staff for these and other reasons, such as a lack of confidence or faith in their subordinates' abilities.

Draft described how to handle the empowering process. The first element of his strategy entails identifying organizational constraints to empowerment. Excessive regulations, rigid systems or processes, too narrowly defined tasks, and compensation schemes that overlook creativity are examples of these. Senior management must express a clear vision and reason for change. The suffocating characteristics of work design and organizational structure must be altered. Empowering job design aspects must be examined and implemented, and regulations and procedures must be evaluated, eased, and often deleted. Structured change, such reducing levels of hierarchy and improving communication, may also be required. Regular constructive feedback between managers and workers is crucial both throughout the transition process and after employees are empowered. Since empowerment is often seen as a crucial precursor for organizational flexibility, creativity, and change, it is probable that efforts to further devolve authority in organizations will continue.

#### B. Inter-departmental authority

The origins and uses of power at the group or organizational department level are important in the study of organizational behavior. They give insight on organizational activity, structural arrangement, and power difficulties, not at the individual level, but rather across departments or functions within organizations. According to Saunders and others, power at the departmental level might come from five different places. These electricity sources might potentially overlap. These are their names:

Dependence - When Department A relies on Department B for information or other assistance in order to carry out its own responsibilities effectively, Department B has a source of power over Department A. For example, if a university's Information Technology department has a monopoly on the IT funding, all other departments are dependent on it, and it has no motivation to offer a highly responsive service.

Centrality is a measure of the significance of the department's work to the organization's primary aims. It might also be seen as a measure of how important the department is to the organization. Outside organizations, for example, may and increasingly are providing meals and drinks to workers of a normal service or industrial organization. Catering is not fundamental to a vehicle company, thus the leverage a catering department has in such



# Vol 10, Issue 5S, May 2023

circumstance is limited. Few departments are heavily reliant on this service function.

Financial resources - plainly departments that create their own financial resources, especially if they offer surplus revenue, would gain from this source of power. Conversely, departments who make a little revenue may be reliant on other departments. Centralization of resources may lessen inter-departmental conflicts, but it obviously makes the center or headquarters the source of authority in this respect, disempowering other departments[9].

Non-sustainability relates to the centrality problem. Sustainability is a measure of how simple it would be for others to undertake the department's work. For example, inside the motor manufacturing example given above, whereas the production department of such a car manufacturer would not wish to assume catering responsibilities it seems to be straightforward for it to contract out certain services, as a highly competitive contract catering market exists in most modern economies. It is more difficult, but not impossible, to imagine a car manufacturer discontinuing manufacturing. A reputable brand name might perhaps outsource its manufacturing and instead concentrate on design and brand promotion.

Dealing with ambiguity - departments that can lessen uncertainty for others will gain authority. For example, the unpredictability produced by technical breakthroughs might provide a great source of power to the technology or IT department. If it so desires, it may shield other departments from the realities and uncertainties of technological advancement.

Organizational realities such as conflict, power, and politics are inextricably linked. Conflict, for example, may occur as a result of power differentials and political action, necessitating the application of power and political abilities to assist in the resolution or management of present or future conflicts. As a result, politics may be defined as a 'process of bargaining and negotiation used to resolve disagreements and differences of opinion'. Another definition of politics includes more malevolent and self-serving action that is not sanctioned by the organization and may increase the likelihood of conflict and friction.

Political activity in organizations is the outcome of the transformation of power into action. It is the result of the multiplicity of interests that exists in most human groups, as well as, more directly, efforts to utilize authority to influence organizational decision making or behaviors that are self-serving and not sanctioned by the organization. It cannot be assumed that an individual's or group's level of power is proportional to their capacity to influence others. Political action serves as a mediator and is ubiquitous and endemic in organizations. It is both the lubricant and the adhesive that frees and binds the organizational machine at the same time: it may and does have both positive and negative consequences. Politics is seen as a clandestine, murky, and dysfunctional part of organizations in its least desired

incarnation; yet, political abilities are of significant importance when utilized to create change, win approval of new and more suitable courses of action, or boost work satisfaction and morale. In any case, political activity is a continuous organizational reality that is fueled by scarcity and legitimized by acceptance of plurality.

- 1. Domains of political activity
- 2. Daft refers to four sectors or regions where politics seems to be prevalent:
  - 3. Inter-departmental collaboration; structural change

#### C. Managerial succession; resource allocation

These spheres of power are typical and often necessary areas of organizational action, and they regularly spark significant political activity. Changes in structure redistribute lawful or position authority. Managers will negotiate, bargain, and participate in every manner of political activities to maintain or strengthen their power position throughout such transitions. As a consequence, to handle such transformation, power and political abilities are essential. Daft contends that inter-departmental collaboration lacks norms and precedents. The resulting disagreements over questions of territory and responsibility need the resolution of political activity. At the individual level, succession is often a problematic matter. Promotion criteria are sometimes ambiguous and subject to interpretation misunderstanding. Networks, both official and informal, alliances, and enmities all contribute to the creation of tension and conflict between parties. resource-allocation choices increase or decrease power bases and individuals' or organizations' capacity to wield resource power. Budgeting is a highly political activity that must be managed with solid political abilities in order to prevent or minimize dysfunctional disagreement.

Political involvement is not limited to commercial or government organizations. Politics in sports is common and often scrutinized by the public. If we accept that the pluralistic frame indicated above approximates reality, no human action is wholly free of political activity.

# D. Sport and politics

It is often said that politics have no place in sports. Yet, the two are typically related on several levels. At the macro or worldwide level, governments' political actions often impact athletic activity, or inactivity, in their respective countries. For example, in South Africa throughout the 1970s and 1980s, the apartheid regime's severe acts guaranteed that international criticism of their policies resulted in economic, political, and social consequences. Most sports contacts between South Africa and the rest of the world were broken, which was a devastating blow to sport-obsessed South Africans. As a result, the Springbok rugby team, South African cricketers, and many individual athletes were unable to participate at the international level. In general, the penalties were effective in putting pressure on the ruling regime. National governments have also withdrew or limited



# Vol 10, Issue 5S, May 2023

the operations of their own teams in protest of other countries' political policies. The England cricket team is now debating whether they should play in Zimbabwe, as they did in the winter of 2004, owing to alleged human rights abuses in that nation[10].

Politics, however, has an impact on sport at several levels. All sports teams, athletic groups, and individual clubs are political bodies, just like organizations. A football team, for example, or the Ryder Cup golf teams, have all the components for political engagement. Many people and organisations have collective and individual representatives, they are in the public domain, and consumers often feel enthusiastic about their performance. Football abounds with clichés which imply control or the perversion of individualism: they are 'political' clichés. As a result, we are regularly reminded that 'no player is larger than the team,' a management effort to control personnel by bringing collective forces to bear. Players are 'only as good as their previous match,' which is another another political spat between management and players. Players often 'do not fit in with the style of play,' which is typically a euphemism for backstage conflict. Many teams' mythology includes manager and boardroom feuds. Also, there is ongoing conflict between club and national football. Conflict is visible when at least one party recognizes it and an interest or concern of that party is going to be, has been, or has been compromised or thwarted. Conflict happens between people, groups, and departments; it is therefore an intra- and inter-group reality. Those in the same department or group, personnel at various levels of the organization, those with distinct jobs and responsibilities, or otherwise close colleagues often clash. Similarly, conflict may and does arise between employees, who are often represented by trade unions, and managers, between designers and production managers, accountants and marketers, and so on. Some disputes are sparked by deep-seated fundamental disagreements that may be ingrained in society at large or the setting in which the organization functions. On the other hand, some disagreements are transient, of immediate importance, and often simply and swiftly addressed.

Conflict is looming. It is the outcome of contact between persons and groups in the organization: interaction is an organizational need. The causes of war are many and diverse. Among them are the following:

Status differences, which are often caused by legitimate or hierarchical power differentials, create communication obstacles, generate emotions of inequality, and produce friction, which may lead to ambiguity and misunderstanding over obligations.

Scarcity of resources, such as promotion opportunities, bonus payments, and departmental budgets, breeds rivalry, which often leads to conflict. Complicated organizational systems or configurations commonly render one group or person reliant on another: in this instance, conflict may arise between the parties, even if just due to competing priorities.

Individual and collective aims and duties may often compete with one another inside the same organization, resulting in a zero-sum game in which A's gain is B's loss.

Differences of opinion and influence because conflict and lose-lose scenarios. Cultural differences have already been discussed: disputes arise between cultures or subcultures inside organizations. Tribalism has been used to describe such disputes in the NHS.

Environmental dynamism, and the resulting organizational reactions, may cause friction between people and organizations. Change alters established resource allocation systems and structural links. It often generates chances for "winners" and "losers": opportunities for growth and development for some, and loss of scope, prestige, and power for others.

Sociologists have studied industrial conflict in all of its manifestations. Reed, for example, differentiates between collective and individual conflict, with the former manifested via acts such as strikes, working to rule, and restrictive restrictions. A group of individuals acts collectively and follows a coherent strategy to achieve a certain goal. Individual conflict, on the other hand, is more unpredictable, variable, and often transient. According to Taylor and Walton, acts of sabotage are a barometer for underlying tension in an organization. They indicate workers' efforts to impose control over their work environment, and they reflect an underlying feeling of impotence. Employee theft might be driven by comparable factors[11].

In each of these circumstances, the constructive use of power and political abilities may aid in the reduction of conflict, making it more controllable, and reducing the potentially dysfunctional outcomes of friction. The presence of power differentials and/or the negative or overt use of power, on the other hand, might fuel additional conflict. Certainly, there is some uncertainty. Power is both a source of and a means of resolving workplace conflict.

#### III. CONCLUSION

The capacity to influence the conduct of another stakeholder in your business is referred to as organizational power. Your power is assessed by your ability to utilize your influence to persuade that stakeholder to do something he or she would otherwise prefer not to do. Organizational politics are a common component of the workplace. Nonetheless, it is critical that organizations foster a climate in which politics does not become toxic. This may be accomplished by establishing important goals that establish standards inside the company

#### REFERENCES

[1] T. Bartram, P. Stanton, G. J. Bamber, S. G. Leggat, R. Ballardie, and R. Gough, "Engaging Professionals in Sustainable Workplace Innovation: Medical Doctors and Institutional Work," Br. J. Manag., 2020, doi: 10.1111/1467-8551.12335.



# Vol 10, Issue 5S, May 2023

- P. J. Reiley and R. R. Jacobs, "Ethics Matter: Moderating Leaders' Power Use and Followers' Citizenship Behaviors,"
   J. Bus. Ethics, 2016, doi: 10.1007/s10551-014-2416-0.
- [3] C. A. Scherbaum and J. M. Ferreter, "Estimating statistical power and required sample sizes for organizational research using multilevel modeling," Organ. Res. Methods, 2009, doi: 10.1177/1094428107308906.
- [4] J. W. B. Lang, P. D. Bliese, and J. M. Runge, "Detecting Consensus Emergence in Organizational Multilevel Data: Power Simulations," Organ. Res. Methods, 2021, doi: 10.1177/1094428119873950.
- [5] D. Dirik and İ. Eryılmaz, "Leader power bases and organizational outcomes: The role of perceived organizational politics," J. East Eur. Manag. Stud., 2018, doi: 10.5771/0949-6181-2018-4-532.
- [6] V. Ramos et al., "Analysis of organizational power networks through a holistic approach using consensus strategies," Heliyon, 2019, doi: 10.1016/j.heliyon.2019.e01172.
- [7] S. Abimbola et al., "Addressing power asymmetries in global health: Imperatives in the wake of the COVID-19 pandemic," PLoS Medicine. 2021. doi: 10.1371/journal.pmed.1003604.
- [8] C. Arz and A. Kuckertz, "Survey data on organizational culture and entrepreneurial orientation in German family firms," Data Br., 2019, doi: 10.1016/j.dib.2019.103827.
- [9] E. Landells and S. L. Albrecht, "Organizational political climate: Shared perceptions about the building and use of power bases," Hum. Resour. Manag. Rev., 2013, doi: 10.1016/j.hrmr.2012.06.014.
- [10] I. E. Aguilar-Rodríguez, C. A. Bernal-Torres, J. C. Aldana-Bernal, A. G. Acosta-Aguinaga, C. H. Artieda-Cajilema, and P. Chalá, "Relationship between social culture, industry 4.0, and organizational performance in the context of emerging economies," J. Ind. Eng. Manag., 2021, doi: 10.3926/jiem.3560.
- [11] D. J. Brass and M. E. Burkhardt, "Potential Power And Power Use: An Investigation Of Structure And Behavior," Acad. Manag. J., 1993, doi: 10.2307/256588.





Vol 10, Issue 5S, May 2023

# Management of Conflict

#### Lakshman K

Associate Professor, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India lakshman@cms.ac.in

Abstract— Conflict management is an umbrella phrase for how we detect and resolve problems in a fair and efficient manner. The objective is to reduce the possible negative consequences of conflicts while increasing the likelihood of a favorable resolution. In this chapter author is discusses the conflict-handling styles

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Unlike organizational theory, which has come to recognize that conflict is unavoidable, management theory and practitioner concerns require that conflict be handled and resolved in the workplace. We have already explored the unitary, pluralist, and radical organizational frameworks. Each of these frameworks, or rather managerial acceptance of each, would result in a distinct approach to conflict management. Managers who feel that the unitary organization is a desired and achievable state will see conflict as incidental, the result of weak management or, more likely, the result of rogue elements. They want to exterminate it. Managers who accept that enterprises are complex pluralist organizations may endeavor to understand the nature and causes of conflict, respect the divergence of interest, and seek compromise or collaboration: they try to manage conflict. Pluralists recognize that conflict is unavoidable and see their function as coordinating and balancing competing demands and interests: this is the foundation of stakeholder analysis and strategic management.

The interactionist viewpoint, an alternative but similar approach, proposes that managers purposefully foster conflict and its resolution as a catalyst for progress. Harmonious groups may become rigid and tolerant, oblivious to environmental dynamism and shifting priorities, and indifferent to the need for change. It is suggested that some intra- and inter-group conflict may help organizations and individuals keep a self-critical and creative edge. This approach to dispute resolution has been recognized since the 1960s, not least by Pfeiffer. As a result, management may use conflict to effect radical change, altering existing power structures and entrenched views. A change agent may publicly oppose, and/or seek covert support for, current behavioral norms or power structures, or he or she may strive to incite conflict between those that represent the new way ahead and those who embrace the status quo. Similarly, reducing inter-group conflict may increase intra-group cohesiveness, or the urge to band together in order to compete with other, hostile groups. This might lead to increased efficacy. Effective sports teams utilize their opponents' competition as a means to tie them together as a team [1], [2].

Obviously, a balance must be maintained between the generation and management of conflict. Although it is difficult to define an optimal degree of conflict, it has been suggested that both too much and too little conflict is problematic. When conflict is neither too high nor too low, performance, especially group performance, is maximized. When there is no confrontation, indifference and stagnation might develop. Individuals, groups, departments, or organizations may be resistant to change and lack inventiveness. Professional life becomes too predictable, making it harder to motivate employees to think and behave differently in order to move the organization ahead. Too much disagreement, on the other hand, is disruptive, time demanding to manage, and leads to a lack of cooperation and collaboration in the achievement of organizational objectives. The middle ground may create enough friction to encourage self-criticism and new attitudes and behaviors.

#### II. DISCUSSION

# A. Conflict-handling model

Thomas developed a normative or prescriptive approach for dispute resolution. It is based on two conflict-management dimensions, which represent distinct management styles. The two aspects, the degree of assertiveness in pursuing one's own interests and the amount of cooperativeness in striving to address the problems of others, are located on two different scales. Five conflict-resolution solutions emerge that are relevant and interesting to both the person and the management.

The five conflict resolution styles are as follows:

Avoidance - One or more conflicting parties may attempt to avoid, deny, or dismiss the dispute. They may use bureaucratic processes or other means to postpone the disagreement. This method may not result in conflict resolution, and if the core reasons are endemic and/or prone to resurface, avoidance will accomplish nothing or make things worse.

Accommodation entails one side prioritizing the interests of the other and repressing their own concerns in order to maintain some sort of stability and suppress the dispute. Likewise, if the core reasons of conflict are endemic or



# Vol 10, Issue 5S, May 2023

long-lasting, accommodation may never address them. As a result, the accommodating party may underperform [3].

Compromise is frequently seen as the best solution: the English term 'compromise' is regarded as good and constructive. Each side gives something up, and a compromise is generally reached via discussion and argument. But, in reaching a compromise, all sides lose something: there may be a better option.

Competition occurs when both or all parties do not collaborate and instead attempt to maximize their respective interests and aims. It produces both winners and losers. The resulting power struggles, dysfunctional behaviors, and uncooperative actions may be detrimental to both the organization and at least one of the participants. Even the 'winner' may suffer as a result of the process.

Cooperation is likely to be the best answer from both the individual and organizational perspectives. Disputes are challenged and resolved collaboratively, creative solutions are explored, and additional value results: a win-win situation is reached.

Thomas has discovered the situational or contextual aspects that influence the application of each conflict management method. The following are the main contingent factors that influence the choice of style: the time available to resolve the conflict; the level of importance of the issue provoking the conflict; the preferred style of the participants in the conflict; whether one style is unacceptable in the specific circumstances, for example, where compromise proves vitally dysfunctional for the organization; and issues of commitment, motivation, precedent, and lack of information.

The possibility that individuals and groups will pick a certain style after considering contextual factors is implicit in this model. Although organizational experience may surely help people better 'read' a conflict scenario and react accordingly, many people have a favored approach. Some individuals, for example, thrive on rivalry and even conflict in the business, as well as in their personal and social life. This paradigm has influenced the creation of personality tests that measure an individual's 'natural' levels of assertiveness and cooperation. These tests seek to discover a preferred style or styles of conflict resolution [4].

Since power and communication are intricately interwoven, we shall look at symbols as sources of power briefly. A physical or intangible symbol has significance that represents something other than itself. Not surprisingly, that meaning may be utilized to strengthen existing power bases and positions, as well as to exercise power. Company logos or mottos, buildings and works of art that embellish organizations, the use of space in structures, the kind of furniture, and so on are more evident organizational symbols. Less physical symbols include language's great power, particularly the use of imagery and metaphor. All of them, whether consciously or unconsciously, have meaning: they tell something about the organization. Symbols, for example,

are used to reinforce hierarchy in many organizations. Top managers sometimes have bigger offices, secretaries, higher-quality furniture, and a larger corporate automobile than their employees.

Symbol manipulation is a manifestation of power: effective manipulation may establish new or strengthen existing power positions and modify the organizational environment in favor of the strong. It has the ability to generate meaning, which is a fundamental component, if not the very core, of leadership. Leaders aid in the definition of situations and the formation of new meanings for workers. Symbols are used throughout the procedure. 9 delves on the usage of symbols in organizations in depth.

The study of power and politics is centered on change. Transformation may jeopardize current power structures and requires sophisticated political knowledge and engagement to handle. We will look briefly at one component of change management that is particularly relevant to the study of power, or more precisely, perceived powerlessness and negative power: resistance to organizational change.

#### B. Change resistance

Much has been written about how people resist change. It is seen as an unavoidable part of the change process, one that balances the demands or factors that encourage change. Resistance may manifest itself in a variety of ways, ranging from overt, frequently violent behavior to hidden, clever noncompliance. Bedeian recognized four sources of change resistance:

Parochial self-interest; Misunderstanding and lack of faith in management; Contradictory evaluations of the consequences of change; \sA poor tolerance for change. Organizational transformation disrupts the status quo and often results in some persons and organizations losing influence while others gain. Power shifts produce friction and conflict between actual or perceived victors and losers. Organizational change often restricts a group's access to resources; structural change may result in a loss of legitimacy or position power, whilst reorganization might break previously valuable connections and networks. Those who perceive or know that their power source is being undermined by change are more inclined to oppose or, alternatively, strive to engage in the process with the goal of changing the nature and effects of change [5].

Negative power is used when individuals use their power, either individually or collectively, to fight change. The usage of the term 'negative' may suggest that such resistance is always dysfunctional. It isn't always the case. Resistance that is successful may be extremely desired and beneficial for departments or groups. Opposition to an uninformed change may be advantageous to the organization.

When one has a rudimentary understanding of power, politics, and conflict in organizations, a number of management implications become evident. Several of these offer strategies for gaining or securing authority, and they might be used to abuse power as well as to promote



# Vol 10, Issue 5S, May 2023

organizational goals. Managers may find the following useful:

Understanding the political side of their profession and making steps to enhance their political abilities in order to be more successful. Organizations are unlikely to be rational or to embrace a coherent frame; rather, they are political, pluralistic, human groups. As a result, it is critical to understand the sources of power, as well as the causes and areas of conflict and political action.

Increasing their credibility by gaining experience in critical areas. This often applies to certain talents, such as those in information technology or process technology, which are in low supply at the level at which manager's function.

An awareness of information sources and flows, as well as an endeavor to broaden access to information. A Machiavellian extension to this point is the capacity to limit others' access to knowledge and to pick information that is favorable for others to consume. Decisions, for example, may be influenced by the things listed on agendas and even the order in which they are posted.

Forming coalitions may include openly, warmly, and regularly connecting with people and groups inside the organization whose support increases influence. Merrell proposed that competent managers collaborate in small groups to solve problems, emphasizing the importance of the informal, social network. The goal should be to cultivate good relationships based on mutual like, trust, and respect. This may include reaching out to dissidents and past adversaries.

A broadening of their networks. Building comparable ties outside, for example, among suppliers and consumers, as well as within, is related to coalition building. 6Understanding that successful and effective empowerment produces a win-win scenario, but that managing fundamental organizational change may be required [6].

Recognize and comprehend other workers' emotions of helplessness, as well as their resulting behaviors and attitudes. A understanding that effective change management requires the use of sophisticated political abilities, as well as a focus on balancing, coordinating, and controlling the various and different interest groups that wield power. This has looked at power, politics, and conflict in organizations. The following are the key points raised: The has defined the fundamental concepts power, politics, helplessness, empowerment, and conflict.

There are several sources of power and processes of power execution in organizations, just as there are numerous causes and regions of conflict.

- 1. Power, politics, and conflict are all intertwined.
- 2. Organizations may be considered as either unitary organizations with shared aims or pluralist entities with diverse interests and purposes.
- 3. Conflict may be perceived as either endemic and normal, or unusual and completely dysfunctional.

- 4. Power and advanced political skills are required for change management.
- 5. Power may be used to oppose and control change, as well as to alter the understanding and perception of organizational and environmental events.

This has highlighted the very human character of authority, political action, and conflict inside organizations. Despite the fact that most of this activity is hidden, it is a very'real' and crucial part of all organizations. Power, political activity, and conflict may elicit a wide range of human reactions, from tremendous satisfaction and the resulting dynamism, excitement, and vitality to terrible dissatisfaction, poor morale, and disengagement. Power is an organizational reality, and understanding its sources, forms, and consequences is vital for individuals seeking to analyze, interpret, and comprehend organizations, as well as those seeking to work and prosper in the workplace.

This paper investigates the theoretical foundations and complexities of the cultural metaphor. It begins with a discussion of the idea of organizational culture in the context of a larger social environment. The nature and impact of country culture, business sector and group norms, and individual personalities are all taken into account. Culture is recognized as a metaphor and a "way of viewing and understanding" organizations, and as such, it is one of several "perspectives" or frameworks utilized for organizational analysis. We also investigate the significantly various methods to the study of culture that have been adopted in the literature, the results of which affect our understanding of the term, its link with organizational performance, and its effect on management and organizational transformation. As will become obvious, a specific definition of culture is avoided since such definitions often serve to constrain or restrict our understanding of this complicated concept. Rather, we will examine a range of definitions and analyze a number of significant concerns that affect our understanding of organizational culture, keeping the importance and insight into organizational life that this notion gives [7], [8].

The contemporary interest in organizational culture originated with the work of Peters and Waterman, Deal and Kennedy, and Kanter in the 1970s and early 1980s. Academics, on the other hand, have long attracted attention to the concept of culture at the organizational or unit level. In the 1960s, for example, Blake and Mouton proposed a relationship between organizational qualities and what we may today call cultural and organizational performance. Jaques defined factory culture as "its conventional and established manner of thinking and doing things that is shared... and which new members must acquire" in 1952. He maintained that culture includes behavior, attitudes, practices, values, beliefs and 'the less conscious norms and taboos'. Yet, despite the focus placed on this idea for more than 50 years, there is still substantial dispute and



# Vol 10, Issue 5S, May 2023

controversy about the nature of, and the worth of researching, organizational culture.

Culture is a shared phenomena, and in the case of organizational culture, that sharing occurs at the organizational level. People in a culture vary, which is caused, at least in part, by personality variations. Culture may influence how one group of people behaves, thinks, and even looks. These various groups may have distinct views, values, and perceptions of the world around them.

It is also possible to have a culture that is made up of two or more subcultures. For example, in the United Kingdom's National Health Service, like in other healthcare sectors across the globe, a variety of subcultural groups coexist. Physicians, nurses, medical professionals, auxiliary employees, and managers all have distinct cultural identities. Each group has its own set of values, beliefs, assumptions, and norms that drive its activities, as well as its own set of rituals and ceremonies, tales to tell about organizational life, and interpretative systems that impact its interpretation of organizational symbols. These categories are distinguished by credentials and, in many cases, by gender. These subcultures regularly clash with one another: NHS personnel sometimes allude to their service's intrinsic 'tribalism,' which is an essential feature of culture shared by many ward-based nurses in an acute sector NHS Hospital Trust in the UK. Rituals are an important aspect of an organization's culture since they assist to reinforce the dominant worldview. The analysis of ritualistic behavior provides insight into an organization's culture.

# C. Rituals

The morning pills and drinks round: patients are routinely roused as early as 6 a.m., given drugs, and a cup of tea. The practice seeks to increase the influence of the night nurses while avoiding conflict with their day-shift colleagues. More sleep would often help patients recuperate faster.

Numerous patient records: Since all experts and professions connected to medicine retain separate patient records, certain patients, particularly in-patients, are often required to provide personal information up to five or six times. This ritual aims to strengthen or sustain each professional group's authority and social identity.

While daily dressing changes on patients' wounds are becoming less usual, many nurses still believe it part of their duty of care to replace bandages daily, or even more often, despite the expense and sometimes negative effects on the healing process. This ritual helps to sustain nurses' social identities and the need for them.

Individuals' cultural knowledge is not the same. Intra-cultural diversity is caused by individual differences, which may result from diverse family, educational, and microsocial environments. As a result, variances occur within every culture, or even subcultural group. Most societies tolerate such variances; in fact, they may serve as a catalyst for cultural development or dynamism. National subcultures, for example, promote discussion and conflict based on

characteristics such as socioeconomic class, ethnic/religious origin, or profession, which may give a chance for learning and development.

While culture is generated and maintained in social environments such as organizations, it is dynamic and ever-changing. At the organizational level, recruits acquire culture via socialization, which includes training and management interventions, while educational systems, the media, history, political processes, and other factors assist form national culture. Grinyer and Spender show how, when confronted with changing pressures, organizations in a business sector such as retailing or iron working tend to follow similar strategy solutions. These behaviors are taught via business-sector interaction channels such as labor movements, the trade press, and formal management or worker organizations. As a result, organizations in a business sector often agree on a "recipe" that establishes limitations for activity. This recipe is a collection of 'taken for granted' ideas and assumptions that are held pretty evenly among organizations within a business sector. The recipe, like organizational culture, helps managers make sense of their surroundings.

As a result, values, beliefs, assumptions, norms, and ways of interpreting meaning can be shared on a variety of levels, ranging from small subcultures that may thrive in parts of larger organizations, to organizational culture, corporate culture, business sector recipes, regional, national, and supranational cultures. It is reasonable to assume that influence is exerted between these many levels. The patterning of national values, assumptions, and beliefs, for example, seems to have some impact on organizational action in nations. As a result, the work of national-level culture researchers such as Hofstede, Laurent, Adler, and Trompenaars is critical for understanding culture at the micro-level.

There is substantial dispute on the nature of organizational culture, which has far-reaching implications for management and all types of organizational activity, such as change, corporate strategy, and financial and other performance measurements. It is thus critical that we investigate the many meanings and implications of the idea of culture in order to improve our knowledge of organizations [9], [10].

One source of disagreement on the meaning and significance of organizational culture stems from the several academic disciplines that examine the issue. In the 1980s, for example, much work came from business and management schools. This writing's goals and primary points varied greatly from those of other writers who used a more anthropological or sociological approach. Several conceptions of culture are incompatible with one another along a variety of parameters. For example, if we define culture objectively as an organizational variable, it is implied that culture can and should be actively handled. If we consider culture to be interpretive, ethereal, and indistinguishable from the organization itself, we are more



Vol 10, Issue 5S, May 2023

likely to agree that it is a far deeper idea that can only be comprehended subjectively. In the latter instance, management and purposeful cultural change are perceived as a more haphazard and uncertain process.

Academics and managers became interested in the cultural metaphor in the early 1980s, seeking to find answers to many tough managerial challenges. Rather than giving a solution, the abundance of study and literature on organizational culture sparked an active, sometimes acrimonious discussion. One of the early prominent papers proposed that strong cultures improved organizational performance. Strong cultures were supposed to exist in organizations that had a good fit with their surroundings, a rich and complex system of shared values, a well-defined and regular set of behavioral routines, and an articulate cultural network. Deal and Kennedy recommended a return to the concepts of America's early corporate leaders in building strong cultures, inspired by the power and coherence of Japanese organizational and national culture. Such cultures, it was thought, offered a set of informal norms that guided workers and encouraged them by making them feel good about their work. As a result, the study proposed a panacea, a prescription to remedy the identified organizational ailments in the United States. Their work, like most management research and literature, is largely geared towards American executives and academics. Its ethnocentrism is often visible. This paper, along with Peters and Waterman's best-selling book In Search of Excellence, was immensely significant in shaping the management and academic agendas of the 1980s.

Schein proposed another popular notion of culture, claiming that culture exists at three layers, namely: At the center are people's assumptions and ideas, which shape our 'commonsense' perspective of the organizational world. They include assumptions about the nature of the corporate environment, human nature in general, and workplace relationships. These basic and widely held ideas and beliefs guide

Values which lay at the intermediate level and at the surface, culture reveals itself, Schein claimed, through actions and cultural products, such as architectural design characteristics and technology. While attractive in many respects, this paradigm gives a relatively static perspective of a dynamic notion. It also downplays the importance of symbolic activity in organizations, as well as the function that symbols and tales, for example, play in generating and transmitting cultural meaning for employees. It does, however, imply that what many authors refer to as culture, with descriptions such as "the way we do things around here," may be only an overt, visible, surface-level artifact of that culture.

The 'structural' perspective of culture is primarily concerned with how roles are organized in organizations. Charles Handy's study on culture, taken from Harrison, is an example of this. Based on structural architectural traits, this study identified four 'types' of culture. The connection

between organizational structure, design, and culture is obvious. According to Handy, power cultures are prevalent in small entrepreneurial firms, role cultures in larger bureaucratic organizations, task cultures predominate in matrix-type organizations where power lies at the intersection of roles, and person cultures are prevalent in organizations where the individual is the key element. He identifies the elements that impact the sort of culture prevalent in an organization, some of which will be recognizable to you, such as organizational size, locus of authority, types and degrees of technology, and business environment characteristics.

Handy contends that power cultures exist in tiny, entrepreneurial organizations. As seen in 9.3, power is at the heart of a web in these. Those who embrace the attitudes and conventions of the core power source will be regarded and trusted by the organization. The power dynamics are obvious. Role cultures are highly bureaucratic, with coordination handled by a limited, elite senior management group. A role-cultured organization is departmentalized, frequently into distinct functions and areas of specialization. Workers have distinct functions that are defined by job descriptions. Work is assigned logically, and organizational life is impersonal. The organization is well-suited to situations in which efficiency is emphasised and necessary. Employees benefit from role cultures. The task culture focuses on projects and is depicted in 9.3 by a net with power at the intersections. A task culture is typical in matrix companies where a team culture exists with autonomy. As a result, these organizations are more adaptable than those defined by a role culture, and they can respond to changing markets. Ultimately, the individual is fundamental in the person culture. These cultures are widespread in professional organizations, such as accounting companies or law firms. There is little formal control, and communication is mostly informal.

Nonetheless, it is critical to situate this approach within a wider framework. It stems, for example, from a school of thinking that closely ties structural variables with organizational culture. In reality, it does not properly distinguish between structure and culture; it does not recognize them as distinct viewpoints or frames of reference.

#### III. CONCLUSION

Conflict management is an umbrella phrase for how we detect and resolve problems in a fair and efficient manner. The objective is to reduce the possible negative consequences of conflicts and improve the likelihood of a favorable conclusion. Your essay's main ideas. Add a definition summary. Emphasize the kinds, causes, repercussions, dispute resolutions, and suggestions. Conflict resolution skills are intended to prevent arguments from worsening while continuing to debate each point of view and finally achieve a joint conclusion. You will be more prepared to learn from and teach others in both professional and personal



# Vol 10, Issue 5S, May 2023

settings if you use conflict resolution skills.

#### REFERENCES

- N. Wang and G. Wu, "A Systematic Approach to Effective Conflict Management for Program," SAGE Open, 2020, doi: 10.1177/2158244019899055.
- [2] M. C. Zurlo, F. Vallone, E. Dell'aquila, and D. Marocco, "Teachers' patterns of management of conflicts with students: A study in five european countries," Eur. J. Psychol., 2020, doi: 10.5964/ejop.v16i1.1955.
- [3] S. Maiti and J. ho Choi, "Investigation and implementation of conflict management strategies to minimize conflicts in the construction industry," Int. J. Constr. Manag., 2021, doi: 10.1080/15623599.2018.1536964.
- [4] E. Chandolia and S. Anastasiou, "Leadership and conflict management style are associated with the effectiveness of school conflict management in the region of epirus, nw Greece," Eur. J. Investig. Heal. Psychol. Educ., 2020, doi: 10.3390/ejihpe10010034.
- [5] D. D. T. Dr.Digvijaysinh Thakore, "Conflict and Conflict Management," IOSR J. Bus. Manag., 2013, doi: 10.9790/487x-0860716.
- [6] S. Silva and S. Schaltegger, "Social assessment and management of conflict minerals: a systematic literature review," Sustain. Accounting, Manag. Policy J., 2019, doi: 10.1108/SAMPJ-02-2018-0029.
- [7] D. Upadhyay, "Consideration of future consequences and decision-making patterns as determinants of conflict management styles: CFC and conflict management styles," IIMB Manag. Rev., 2021, doi: 10.1016/j.iimb.2021.03.006.
- [8] R. Saundry, V. Fisher, and S. Kinsey, "Disconnected human resource? Proximity and the (mis)management of workplace conflict," Hum. Resour. Manag. J., 2021, doi: 10.1111/1748-8583.12318.
- [9] J. C. Young et al., "Community-based conservation for the sustainable management of conservation conflicts: Learning from practitioners," Sustain., 2021, doi: 10.3390/su13147557.
- [10] S. Valente and A. A. Lourenço, "Conflict in the Classroom: How Teachers' Emotional Intelligence Influences Conflict Management," Front. Educ., 2020, doi: 10.3389/feduc.2020.00005.





Vol 10, Issue 5S, May 2023

# **Exploration of Power Culture**

#### Varalakshmi S

Associate Professor Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India varalakshmi@cms.ac.in

Abstract—A concentrated culture that prioritizes important decision makers. May occur in small firms when the founder dominates; may be stressed as a company expands and cannot be managed entirely from the center. In this chapter author is discusses the management of organisational cultural change.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Power culture is common in small entrepreneurial organizations and is based on central power, informal communication, and trust. A common goal eliminates the need for bureaucracy. The primary power force's competency, adaptability, and dynamism, frequently the owner, are critical. Increasing growth may 'break' the organization's tight web-like ties, in which case it may develop a satellite or reproduce itself elsewhere. Power cultures impose tremendous expectations on personnel.

#### A. Culture of roles

This cultural style, in contrast to the smaller power culture, is distinguished by high degrees of bureaucracy and formality. A limited number of senior managers govern the coordination between experts and functional areas, as the graphic below indicates. The standard is to have rules, processes, and job descriptions. Work is assumed to be logically assigned to employees. Change is difficult for role cultures since they are suited to s settings. They offer personnel with security and predictability.

#### B. Workplace culture

Task cultures are common in matrix organizations, where influence is concentrated at the intersection of duties. Workers often have shared or numerous duties and work independently. Expertise, rather than status, determines influence. The presence of both individual control and collaboration reduces the demand for authority. Operational choices may be made fast, allowing the organization to be more adaptable. These firms find specialisation, or obtaining economies of scale, challenging.

#### C. Individual culture

The individual is central to this society, which can only flourish if people band together because they perceive mutual advantages. This cultural type is exemplified by professional groups or even 'hippie' communities. There is no formal control and no one or overarching goal: individual goals prevail within the limits that 'organization' entails. Influence is shared and founded on knowledge and mutual respect. People often have comparable interests. Organizations have

little or no formal structure. It indicates that big structural change will result in cultural change, and that managing culture, like any other organizational variable, is quite doable and likely to produce beneficial effects. It is also a deterministic model, implying that a certain form of culture will emerge from a specific set of structural conditions. Some authors and theorists in this subject contend that Handy's work presents a relatively shallow, even clichéd, perspective of the vast, all-encompassing, and symbolic idea that is culture [1], [2].

Miles and Snow established a similar model that recommends various sorts of organizations based on their strategic orientation. Organizational culture, structure, and other design elements and human attributes all work to limit managers' ability to'see' their reality. According to Miles and Snow, there are conservative organizations that use low-risk techniques and tried-and-true solutions. These defenders stand in contrast to the more inventive 'prospector' organizations. While this paradigm is useful, its limits are obvious. It is a simplistic classification of a complex human organizational phenomena that takes little or no account of culture's potential uniqueness. It does, however, connect culture to organizational strategy.

The interpretative perspective of culture, on the other hand, recognizes culture's richness and subjectivity while denying any simple causal links between culture and organizational structure. It may be overly simple to perceive culture from either of the two views outlined above, since both interpretive/symbolic and structural components act in unison in organisations. In an effort to show the difficulties of strategic management in a cultural environment, Johnson and Scholes propose that the organizational paradigm, or 'way of seeing,' is incorporated in a cultural web. The cultural web combines 'hard' structural and system qualities of organizations with 'soft' symbolic elements, attempting to include both of the above-mentioned main schools of thought.

The cultural web is an effective paradigm for investigating the intricate interrelationships between diverse cultural elements and cultural settings. In order to make meaningful changes to the organizational paradigm, some or all of the 'hard' and 'soft' supporting processes must be addressed. The



# Vol 10, Issue 5S, May 2023

site also draws the reader's attention to the possible importance of ritual, organizational tales, and symbols in the creation and maintenance of organizational culture. Routines and rituals are mundane yet symbolically important components of organizational life. Certain rituals are dysfunctional because they contradict or contradict the organization's goals. Nonetheless, rituals contribute to the culture's identity by reinforcing the "how things are done around here" and indicating what is significant and appreciated by personnel.

Organizational tales help to 'place' the culture in the organization's history and evolution. They also show the nature of culture and the boundaries of cultural behavior. As a result, they both define and reinforce culture. Many parts of organization and employee and management behavior might have symbolic meaning.

Similarly, the systems, physical artifacts, organizational structure, and resulting organigrams all provide critical information about the organization. Organizational members understand these symbols. Language particularly that of more senior and influential persons, has special symbolic value. It assists individuals in understanding what is necessary and expected, the organization's norms and values, and how to comply with them. Others say that symbols and their interpretation are at the core of the idea of culture, implying a viable path for anyone seeking to alter or modify culture.

This discussion continues in the next chapter, in the context of organizational reform and performance. First, we look at how organizational and other levels of cultural knowledge may be gained, communicated, and preserved [3].

It may be claimed that diversity and culture are mutually incompatible concepts. How can various behaviors, values, norms, and beliefs coexist in the same organizational culture? After all, culture focuses on the things that individuals in an organization have in common: the values, beliefs, and standards that link them together. That is a dilemma, and it is probably best explained by admitting that all civilizations have various aspects, maybe subcultures, and that most people are tolerant of some degree of internal variation. But can civilizations be 'man dominated', or adopt feminine features, for example.

When labor organizations and management were originally established, frequently hundreds of years ago, the workforce was dominated by men, and men controlled authority in practically all organizations. This was the standard procedure. As a result, it is possible to claim that organizations today still reflect a male management culture. Similarly, Anglo-Saxon-Celtic people controlled most organizations in the United Kingdom and Ireland, as well as the United States and Australia, thus organizational cultures may still reflect these historically related features. Cultures, as we have seen, are highly resistant to change - values, conventions, and beliefs have legs! Bennis contends that most organizations maintain a macho, command-and-control

attitude as a result of their early male domination, even if such dominance is not always visible today.

We are becoming more conscious of notions such as systemic racism and sexism. This shows that racism and sexism are rooted in organizational culture, showing themselves not necessarily as overt discrimination but via more subtle behaviors and attitudes that are often not fully recognized or actively dis- played by organizational members. If this is the case, eliminating workplace discrimination becomes a cultural change challenge. As previously stated, the structural and interpretative conceptions of culture would lead to quite different methods to managing large organizational change. Since the early 1980s, organizational culture has been recognized as both a barrier to change and a critical component of organizational success or failure.

Kanter contended that there are only two kinds of culture: segment list and integrative. She listed the distinguishing characteristics of each and proposed that those organizations that had all or many of the integrative characteristics would embrace organizational change and prosper in a dynamic environment. When it comes to change, segment list cultures are, at best, sluggish to respond and suffer. She describes the features of each; in many situations, the two groups are diametrically opposed.

The management of cultural change, which many feel is necessary to sustain continuing organizational dynamism, is a hotly debated topic. Numerous scholars have proposed cultural transformation models. Dobson, for example, outlined a four-step approach: modify recruiting, promotion, and redundancy policies to impact worker makeup. This entails an active HRM role in identifying both employees who demonstrate the beliefs and values that the organization wishes to promote and those who do not; reorganizing or restructuring the organization to ensure that those employees and managers who demonstrate desired qualities are given positions of power; effectively communicating the new values; and changing systems to reinforce the new beliefs and According to such approaches, transformation may be accomplished via a mix of people, structural, and system changes. But, the political authority necessary to begin and execute such reforms led Dobson to conclude that change is forced from the top.

Cummings and Huse provide a larger, but equally prescriptive, model of cultural transformation. They say that if the following conditions are met, cultural transformation may occur: a clear strategic goal; top management commitment; symbolic leadership; supporting organizational reforms; and changing organizational membership. Cummings and Hues position such transformation in a strategic framework in their work, which is comparable to but wider than Dobson's approach. They also recognize the need of symbolic intervention, such as 'visioning' and the use of symbolic behaviors and language [4], [5].

Both models are based on actual study, however both may



Vol 10, Issue 5S, May 2023

be critiqued for underestimating the difficulties of transforming culture. They have been heavily criticized for being too simple and for making suggestions that are too broad to be useful to specific organizations.

#### II. DISCUSSION

The management of organisational cultural change This mini-case investigates a cultural transformation process in a medium-sized NHS Hospital Trust in England's Midlands. In the mid-1990s, the organization was effective in making significant and demonstrable quality improvements, surpassing its wide range of targets, and managing with significant environmental flux. It was commonly assumed that some features of the organization's culture had shifted.

Effective cultural change leadership needed leaders to think culturally, to be led by a mental map that identified where they were coming from and what the desired goal truly looked like. They used cultural resources to get through this voyage. Moreover, they could not disregard the politics of change, as well as the concrete systems and structural modifications required to support and signify big change. They exploited the imminence of a change in status as a catalyst for change, whether it was genuine or imagined. This crisis improved the openness of workers and the overall setting.

The cultural, symbolic 'tools' used were of special importance. Unlike many managers, who dismiss or belittle the idea of culture and, at most, just think about culture, the CEO in this instance thought culturally: that is, he saw the issue in terms of culture. He worked hard to harness the power of symbols. He demonstrated understanding that his acts had obvious face-values, influence, and symbolic significance. This understanding allowed him to quantify the symbolic and hence cultural repercussions of his language, attire, style, and behaviors.

His emphasis on dressing casually and listening to loud pop music during management retreats was a symbolic effort to break down boundaries and signify change. The idea was that change and experimentation were exhilarating. By leaping from flip chart to flip chart, promoting brainstorming and ideas, and openly embracing workers' concerns and viewpoints, he visually represented creativity and excitement. Moreover, he regularly provided little presents to 'islands of progress,' hospital sub-units that had surpassed expectations. This represented the reinforcement of desirable behaviors and attitudes.

New rituals were developed to represent change. As a result, reclassifying hospital porters, cleaners, domestic employees, and caterers as ward assistants signaled a new and strengthened social identity for this group, assisting in the resolution of some of the previous boundary concerns. Away-days became a ritual of sense making, with efforts to listen, explain, and assist individuals cope with the resulting changes.

Organizational tales represent what is essential in a company and serve to define its culture. The anecdotes of how this CEO handled meetings, refusing to sit down, welcoming criticism and challenge to established methods of doing things, and participating in open and candid debate, showed that innovation was encouraged [6].

Values Generally held values serve as the foundation of organizational culture. It is not unexpected that the management team prioritized attention to the organizational value system. Planned seminars and unplanned talks with senior and intermediate managers, as well as clinical experts, began in the early phases of creating the organizational purpose - possibly the most important symbolic representation of any organization. The seminars aimed to progressively construct a value statement that reflected both participants' own beliefs and the hospital's essential mission. The final statement is straightforward and devoid of surprises; more significantly, it is 'owned' by a large number of people.

Some academics, while acknowledging that cultural change happens, take a more measured approach to the ease and speed with which such change occurs. Schein claimed that understanding how the current culture is perpetuated is necessary before it can be transformed. He proposed that an examination of the values, assumptions, and beliefs that underpin organizational actions exposes culture as an adaptive learning process. The focus of Schein's method is on how organizations convey their culture and how assumptions are converted into values. 'seeks to understand the processes utilized to disseminate culture and how new beliefs and behaviors are taught,' according to Barnes. Obviously, once these processes are identified, such information serves as the foundation for a culture transformation plan. Nonetheless, Schein was skeptical of the notion that top-down, transformation can management-led cultural accomplished. Others have claimed that the time scale for cultural change ranges from six to fifteen years, however some literature by the less well educated and empirically weak argues that the time span might be as short as one year.

Pettigrew understands the challenges of controlling culture. He cites seven reasons why changing culture is difficult, an explanation that spans over some of the definitional boundaries discussed here. The seven issues are as follows:

Culture occurs on many levels, ranging from attitudes and assumptions to cultural artifacts.

- 1. Pervasiveness culture is not only deep, but it is also wide and encompasses all organizational activities.
- 2. Implicitness much of culture is assumed. As a result, changing things that are implicit in people's thoughts and behavior is challenging.
  - 3. Cultural imprinting has profound historical origins.
- 4. Political culture is linked to power distribution in an organization since particular power groups have a strong



# Vol 10, Issue 5S, May 2023

interest in the current ideas and cultural behaviors being unchanged.

- 5. Plurality Organizations often have many cultures, that is, a variety of subcultures and various group norms and behaviors.
- 6. Interdependence culture is inextricably linked to the organization's politics, structure, processes, people, and priorities.

Pettigrew acknowledges the importance of power and politics in organizations, as well as the interconnectedness of all organizational phenomena and processes. As a result, he views culture and cultural development broadly. His presentation builds on empirical evidence from Jaguar Motors and ICI to propose a set of 13 prescriptions for management to follow in order to increase the likelihood of effective transformation.

Cultural transformation initiatives are often overseen by one or more senior managers from the Human Resource Management or Human Resource Development departments. Yet, the role of human resource management and training and development in the reproduction and transformation of organizational culture goes much beyond recruiting, selection, redundancy management, and other 'organizational membership' measures. Numerous managerial development and training opportunities exist [7], [8].

Activities are focused with reinforcing or modifying culture, either implicitly or overtly. For example, if a corporation wants to teach a collective value of improved customer service, training and development programs may typically help. It is also often used into performance assessment and incentive systems. As a result, a consistent and coherent set of direct HRM interventions aims to modify an element of organizational culture. It is very conceivable to include symbolism into these training interventions and system improvements. For example, if persons who demonstrated ideal customer attitudes were elevated to the status of heroes or heroines, and a ceremony was organized to recognize and honor such instances, the ritual may impart new or developing meaning to organizational members.

While discussing the limits of many conventional top-down approaches of change, Brooks and Bate say that effective cultural change necessitates: an understanding of the current culture; an awareness of the intended future culture; management of the politics of acceptability; and a trigger for change.

As a result, a key tenet for any cultural shift should be: 'know your own culture, then modify it,' if required. Similarly, harboring aspirations or objectives, as well as a vision or model of the desired future state, seems to be necessary to promote deliberate transformation. It is important to recognize that politics and culture have a complicated connection. It all comes down to how we see organizations. Clearly, each new paradigm requires legitimization before it can take root in an organization. As a result, since culture is widely 'owned,' it appears appropriate

to pay some attention to communal, political acceptance of the need for dynamism and the direction of desired change. Lastly, it is often assumed that an actual or perceived crisis facilitates effective cultural transformation, defining a crisis as "a condition of things that works as a trigger or catalyst for second-order change.

Wilson believes that 'following an interpretative view of culture takes us to a fundamentally different analytical and methodological viewpoint on how sense may be made of organizational change'. What matters is not the concept of an adaptable and pliable culture, but the cognitive and interpretative processes by which employees make meaning of change and, as a result, either embrace it, enabling it for others, or strive to undermine or fight it. Hence, the interpretation of symbols, such as language, is central to this viewpoint. While culture may look more opaque and less immediately analyzable from this standpoint it need not necessarily be so. Symbols abound in organizations, and their significance is important. From this point of view, it is critical to recognize how change and other management activities are viewed. As a result, 'reality' becomes a social construction: what is real is determined by individuals' complicated cognitive processes and the plethora of social interactions between people in the workplace. A socially generated collective interpretation of events becomes a cultural belief. From an interpretative standpoint, Isabella, for example, sees organizational transformation as vulnerable to change. As a result, individuals will see change and the 'realities' of the change process and its end differently at various points of the process.

It is suggested that this perception of the change process, particularly if it is a collaborative or cultural interpretation, will affect the final acceptance of the change and the organization's future success. People make sense of information and put it together in order to answer the question "What will the change entail for me?" within a rich framework of past and current organizational events. Managers, according to this perspective of culture, are not helpless to alter culture, but must pay attention to the symbolic ramifications of their actions while attempting to develop desirable ideals. They will never be able to govern culture, despite what many management authors claim [9]–

If we approach organizations as though they are cultures, as Wilson and Isabella have done above, our perspective of managerial action and corporate strategy is radically influenced. Managers as strategists, for example, will be deeply impacted by the subjective processes present in that culture in both the process of strategy formulation and the final strategies. As a result, some scholars contend that culture cannot or should not be intentionally modified. 'Culture as a whole cannot be managed, switched on or off... culture should be considered as something an organization "is," not something it "has": it is not an independent variable, nor can it be made, discovered, or destroyed by the whims of



# Vol 10, Issue 5S, May 2023

management,' Meek said..

#### III. CONCLUSION

The basis of civilization is built on power and culture. People's cultural orientation within a culture or group impacts how they define power and respond to those in authority. Power supplements culture by enforcing cultural values and conventions. Finally, the ethics of management's efforts to regulate culture are debatable. It has been suggested that management interest in organizational culture stems from a desire to exert control over what people believe, feel, do, and say. Every effort to interfere and modify culture may be seen as nothing more than cognitive control. If culture is a common construct, then the 'right' to modify it to benefit one group may be morally dubious.

#### REFERENCES

- [1] M. J. Tear, T. W. Reader, S. Shorrock, and B. Kirwan, "Safety culture and power: Interactions between perceptions of safety culture, organisational hierarchy, and national culture," Saf. Sci., 2020, doi: 10.1016/j.ssci.2018.10.014.
- [2] A. Puni and S. K. Hilton, "Power distance culture and whistleblowing intentions: the moderating effect of gender," Int. J. Ethics Syst., 2020, doi: 10.1108/IJOES-10-2019-0163.
- [3] D. A. Mashile, W. Munyeka, and W. Ndlovu, "Organisational culture and turnover intentions among academics: a case of a rural-based university," Stud. High. Educ., 2021, doi: 10.1080/03075079.2019.1637844.
- [4] K. L. Ingram, "Power and Culture in Human-centric Innovation Ecosystems," J. Manag. Train. Ind., 2020, doi: 10.12792/jmti.6.2.1.
- [5] C. J. Torelli, L. M. Leslie, C. To, and S. Kim, "Power and status across cultures," Current Opinion in Psychology. 2020. doi: 10.1016/j.copsyc.2019.05.005.
- [6] S. Paulson, "Degrowth: Culture, power and change," J. Polit. Ecol., 2017, doi: 10.2458/v24i1.20882.
- [7] Z. Feldman and M. K. Goodman, "Digital food culture, power and everyday life," Eur. J. Cult. Stud., 2021, doi: 10.1177/13675494211055501.
- [8] M. Morgan, "Power, Culture, and Materiality in Modernity," Cult. Sociol., 2022, doi: 10.1177/17499755211045034.
- [9] E. S. Oruh and C. Dibia, "Employee stress and the implication of high-power distance culture: empirical evidence from Nigeria's employment terrain," Empl. Relations, 2020, doi: 10.1108/ER-11-2019-0425.
- [10] W. N. Wan Mohd Ghazali, "Islam as the state ideology: Exploring from Gramsci's notion of power, culture and ideology," J. Komun. Malaysian J. Commun., 2019, doi: 10.17576/JKMJC-2019-3501-22.
- [11] F. Lima Neto, "Power and Culture: The Cultural Foundations of Brazilian Sociology," Cult. Sociol., 2020, doi: 10.1177/1749975519885470.





Vol 10, Issue 5S, May 2023

# Organizational Learning and Change

# Kiran Lokesh Maney

Associate Professor, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India kiran@cms.ac.in

Abstract— The process of developing, maintaining, and transferring knowledge inside an organization is known as organizational learning. When an organization accumulates experience, it improves through time. It is capable of gaining information from this experience. This expertise is vast, encompassing any issue that might benefit a company. In this chapter author is discusses the impact of national culture on organizational behaviour.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

Organizational learning is a hotly discussed modern problem, especially in the study of culture and transformation. People in organizations may and do learn; yet, there is evidence that organizations as a whole continue to repeat behaviours that might lead to dysfunction and failure. It seems too often that companies do not adapt, neither do they learn, unless slowly, to deal with a changing environment. The crucial difference in this discussion, according to Argyris and subsequently Argyris and Schon, is whether an organization may participate in single-loop or double-loop learning. They conclude that most organizations are trapped in a single-loop learning model. Single-loop learning happens when an organization learns to do activities as if by rote or to govern itself in a predictable manner. Double-loop learning requires deeper scrutiny of both the organization's goals and its methods for accomplishing them in a continuous and ongoing manner. In a double-loop learning environment, an organization will not automatically seek to solve a problem or carry out a task in the same manner it has in the past, but will instead be able to reflect on prior experiences, learn from them, and innovate and experiment with alternatives.

Single-loop learning is likely to be widespread in segment list organizations, but double-loop learning necessitates people and groups being ready to openly debate uncomfortable subjects, face differences of opinion, and explore methods to explain obscure and ambiguous concepts and facts. They must make an effort to participate in communal contemplation and issue solving.

We've already seen how symbols may serve as cultural communicators and effective management tools whether used intentionally or unconsciously by leaders, so we won't go over it again. We shall, however, investigate the antagonism that arises across cultures.

#### A. Subculture conflict

Friction between distinct organizational subcultures is prevalent, much as the disputes that arise between departments in any organization. Subcultures must create

initial socialization techniques as well as continuous mechanisms to induct and constantly forge people into the community in order to retain collective understanding and cohesiveness. A subculture's collective behaviors, customs, and ideals are crucial characteristics. Collectiveness improves the foundation for power. Those with disparities, whether in the workplace or in society as a whole, lack authority. Together, as in a culture or subculture, they'speak with one voice,' form a unique social identity, and, perhaps, access the sources of power required to improve their socioeconomic standing [1], [2].

The power struggles that occur amongst health-care subcultures. Organizational subcultures, such as physicians, nurses, and managers at a typical hospital, engage in ritual activities to strengthen their cultural identity and maintain their position. This is also true for numerous professional organizations, including accountants, lawyers, and educators. Each has stringent tests and educational criteria that must be completed before someone may 'join,' and each has a written or implied code of conduct. Several subcultural groups want the same or comparable sources of power as have been outlined above. As a result, in the United Kingdom's National Health Service, there is a continual, continuing fight for dominance between management and medical workers. Managers have significant position or genuine authority and, importantly, influence over resource allocation. Medical personnel's primary source of power is their knowledge. Some subcultural groups maintain their authority by generating scarcity and limiting access to their knowledge. The Institute of Chartered Accountants, for example, is said to have changed the pass mark in its admission tests to combat an excess of accountants in the market. As a consequence of the shortage, accountants have more leverage to demand favorable pricing for their services.

#### B. Healthcare has subcultural power

Few organizations have more clearly defined disparities across identifiable categories than the United Kingdom's National Health Service, Europe's biggest employer. Despite assertions that medical workers collaborate as a team to provide high-quality patient care, different subcultures emerge and vie for influence. A complicated 'pecking order'



Vol 10, Issue 5S, May 2023

guarantees that each group strives to retain or improve its power base.

There are cleaners or domestics, ward clerks, assistant nurses, staff nurses, sisters, junior physicians, registrars, and consultants in a normal hospital ward. Moreover, patients on that ward are often visited by physiotherapists and radiologists, to mention just two of the many professions related to medicine, and depend on pharmacists and a variety of professionals to assure recovery and excellent care. Each of these organizations is a subculture inside the larger hospital culture or medical community. Power disparities occur and are often visible.

These disparities are based on a variety of power sources, including access to resources, knowledge, legitimate power, access to information and networks, and coalition building. Micro level subcultures occur even within one group, such as qualified staff nurses or physicians. Permanent night nurses, for example, do not get the same attention as their day counterparts and, as a result, are relatively powerless. When efforts are made to implement annualized contracts and internal day-night rotation in the future, night nurses will be helpless to halt this trend.

The intricacy of power interdependencies in NHS hospitals, as well as the function and power position of managers and managerialism, are also of importance. Managerialism was pushed as government-inspired changes in the 1980s and 1990s. Management's power has grown in comparison to most other with the consequence that management compensation, especially at senior levels, has climbed faster than that of, say, nurses, and their influence has grown significantly. Nurses have sought to remedy this situation by union or association activity, yet a nursing shortage in 1998 and beyond may boost the authority of this group as their expertise becomes scarce. Several subcultures achieve influence by forcing others to rely on them. Managers oversee the majority of the resources in contemporary hospitals, which helps to guarantee that any dependencies that arise are within management's control [3].

To maintain authority and perpetuate existing social divides, rituals, medical language, and precedent are all exploited. Some duties are restricted to certain levels of workers or those with specific qualifications. Even when there is little or no logical rationale for it, group demarcation remains powerful and ubiquitous. Efforts to eradicate discrepancies are laden with difficulties. A recent attempt at a Midlands hospital to issue iden-tical uniforms and unify pay levels for ward-based domestics, ward clerks, and unqualified assistant nurses, for example, was met with strong opposition, particularly from ward clerks, who believe their clerical responsibilities are greater than cleaners' domestic responsibilities. The uniform represented that transition, and despite the fact that the staff decided the actual outfit, it was virtually unanimously detested.

Organizational culture is a difficult field of research that

sparks definitional and methodological controversy. The notion has been connected to organizational performance, managerial behavior, organizational transformation, structure, and strategy. As a result, whichever viewpoints the reader favors, the idea of organizational culture must be recognized as critical to understanding the organization and all actions and processes occurring inside and related to the organization.

#### II. DISCUSSION

National culture's influence on organizational behavior, most organizations operate in an increasingly dynamic and unpredictable environment. Rapid change has an impact on organizational operations and behavior. Internationalization and globalization are two processes that are causing environmental change. The globe is becoming a lot smaller place as a consequence of developments in travel and technology. For example, high-speed rail services already allow commuters to travel from London to Paris, Lille, and Brussels, with further routes being added around Europe as the high-speed railway network expands. Air travel is rising at a rate of roughly 7% per year, with more deregulation resulting in lower fares, allowing business people and tourists to fly more readily across continents. Communication across borders has never been simpler because to email, the internet, and, increasingly, teleconferencing, which provide quick linkages between employees in organizations in various countries.

Meanwhile, as trade blocs emerge, an increasing number of enterprises want a worldwide presence as a method of diversifying their markets. In the European Union, for example, the single market program intended to eliminate a variety of obstacles that had historically hampered cross-border commerce and business. Notwithstanding the 1997 Asian crisis, the area has continued to draw huge investment from other nations, with China surpassing the United States in terms of Foreign Direct Investment. With the opening of the Chinese market and the quick changes occurring in Eastern Europe, as well as the EU expanding to 25 members, there has been a boom in inter-national mergers, alliances, and joint ventures as corporations strive to gain a competitive edge via internationalization [4], [5].

As a result of these changes, a rising number of organizations are functioning in many nations, and managers in the organization's host country must interact with citizens from other countries. From a European standpoint, it is not just European enterprises that invest and flourish abroad; organizations from other nations have also invested in Europe. Even though the organization works primarily in one nation, there is a possibility of greater communication with managers in other countries. These changes have pushed the problem of national culture to the top of the organizational priority list. There is considerable evidence that a growing number of organizations are dealing with cultural difficulties, and that the success or failure of their efforts may have a



# Vol 10, Issue 5S, May 2023

major influence on the overall functioning of the business. Yet, before dealing with challenges emerging from national cultural variations, an organization must first be able to recognize these differences and address particular concerns of relevance. The primary goal of this chapter is to identify and discuss them.

Finding an accurate description of national culture is one of the most difficult challenges we confront. In their investigation, Kroeber and Kluckholm discovered approximately 160 definitions of culture. This might be because culture can be regarded from an anthropological or sociological standpoint rather than a simply organizational one, albeit the latter is the topic of this article. Two helpful examples of definitions of culture are as follows. Mead believes that culture 'is a corpus of learnt behaviour, a collection of ideas, habits and customs, shared by a group of people and sequentially taught by persons who join society'. Culture, according to Hofstede, is 'the collective programming of the mind that differentiates members of one human group from another... culture, in this sense, encompasses value systems'. 9. provides a more extensive explanation and discussion of culture, mostly at the organizational level.

The collection of beliefs and basic, taken-for-granted assumptions maintained by a group of people is the most deeply ingrained feature of culture. Such beliefs and assumptions about a wide range of phenomena, including what is 'right' and 'wrong,' and what is 'good' and 'bad,' present themselves in people's attitudes and behaviors, as outlined in 2. Surface behavior is often motivated by a far deeper value, assumption, or belief that is the result of cultural training. Cultural variations may be significant, causing individuals to perceive 'similar' things in quite different ways. For example, individuals in one nation may value their own right to free expression, but others in another culture may believe that such a right should be subordinated to what is best for society as a whole.

The above description suggests that culture consists of certain widely held beliefs among a group of individuals that have been shaped by their upbringing and will, to some degree, impact their behavior both within and outside the organization. Due of Hofstede's work on defining cultures, there is a tendency to look at this in strictly national terms, even if there may be significant subcultures within a society: for example, Catalans consider themselves to have a distinct culture from the rest of Spain, despite certain similarities. Businesses must be aware that a country may have multiple strong subcultures that may not necessarily coincide with national stereotypes. Culture is shared, but it does not mean that everyone in a given culture believes and behaves the same way. Individual variances are substantial. We seek for 'normal' values, beliefs, and attitudes, as well as 'norms' of behavior, when characterizing cultures. Subcultures may exist based on characteristics other than geography. Subcultural distinctions may exist in certain nations as a result of socioeconomic class, gender, age, ethnic origin, religion, or occupational group, for example [6].

The origins of widely accepted beliefs. As can be seen, all of these things may have an impact on how our values evolve within the society in which we grow up and work. Language is perhaps one of the most important things. Returning to Catalonia, we can see that the Catalans speak a separate language than the Spanish, which helps to unite the people of the area and maintain their culture. The introduction of new languages, such as those made obligatory in schools, may have an influence on culture. Before Hong Kong was returned to China in 1997, there was a noticeable movement toward Mandarin Chinese. Many expected that with Hong Kong's merger into the People's Republic of China, possibilities for individuals speaking Mandarin Chinese, as opposed to the sort of Chinese spoken in Hong Kong, would expand. It remains to be seen how this shift in language use may affect cultural development. Language changes inspired by foreign cultures may sometimes be violently opposed, as we have seen in France, where the Académie Françoise has been attempting to block the entry of 'pop-culture' terminology, mostly English.

Religion may have an impact on culture as well. The influence may be more evident in nations with tightly interwoven religious and political systems, such as Iran or Israel, but it will also have an impact on the sorts of values formed. For example, Confucianism has likely affected the collectivist beliefs and long-term outlook maintained across Asia. The Protestant work ethic may have affected the degree of individualism seen in many Anglo-Saxon nations, whereas Catholic countries are often associated with high power distance and uncertainty avoidance.

Many elements influence how we see the environment, how we view ourselves, and how we perceive others. Murdoch highlighted a number of particular elements that might lead to cultural differences. Here are some examples:

# A. Strodtbeck and Kluckhohn

Kluckhohn and Strodtbeck, who viewed culture primarily from an anthropological standpoint, did some of the early work on culture analysis. It was based on research conducted in rural areas in the southeast United States, but it was utilized in a far broader cultural context. Kluckhohn and Strodtbeck were able to categorize values into six main world orientations, from which a cultural profile could be derived. The six value orientations were as follows:

The nature of persons; the person's connection to their surroundings; the person's relationship to other people; the nature of the person's activity; the time dimension of the person's activity; and the space dimension of the person's activity. Nancy Adler examined these qualities from an American viewpoint, claiming that Americans perceive people as a mix of good and evil, capable of changing and improving themselves: therefore, the desire for books and programs claiming to make people better managers or more in touch with their inner selves. Adler says that Americans



# Vol 10, Issue 5S, May 2023

perceive themselves as dominating over nature and their surroundings, rather than feeling a desire to live in harmony with their environment, as those with a more Confucian-type perspective might. When it comes to interpersonal the connections, American culture definitely is individualistic as opposed to group-oriented. The 'log cabin to president' concept persists, with the assumption that anybody with the appropriate mix of abilities and ambition can ascend to the top. They think that your birthright should not be a hindrance to your social growth. Individuals who succeed are regarded as the country's "champions," whether it is Bill Gates with Microsoft or Michael Jordan on the basketball court. Adler says that in more group-oriented or collectivist cultures, the individual is expected to make choices and act autonomously, but in more group-oriented or collectivist cultures, there is more reliance on the group, whether it is the extended family or the corporation [7].

When we look at the nature of people's activities, we can plainly see that Americans are 'doers,' or action oriented: if there is a problem, you go and solve it yourself. This may have a big influence on management style and activity in the organization since employees would be required to participate in problem-solving activity rather of relying on others for a solution. In the United Kingdom, a television show called The Tourist Trap subjected individuals of various nationalities to identical events in order to assess their responses. One 'event' was purposefully leaving the meal in an empty kitchen to watch how the different groups reacted. The American group quickly discovered the kitchen and prepared breakfast without complaint, while the Japanese party stayed quietly waiting in the main room. It took them a long time to locate the kitchen, and even then they were hesitant to take over for the momentarily missing employees.

When it came to the time dimension of their activities, Adler discovered that the Americans were future-oriented in the sense that they believed it was important to look at issues and assess the potential future benefits that could be produced, though they tended to look at these benefits in the short term rather than the long term. Past-oriented civilizations are more common in Europe and Asia. This might be due to a stronger sense of history or a notion that actions should be consistent with beliefs and traditions. It is also worth noting that many Asian firms have a longer-term view, which may explain Japanese companies' preference for long-term market expansion above short-term earnings.

The last feature of Kluckhohn and Strodtbeck's study is how individuals deal with the spatial dimension of their activities. Office design often reflect this. Separate offices may exist in certain cultures, and access to persons may be controlled or monitored by a 'gatekeeper' or secretary. Some cultures take a more open attitude and may praise the openness of organizational management. Although Adler argues that Americans desire a lot of private space, Japanese corporations have shown that they are OK with smaller workplaces. This may be observed in the Japanese business

Sony, which has a facility in Bridgend, Wales, where it is corporate policy for management to spend some time with or near the employees throughout the day, as well as mingling in their workplace cafeteria.

The Kluckhohn-Strodtbeck model is a good starting point for cultural study, and many features of it were extended by other authors, particularly Trompenaars. It should be noted, however, that it was based on anthropological rather than organizational studies, and that the study was not conducted in a diverse variety of nations.

Edward T. Hall viewed culture from an anthropological standpoint, yet he developed several important frameworks for cultural study. His major technique was to examine how individuals interacted across cultures, and he identified three areas where communication and interpersonal discrepancies might emerge [8].

He highlighted the most important difference between high-context civilizations and low-context cultures. He contends that in certain cultures, the environment of communication or negotiation is as important as the actual substance. Nonverbal communication, for example, will be far more prevalent in Asian or Arab civilizations. Silences may be crucial, and what isn't spoken can be just as important as what is expressed explicitly.

Tayeb describes how the Japanese often converse with a few words, a practice known as haragei or gut language. In high-context societies, the goal of negotiations may be to create a connection rather than attain a precise outcome, and final agreements will be based on trust rather than a formal contract. It's simple to understand how this differs from low-context societies like the United States, where 'what you say is what you mean' and conversations are expected to end with a written legal agreement. When looking at mergers and joint ventures between high-context and low-context nations, it also reveals potential areas of uncertainty or conflict.

This may be compounded by two additional aspects described by Hall, namely how personal space and time differ among nations. There seems to be a variation in how comfortable individuals feel in close proximity to other people, a phenomenon Hall refers to as proxemics. For example, in the United Kingdom and Germany, individuals want a certain physical space between them, hence the handshake is widely employed in both professional and social situations. People are accustomed to being much closer in other countries, so in Egypt, for example, it would be anticipated that someone would talk quite near to your face and that there would be more touching. This is clearly important at business meetings, but it also involves the manner of greeting at business events and social events related to the firm, which might cause misunderstanding. The last aspect noted by Hall is how time is viewed in various cultures, which Trompenaars subsequently picked up on. These time senses were dubbed monochronic time and polychronic time by Hall.



Vol 10, Issue 5S, May 2023

Monochronic time is associated with low-context civilizations that see time as compartmentalized and something that must be planned and followed. Hence, if a meeting is planned at 2.15 p.m., everyone is expected to be on time to conclude the meeting and reach a conclusion. High-context cultures have a greater polychromic time dimension because the emphasis is on creating social connections and completing transactions rather than following any tight time schedule - hence the interpretation and usage of time may be more 'flexible'. As a result, appointments may begin late or be missed entirely. The problem of time management is seen as vital for the success of joint ventures and alliances, and this component may be important when there especially high-context/low-context combination [9].

André Laurent Laurent expanded our knowledge of national culture, building on the work of Kluckhohn and Strobeck. It was manager-focused and consisted of around 60 questions designed to measure managers' work values. Its geographical scope was significantly broader, including nine West European nations and the United States, and it was further broadened by Laurent et al. Japan, Indonesia, and the People's Republic of China will be included. Laurent was attempting to demonstrate that frequently held opinions among managers in a country were a product of national cultural elements, and hence he stated that caution should be used when presuming the universality of management and organizational theories. Such theories, especially prescriptive ones, may advise a strategy that works in one place but is ineffective in another.

Mead and Adler have recognized certain essential features of Laurent's approach, focusing notably on: managers' attitudes about hierarchy; the readiness to circumvent organizational lines of hierarchy; managers' interactions with subordinates; and the role of managers in society. These four elements were portrayed in the following statements: 'The major purpose for a hierarchical structure is so that everyone understands who has power over whom'. 'In order to establish effective work connections it is frequently essential to skip the hierarchical line'. 'It is critical for managers to have clear answers to the majority of inquiries that their subordinates may have regarding their job'.

Managers have a vital role in society via their professional activities. Laurent's premise that most of managerial behavior is culturally dictated or affected is well supported by this research. This is notably evident in organizational attitudes toward authority. People's desire for clearly defined hierarchical structure and reluctance to circumvent this structure demonstrate the Confucian concept of respect for and deference to elders and superiors. We also observe a more individualistic American society, with less regard for hierarchy and a view that people should be prepared to take on their own activities, even if it means going around the existing hierarchy.

What is more intriguing from Laurent's investigation is the vast variety which he identified throughout Europe. Furthermore, comparing Sweden and the Netherlands to Spain and Italy reveals significant variations in almost every area. Hence, although we may anticipate superiors in Confucian-influenced Asian nations to have exact answers to questions, we get very comparable replies in Spain and Italy, indicating that their managers' values are closer to those found in Indonesia than to those found in Sweden. This conclusion has ramifications for circumstances in which European managers collaborate via acquisitions, joint ventures, or strategic alliances. Ronen and Shankar have identified nine groups of nations with comparable cultural traits. It is worth noting that European Union member nations are divided into five distinct cultural groupings. For example, the United Kingdom and Ireland are in the 'Anglo' cluster, the Scandinavian countries of Sweden, Denmark, and Finland are in the 'Nordic' cluster, France, Belgium, Italy, and the Iberian countries are in the 'Latin-European' cluster, Greece is in the 'Near-Eastern' cluster, and Germany and Austria are in the 'Germanic' cluster. It is hardly unexpected that there are discrepancies in perception and substance amongst the national administrations of EU members [10].

#### **B.** Geert Hofstede

In many respects Geert Hofstede is recognized as the key writer on cross-cultural analysis since the model he built has lasted the test of time, is reasonably straightforward to apply and is comprehensive. Laurent's work impacted Hofstede, but he chose to take his study a step further by outlining some obvious themes for examination. Laurent's initial Western Europe/USA range was expanded to a more global one by him. This material was obtained through getting access to the American computer corporation IBM. He was able to analyze the attitudes of 116,000 workers in 50 nations as a result of this, certainly a more thorough investigation than Laurent's.

#### III. CONCLUSION

The Learning Organization is a real thing. That will not happen overnight, but it is feasible since we all have the potential to learn. In a Learning Organization, teamwork is vital since it facilitates communication between departments. Everything points to one conclusion. Change is never accomplished alone. To be effective with change management, every part of an organization (leaders, individual contributors, tools) must interact. The different advantages that emerge in businesses that build a learning culture demonstrate the significance of organizational learning: Employee work satisfaction has increased. Reduced turnover rates. Productivity, profitability, and efficiency have all increased



# Vol 10, Issue 5S, May 2023

#### REFERENCES

- [1] I. C. Elliott, "Organisational learning and change in a public sector context," Teach. Public Adm., 2020, doi: 10.1177/0144739420903783.
- [2] M. Watad, "Organizational learning and change: can they coexist?," Bus. Process Manag. J., 2019, doi: 10.1108/BPMJ-12-2016-0240.
- [3] A. Al-Tahitah, M. Abdulrab, M. A. Alwaheeb, Y. H. S. Al-Mamary, and I. Ibrahim, "The effect of learning organizational culture on readiness for change and commitment to change in educational sector in Yemen," J. Crit. Rev., 2020, doi: 10.31838/jcr.07.09.188.
- [4] M. A. Diamond, "Repetition and the Compulsion to Repeat: Psychodynamic Challenges in Organizational Learning and Change," Adm. Soc., 2013, doi: 10.1177/0095399712451893.
- [5] R. Hofmann and J. D. Vermunt, "Professional learning, organisational change and clinical leadership development outcomes," Med. Educ., 2021, doi: 10.1111/medu.14343.
- [6] C. Lucas and T. Kline, "Understanding the influence of organizational culture and group dynamics on organizational change and learning," Learn. Organ., 2008, doi: 10.1108/09696470810868882.
- [7] F. A. C. Junior, L. Lower, C. Faiad, M. C. B. Rego, L. P. Armond, and A. R. da Silva, "Knowledge management, learning, social attitudes and organisational change in a Brazilian public organisation," Int. J. Innov. Learn., 2018, doi: 10.1504/IJIL.2018.092923.
- [8] A. Pasaman, U. Nimran, K. Raharjo, and H. Utami, "The Effect Of Transformational Leadership And Information Technology On Organizational Learning And Organizational Change, And Its Impact On Employee Job Satisfaction (Study On Pt Pupuk Kaltim Employees)," Int. J. Account. Bus. Soc., 2018, doi: 10.21776/ub.ijabs.2018.26.2.2.
- [9] R. Ford, "Organizational learning, change and power: Toward a practice-theory framework," Learn. Organ., 2006, doi: 10.1108/09696470610680008.
- [10] M. K. Imran, C. A. Rehman, U. Aslam, and A. R. Bilal, "What's organization knowledge management strategy for successful change implementation?," J. Organ. Chang. Manag., 2016, doi: 10.1108/JOCM-07-2015-0130





Vol 10, Issue 5S, May 2023

# **Determination of Cultural Dimensions**

#### Shruthi K Bekal

Assistant Professor Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India shruthi\_b2015@cms.ac.in

Abstract— Cultural dimensions define the amount to which cultural groups are discovered experimentally to vary among themselves in terms of psychological traits such as values, beliefs, self-construal's, personality, and behaviors. In this chapter author is discusses the Specific versus diffuse relationships.

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

His thorough research revealed four cultural aspects, which are addressed below. These are called power distance, individualism/collectivism, uncertainty avoidance, and masculinity/femininity.

# A. Power separation

The social distance between persons of differing status or position is represented by power distance. Subordinates in a nation with a high power distance score, for example, would be afraid to challenge superiors and would turn to them for guidance. As a result, they may support uneven power allocation and dictatorial leadership styles. A low power distance indicates that leaders and subordinates are less dependent on one another. In a low-power-distance nation, a leader may have to win respect. This is one of Hofstede's most important aspects, and it obviously agrees with Laurent's previous work.

# B. Individualism

Individualism describes how much an individual depends on a group or takes personal initiative in making choices, solving issues, and participating in constructive activities. We've previously established that American culture is largely individualistic, while Asian cultures are far more collaborative. Relationships in key groups may be quite important in certain cultures. Guanxi is a Chinese word that implies connection or relationship, and considerable effort is spent nurturing connections both inside and beyond the family, as well as creating networks. Rather of relying only on oneself, they may leverage these ties and expect to be leveraged in return. This collectivism may be seen in many Asian nations, while significant modifications have occurred in Asian countries that have been more exposed to Western influences.

Individualism index readings over 100 indicate more individualistic societies. Not unexpectedly, the United States topped the list, with the United Kingdom and other 'English' nations ranking well. This feature may be important for managers adopting an acceptable management style while working abroad: they may run into issues if they attempt to persuade their employees to behave more autonomously

rather than in groups. People in Korea, for example, would be unhappy if they were obliged to act freely and defend their autonomous conduct; they would dread losing face if a superior criticised them. Social engagement in China or Korea is conducted with the explicit goal of preventing individuals from losing face, and a Western manager must be aware of this [1]–[3].

# C. Aversion to uncertainty

Uncertainty avoidance primarily reflects a society's or country's views about ambiguity. Hofstede discovered that ambiguous circumstances caused discomfort or uncertainty in certain cultures, and that individuals sought more guidance and were less comfortable with change, particularly when it was not explained to them. Individuals who are uncomfortable in unclear or ambiguous circumstances may acquire anxiety or tension and, as a result, operate less successfully in an organization with little direction and much ambiguity. They may be more content with written regulations that cover every circumstance and job stability.

#### D. Masculinity

Masculinity is one of Hofstede's more complicated factors. It represents characteristics that are usually seen as more 'masculine,' such as aggressiveness, competition, and results oriented, while 'feminine' qualities may be perceived as cooperative and demonstrating better understanding of emotions and equal chances. This rating is similarly related to the organization's level of gender discrimination. Hofstede's results reveal four possible areas of cultural difference, but it is now widely agreed that a fifth variable exists. The Chinese Culture Connection Group conducted the Chinese Values Survey in order to assess the efficiency of Hofstede's cultural dimensions in a particular Asian environment where Confucianism would have a strong impact. Their judgment was further validated by Bond and Hofstede, who found that three of the four aspects described by Hofstede were present, the missing one being uncertainty avoidance. The Chinese Culture Connection Group research did find evidence of a fifth component that was uniquely suited to Asian cultures and revealed that most Asian nations had a long-term view on work and the organization. This was labeled 'Confucian dynamics' in the research, while Hofstede dubbed it



Vol 10, Issue 5S, May 2023

'long-term orientation'. This viewpoint may be beneficial in understanding differences in behavior between, instance, and Japanese and Western organizations. Long-term market share may have a considerably greater effect on the Japanese than urgent short-term variables such as dividends. It may also explain why Asian firms prefer to establish long-term connections with Western firms rather than engage in takeovers or other short-term activity.

Several people have criticized Hofstede's model. One of the most noticeable is that, despite the fact that his research covered a large number of nations, none from Eastern Europe or Russia were included, and several Asian countries were left out. The argument is, of course, that the poll was specifically focused on IBM, and IBM did not have a substantial presence in these nations between 1980 and 1984. This gap has been somewhat remedied by the Chinese Values Survey and more recent work adapting Hofstede's findings to Eastern Europe. Nevertheless, this raises a second criticism: the conclusions were based on an organization with a strong corporate culture, which may have biased the findings. Despite this, most subsequent research has confirmed the validity of his analysis, and it remains the most prominent model used globally to examine cultural variations across nations and their implications for organizational behavior [4], [5].

#### II. DISCUSSION

# A. Universalism v particularism

The Universalist approach emphasizes a rule-driven society that prioritizes a rational and logical approach in the assumption that there are universal laws that must be followed. A particularist culture is more focused on interpersonal connections and may allow more flexibility in rule interpretation. Canada, the United States, and the United Kingdom are examples of high universalist nations, whereas China and Thailand are examples of particularist countries. This may explain the perplexity typically felt by Western managers while negotiating in Asia, particularly if they believe that Western business norms would apply in the East, particularly in contractual discussions.

This factor indicates the degree of emotional conduct observed in a culture. Emotions are shown more freely in organizations in affective cultures, such as Italy, than in neutral cultures, such as Japan and Germany, where such openness would be frowned upon and individuals could find emotions difficult to bear. The repercussions for multinational teamwork may be considerable if some members speak emotionally while others adopt a "stiff upper lip" approach. Emotional expression may affect the meaning of communications; for example, a person who exhibits inhibition may be concealing his genuine sentiments or ideas and therefore contributing less effectively to the group.

#### B. Relationships that are specific vs. diffuse

Trompenaars contends that managers isolate their job ties from other relationships in a certain culture: that is, the manager-subordinate relationship may be observed at work, but at the squash club, individuals are on first-name terms and respect each other as equals. This is in contrast to behavior in a diffuse culture, where the relationship at work influences all relationships outside work: for example, a person who is considered a subordinate at work would be very cautious regarding approaching his or her superior outside work in a relatively open manner without prompting from the manager in question. Diffusion is especially powerful in societies where seniority is highly valued, and it is obviously related to Hofstede's power distance factor.

#### C. Reaching v ascribing status

In an accomplishing culture, status is based on success, while in other cultures, status is assigned to a person based on variables such as age or gender. Consequently, Hong Kong, Argentina, and Egypt have high-ascribing cultures, while the United States and Scandinavia have accomplishment cultures.

#### D. Time as a series vs. time as synchronization

Time as sequence implies a logical, linear approach to problems, but time as synchronization implies that time is seen as circular, with the potential of concurrent activity, as in Japan. Trompenaars proposes that this is related to Bond and Hofstede's dimension of 'long-term orientation,' and that it may be highly important for organizational behavior. In cultures where time is seen as sequential, there may be a preference for short-term relationships, and timing may be regarded as crucial. Conflict is possible with persons from cultures where the idea of time is more fluid and long-term connections hold greater weight [6].

#### E. Outside directed vs. inner directed

The dimension of inner or outer direction contrasts countries such as the United States and Switzerland, where the individual seeks to control the natural and human environment, with nations such as China, where man seeks to be in harmony with nature: this belief is central to both Confucianism and Buddhism. This notion may explain why, in nations like as Japan, organizations are perceived holistically as functioning in harmony with their environment and with the individuals inside the organization, as well as why open conflict or confrontation is often avoided.

Trompenaars' work has evolved in collaboration with Charles Hampden-Turner, and they have expanded their range of investigation, particularly in Asia. They replaced the affective/neutral component with an equality/hierarchy dimension, which more clearly corresponds to Hofstede's results. They have validated and expanded on the work of Kluckhohn and Strodtbeck, Laurent and Hofstede. The job of analyzing culture continues, but one common thread that emerges from all of these studies is that organizations



# Vol 10, Issue 5S, May 2023

working in a multicultural setting must be aware of the cultural differences they are likely to meet in order to prevent possible difficulties. They also argue that there is no set formula for resolving cultural differences and that each case should be evaluated on its own merits. Nonetheless, being aware of the anticipated cultural issues that may arise might provide an organization with a competitive edge over its competitors.

#### F. Cultural shock and cultural change

Consider the following situation. You've recently relocated to begin a new work in an exciting new nation with a completely different culture than your own. When you read the guide books and begin to acquire a few words of the language, your first feeling may be one of enthusiasm. The first few days of your new employment may be thrilling as you begin to absorb some of the new sights and sounds: what Torbiorn calls 'the honeymoon'. Suddenly, to your dismay, you realize your knowledge of the language is woefully insufficient. Additionally, you are discovering that your connections with individuals in your organization and in your social circle are not going well. You seem to have inadvertently insulted someone. From a sensation of pleasure you swiftly plummet to feeling that you are in an increasingly hostile atmosphere, in which you feel alienated and bewildered. This is referred to as culture shock: the shocking sensations and problems faced while visiting an unfamiliar culture for the first time. This is being widely recognized as a severe concern for organizations that move managers abroad. As a consequence of this negative experience, the manager may become disillusioned and perhaps quit the organization. If this occurs, it is a significant loss for both the person and the organization.

To some degree, an individual's capacity to overcome these issues is determined by his or her own personality, but there is growing acknowledgment that managers working abroad need additional help from the organization. It is also worth noting that many of the early troubles encountered by Eurodisney near Paris were cultural in nature, and were caused in part by American management coming into touch with French culture [7].

Another problem that organizations should be aware of is reverse culture shock, which happens when a manager who has been abroad for many years and has acclimated effectively to his or her new culture is forced to return home, maybe due to organizational restructuring. Consider a British manager who has spent the previous twenty years in Malaysia returning to the UK of 2005, having grown used to the UK of 1985. Such a change might generate culture shock and may need organizational assistance for the management. The danger of reverse culture shock may also explain why long-term postings of managers abroad are becoming less common: they are increasingly being replaced with locally hired managers.

Culture shift refers to cultural transformation, especially the degree to which a culture may change and the rate at

which such changes occur. There are several causes that might cause a country's culture to evolve. Shifting economic circumstances, large levels of investment by multinational corporations from other countries, and social, political, and religious turmoil may all have an impact on culture and, in turn, be impacted by it. Mead focuses on the instance of the shinjinrui in Japan. Traditional Japanese employees were very devoted to their firm and leader, and they prioritized the company's interests. Shinjinrui translates as "new human beings," and it represents the effect of a group of mostly younger employees who are less committed to the organization and would not, for example, work overtime. In Hofstede's perspective, this implies a trend toward increased individualism and, so, some degree of cultural transformation, while Mead warns against overstating the significance of this change since the size of the shift is now fairly tiny.

Another noteworthy situation is Hong Kong, where the ethnic population remains over 90% Chinese despite major investment by offshore corporations, particularly US firms. 10.4 depicts Hofstede's and Trompenaars' rankings applied to Hong Kong, China, and the United States in places where cultural shifts may have occurred.

As their shared cultural beginnings may imply, Hong Kong looks to be close to China in terms of power distance, individuality, accomplishment, universalism, and affectivity. On the other side, Hong Kong is more similar to the US in terms of uncertainty avoidance, masculinity, internal control, and specificity, indicating that there has been some cultural change as a consequence of Western influence. Hong Kong's culture is primarily Chinese, yet it is far more individualistic, risk-taking, and non-deterministic than mainland China's.

#### G. Divergence or convergence

Before the 1960s, the notion of cultural convergence dominated commercial, organizational, and management research. The convergence hypothesis contends that management is a universal phenomena and that 'best practices,' which are often associated with the United States or Europe, can and should be adopted globally. According to Theodore Levitt, national cultures were merging, making culture an insignificant issue for businesses to consider. But, as we have seen in recent decades, much emphasis has been devoted to cultural distinctions across countries, particularly since the 1980s. There is a growing recognition that 'excellent' management techniques may be those that best suit and are consistent with a certain culture. Cultural differences are becoming more widely recognized, and as a consequence, the divergence theory is gaining traction. Supranational organizations built on the convergence principle, such as the European Union, have had to acknowledge major national distinctions [8].

#### H. Individual behavior and culture

One of the most difficult difficulties in OB is determining how much national culture impacts individual behavior and,



# Vol 10, Issue 5S, May 2023

as a consequence, whether behavior must be adjusted when confronted with a new culture. Most elements of individual behavior are influenced by national cultures, including the cognitive framework through which we see individuals from different nations. Individuals who have been primarily impacted by their own culture and have had little or no exposure to cultures from other nations may have a more ethnocentric or parochial outlook, in which all encounters with other cultures are seen and appraised through the lens of an individual's own culture. This might result in a highly limited vision of the world, in which other cultures are seen unfavorably. This may impact behavior and contribute to an individual's perceptual bias.

In actuality, various cultures may have quite diverse cognitive styles. A study by Abramson et al., for example, revealed clear differences between Canadian and Japanese cognitive styles: the Canadians preferred quick decisions and had little interest in developing relationships, whereas the Japanese preferred relationship development and disliked being rushed into making a decision. The difficulties of bargaining in this situation are obvious. This conclusion is similar to Hofstede's study, in which Canada has a substantially higher individualism score than Japan. Min Chen describes the Japanese approach to decision making, claiming that they use the procedures of nemawashi and ringi seido. Nemawashi literally means "tree roots," but it also refers to the method of informally soliciting employee feedback on a proposed policy or action, frequently under the guise of anonymity. Ringi Seido is more formalized in that a proposal originates in one section of the organization and is circulated across the organization for others to remark on; top management will make the ultimate decision on the proposal after reviewing all of the input. The goal of both techniques is to remove disagreement when the plan is implemented. It reflects the more collaborative attitude seen in Japanese society, as shown by the use of Quality Circles.

With the growth of multinational activity including greater cross-cultural interaction, there is a need for people to adopt a more 'global' mentality in which problems are examined from a broader viewpoint rather than from a conventional ethnocentric one. The problem with multinational corporations is to shift managers' mindsets from ethnocentric to global. Several issues arise when attempting to measure factors of individual behavior, such as personality, across cultures. The usefulness of personality assessments may be reduced in countries where such exams are unfamiliar. Jackson and Cronbach add to the notion that the effectiveness of IQ tests and personality profiles is limited by the cultural context in which they are used: they may be discriminatory if not developed for that culture [9].

Perception is another way in which culture may impact individual behavior. Adler demonstrates that there is a significant amount of selective perception across various cultures and nations, particularly if the person has an ethnocentric viewpoint. Selective perception may then

evolve to perceptual stereotyping, which is the propensity to categorize or pigeonhole individuals based on a single or restricted number of seeming dominating qualities. Nationality is much too frequently the prominent feature. When managers of various countries and cultures have to work together, this has the potential to impact their relationships. Hoecklin outlines a case in which a group of British and Italian management were brought together at a chemical business for a joint project.

Heckling's scenario shows the potential misunderstanding, perplexity, and even anger if the different managers take their mutual perspectives into their encounters with one another. Hoecklin, on the other hand, adds that the firm spent time exploring these perceptual differences with the united group in order to build a clear approach of working together. Finally their effort was successful. This story emphasizes the need of communication in dealing with perceptual bias and stereotyping. These cultural preconceptions can only be handled by efficient communication with persons from various cultures [10], [11].

#### III. CONCLUSION

Culture refers to any society's symbols, language, beliefs, values, and artifacts. Culture is an important term in sociology since it shapes people's views and behaviour. Culture assessment looks at culture as a whole, excluding cultural minorities and extremes of individual opinions. The analysis was centered on a specific focus group rather than providing a comprehensive examination of the communities in their variety. Since individuals in various civilizations disagree on what is decent, there is no 'objective truth' in morality

#### REFERENCES

- [1] A. Ibanez and G. S. Sisodia, "The role of culture on 2020 SARS-CoV-2 Country deaths: a pandemic management based on cultural dimensions," GeoJournal, 2022, doi: 10.1007/s10708-020-10306-0.
- [2] M. Tehrani, A. Rathgeber, L. Fulton, and B. Schmutz, "Sustainability & csr: The relationship with hofstede cultural dimensions," Sustain., 2021, doi: 10.3390/su132112052.
- [3] E. Leonavičienė and A. Burinskienė, "Accelerating Cultural Dimensions at International Companies in the Evidence of Internationalisation," Sustain., 2022, doi: 10.3390/su14031524.
- [4] C. Bissessar, "An application of hofstede's cultural dimension among female educational leaders," Educ. Sci., 2018, doi: 10.3390/educsci8020077.
- [5] I. Gallego-Álvarez and M. C. Pucheta-Martínez, "Hofstede's cultural dimensions and R&D intensity as an innovation strategy: a view from different institutional contexts," Eurasian Bus. Rev., 2021, doi: 10.1007/s40821-020-00168-4.
- [6] P. Gerlach and K. Eriksson, "Measuring Cultural Dimensions: External Validity and Internal Consistency of Hofstede's VSM 2013 Scales," Front. Psychol., 2021, doi: 10.3389/fpsyg.2021.662604.
- [7] F. Noorbehbahani and F. Salehi, "A serious game to extract Hofstede's cultural dimensions at the individual level," User



# Vol 10, Issue 5S, May 2023

- Model. User-adapt. Interact., 2021, doi 10.1007/s11257-020-09280-6.
- [8] A. Vollero, A. Siano, M. Palazzo, and S. Amabile, "Hoftsede's cultural dimensions and corporate social responsibility in online communication: Are they independent constructs?," Corp. Soc. Responsib. Environ. Manag., 2020, doi: 10.1002/csr.1773.
- [9] F. S. Seda, L. Setyawati, T. Tirta, and K. Nobel, "Dataset on The Cultural Dimension of Urban Society Food Consumption in Indonesia," Data Br., 2020, doi: 10.1016/j.dib.2020.105681.
- [10] A. W. H. Chan and H. Y. Cheung, "Cultural Dimensions, Ethical Sensitivity, and Corporate Governance," J. Bus. Ethics, 2012, doi: 10.1007/s10551-011-1146-9.
- [11] D. Roy, "Formulation of Hofstede's Global Cultural Dimension Index (HGCDI): A cross-country study," J. Transnatl. Manag., 2020, doi: 10.1080/15475778.2020.1765715.





Vol 10, Issue 5S, May 2023

# Significance of Communication in a Cross-Cultural Context

#### Baishakhi Debnath

Assistant Professor, Department of Management, Jain (deemed to be) University, Bangalore, Karnataka, India baisakhi\_2015@cms.ac.in

Abstract— Cross-cultural communication helps individuals to avoid misunderstanding and misinterpretation, opening the door to beneficial interactions across previously intimidating cultural borders. In this chapter author is discusses the importance of cross-cultural negotiations

Keywords—Business, Employee, Interpersonal Skills, Management, Workplaces.

#### I. INTRODUCTION

#### A. Culture and motivation

Several of the incentive theories presented ave been heavily debated in terms of their cross-cultural validity. According to Adler, "American motivation theories, although often thought to embody universal principles, have persistently failed to give consistently adequate explanations for behavior outside the United States."

Malaysia is a fairly diverse nation, with more than half of the population being Muslim Malays, more than a quarter Chinese, and significant minority of Indians and other races. Malaysian culture is divided into several subcultures. It is a collectivist culture in which social harmony is particularly essential and influences individual behavior as well as community and organizational ties. As a result, the organizational strategy is heavily geared toward group decision making and consensus.

A traveler visiting Malaysia must be able to communicate well. One of the primary concerns is how to approach others. According to Hofstede's poll, Malaysia placed first in power distance, hence it is critical to analyze an individual's position or status and alter one's approach accordingly. Individuals value professional or honorific titles, and they must be honored.

King describes various scenarios that a Westerner from a strongly individualistic culture may face. Individualistic cultures are extremely comfortable participating in open discussion about an issue and may forcefully emphasize their sides of an argument. This openness in dialogue may not be universally welcomed in Malaysia, where social peace is valued and compromise is favoured over conflict. The Malaysian will go to tremendous measures in order to rescue a person from 'losing face'. A low-key attitude that respects the sentiments of others would be beneficial to the Westerner.

In Malaysia, a grin may imply a variety of things in terms of nonverbal communication. A grin and a nod may indicate that the individual appreciates your viewpoint, but it does not always imply that the person agrees with it. A grin may also indicate discomfort or even displeasure, particularly when a person is placed in a position where they risk losing face. Silences are also entirely acceptable in Malaysia since they are seen as a show of courtesy, indicating that a person is considering a statement made before responding. Westerners may have issues with this [1], [2].

It is important for individuals from one culture to appreciate those from different cultures in which they find themselves. They should not adopt an ethnocentric approach, expecting outsiders to react as they would in their own nation.

In his examination of several cultures, Hofstede described the culture of the United States as having strong individualism, high masculinity, low power distance, and a low desire to avoid ambiguity. A more collectivist society, such as that present in China, would have a totally different profile, rendering some of the assumptions upon which motivational theories were created obsolete. Several authors, for example, have questioned Maslow's concept of motivational requirements, such as Onedo, who discovered that security needs were placed higher than autonomy needs while examining motivation in Papua New Guinea. Comparable anomalies were discovered in nations with a strong desire to minimize ambiguity, such as Japan and Greece. In his research of the People's Republic of China, Nevis discovered that security requirements were the overarching motivating need and that self-actualization, the greatest degree of need in Maslow's hierarchy, was regarded of little importance. As may be predicted, the want to belong was shown to be a more strong driving factor, frequently outweighing the desire to fulfill fundamental physiological demands. This reflects the more collectivist view held in China at that time, although it has been pointed out though that China has changed considerably because since Cultural Revolution, when the study was carried out, and that it's possible that there was some culture shift in China in the 1990s which could lead to more individualism.

When compared to cross-cultural research, Herzberg's motivation paradigm is similarly unsettling. Hines tested the model in New Zealand and found that several of the issues identified by Herzberg as hygiene elements, such as



Vol 10, Issue 5S, May 2023

supervision, were identified as motivators in the population investigated. According to Adler, the motivator/hygiene model seems to differ depending on the culture in which it is tested, implying that the concept's universality must be questioned.

While Hofstede believes that the idea of accomplishment is Western, McClelland's needs theory performs somewhat better in a cross-cultural environment. While the real need to accomplish may be lower in certain cultures than others, particularly less individualistic ones, the concept seems to be more appropriate in nations with low uncertainty avoidance and strong masculinity [3].

Vroom's expectation theory implies that people are rational decision makers who will select between options on the basis of whatever course of action is likely to yield them maximum benefit. The hypothesis seems to function best in societies that place a premium on 'internal attribution,' or when a person believes he or she has the power to alter the environment. This seems to be particularly relevant in societies that demonstrate Trompenaars' idea of 'inner direction,' as well as in civilizations with a high level of individuality. It is, however, likely to be far less successful in collectivist societies where people have an external locus of control and preserving harmony between the person and the organization is of crucial importance.

#### B. Culture and leadership

The problem of leadership and leadership styles is essential to foreign managers when they are functioning in a different country. Prospective international managers are increasingly encouraged to pursue programmes of study that aim to increase their cultural sensitivity. Power distance will be one of the most essential aspects. Since the French manager is used to a substantial power gap while dealing with personnel, more authoritarian leadership styles are allowed in a French cultural environment. There are obvious lines of authority between the leader and his or her subordinates, and it is unlikely that these will be crossed. In contrast, the American manager is likely to be acclimated to little power distance, better access to subordinates, and likely engages with individuals at all levels of the organization on first-name terms. Obviously, the more democratic leadership style employed by American managers may be perplexing when implemented in a French setting, where individuals are accustomed to greater formality and authoritarian leadership methods. Successful leaders in an international environment must adapt to the limits and expectations of the culture in which they operate; otherwise, there is always the risk of misunderstanding leading to conflict. Such disputes between an American administration and a largely French staff plagued Euro Disney's early years in Paris, and it wasn't until a French chief executive officer was chosen that things improved.

#### II. DISCUSSION

#### A. Structure and culture

With the surge in internationalization that has occurred in the latter half of the twentieth century, the question of organizational structure has become more essential when businesses want to thrive by expanding abroad. Hofstede has done some of the most important work in this area, looking at bureaucracy from a cultural standpoint. Considering the nature of bureaucracy, the two parts of Hofstede's model which seem most applicable are power distance and uncertainty avoidance. Hofstede's bureaucratic models are based on them [4], [5].

Full bureaucracy is the most classic model of bureaucracy, and it is based on Hofstede's dimensions of high power distance and high uncertainty avoidance. An organisation described by this paradigm is controlled by rules and regulations and has a strong hierarchical framework with evident power gaps between people at various levels. It is distinguished by vertical top-down communication communicated via formal channels. A different paradigm is marketplace bureaucracy, which is associated with cultures that have a low power distance and a low level of uncertainty avoidance. This approach is more flexible than the entire bureaucracy, with more readiness to skip hierarchies and fewer restrictions.

A bureaucratic organization would have no problem transitioning to a more flexible style of organization, such as a matrix or flexible business. The two hybrid models are 'personal bureaucracy,' which has a high power distance but low uncertainty avoidance, and 'workflow bureaucracy,' which has a high uncertainty avoidance but a lower power distance. The latter may resemble a professional organization with easily available specialists, but it is nonetheless governed by strict rules and procedures.

One of the critiques leveled towards bureaucratic organizational structures is that they are sluggish to respond to changes in their environment due to the rigidity of their communications and the rigidity of their rules and regulations. Current trends have shifted organizational forms that can adjust to changing environments more rapidly, such as matrix structures or contemporary flexible organizations with core and peripheral personnel. From a cultural standpoint, it seems that civilizations with a low power distance and low uncertainty avoidance are the best likely to adjust to these changes. These revised frameworks are expected to be more readily implemented in the United States, the United Kingdom, and Nordic nations, for example.

#### B. Eastern Europe is undergoing transformation.

Each country in Eastern Europe has a different economic and social history. Prior to WWII, Hungary had tight relations with Germany, whereas Romania had close links with France. Russia, on the other hand, has been significantly more isolated since the 1917 revolution. During the war,



# Vol 10, Issue 5S, May 2023

Russian influence spread across Eastern Europe, establishing a huge economic trade union. Large, state-controlled corporations dominated industry, producing a wide variety of industrial and consumer products to state-set objectives while being inefficient by Western standards. Significant imports and exports occurred between bloc nations, and traditional rivalry was essentially absent. Private business was permitted, but only on a limited scale and was strictly controlled.

The Soviet bloc started to crumble in the late 1980s, after almost forty years of existence. This was a relatively peaceful development, and what fascinates organizational theorists about it is the really revolutionary character of the forces for change that had such a rapid impact. Organizations in the new system, many of which had previously held monopolies, saw their incomes plummet as assured markets and government subsidies were eliminated. When governmental authority was pulled back, managers of major companies were left to their own ways. Another significant difference was that these organizations had to begin competing in capitalist marketplaces with distinct 'rules' and ideals. Organizations that were inefficient by capitalist standards had to deal with a profit-driven emphasis [6], [7].

Because of the recent nature of events in Eastern Europe, it is too early to make solid statements concerning organizational structure. We can, however, identify several difficulties that are common to these conglomerates and have ramifications for structure design. Pearce and Branyiczki make the following points:

Employees and supervisors looked up for instructions and direction due to the supremacy of state control. Faced with such mould-breaking developments it was the individuals working in them not the companies themselves that were confronted with attitudinal and behavioural transformation. Additional duties, such as marketing and financial management, had to be mastered.

Traditional professions such as procurement and manufacturing required to be modernized to match Western levels of complexity. Workers had to struggle with unlearning attitudes and practices that had maintained them in a state-controlled conglomerate but which would not benefit a smaller private business working in free markets.

New attitudes and behaviors, such as increased openness to input and desire to contribute to change, from other managers in the organization and from the marketplace, had to be instilled. Organizations had to create new control and reporting systems, and employees who had never had a management role had to deal with difficult decision-making duties.

The consequences of these broad insights for structure vary per country. The disparities come as a result of significant variances in management approaches in Eastern Europe. Managers from Poland, Hungary, and Slovenia, for example, would trend towards individualism on Hofstede's individual-collective dimension of culture, but managers

from the Czech Republic would be significantly more collectivist. A research of Czech and British managers discovered considerable disparities in their perceptions of themselves and others. British managers emphasized the need of ongoing professional development and considered the manager as a communicator among a varied group of individuals. In contrast, Czech managers placed less attention on employee development and emphasized the requirements of others at work. They perceived subordinates to be inept or lazy, and they perceived the boss to be a domineering guy.

One of the intriguing characteristics is the attitude toward hierarchy that typified the previous system. Despite the development of new organizational structures in the 1990s, a significant degree of hierarchy persisted. Edwards and Lawrence have observed how old hierarchies have been re-established in several Eastern European nations, and Mikhailovich has also remarked that system reform has not changed views toward hierarchy in Bulgaria. On the other hand, it will be fascinating to observe how the Eastern European nations who joined the EU in 2004 respond to increased exposure to Western European influences, and if this results in a cultural shift.

#### C. Change in China

The rise of China has been one of the most significant shifts in the globe as it enters the twenty-first century. Since 1979, when China launched its reform program, it has fostered a move toward private business simultaneously having an increasingly 'open door' attitude for foreign direct investment in the nation, often via joint ventures. This has resulted in the country experiencing consistent high levels of economic growth and China becoming the world's number one location for overseas investment as many companies seek to capitalize on its burgeoning market as well as its potential for efficient manufacturing allied with lower labor costs. Moreover, many Chinese enterprises are starting to seek outside of China for new markets. This has resulted in an increasing number of Western corporations creating alliances or joint ventures with Chinese enterprises, and even purchasing some of them, implying that many Western managers have had to go through a steep learning curve when interacting with their Chinese counterparts.

One of the most significant disparities is that many Western managers come from low-context cultures and are interacting with a Chinese culture that is unquestionably high-context. While Western societies often have relatively low levels of power distance and uncertainty avoidance, they are entering a society still affected by Confucianism, with its high degree of respect for elder people and a strong power gap between employer and employee. A high-context culture will have a high level of interpersonal interaction designed to build trust between managers, and this is going to be considered a gradual process until the level of trust is powerful enough for the business relationship to develop



Vol 10, Issue 5S, May 2023

and this interaction will include both verbal and nonverbal communication[8].

Guanxi development is an important component of doing business in China. It is essential to Chinese culture and is described as a "connection" or "relationship" by Chen. Individuals in any organization will attempt to establish their relationship/gundi with others at all levels, particularly if it is favorable to them. This connection implies a continuous exchange of favors that bonds them together. This puts network-building at the center of Chinese organizations, and it will extend to their interactions with foreign firms. In fact, the Chinese have a phrase that means "going via the back door": it implies that you get things done through your guanxi network of ties rather than through direct discussion.

The problem of 'face' is a second crucial component that is linked to guanxi. It is related to Confucian philosophy, which supports much of Chinese and Asian behavior and is also prevalent in Arab nations and South America. Face is associated with maintaining peace through keeping one's own and others' self-respect, hence it is critical in social and professional interactions that no one is forced to lose face. Chen distinguishes between two sorts of Chinese faces: lian and mianzi. Lian is associated with personal relationships; for example, a student criticizing a teacher or professor in a lecture would be considered as a significant loss of face for both parties, which is why there is no open disagreement in Chinese culture. Mianzi is something that may be attained and is associated with a gain in status. The relationship with guanxi is that failing to obey the norms of guanxi, via reciprocal reciprocity, may result in a loss of face: Huang created this.

We have previously seen how changes brought about by internationalisation and globalisation have resulted in a greater focus being placed on national cultural concerns. The risk with such changes is that there will be conflict if cultural concerns are not addressed. Looking back at the situation of the Italian and British managers mentioned earlier in the chapter, it is clear that there was the potential for conflict in the project they were working on if cultural concerns were not handled. Several of the possible dangers of working with Russia reflect communication and negotiation issues that are discussed more in this section.

# D. Communication's Importance in a Cross-Cultural Context

This book's underlying themes include change, conflict, and communication. All of these are related to the field of cross-cultural behavior and management and can be viewed as critical to the success of companies seeking to internationalize by forming an alliance or forming a joint venture with a company from another country, or even if they are simply communicating in a business or social context. We've previously seen how communication in low-context cultures may be quite straightforward, whereas in high-context cultures it can be more restricted. The magnitude of the power difference between the individuals

may also influence the character of the communication, which will have an impact on how other people are addressed. Nonverbal communication will become more important in high-context societies. Gestures may be quite crucial, as can how hand, head, and eye motions are employed - for example, in Asia, it is considered impolite to point the soles of your feet towards others[9].

Another element to consider while communicating is the language used. Companies often adopt a business language in a cross-cultural setting, which unavoidably implies that individuals speaking in their native language may have an edge over persons speaking in a second language in which they are not competent. Feeley demonstrates how a second language user may not participate because they are unsure of their linguistic abilities or are afraid of losing face if they are not fluent in the language; this, in turn, may alter the power-authority relationship and lead to resentment. The solution is greater language training or increased use of interpreters, yet even this may not adequately prepare managers for the interpretation of nonverbal communications common in high-context cultures. Effective cross-cultural communication will eventually become an essential skill for multinational managers functioning on a worldwide scale.

# E. Conflict and national culture: the value of intercultural negotiations

With the globalization of business, there has been a rise in inter-national negotiations between organizations, and this is another area where cross-cultural issues may have to be addressed if some disagreement does not emerge, potentially leading to negotiation failure. The negotiation process is divided into several stages: the first is the establishment of a relationship between both the negotiators; the second is the exchange of information and the stating of negotiating positions; the third is the discussion/persuasion phase; and finally, the final agreement with any concessions agreed upon by the two parties. It is obvious that culture has an influence on all of these stages. For example, in high-context cultures such as China and Japan, relationship building will be extremely important: this will include informal meetings such as meals together, and thus it may take several meetings for the relationship-building to be strong enough to proceed with the key details of the negotiation. In contrast, a negotiator from a Western culture may want an early conclusion to the discussions, which might lead to uncertainty and possibly confrontation [10].

In the real talks, the issue of presenting perspectives may vary, in that it is considered impolite in Eastern cultures to interrupt at any time, although it may be considered common in the West as a form of explanation. We've also seen that silences are common in the East, which may be perplexing to Western negotiators. At the persuasion stage, concerns such as the use of threats or promises may be crucial; once again, the ability to'read' negotiators' nonverbal communication cues can be significant, and the question of 'face' must be addressed when dealing with particular countries. Finally,



Vol 10, Issue 5S, May 2023

there may be differences in how the negotiation is decided in the agreement phase: in the West, it is usually by a complicated legal document, whereas in the East, contracts and agreements are so very short because they are built on a position of trust, and thus long contracts are not seen as important.

Mead also implies that the time of the negotiation, as well as the makeup of the negotiators, may be important. He proposes that you think about the optimal time of day to bargain, as well as times to avoid for religious reasons. When dealing with a foreign culture, the membership of the negotiating team may have to be examined in terms of choosing the rank of persons engaged, their age, and their gender. When dealing with the Japanese, for example, they prefer to negotiate in groups and have a greater regard for older guys of considerable position in the organization. In this setting, there may be issues with sending younger female managers with less standing to serve as negotiators.

# F. The example of flexible working and change in national culture

The shift to flatter working structures, as well as the increased need for organizations to be able to respond quickly to changes in their business environment, has resulted in a significant increase in flexible working patterns, allowing organizations to expand or contract more quickly in response to sudden changes in their business environment.

The typical method of adjustment has been to utilize shift work, in which additional shifts of workers are added or eliminated in response to demand while the organization retains extensive control over the workforce. We are increasingly witnessing a movement toward part-time employment, flexible hours, contract work, and teleworking. They are more adaptable, but they provide a greater challenge to the organization since the organization is networking as well as controlling to some level. Several recent studies have investigated whether national cultures influence firms' attitudes regarding flexible working and, as a result, how they deal with developments in this area.

Barnes et al. performed a research in which they interviewed executives from a variety of Western firms that had formed strategic relationships with Russian partners. Several of them had encountered cultural confrontations, which had resulted in the dissolution of alliances or joint ventures where incompatible cultures had produced conflict, despite the huge potential presented to grow into new markets or exploit rich raw resources at cheap cost. The poll revealed many important cultural issues, including a stress on hierarchy, the significance of national pride, blat, the value of mutual protection, and a lack of organizational loyalty.

The focus on hierarchy was a legacy of Russia's prior economic and political systems, which strengthened the country's unusually high degree of power distance. There was a desire to please those in positions of control. Considering the focus on hierarchy, knowledge and information were seen as power levers. Withholding information was a source of

power in the organization, in contrast to Western practice, where employees are more used to sharing knowledge across the organization. This lack of transparency was a technique of avoiding conflict with superiors but indicated that negotiations and talks were difficult.

In Russia, the value of national pride should not be underestimated. According to Jones, there is a cultural legacy in Russia that views foreign investment and relationships with mistrust and, at times, hatred. Western organizations must be cautious not to insult Russian pride, and will surely not advance if they indicate dominance in one or more areas.

Blat is the practice of granting favors to others based on personal, sometimes familial, connections. In China, there is a blend of nepotism and guanxi. Several corporate deals or efforts will only flourish because to blat. While networking happens in the West, most commercial deals are conducted in a more open manner, therefore the blat process produces confusion and misunderstanding when dealing with Russians.

The value of mutual protection reflects the perceived need to protect one another and underscores the need to create trust. Trust is built via personal connections over a longer period of time than is typical in the West. This reflects Russia's more collectivist society, as opposed to the individuality of the West. Working with groups and relationships is preferred over working alone. Mutual protection might be related to commercial or personal activities, but it can also be related to corruption and criminality. Several Western and Asian executives struggle to understand the absence of organizational loyalty. It derives from the previous production planning system, when there were limited incentives for dedication and hard work. Employees did not consider themselves as a part of the organization and did not trust their supervisors, and these attitudes have remained.

Some of the answers to cultural issues with Russian strategic alliances or joint ventures may be found in the areas of having excellent personal relationships, learning to deal with the hierarchical structure, avoiding an ethnocentric view on Russia, and fostering organizational loyalty. They may not solve all business difficulties, but they may assist in avoiding cultural conflict.

Using the Hofstede framework, they examined the approach to flexible working in a number of nations and discovered a link between those countries with high uncertainty avoidance but also high power distance, where there was a propensity to utilize the shift-work option. There appears to be a stronger openness to investigate more flexible options such as teleworking in nations with both high individualism and low power distance, which was particularly visible in Nordic countries. This implies that cultural elements will influence the choice of flexible working, and that introducing too many of the more flexible techniques in nations with high uncertainty avoidance, high



# Vol 10, Issue 5S, May 2023

power distance, and low individualism may result in confusion and even conflict.

In this chapter, several implications for managers engaged in international work or other cross-cultural engagement have been highlighted. The following are the primary implications. An understanding of cultural traits might assist prepare a manager for trips abroad or work in multinational management teams. This may lessen culture shock and strengthen interpersonal relationships with people with whom they interact. Managers should be mindful of cultural stereotyping and its impact on relationships with international partners, consumers, or suppliers. While working in diverse cultures, managers must be mindful of successful verbal and nonverbal communication.

Managers should think about getting cross-cultural management training before starting an abroad assignment or participating in cross-national negotiations. When trying to apply organizational behavior ideas from one culture to people, groups, or organizations from different cultures, take caution. Some management structures, including such bureaucracy, may operate better in certain cultures than others, therefore multinational managers should consider culture when planning organizational structural changes [11]. While interacting with various nationalities, international managers should practice communication and negotiating skills, paying special attention to nonverbal communication in high-context cultures.

#### III. CONCLUSION

We depend significantly on exchanging information in today's frantic environment, therefore having effective communication skills is more important than ever. To present and interpret information quickly and properly, good verbal and written communication skills are required. Effective communication aids in the coordination of many operations and enhances interpersonal relationships among employees in a company. Communication may fall down due to a variety of communication hurdles that can be ascribed to either the sender or the recipient. As a result, successful communication requires awareness with the hurdles. Selecting the proper communication channel is also critical, since the improper medium diminishes the message.

# REFERENCES

- [1] K. M. Abisheva, K. M. Nagimzhanova, R. A. Aykenova, A. K. Kapanova, Z. S. Koldasbayeve, and A. D. Kanapyanova, "Cross-cultural competence of communicators as a way to create a positive eco-informational environment," Sp. Cult. India, 2019, doi: 10.20896/saci.v7i2.460.
- [2] D. Wang, D. Fan, S. Freeman, and C. J. Zhu, "Exploring cross-cultural skills for expatriate managers from Chinese multinationals: Congruence and contextualization," Asia Pacific J. Manag., 2017, doi: 10.1007/s10490-016-9474-z.
- [3] S. Shah, "The researcher/interviewer in intercultural context: A social intruder!," British Educational Research Journal. 2004. doi: 10.1080/0141192042000237239.

- [4] Y. Fujimoto, N. Bahfen, J. Fermelis, and C. E. J. Härtel, "The global village: Online cross-cultural communication and HRM," Cross Cult. Manag. An Int. J., 2007, doi: 10.1108/13527600710718804.
- [5] M. Bullinger, R. Anderson, D. Cella, and N. Aaronson, "Developing and evaluating cross-cultural instruments from minimum requirements to optimal models," Qual. Life Res., 1993, doi: 10.1007/BF00422219.
- [6] L. Ulvydienė, "Psychology of Translation in Cross-cultural Interaction," Procedia - Soc. Behav. Sci., 2014, doi: 10.1016/j.sbspro.2014.01.197.
- [7] F. Bernardi, "Autonomy, spontaneity and creativity in research with children. A study of experience and participation, in central Italy and North West England," Int. J. Soc. Res. Methodol., 2020, doi: 10.1080/13645579.2019.1672280.
- [8] E. Lee and A. O. Horvath, "How a Therapist Responds to Cultural Versus Noncultural Dialogue in Cross-Cultural Clinical Practice," J. Soc. Work Pract., 2014, doi: 10.1080/02650533.2013.821104.
- [9] G. Stampoulidis, M. Bolognesi, and J. Zlatev, "A cognitive semiotic exploration of metaphors in Greek street art," Cognitive Semiotics. 2019. doi: 10.1515/cogsem-2019-2008.
- [10] A. I. N. Souza and H. F. Oliveira, "Perception of medical students about immigrant's healthcare," Physis, 2021, doi: 10.1590/S0103-73312021310318.
- [11] L. Ulvydiene, "Psychology of Translation in Cross-Cultural Interaction," Procedia Soc. Behav. Sci., 2013, doi: 10.1016/j.sbspro.2013.07.054.



Vol 10, Issue 5S, May 2023

# Importance of Customer Behaviour

[1 Maheshwaran Jayapaul

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] maheshwaran\_j@cms.ac.in

Abstract— Consumer behavior research is significant because it helps marketers understand what factors impact customers' purchasing choices. Understanding how customers choose a product allows them to fill a market gap and determine which items are required and which are outmoded. Consumer behaviour refers to the psychological processes that consumers go through when they identify needs, seek solutions to these needs, decide whether or not to make a purchase and, if so, which brand and where to make the purchase, interpret information, make plans, and carry out these plans.

Index Terms— Businesses, Customer, Marketing, Purchasing, Product.

#### I. INTRODUCTION

People used to travel to various stores to buy products or services in the past, and feedback on a specific product or service was delivered by simple word-of-mouth. But, as technology advanced, the notion of online purchasing was created, which was followed by the concept of online customer reviews. Yet, as time passed, internet evaluations became increasingly vital in order to retain a company's reputation. These are provided by consumers who have already tried or purchased a certain product after placing their faith in the vendor. Internet evaluations have spawned a new kind of commerce and communication, spanning the gap between basic word-of-mouth and feedback that can move mountains for a company. The importance of internet reviews is absolutely astonishing since it aids in generating sales and establishing brand recognition, as well as allowing businesses to identify their faults and how to fix them. With feedback and online reviews, the Internet has enabled today's customer to change himself from a passive to an active and knowledgeable consumer who can readily share his experience and opinion about a specific product or service with an endless number of consumers worldwide. Prospective purchasers of that specific product or service utilize these evaluations or feedbacks through internet Word-of-Mouth.

In actuality, an online review community enables everyone to express and receive alternative viewpoints, and people might reconsider their positions after obtaining feedback from others [1]. Internet customer reviews are becoming more essential in the decision-making process of other consumers. The purpose, function, and features of various online product review platforms such as blogs, commerce websites, social media, video platforms, and independent reviewing platforms varies. Behavior is the interaction of living beings with their surroundings, which is mediated by their exterior and interior activity. Hence, consumer behavior refers to customers' activities in the marketplace as well as the underlying motivations for such acts. Marketers anticipate that by knowing what motivates customers to

purchase certain goods and services, they will be able to decide which things are required in the market, which are outmoded, and how to effectively display those commodities to the consumer. Consumer behavior is the study of how people decide how to spend their available resources (time, money, and effort) on consumption-related things. Walters and Paul define consumer behavior as "the process through which consumers determine what, when, where, how, and from whom to acquire products and services." The requirements for understanding customer behavior have a considerable impact on marketing choices. It provides valuable information and insights into what people are thinking. Using this information, marketing organizations may improve their specific marketing strategies in order to effectively engage with customers. Consumer behavior research may benefit marketers in a variety of ways, including the following.

- 1. Perception: Understanding customer attitudes about a certain product or range of items is aided by research into consumer behavior. Identifying and rectifying incorrect impressions of a product may provide marketers with a competitive edge over rivals.
- 2. Attitudes: Consumer attitudes often influence customer views about certain items. Understanding customer sentiments enables marketers to tailor their efforts to a specific consumer segment and expand their marketing reach.
- 3. Cultures: The changing demographics of the world's population have an impact on how marketing campaigns are planned. Understanding cultural variations and nuances may assist marketers better identify their specific target market.
- 4. Lifestyles: Consumer lifestyles influence which items appeal to certain consumer markets. Understanding customer lifestyles is also an important component of consumer behavior since it allows marketers to make the proper appeals in marketing lifestyle items and increasing consumption of lifestyle products.
- 5. Experience: Experience, like consumer attitudes, includes customer reactions to specific items. Marketing experts may use customer experiences with comparable items



Vol 10, Issue 5S, May 2023

to boost consumption and obtain a competitive edge over rivals by monitoring consumer behavior.

Modern marketing management attempts to answer customers' fundamental consumption concerns. To be competitive, a company must continually innovate and comprehend the current customer wants and desires. It would be highly beneficial in capitalizing on marketing possibilities and tackling the obstacles presented by the Indian market. It is critical for marketers to understand customer behavior for the following reasons. The study of customer behavior for any product is critical for marketers in determining their firms' fortunes. It is important for managing consumer spending and, as a result, ensuring economic stability. It is helpful in establishing methods for more effective marketing resource usage. It also aids in the more effective resolution of marketing management difficulties. Consumers now place a higher value on environmentally friendly items. They care about their health, cleanliness, and fitness. They favor organic stuff. As a result, extensive research on emerging customer groups is critical for every company. The growing consumer protection movement has generated an urgent need to understand how consumers make purchasing and consuming decisions. Customer tastes and preferences are always evolving. Consumer behavior research provides information on the colors, designs, and sizes that customers like. In summary, consumer behavior influences production policy. Understanding customers and their behavior is critical for efficient market segmentation and target marketing[2]. Consumer behavior refers to the psychological processes that consumers go through when recognizing needs, finding ways to meet those needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpreting information, making plans, and putting those plans into action (e.g., by engaging in comparison shopping or actually purchasing a product). The customer is subject to several influences. We sometimes take cultural influences for granted, yet they are important. A typical American will not haggle with a business owner. Yet, this is a standard practice across most of the globe. Physical elements can have an impact on our conduct. We are more inclined to purchase a soft drink when we are thirsty, for example, and food producers have discovered that advertising their goods on the radio in the late afternoon when people are growing hungry is more successful. A person's self-image will also impact what he or she purchases. A successful manager may purchase a fancy automobile to convey an impression of success. Social considerations also impact what people buy often; consumers attempt to copy those they like and may purchase the same goods.

# II. DISCUSSION

Every business strives for marketing success. One of the most crucial things for the manager to comprehend is client behavior. There is a strong correlation between customer views and marketing tactics. Most organizations now focus on understanding customer behavior. Consumer behavior refers to the psychological processes that customers go through when they decide what they need, how to get it, and how to buy it. Consumer behavior research aims to comprehend both the topic of purchases as well as the reasons behind them as well as the frequency of purchases. The study of consumer behavior examines how people decide how to spend their available resources (efforts, money, and time) on goods for consumption. It includes an analysis of their purchases, including what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how frequently they use it. Consumers use this method to determine their requirements, gather data, weigh their options, and choose what to buy. These decisions are made based on psychological and monetary considerations, and they are impacted by environmental considerations including cultural, social, and group values. It is a set of decisions a customer makes before making a purchase and starts after the consumer has shown a propensity to buy. The marketer makes an effort to sway each of these choices by offering details that might affect the consumer's assessment process. The research makes an effort to address the topic of Consumers' Purchasing Behavior at Srinivasa Motors in Puducherry State. The goal of the article is to comprehend the wants and factors that lead to a client purchasing a product. Moreover, the study aims to identify the elements that influence customers to buy items from Srinivasan Motors.

The social environment can include both mainstream culture (for example, Americans are more likely to have corn flakes or ham and eggs for breakfast than rice, which is preferred in many Asian countries) and a sub-culture (for example, rap music frequently appeals to a segment of the population that seeks to distinguish itself from the mainstream population). As a result, shoe makers are keen to have their goods worn by well-known players. Lastly, learning influences consumer behavior: you sample a hamburger and make sure it fulfils your appetite and tastes delicious, and the next time you're hungry, you could consider another hamburger [3], [4].

The selection, procurement, and consumption of products and services to suit their requirements is referred to as consumer behavior. Consumer behavior is comprised of many processes. First, the customer searches for things that they want to consume, and subsequently selects just those that offer more usefulness. After the selection of the items, the customer estimates the available finances that may occur. Lastly, the customer considers current commodity prices before deciding which things to purchase. However, societal, cultural, personal, and psychological aspects all have an impact on consumer purchasing. The following is an explanation of these elements. Cultural aspects: Cultural elements such as buyer's culture, subculture, and socioeconomic class have a significant impact on consumer behavior.



# Vol 10, Issue 5S, May 2023

Culture: Culture is essentially the share of each organization and is the primary cause of the person who desires culture and conduct. Since the effect of culture on buying behavior differs by nation, merchants must be very cautious when analyzing the culture of various groups, regions, or even countries.

Subculture: Different subcultures exist inside each culture, such as faiths, ethnicities, geographical locations, racial groups, and so on. These categories may be used by marketing organizations to partition the market into multiple tiny segments. Marketers, for example, might build items to meet the demands of a certain geographical population.

Social Class: Every civilization has some type of social class, which is significant for marketing since individuals in the same social class have comparable purchasing habits.

Marketing initiatives might therefore be tailored to various socioeconomic classes. It is important to highlight that social class is defined by a variety of criteria, including money, education, employment, and so on.

Social variables: Consumer buying behavior is also influenced by social factors. Reference groups, family, role, and status are examples of social influences.

Reference groups: Reference groups have the power to shape an individual's attitude or conduct. The influence of reference groups varies depending on the product and brand. If the goods is visible, such as clothes, shoes, or an automobile, the effect of reference groups will be greater. Opinion leaders are often included in reference groups (a person who influences others by his special skill, knowledge or other characteristics) [5].

Family: A family member has a big effect on buyer behavior. As a result, suppliers are attempting to determine the roles and effect of the husband, wife, and children. If a buyer's wife influences his or her choice to buy a certain product, retailers will strive to attract women in their marketing. It is important to remember that the buying of roles changes with the changing lives of people.

Roles and Status: Each individual in society has varied responsibilities and statuses in terms of organizations, clubs, families, and so on. As an example, consider a woman who works as a financial manager at a company. She is now taking on two responsibilities. The first is the chief financial officer, while the second is the mother. As a result, their shopping selections will be impacted by their position and status. Personal considerations: Personal variables might influence customer behavior as well. Lifestyle, economic position, employment, age, personality, and self-esteem are all major characteristics that impact personal purchasing behavior [6].

Age: Age and life-cycle have the ability to influence customer buying behavior. It is apparent that customers' purchases of products and services vary throughout time. The family life cycle is divided into phases such as young, singles, married couples, and unmarried couples, which aid marketers in developing appropriate goods for each period.

Occupation: A person's occupation has a substantial influence on their purchasing habits. For example, a marketing manager of a company is attempting to purchase

Economic Situation: The consumer's economic status has a stronger effect on their purchasing behavior. If a customer's income and savings are high, he or she will purchase more costly things. Moreover, a person with a low income and savings purchases low-cost goods.

Lifestyle: Lifestyle clients are another element influencing consumer import purchase behavior. The way a person lives in a society and expresses themselves in their surroundings is referred to as their lifestyle. The client's interests, views, and activities affect their whole pattern of behaving and interacting in the environment.

Personality: Personality varies from person to person, time to time, and location to location. As a result, it has a significant impact on client purchasing behavior. In reality, personality is the sum of a man's actions in many situations, not what he possesses. He has distinct characteristics like as dominance, aggressiveness, confidence, and so on, which may be beneficial in predicting customer reactions to a product or service [7].

Psychological Factors: There are four key psychological elements that influence customer purchase behavior. Perception, motivation, learning, beliefs, and attitudes are among them.

Motivation: Customer motivation influences their purchase behavior.

Each individual has unique requirements, such as physiological needs, biological needs, social needs, and so on. The nature of the needs is such that some are more urgent than others. As a result, a need becomes a motivation when it is most pressing, causing the person to seek fulfilment. Perception is the selection, organization, and interpretation of information in order to construct a meaningful experience of the world. Selective attention, selective distortion, and selective retention are three distinct perceptual processes. In the instance of selective attention, vendors attempt to grab the customer's attention, but in the case of selective distortion, consumers attempt to interpret the information in a manner that confirms what they already think. Similarly, marketers use selective retention to keep information that supports their opinions. Beliefs and Attitudes: The client has certain views and attitudes concerning certain items. Traders are interested in such thoughts and attitudes because they form brand image and influence customer purchasing behavior. Special initiatives in this area may help marketers modify consumers' thoughts and attitudes [8], [9].

In order to forecast consumer behavior in marketplaces, buyer behavior is examined. A company succeeds in the market if it comprehends its clients. Understanding the customer and offering what they want in terms of goods are key components of every company' success. The customer makes decisions on what to purchase, when to buy it, and what not to. A customer cannot be forced to buy a product. A



Vol 10, Issue 5S, May 2023

marketer sells what consumers are interested in. Hence, a focus is made on understanding what customers desire. The following factors strongly stress the importance of studying customer behavior. To meet client needs. When analyzing the items that best meet their demands, consumers react positively. A marketer researches how customers use their financial resources to buy connected goods. It involves examining what people purchase, when they do so, where they do it, and how often they utilize it. So, understanding consumer behavior will be crucial to the marketer's ability to meet customers' requirements. He is able to comprehend the consumer's response to a company's marketing tactics. Planning and putting into action marketing strategy would benefit from it. Facilitates comprehension of consumer psychology. Marketing professionals may better grasp consumer psychology by studying customer behavior. Based on his knowledge, attitude, purpose, and motivation, consumer psychology is used. Based on the information he possesses; the psychology of the consumer evolves. The job of sales marketing in educating buyers about the product is crucial. An attitude is an emotion or state of mind. Behavior is explained by attitude. To have an intention is to want to accomplish something. A marketing strategy is only created after knowing customer intentions. The fundamental state that controls a person's conduct is their motive.

Aids in understanding of consumer motivations. To comprehend a customer's motivations for making purchases, consumer behavior must be studied. A motivation is an inclination for which someone looks for fulfilment. An inner impulse that propels or inspires someone to do action is known as a motivation. Customers have a variety of goals. It's possible that not all of these reasons for buying are equally strong. Few factors influence a consumer's decision to purchase a product or service. Both motivations for buying and consumer behavior are studied. Aids in comprehension of client preferences: Understanding how customers make decisions is crucial for the marketer. Most of the time, people are pretty sensible. Before making a purchase, individuals systematically utilize the information at their disposal. A marketer observes the customer's behavior and adjusts his presentation to appeal to the consumer to purchase the product. Aids in comprehension of client preferences. A company that doesn't understand customer preferences won't be successful in the marketplace [10].

According to Adam Smith, all output has just one goal: to be consumed. A company must thus organize its production and distribution to meet customer requirements. So, the efficiency of a marketing strategy is determined on the level of customer knowledge. The examination of customer behavior aids marketers in Satisfy a customer's requirement, recognize the psychology of consumers, recognize customer intentions, recognize customer preferences, Recognize customer preferences. Marketing professionals often look at the aspects that influence consumers' purchasing decisions in order to better understand consumer behavior. According to a

recent survey, the typical consumer only spends 23% of the store's space while buying goods, which leaves managers with very little time to influence customers. In actuality, a supermarket's total sales amount to more than 58% impulsive transactions. To understand what drives clients to make such snap judgements, business managers invest a lot of time and money. Using in-store surveys, researchers may get the most relevant information on consumer purchasing patterns. They often launch new goods and services in a small number of well-chosen establishments where they can properly gauge how well they will do. A corporation may then decide whether to spend more in the product or not before it is introduced by using this method. Depending on their specific demands, customers modify their purchase behavior. Customer selections may seem to be rather random on some levels. Although if it may not always appear so, every purchase choice has a purpose. Purchase choices may be influenced by social circumstances, inner feelings, morals, and objectives most of all. Individuals purchase to meet a variety of requirements, some of which may not be purely utilitarian. These requirements could be physiological or bodily, for safety, love and affection, to gain respect and status, for self-fulfillment, or for a myriad of other reasons. Several tremendously successful advertisements, such as "Fly the friendly skies," "Reach out and touch someone," and "Gentlemen choose Hanes," have found success by tying items to a feeling of belonging. Such a focus may associate goods and services with either achieving a sense of belonging or with people whom others find relatable. The thirst for prestige is yet another elusive one. Those who are self-conscious about their position are willing to pay for that. Goods and services that address this requirement are regarded as high profile. When a luxury product is marketed to this market niche, the demand curve is often reversed from the norm, meaning that a high-status product sells more effectively at a higher price. Some compare requirements to a certain category of goods. For instance, a desire to do something may motivate individuals to take on challenging projects, make investments in equipment self-improvement courses, and other things of the like [11], [12].

# III. CONCLUSION

Buyer behavior is examined in order to forecast customer reactions in marketplaces. When a company knows its clients, it becomes successful in the market. Understanding the market and supplying the kind of items that the consumer wants is the foundation of every business's success. The study of consumer behaviour focuses on how consumers choose and purchase products, services, and ideas to meet their needs. It is crucial to fully comprehend consumer behaviour since it affects how customers behave while making purchases.



# Vol 10, Issue 5S, May 2023

#### REFERENCES

- [1] E. van Tonder, S. G. Saunders, I. T. Lisita, and L. T. de Beer, "The importance of customer citizenship behaviour in the modern retail environment: Introducing and testing a social exchange model," J. Retail. Consum. Serv., 2018, doi: 10.1016/j.jretconser.2018.08.011.
- [2] Y. Yi, R. Nataraajan, and T. Gong, "Customer participation and citizenship behavioral influences on employee performance, satisfaction, commitment, and turnover intention," J. Bus. Res., 2011, doi: 10.1016/j.jbusres.2009.12.007.
- [3] Y. Song and X. Tian, "Managerial responses and customer engagement in crowdfunding," Sustain., 2020, doi: 10.3390/SU12083389.
- [4] W. N. Wassouf, R. Alkhatib, K. Salloum, and S. Balloul, "Predictive analytics using big data for increased customer loyalty: Syriatel Telecom Company case study," J. Big Data, 2020, doi: 10.1186/s40537-020-00290-0.
- [5] E. Ardyan and C. Sudyasjayanti, "The importance of customer trust toward ewom on customer behavior: The case of generation y in Indonesia," J. Manaj. dan Pemasar. Jasa, 2020, doi: 10.25105/jmpj.v13i2.6979.
- [6] J. Torriti, M. G. Hassan, and M. Leach, "Demand response experience in Europe: Policies, programmes and implementation," Energy, 2010, doi: 10.1016/j.energy.2009.05.021.
- [7] M. Mach-Król and B. Hadasik, "On a certain research gap in big data mining for customer insights," Applied Sciences (Switzerland). 2021. doi: 10.3390/app11156993.
- [8] Y. L. N. Kumar, "Importance of Organizational Citizenship Behaviors in Enhancing Customer Service Indicators: A Review.," IUP J. Manag. Res., 2014.
- [9] K. Bradford, J. Crant, and J. Phillips, "How suppliers affect trust with their customers: The role of salesperson job satisfaction and perceived customer importance," J. Mark. Theory Pract., 2009, doi: 10.2753/MTP1069-6679170406.
- [10] S. A. Lee, M. Lee, and M. Jeong, "The role of virtual reality on information sharing and seeking behaviors," J. Hosp. Tour. Manag., 2021, doi: 10.1016/j.jhtm.2020.12.010.
- [11] D. P. Alamsyah, N. A. Othman, M. H. Bakri, Y. Udjaja, and R. Aryanto, "Green awareness through environmental knowledge and perceived quality," Manag. Sci. Lett., 2021, doi: 10.5267/j.msl.2020.8.006.
- [12] D. Vrtana, "The Importance of Irrational Purchasing Behaviour in Applying the Marketing Strategy of Selected Global Brands," SHS Web Conf., 2021, doi: 10.1051/shsconf/ 20219206042.





Vol 10, Issue 5S, May 2023

# An Overview on the Role of Consumer Behaviour

[1] Raghu G Anand

[1] Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] raghuanand@cms.ac.in

Abstract—Consumer behavior is described as "the behavior consumers demonstrate in looking for, buying, utilizing, and discarding things and services that they anticipate will meet their requirements". Consumer behavior focuses on how people decide how to use their available resources towards things that are relevant to consuming. The psychological processes that consumers go through when identifying needs, locating solutions to these needs, making purchase decisions (such as whether or not to buy a product and, if so, which brand and where), interpreting information, making plans, and carrying out these plans are all examples of consumer behavior.

Index Terms— Consumer Behavior, Businesses, Customer, Marketing, Product.

#### I. INTRODUCTION

Consumer behavior is fast a expanding, application-focused academic field. Consumer behavior is being impacted by current advancements in technology and digital communication. This research encompasses the whole process of a consumer's decision-making about acquisition, and it is not only limited to how a person purchases a thing, actions including consumption, use, and disposal. . This covers what people acquire, why they purchase it, where they purchase it, how often they purchase it, how frequently they use it, how they assess it after purchasing it, how those evaluations affect subsequent purchases, and how they dispose of it. So, in consumer behavior, we learn about the customer's behavior not just at the time of purchase but also prior to, during, and after consumption.

# 1.1The distinction between a consumer and a client

Anybody who regularly partakes in any or all of the activities listed in the definition is referred to as a consumer. Consumers have historically been tightly defined in terms of commercial products and services that require a financial transaction. This idea has evolved through time to include more things. Some academics also include non-monetary transactions for products and services, therefore those who utilize nonprofit organizations' services are also considered customers. The public may thus be seen as "consumers" by organizations like UNICEF, CRY, or political parties.

# 1.2the concept of marketing

As a marketing idea, businesses examine the demands of their clients before making choices that will serve those wants more effectively than their rivals. It is beneficial to place other notions that were formerly prevalent in context in order to better grasp the marketing concept. While these alternate ideas were prevalent at various points in history, they are not limited to those times and are still used by certain businesses today[1].

# 1.3The idea for the production

Henry Ford is credited with coining the phrase "production concept" when he created the automobile, which until that point was only attainable to the wealthy and even the average person. Presumes that buyers are more concerned in affordable product availability The production philosophy held that a company should concentrate on the goods it could manufacture most effectively and that the establishment of a supply of inexpensive goods would generate demand for the goods by itself. Almost anything that could be manufactured was readily sold by a sales crew whose only responsibility was to complete transactions at a cost based on output. As late as the 1920s, the manufacturing idea was still in use.

According to the sales concept, customers are unlikely to purchase a product unless they are vigorously convinced to do so. Yet by the start of the 1930s, mass manufacturing was typical, there was more competition, and there wasn't much unmet need. During this time, businesses started putting the sales idea into effect, wherein they would not only create the items but also attempt to persuade consumers to purchase them via marketing and personal selling.

The most important considerations before creating a product were: Can we sell the product? Can we charge enough for it? The purpose of the sales strategy was to outsell the competitors without giving any thought to the needs of the consumer; it paid little consideration to whether the product was genuinely required.

Many people grew to link marketing with aggressive sales tactics since it was a task that was completed after the product had been conceived and manufactured. Many individuals still refer to sales when they really mean "marketing" nowadays [2]. Assumes that in order to succeed, a business must identify the requirements and desires of particular target markets and exceed its rivals in delivering the needed satisfactions. There were more items available, making it impossible to rely on hard selling to drive sales. Customers might afford to be choosy and purchase only with more disposable cash.

Companies often established distinct marketing divisions when they initially started using the marketing strategy. main goal was to fulfil client requirements. These departments often had extended duties and were sales departments.



# Vol 10, Issue 5S, May 2023

Although some businesses still have this enlarged sales department structure, many others have reorganized themselves as marketing organizations with a company-wide customer emphasis. Nobody can ignore a customer issue by labelling it a "marketing problem" since the whole firm exists to serve customer requirements. Everyone must be concerned with customer satisfaction. To determine market categories, their size, and their demands, marketing research is used in the marketing idea. The marketing team decides what aspects of the marketing mix are within its control in order to meet those requirements.

## 1.4Segmenting The Market

Market segmentation is the process of splitting a market into discrete groups of consumers who may need different items from the marketing mix. A market segment is a collection of consumers with comparable needs. Based on the demands and desires of the client, market segmentation divides a homogeneous market into many heterogeneous markets.

# 1.5 Market segmentation foundations

Geographic segmentation, which involves separating the market into several geographical units including nations, states, regions, countries, and cities. The business may operate in one or a few locations, or it can run everywhere while taking into account regional differences.

Demographic segmentation - the market is separated into categories based on factors such as age, family size, life cycle of a family, gender, income, profession, education, religion, race, generation, social class, and nationality. Demographic factors are often linked to customer demands, desires, use patterns, and preferences for certain products and brands.

Psychographic segmentation: This method divides the market into several demographic categories based on psychological or personality characteristics, way of life, or values. • Behavioral segmentation - purchasers are classified into groups on the basis of their familiarity with, attitude towards, usage of, or reaction to a product. People within the same demographic category might display significantly diverse psychographic profiles. Occasions, advantages, user status, use rate, loyalty status, consumer ready stage, and attitude are behavioral factors.

Unaware of the product, aware of the product, informed about the product, interested in the product, desiring the product, and intending to purchase the product are all stages of buyer readiness. Hard-core, divided, shifting, and switcher are stages of the loyalty loyalties lifecycle. Product-differentiated marketing: In this stage, sellers develop more items with a range of features, designs, qualities, sizes, and other characteristics in order to provide choice to customers rather than target specific market groups. Target marketing is when a seller makes a distinction between market groups, chooses one or more of them, and then creates items and marketing strategies specific to each segment[3]. Identification and measurement: The business

must categories and characterize its customers properly. Data about members' demographics, social interactions, cultures, and other factors are inputs for this goal. Identification is what this is called. When it comes to measuring, the data should make it possible to gauge things like size and prospective advantages. The marketer should foresee and estimate the current or future needs of the segment's members in order to identify areas of considerable market potential. The criteria taken into account include buying power, taste and preferences, the capacity of prospective customers to become family members, income, savings, credit plans, etc. For the objective of taking advantage of cost-benefits, there should be a search for adequate buyer similarity. It should have a distinct response depending on the marketing work done. The segments must be large enough to support marketing activities that are effective in reaching them. The market should be divided depending on the type of demand for a product. The market segmentation should not be static since it has to be changed as the marketing environment changes. A product's demand may be elastic or inelastic.

## 1.6Strategies For Market Targeting

There are 3 main target strategies: Undifferentiated marketing delivers only one product to all types of customers with just one marketing campaign, oblivious to their likes, dislikes, tastes, and preferences. It views the market as a whole and concentrates on the similarities among peoples' demands rather than their differences. For example, soda, toothpaste, cigarettes, etc. Differentiated marketing is a strategy in which a company chooses to operate in several or all market categories while creating unique marketing plans for each sector. Differentiated offerings from Ex-Jet Airways, Marathi Suzuki, etc. Focused marketing indicates that the company targets the whole market. When the company's resources are constrained, this option is required. With this strategy, the company targets a large portion of one or a few submarkets rather than a tiny portion of a huge market. Also known as "niche marketing," it. Concentrated marketing has the drawback of making a company's future development dependent on only one market area.

# 1.7 Positioning Of Products

the position the product has in customers' thoughts when compared to rival offerings. Consumers determine a product's place in the minds of customers, with or without the help of marketers. Ex-med mix soaps are known to be an antiseptic soap. Amul is known for its dairy products and other goods.

#### 1.8 Material Mix

It refers to the group of tactical marketing instruments that can be controlled, including product, pricing, location, and promotion, that a business combines to elicit the desired reaction from its target market. Every time marketing circumstances like economic, technical, political, or legal changes, the marketing mix will need to be adjusted.



Vol 10, Issue 5S, May 2023

According to "William J. Stanton," the phrase "marketing mix" refers to the combination of the four inputs that form the foundation of a company's marketing system. the product, the cost structure, the marketing strategies, and the delivery method. The first P in the marketing mix components is product. Product refers to the mix of products and services that the business delivers to its target market. The product must meet customer demands. Before the firm can decide on variety, quality, design, features, brand name, packaging, etc., the management must first decide on the product that will be made to meet the demands of the consumers. Pricing is the sum that several purchasers must spend in order to purchase the commodity. List price, discounts, allowances, terms of credit, payment duration, and other factors are decided by the firm. Finally, the buyer's price must match or be worth the benefits and qualities of the goods.

Place: Location refers to business operations that make the product accessible to target customers. The place element takes into account variables like the selection of the channel, coverage, assortments, locations, inventory, transportation, and logistics. Physical distribution is the act of delivering goods to the appropriate customer at the appropriate time, location, and address[4]. Promotion is defined as actions that convey the benefits and qualities of the product and encourage the target market to purchase it. The business must engage in marketing initiatives including advertising, cold calling, sales promotion, public relations, and more. Process is the mechanism via which the consumer is provided with service delivery. People: Individuals who provide services are essential. Their demean our and attitude have a big impact on how the consumer feels about the business and the service. The tangible components of a service have a big impact on how consumers perceive it. This is physical proof. Important physical proof may be utilized to establish a positive reputation and set the services apart from those of the rivals.

## II. DISCUSSION

Of the statistically important nations, India has the youngest demographic profile; there are many young people, in various economic brackets and geographic areas, who are either influencing their parents' spending or spending their own money. Nonetheless, many farmers clearly go beyond what is considered "rural" in the broadest sense. Are we even aware of the power of today's and tomorrow's consumers—many of whom are still treated as afterthoughts by marketers—let alone using it?

The effects of globalization are gradually influencing the purchasing habits in India. The average Indian consumer today spends more on consumer goods, clothing, entertainment, travel, lifestyle, and other related items. The areas where consumer spending has increased the most include entertainment, apparel, and eating out. Contrary to fundamental requirements like food, the pace of growth of spending on discretionary products has increased at an

average rate of 9% per year over the last five years. India, once a country of savers, is today a nation of spenders.

#### 2.1 The Ethics and Social Responsibility of Marketing

Marketing to children is subject to self-regulation in accordance with standards established by the Children's Advertising Review Unit. According to the rules, product advertisements or claims must not mislead kids about how well a product works or what advantages it offers, or they risk stoking their imaginations or raising their expectations of how safe a product should be. Too much cheap credit is often given to teenagers and college students, putting them in a long-term financial bind. Students are being aggressively marketed credit cards, and student loan debt has been increasing. Credit card advertising to college students has grown much too aggressive and goes against the interests of society as a whole. Tight regulations that restrict banks and credit card firms' marketing on university campuses, and some banks have created codes of conduct that restrict the advertising of credit cards to students. Direct sales of medications to consumers.

Since 1997, when direct-to-consumer pharmaceutical advertising became legal, more people are using various types of drugs. Customers affirm that rather than from their doctors, they often learn more about these prescriptions via TV advertising. Acknowledging how aggressive direct-to-consumer advertising has grown. Marketing limits have been created by the pharmaceutical sector on a voluntary basis. Refrain from marketing new medications to customers in the first year they are available. The dangers of precise targeting. As marketers target and identify ever-smaller audiences using cutting-edge media and sophisticated monitoring, the loss of consumer privacy is becoming a more severe ethical issue. Narrowcasting, a method that enables advertisers to continuously transmit precisely targeted messages to extremely tiny audiences, is becoming more and more popular.

#### 2.2 Influencing customers

Marketers may influence customers' purchasing decisions by using their understanding of perception and learning. Forced exposure to advertising o Marketers often use strategies that obscure the distinction between entertainment material and advertising. In high-budget films, product placements are quite typical. - A number of products were prominently shown by Hrithik Roshan in the movie Krish [5].

Modifying customer perceptions: Marketers use the actual environment in which consuming takes place to influence consumers' perceptions and actions. Juice is consumed more by both kids and adults when it is served in short, broad glasses rather than tall, skinny ones. Candy put in transparent jaws was consumed considerably more quickly than candy placed in opaque wrappers. The presence and scent of appetizing items increased intake. The stimulus generalization concept may be used to mislead customers and change their intended purchasing patterns. - Budget-friendly



# Vol 10, Issue 5S, May 2023

products close to pricey luxury names. Covert marketing, often referred to as masked or stealth marketing, consists of advertisements and promotional materials that look to be provided by unaffiliated third parties but are really sent by marketers. Marketers may use stereotypes and images that are socially unfavorable in their goods and marketing.

**False or misleading advertising:** The accuracy of the information presented and the possible abuse of promotional messages are the main ethical concerns in regard to advertising.

**Obligation To Society:** Supporting socially good causes. The main goal of many non-profit organizations is to encourage behaviors that have positive social effects and to discourage those that have negative ones. Even government entities attempt to influence public conduct

#### 2.3 Marketing for causes

When they donate a percentage of the profits, they make from the sale of certain items to causes like aiding those suffering from terminal illnesses. In India, businesses partner with NGOs or governmental organizations as part of their CSR initiatives, either for one-time projects or as a long-term relationship.

#### 2.4 Green advertising

Several businesses already advertise their use of recycled and non-polluting materials, as well as clean, sustainable, and renewable energy. Consumer ethics, assessing how customers feel about businesses that fight exploitation. The dishonesty of consumers in the marketplace. Piracy of software, unusual patterns of refund requests

#### 2.5 The Purpose of Consumerism

You must sometimes use products and services if you consider yourself a customer. You can be experiencing supplier exploitation of one kind or another. On occasion, they overcharge customers or provide subpar products and services. Such consumer exploitation is difficult to stop on an individual basis. If customers become aware and unite to oppose such malpractices, the severity of such exploitation may be reduced. "Consumerism" is the term for self-effort made by customers to protect themselves.

The term "consumerism" refers to a movement of consumers to demand honest and ethical business practices from producers, merchants, dealers, and service providers in their dealings with customers. The movement might be seen as an effort by both individual consumer activists and consumer advocacy groups to raise consumer awareness of market fraud and identify strategies for defending their interests. If customers are informed of their obligations and rights while utilizing products and services, this movement will succeed [6].

## 2.6 Consumers' Rights

You are aware that customers nowadays deal with a number of issues as a result of market rivalry, deceptive advertising, the availability of subpar products and services, etc. As a result, the Government and other public entities are now very concerned about protecting the interests of consumers. The government has acknowledged certain consumer rights in order to protect consumer interests. About the numerous consumer rights that the Indian government has acknowledged. Right to safety: Consumers are entitled to protection against the marketing of products that are harmful to their health and lives. If you are aware of this right as a consumer, you may take preventative measures to avoid harm, or if harm is still inflicted despite your best efforts, you have the right to file a complaint with the dealer and even make a claim for compensation. For instance, if you purchase any medication, the pharmacy that sells it may be held accountable if the medication turns out to be hazardous. Once again, if a gas cylinder is used for cooking, you must ensure that it is delivered to you leak-free. If it begins to leak later, the provider will be responsible for paying damages if the gas leak causes a fire and someone is hurt or killed as a result. Right to information: Before purchasing any item or service, consumers have the right to information about the availability of products in terms of their quantity, quality, purity, standard or grade, and price. Also, the customer must be notified, when appropriate, of the safety measures that must be followed while using the product in order to prevent damage or harm. Again using the gas cylinder as an example, the provider is required to advise the user to shut off the gas flow using the regulator when not in use. Freedom of choice: Every customer has the right to choose the things they need from a large selection of related products. Dealers and merchants often attempt to sell subpar items by using pressure. Customers are sometimes seduced by television commercials. If customers are aware of this right, these scenarios may be avoided[7]. The ability to be heard: There are three ways to interpret this right. When decisions and policies are made that impact the interests of consumers, consumers have a right to be consulted by the government and other public entities. Also, customers have a right to have their opinions on manufacturing and marketing choices taken into consideration by manufacturers, dealers, and advertising. Finally, customers have a right to be heard during court cases involving customer complaints. Right to seek redress: Any consumer who has a complaint or grievance regarding unfair business practices, such as higher prices, the sale of subpar or unsafe products, irregular service delivery, etc., or who has suffered loss or harm as a result of faulty or adulterated products, has the right to seek redress. He is entitled to have the vendor or dealer replace the damaged products or refund his money. Also, he is entitled to file a legal claim in the relevant court of law. The customers are guaranteed by this right that their concerns will get the attention they deserve. This right also entitles customers to just compensation in the event that a supplier's or a manufacturer's negligence caused them to incur a loss or experience an inconvenience.



Vol 10, Issue 5S, May 2023

Consumer education rights: Consumer awareness and education are crucial in order to stop market fraud and consumer abuse. In order to achieve this, consumer associations, educational institutions, and government policy makers are expected to inform and educate consumers about the following: the pertinent laws that are intended to prevent unfair trade practices; the ways that dishonest traders and producers may try to manipulate market practices in order to deceive consumers; how consumers can protect their own interests; and the procedure to be followed by consumers when making complaints.

#### 2.7 Obligations of consumers

The adage "there cannot be rights without obligations" is widely recognized. After looking at consumer rights and the function they serve, it is vital to ask if consumers should be held to the same standards of responsibility. The obligation to seek self-help It is usually preferable for a customer to be as independent of the vendor as possible when it comes to knowledge and decision-making. You have a responsibility to yourself as a consumer to prevent yourself from being duped. A customer that is well-informed can always look out for their own interests more so than anybody else. Also, it is always preferable to be prepared than to wait until one has suffered a loss or damage to seek relief. Transactional Proof: Every consumer has a second duty to collect and keep records of all purchases of durable items, including proof of purchase and related paperwork. For instance, it's crucial to get a cash memo for any purchases of products. You should keep in mind that the proof of purchase will allow you to support your claim for the items' repair or replacement should you ever need to file a complaint about a fault in a product. Similar to this, dealers give warranty/guarantee cards for durable consumer products like TVs, refrigerators, etc. The cards permit you to get free service for repairs and component replacement for a certain amount of time after purchase[8]-[10]. Appropriate claim: Another obligation placed on consumers is that they refrain from making excessively big claims when filing grievances and requesting compensation for loss or harm. Consumers often have to make use of their legal right to file a lawsuit for relief. There have been instances when customers demanded significant compensation for no apparent cause. This is seen to be a careless action that ought to be avoided.

Why Use products and services properly: Some customers, particularly during the guarantee period, abuse the product in the mistaken belief that it would be replaced. They are not being fair in doing this. The items should always be used correctly. Consumers have several additional obligations in addition to the ones listed above. They need to abide by the agreements they have with product suppliers, distributors, and service providers. If they use credit to buy anything, they should pay it back promptly. They shouldn't interfere with the devices that provide services, such as water and electricity meters, seats on buses and trains, etc. [11], [12].

#### III. CONCLUSION

Consumer behaviour describes how decision-making units acquire, use up, and discard goods, services, ideas, and time. This behaviour is widespread and involves decisions made by almost all people in all nations and cultures. They can close the market gap and determine the items that are required and the products that are no longer in use by studying how customers choose a product.

#### REFERENCES

- W. K. Brandt and J. U. McNeal, "An Introduction to Consumer Behavior," J. Mark., 1974, doi: 10.2307/1250178.
- [2] D. L. Stephens, "Introduction to Consumer Behavior," in Essentials of Consumer Behavior, 2021. doi: 10.4324/9781315762623-8.
- [3] G. R. Foxall, "Invitation to Consumer Behavior Analysis," J. Organ. Behav. Manage., 2010, doi: 10.1080/01608061003756307.
- [4] M. T. Pham, "Introduction to research dialogue on evolutionary psychology and consumer behavior," Journal of Consumer Psychology. 2013. doi: 10.1016/j.jcps.2013.04.002.
- [5] G. Mau, H. Schramm-Klein, and L. Reisch, "Consumer Socialization, Buying Decisions, and Consumer Behaviour in Children: Introduction to the Special Issue," Journal of Consumer Policy. 2014. doi: 10.1007/s10603-014-9258-0.
- [6] M. Grover, "Consumer Behaviour Towards Online Shopping," Interantional J. Sci. Res. Eng. Manag., 2022, doi: 10.55041/ijsrem11732.
- [7] D. R. Lehmann, "Introduction: Consumer Behavior and Y2K," J. Mark., 1999.
- [8] Consumer Behavior and Marketing. 2019. doi: 10.5772/intechopen.77647.
- [9] G. R. Foxall, "Theoretical and conceptual advances in consumer behavior analysis: Invitation to consumer behavior analysis," J. Organ. Behav. Manage., 2010, doi: 10.1080/01608061003756307.
- [10] J. Peck and T. L. Childers, "Sensory factors and consumer behavior," Handb. Consum. Psychol., 2008.
- [11] J. Gnoth, L. Andreu, and M. Kozak, "Advances in tourism marketing research: Introduction to a special issue on consumer behavior in tourism destinations," International Journal of Culture, Tourism and Hospitality Research. 2009. doi: 10.1108/17506180910962104.
- [12] M. Laroche, "New developments in modeling Internet consumer behavior: Introduction to the special issue," Journal of Business Research. 2010. doi: 10.1016/j.jbusres.2008.12.013.



Vol 10, Issue 5S, May 2023

# Marketing Communication Components

[1] Roopa Traisa

[1] Associate Professor & Hod, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] roopa@cms.ac.in

Abstract— One of the key purposes of marketing communication is to convince customers or companies to buy (or feel inspired / enticed to acquire) a product or service by influencing their impression of a brand, product, or service. The eight marketing communication tools include advertising, product promotion, activities and encounters (sponsorship), publicity and public relations, marketing services, online marketing, word-of-mouth advertising, and personal selling.

Index Terms— Businesses, Communication, Consumer, Marketing, Purchasing, Product.

#### I. INTRODUCTION

Marketing communication aids in the development of brand awareness, which implies that customers interpret product information into perceptions about the product's features and position in the market. According to "Reference Business," businesses also utilize communication to maintain the product's present consumer base and to strengthen ties with customers and suppliers. The marketing communication strategy specifies the company's approach for disseminating product information and increasing brand recognition. A well-chosen marketing communication plan employs one or more components to communicate the outgoing message of the organization. A market-appropriate approach boosts the company's chances of effectively communicating the advantages of the product and having that message favorably accepted by the client. When the corporate narrative or customer testimonial tactics are implemented, the firm is more likely to profit from consumer goodwill.

A company owner must use a marketing communication plan that is suited for each product. Customers may prefer a diamond ring's cut and clarity above other aspects if the firm offers higher-end diamond jewelry, for example. The jewelry business does not want to pursue a strategy that emphasizes its advantage over rivals. This contrast may reduce the customer's perception of the diamond's worth. The company should concentrate on the advantages that the client enjoys by purchasing the ring. Communication is as crucial in business as it is in personal relationships. Most marketers are aware of this, but many are unsure of how and when to effectively express their message to potential clients. Overcoming communication barriers is crucial in today's sophisticated marketplace, particularly early in the sales process. It is becoming clearer that the war for clients is won or lost at the top of the sales funnel [1].

Create a marketing communication plan that includes one or more marketing communication components. Advertising enables a company to reach a huge number of people via mass market or target market appeals. As in a retail context, personal selling allows a corporation to explain product advantages directly to the client. Direct marketing allows a company to contact clients without the need of a third-party medium. Catalogs and direct mail are two examples. Sales promotion gives a consumer an incentive to acquire a firm's goods, such as a corporation that donates to charity with each sale. Public relations are the flow of information from a corporation to its consumers, suppliers, and other parties impacted by its activities. So, how can a company differentiate itself from the competition? Everything comes down to efficient communication. The six most critical components of a good marketing communication plan are as follows: Advertisement: Advertising is often the most visible component of the communication mix. In reality, marketing and advertising are often confused as synonyms. Advertising encompasses any communications that a company pays to send via a medium to a specific audience. Companies often dedicate considerable amounts of their marketing budget to the advertising function since it includes the bulk of paid messaging. Although it may be pricey, since the advertiser pays the television or radio station, print journal, or website for placement, the advertiser has complete control over the message conveyed.

Personal Selling: Personal selling is sometimes combined with direct marketing. Yet, since many businesses make heavy use of a sales force, it is critical to analyses this component separately. Salespeople are employed by distribution channel providers to push items for resale to trade customers. Retail salespeople in retail enterprises promote the value of products and services to customers. Companies that provide higher-end items and services that need more vigorous attempts to convince clients to purchase place a greater emphasis on selling. Sales Promotions and Discounts: Sales promotions and discounts, like advertising, are often pushed via sponsored communication. Sales promotions, on the other hand, include providing a customer a lower price. Coupons, percentage-off promotions, and rebates are examples of such offers. Together with advertisements and coupon mailers, businesses utilize external and in-store signage to draw customers' attention to the savings. This communication tool's objectives include improving revenue and cash flow, recruiting new consumers,



Vol 10, Issue 5S, May 2023

and clearing off excess inventory. Public Relations: In many ways, public relations is comparable to advertising in that messages are transmitted via mass media. The main distinction is that you do not pay for the message's time or space. A television or newspaper feature piece on a company, for example, is not paid for and might generate brand exposure. The disadvantage of public relations is that you do not always have control over the messaging. You may attempt to influence them by issuing press releases and inviting media attention, but the media may distort the news negatively [2], [3]. Direct Marketing: Several components of direct marketing are similar to sales promotions and personal selling.

It is consumer interaction in which the company's message seeks or implores a response from targeted customers. E-mail and direct mail are two popular forms. Customers get these communications with special offers or calls to action, which often promote limited-time specials or new product launches. Direct marketing communication also includes mail-order clubs, online or print surveys, and infomercials. Event Sponsorship: Event sponsorship is a factor that is sometimes overlooked in the five-element communication mix. Numerous models use it in their advertisements. Sponsorship of an event happens when a corporation pays to have a presence at a sporting, entertainment, charitable, or community event. The sponsorship may involve a variety of perks such as booth presence at the event to distribute samples, gifts, and literature, name mention during the event, and ad slots related to the event. Marketing is used by businesses to advertise and sell their goods or services, while consumer behavior is how customers behave and interact in the retail environment. To design a good marketing strategy, a firm must first understand how and to what the customer would react. Studies, focus groups, psychological assessments, and other techniques of analyzing the market for a certain product or service are all part of the link between marketing and customer behavior. Understanding customer behavior is crucial for effectively marketing any product or service. When a corporation understands why individuals purchase what they buy and the factors that influence their buying choices, it can develop a marketing strategy that particularly targets those aspects of the purchasing decision. Not every product appeals to everyone. The key to effective marketing is understanding the values of a certain customer group; here is where focus groups, research, and psychology come into play. Marketing and consumer behavior studies give firms with information about their target consumers that they may utilize when building ad campaigns. Focus groups are a kind of consumer research that includes small groups of individuals discussing a product. This gives a tiny sample of how consumers will respond to the product and which features they will value the most. Surveys may also be used to investigate the link between marketing and customer behavior. Prospective customers for a product or service may be asked a series of questions regarding the product and asked to react with a "yes" or "no" response, or to evaluate the product's aspects on a scale of most to least important. Consumer Behavior is the least important. Anonymity is commonly used in surveys to encourage participants to be more open about their preferences. Buyer's clubs, such as those found in certain grocery shops, are a marketing channel used to monitor individual customers' purchases. A club card may give discounts on things as a benefit to the customer at check out, as well as preserve thorough listings of all the items that person purchases, whether they are on sale or not. This supplies the organization with vital information that can be utilized to target certain markets. Understanding the link between marketing and consumer behavior often depends on a basic psychological study of the target audience and the ability to emphasize the qualities most likely to resonate with that demographic. A marketing campaign for high-end natural skin care products, for example, will need a different marketing approach than one for selling hunting guns. An effective marketing will consider both the target client and his purchasing habits [4].

# II. DISCUSSION

Communication is the process of transmitting ideas and meanings between people or groups. exchanging Communication may be regarded as a paste that maintains a route of distribution united. The role of communication inside the marketing channel is an essential problem from theoretical and management standpoint. Communication in a marketing channel may serve as a means of transmitting influential information (Frazier and Summers, 1984). Despite the Marketing literature acknowledges that communication plays a significant role in channel operation (Grabber and Rosenberg, 1969; Stern and El-Ansary, 1988), no cohesive theory for channel communication is provided. Communication has been theoretically linked to both behavioral (e.g., power and climate) and structural (e.g., the pattern of exchange relationship) difficulties in the channel, but actual study on channel communication is limited. Communication is a need that is used to build networks, communicate ideas, and market businesses or services. Efficient communication takes place through a well-known channel that transfers data quickly and precisely. Marketing communications are the sum of all components in a company's marketing mix that facilitate exchanges by creating shared meanings with brand stakeholders. Companies utilize a variety of tactics to market their brand, product, or service. Brochures, telemarketing, and websites are examples of tools. The goals of marketing communication are to educate the target audience and increase sales [5].

Integrated Marketing Communication (IMC) is a phrase that arose in the late twentieth century to describe the use of consistent brand message across a wide range of marketing platforms. IMC was created primarily to answer the demand for companies to provide their customers with more than just



Vol 10, Issue 5S, May 2023

ordinary advertising. The notion of Integrated Marketing Communications (IMC) makes perfect sense - so much so that newcomers to the area may be perplexed as to what all the fuss is about. IMC proposes that marketers first concentrate on the consumer - his or her tastes, purchasing behaviors, media exposure, and other criteria - and then expose the customer to items that match its needs using a combination of communication means that the customer finds more appealing and believable. According to Jones (2008), this is a revolutionary step because an entire culture of agencies, in-house departments, and consultants has grown up around the idea of separation for advertising, direct marketing, sales promotion, and public relations efforts, rather than the harmonious, customer-centered planning process that IMC requires. Since technology innovations have altered how corporate stakeholders interact, integration has become a crucial idea in marketing. The intricacies of real-time, multimodal, multidirectional communication have surpassed marketing theory that was created during the discipline's early years. Marketing communication activities that do not involve face-to-face connection with the target population include advertising, public distribution, direct mailing, exhibition, and sales promotion. In addition, marketing communication in general is a style of communication that leads prospective consumers to a decision and action point when they lack knowledge about the service or produce. Marketing communication passes through the stages of awareness, interest, assessment, trial, and acceptance. Marketing communication is the 'promotion' component of the marketing mix. It is a purposefully planned and executed coordinated communication process that is designed to convince customers/users and promote the sale of products or services. This process may be regarded as a regular communication between the organization and the consumer/user. The marketing communication mix is made up of many components:

Advertising: Any paid type of non-personal presentation and promotion of ideas, commodities, or services that has a recognized sponsor and is used to gain public attention via Qualitative and Quantitative Methodologies in Libraries mass media. It serves three purposes: to inform, convince, and remember. Personal selling entails making direct contact with defined target consumers/users. Does not apply to a large audience. Sales Promotion: Unlike personal selling, it focuses on groups. Whereas advertising attempts to establish a justification for purchase, sales promotion attempts to build purchasing impulses. Instead of large audiences, it targets a limited, targeted, and focused audience. Coupons, cash discounts, gift-added items, trial products, competitions and lotteries, product demonstrations, display materials, and so on are examples of sales promotions. After assessing the public's (target audience's) attitude towards a person or organization, public relations professionals monitor methods and policies that will help the company's public image. In the context of its growing relevance in recent years, public relations are not simply a marketing communication tool, but also a business function. Public relations and marketing are inextricably linked [6].

Moreover, the following elements may be regarded as marketing communication components: Direct marketing is a kind of marketing communication that use one or more advertising media instruments to elicit a quantifiable reaction in any location or commercial activity. Internet Marketing: The use of the internet or digital technologies related to the internet to achieve marketing objectives or to support current marketing aspects. Sponsorship: A commercial expenditure for an organization or marketing goals that does not need the purchase of media channels for the reasons and events. Brand Management and Brand Placement: According to American Marketing Association brand management and brand placement is 'a name, \sign, symbol, design, shape, or components of all these, that provides a product \soar a group of vendors' products or services to be determined, identified, and distinguished from the competing products or services'. Purpose Related Marketing: An organization will process its support for a social topic, case, or concept in their marketing messaging, and will provide a percentage of the income generated by this process to the party that will put this social subject, case, or idea into action. Trade shows and exhibitions: Fairs designed to display goods or services to the general public or relevant persons are key marketing communication tools for businesses. An institution booth at an international or national fair allows an organization to exhibit itself to their target audience and engage with millions of individuals who attend the fair [7].

Marketing communications are a set of interconnected actions in which the target audience is identified and a well-coordinated promotional campaign is developed to elicit the intended reaction from the audience. Marketing communication focuses on the majority of difficulties in target consumers' preferences, image, and instant awareness. Nonetheless, there are several limits to the idea of communication. These constraints include high costs and a limited time frame for achieving the required outcomes from the targeted clients. In recent years, most marketers have employed Marketing Communication to create client relationships during the pre-selling, selling, usage, and post-utilization phases. Different communication campaigns are established for particular sectors and niches due to client peculiarities. By categorizing the Marketing Communication Process, you will be able to work more effectively with the large array of Marketing Communication Instruments available today. Consider Marketing Communications to be ordinary interpersonal communication, and fill your marketing efforts with the same sincerity, excitement, and personality that you use when chatting with individuals you know.

The tools you use to interact with your consumers are more complex than traditional interpersonal communication tools, yet they are still classified as written, spoken, physical, or



# Vol 10, Issue 5S, May 2023

multimedia. The bulk of your consumer contact will be written or oral. Packaging and branding are examples of physical communication, while multimedia communication is high-tech and includes internet "sights and sounds," as well as TV and radio, among other things. Your marketing communication method should mirror how you connect with your most valuable consumers. You should think of your marketing communication tools as extensions of your own personality. The goal of marketing communication is to deliver a company's message as efficiently and precisely as feasible. The following elements are involved in the fundamental process of marketing communication:

- 1. Interference (Noise) Friends Other advertisements
- 2. Feedback (from sender to recipient)
- 3. Encode (turn the ideas into words and images)
- 4. Advertisement agency Marketing department
- 5. Message channel In-store display Radio or TV advertisement, etc.
  - 6. Decode (read the message)

## Clients or consumers are examples of recipients.

- 1. Sender and Receiver: The terms "Sender" "Receiver" are used interchangeably in marketing communications. The sender might be a firm looking to target a certain customer demographic. The customer himself is the receiver. Before the communication process starts, you need know numerous things about the sender and recipient, such as their demographics, financial strength, and compatibility. If the sender is a sports shoe manufacturer, but the message is received by clients above the age of 60, the marketing communication may fail. The sender must know who the message's intended recipient is ahead of time. This is why segmentation, targeting, and positioning are completed before marketing communication starts [8].
- 2. Encoding: The message must be encoded in order for the sender to convey the correct message to the recipient. This is referred to as encoding. Advertising agencies play a significant role in marketing communications. The creative ad firms encode the message in the appropriate format based on the sender's preference. The format is determined by the medium used to transmit the communication message. As a result, a radio communication, a TV message, and a print message are all encoded differently since they each have their own set of advantages and disadvantages. The focus message must be the same regardless of the media vehicle or communication type used.
- 3. Message selection: During marketing communication, there are many methods for communicating with end users. Since television and print have the best retention rates, marketers rely on them the most. Apart from these two, there's radio marketing, web marketing, out-of-home media, banner advertising, and so on. Your message may be delivered via any of these media channels. The main thing to remember here is that the message should reach as many people as possible. The higher the conversion rate in the sales funnel, the more prospects you have. As a result, the goal of a

message is to reach as many prospects as feasible. A good message may quickly link you with your target group, develop a stronger brand positioning, and so provide your business an instantaneous boost. Messages in marketing communications may take several forms. Some examples are: introducing a new product; creating awareness; building brand image; sales promotion offers; and customer retention. As a result, a marketing message must be modified based on these three key characteristics.

- 4. Decoding: It is not the sender's responsibility to decode a message. Instead, the receiver does it. The sender can only assure that the message reaches the recipient by encrypting it as best he can. The communication is subsequently decoded by the recipient. For example, if I show you a shoe in muddy water, some of you may not be interested in the picture, others might believe it's an advertisement for the shoe, and yet others could receive the message that I'm attempting to display a water-resistant and easy-to-clean shoe. As a result, if I am unable to communicate effectively with the majority of my target audiences, I will fail as a marketer. I need to make sure that the recipient can decode the message as easily as feasible. This is what marketing communications are all about. This is why agencies like O&M, Lowe Lintas, and others charge such a hefty cost. Because their messages are readily interpreted by the end user and the public[9], [10].
- 5. Recipient: After deciphering the message, the recipient makes the choice. In other words, your eventual client or prospect is the receiver. As a result, the receiver is a critical component in the marketing communications process. The recipient should ideally act on the message he has heard. As a result, if your communication was a sales promotion, your recipient will buy the goods. But, like with any circumstance, there are several receiver versions. Some may entirely disregard the message, while others will save it for future reference and yet others will act on it. Integrated marketing communication is utilized to ensure that the message is received and acted upon. The same message is delivered in numerous versions through several media vehicles. The recipient gets the same message encoded differently and decodes it. This is why, today, advertising frequency is crucial in converting prospects to consumers. Because FMCG firms have the highest level of customer connection. They are well-known for their effective usage of integrated marketing communication.
- 6. Comments: The feedback parameter is now another aspect that has been introduced to the marketing communication model. This is because, with so many things being offered, getting feedback is becoming more important. Hence, after an ad campaign to raise product awareness, the firm may gather market feedback to determine what proportion of target buyers are aware of the new product. This input will inform the firm as to whether their advertising plan was successful or not.

Finally, you must recognize that marketing communication is more than simply a conversation between a



# Vol 10, Issue 5S, May 2023

firm and its customers. Rather, it entails the existence of a large number of entities. Marketing communications is an art form in and of itself. A substantial percentage of an organization's resources are spent to ensuring that the proper message reaches the end customers and that the end consumers respond in the intended way [11], [12].

#### III. CONCLUSION

Attractive marketing communication should convey helpful ideas (information) in a way that allows them to be readily understood (communicate), induce the customer to feel the message is true (convince), and be as attractive as or more appealing than rivals' messages (compete). Any effective marketing plan must include marketing communication. It includes the range of strategies used to convey a message to prospective clients. Advertising, public relations, promotions, personal selling, and direct marketing make up the marketing communication mix.

#### REFERENCES

- N. Khizar, S. Farooqi, M. Rehmat, And F. Naz, "Effect Of Integrated Marketing Communication Components On Brand Awareness And Customer Loyalty In Beverage Sector," Paradigms, 2016, doi: 10.24312/paradigms100206.
- [2] M. Ngoma and P. D. Ntale, "Word of mouth communication: A mediator of relationship marketing and customer loyalty," Cogent Bus. Manag., 2019, doi: 10.1080/23311975.2019. 1580123.
- [3] V. Kupec, M. Lukáč, P. Štarchoň, and G. P. Bartáková, "Audit of museum marketing communication in the modern management context," Int. J. Financ. Stud., 2020, doi: 10.3390/ijfs8030039.
- [4] R. Jokom, "Persepsi Follower Terhadap Pemasaran Restoran melalui Instagram di Surabaya," BISMA (Bisnis dan Manajemen), 2018, doi: 10.26740/bisma.v11n1.p20-32.
- [5] C. Castronovo and L. Huang, "Social Media in an Alternative Marketing Communication Model.," J. Mark. Dev. Compet., 2012.
- [6] R. G. Duffett, "Influence of social media marketing communications on young consumers' attitudes," Young Consum., 2017, doi: 10.1108/YC-07-2016-00622.
- [7] S. Madhavaram, V. Badrinarayanan, and R. E. McDonald, "Integrated marketing communication (imc) and brand identity as critical components of brand equity strategy: A Conceptual Framework and Research Propositions," J. Advert., 2005, doi: 10.1080/00913367.2005.10639213.
- [8] N. M. Mamedova, Z. V. Bezveselnaya, E. V. Malakhova, V. S. Kozmin, I. M. Kornilova, and T. I. Savinchenko, "The modern paradigm of advertising in the light of sustainable business development," Entrep. Sustain. Issues, 2019, doi: 10.9770/jesi.2019.6.4(39).
- [9] J. Higham, P. Hanna, D. Hopkins, S. Cohen, S. Gössling, and N. Cocolas, "Reconfiguring Aviation for a Climate-Safe Future: Are Airlines Sending the Wrong Message?," J. Travel Res., 2022, doi: 10.1177/00472875211033648.
- [10] S. Madhavaram, V. Badrinarayanan, and R. E. McDonald, "Integrated Marketing Communication (Imc) And Brand Identity As Critical Components Of Brand Equity Strategy.," J. Advert., 2005.

- [11] J. K. Elrod and J. L. Fortenberry, "Reflecting on 'Marketing communications in health and medicine: perspectives from Willis-Knighton Health System': understanding the big picture," BMC Health Services Research. 2020. doi: 10.1186/s12913-020-05607-6.
- [12] J. Jacobson, A. Gruzd, and Á. Hernández-García, "Social media marketing: Who is watching the watchers?," J. Retail. Consum. Serv., 2020, doi: 10.1016/j.jretconser.2019.03.001.





Vol 10, Issue 5S, May 2023

# Knowledge of Consumer Behavior in Marketing

[1] Supriya Rai

[1] Associate Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] supriya@cms.ac.in

Abstract— The study of consumers and the processes they use to pick, use (consume), and dispose of items and services, including emotional, mental, and behavioral reactions, is known as consumer behaviors. Understanding customer behaviors is critical for firms to develop successful marketing tactics that may impact consumers' purchasing decisions. Every company's success is largely dependent on the happiness of its customers. Businesses must understand their clients' purchasing habits in order to do this correctly. Consumer Behavior understanding leads to the comprehension of the reasons why customers vary in their purchasing or use of items and services

Index Terms—Businesses, Consumer, Marketing, purchasing, services.

#### I. INTRODUCTION

Marketing is a tremendously dynamic field, and mastering every aspect is critical. The Consumer's behaviors become a subject of comprehension for the Manufacturers / Marketers. Understanding consumer behavior is essentially the basis of success for marketers. To keep up with the fierce competition, modern organizations are focusing on constructive and useful transformation. Customer behavior is the most concentrated topic of any business and service. In today's environment, the most important deciding element for every organization is to understand the changing demands and preferences of customers. Numerous sectors are focusing on and analyzing customer purchasing behavior in their particular markets and goals. The market is a location where buyers and sellers conduct transactions for any reason, and where "Consumers" play an unavoidable role, since the purchase of any commodity is entirely dependent on the buying behavior of the consumer or customer [1]. Consumer Behavior refers to the actions that consumers do while searching for, acquiring, using, reviewing, and disposing of things and services that they believe will meet their requirements. Environmental impacts on consumer behavior include social and personal issues.

Personality, self-concept, motivation and participation, learning and memory, and consumer attitude are all individual drivers of consumer behavior. Social scientists have presented models for analyzing many elements of consumer behavior. The models all speak about the stimulus and action matrix. The market has gotten even more competitive in this age of Consumerism and Demarketing. Consumerism is a social movement of individuals and governments to strengthen buyers' rights and powers in relation to sellers. It refers to the expanding range of operations undertaken by the government, businesses, and independent organizations to defend consumers' rights. Consumerism is focused with safeguarding customers from all organizations with whom they interact. Demarketing, on the other hand, has an impact on customer purchase patterns. There are consumer issues with hospitals, libraries, schools, police departments, and numerous government institutions, as well as with businesses. Businesses must thrive in the middle of all of this turmoil. Knowledge and effort invested in understanding changing customer behavior will assist organizations in expanding [2], [3].

This literary work examines consumer behavior in a variety of businesses, including the FMCG, banking, and hospitality industries, among others. In every other evaluation of consumer behavior towards different sectors, a new marketing plan is observed to be formed, taking into account their distinct measurements of purchasing behavior towards their items or services. This study has developed a recommendatory model for how the elements impact customer behavior. This model is based on reviews and takes into account the elements affecting customer behavior in today's changing world. When it comes to consumer behavior, it is a relatively new area of study. The market has moved from seller to buyer. As a consequence, the focus of manufacturers has switched from goods to customers, and they are now paying careful attention to how people behave. Buyer behavior has emerged as a distinct field from marketing as a result of consumer-oriented marketing. Consumers are clearly being treated seriously, as seen by increased levels of consumer protection and regulation.

Because of the complexity of human behavior, marketers have a tremendous problem. As a result, marketers now need to understand more about customer purchasing behavior. As a consequence, marketers were able to utilize this data to forecast future customer behavior and create four marketing approaches to establish a long-term client relationship (Consumer Behavior Paper Code: MBGN 3001, n.d.; War & Chart, n.d.). Marketers have long been fascinated by customer behavior. Consumer purchasing behavior typically determines what precisely inspires them to make purchases. Many studies on customer behavior, like the one mentioned above, have been undertaken. Understanding consumer behavior helps marketers better understand how customers pick among several alternatives, such as products brands and the like, and how they are influenced by their environment, reference groups, families, salespeople, and other variables. By understanding how individuals make choices, the



Vol 10, Issue 5S, May 2023

marketer may build a product that will appeal to customers [4]. Two of the most critical consumer behavior questions a marketer must answer are: How do potential consumers determine which things to buy? What factors influence their decision-making, and how?

There are few fields of social science that are as broad, intricate, socially relevant, and a source of fascination as consumer behavior. You should be aware that researching consumer behavior entails examining people's day-to-day activities. This includes both significant and small social issues, as well as a wide range of human and organizational behaviors. An appropriate grasp of consumer behavior and underlying theories is critical for the success of any marketing or even non-marketing venture, whether it is selling soap, running for office, or following a social programmer. Consumption is a social activity. Improved knowledge of this area of social activity may lead to initiatives by public and commercial organizations, as well as individual consumers, that will improve the quality of consumption-related behavior. Consumer behavior information and ideas may be utilized by both public and commercial organizations who run programmers to answer the question, "How should consumers buy?" National and municipal laws and regulations, as well as consumer interest group initiatives, now have a prescriptive nature, according to their own conceptions of what customers should do. Such intelligence may lead to both consumer protection initiatives and a greater understanding of how these activities affect consumers. Knowledge and hypotheses about consumer behavior are also essential intellectually. In the social sciences, this is a largely untapped subject. Nonetheless, this is a wonderful framework for developing and testing hypotheses from practically every scientific field dealing with human behavior. It is now clear that consumer behavior research has a lot of promise for application to real-world issue solving - both micro and macro marketing challenges. Effective marketing choices by commercial enterprises, charitable groups, and regulatory bodies need comprehensive consumer behavior research. Researchers in other social science areas may benefit from understanding consumer behavior as well.

Micromarketing issues are those that are closely relevant to the function of marketing managers. A marketing manager must efficiently manage marketing operations, conduct research to identify/reveal many hidden reasons of his clients, and make a variety of innovative selections. As a result, he encounters (a) management, (b) research-oriented, and (c) creative challenges in his work. They are closely connected to his primary activities and are described as such. micro-marketing areas. As a result, marketing managers confront three micro-marketing difficulties, to which they might use consumer behavior knowledge and techniques. In order to solve these micromarketing issues, theories must be used. In the next part, we will look at how consumer behavior theories may be used to management, research-oriented, and

creative difficulties (micro-marketing problems) that marketers encounter.

Using Consumer Behavior Theory to Solve Management Problems: Society are rapidly evolving. With such developments, people's expectations, aspirations, and needs evolve in tandem with societal and technical advances. Anything you manufacture and sell successfully now may not be wanted by the same set of people tomorrow. Everyday requirements fluctuate. The ability to foresee and respond to changes determines one's success in the marketplace. Marketers confront a significant difficulty in this area. Customers are growing more knowledgeable, demanding, and critical of advertising promises as they become more educated and wealthier. This has resulted in the creation of a new class of consumers that must be dealt with and managed differently [5].

#### II. DISCUSSION

Consumer wealth generates a need for new and varied sorts of items. In the face of fierce rivalry, a marketer who can foresee these developments long ahead of his rivals' triumphs. Increased knowledge and prosperity of individuals in our country's metropolitan centers, for example, have produced demand for sliced bread, packed and fast food, and things such as apartments. The current generation's increased health awareness has produced a demand for mineral water that our predecessors could not possibly imagine. Marketers that foresaw this created such items before others and reaped the most profit from the chance. But, the issue of 'how can you foresee new markets' persists. The solution rests in your understanding of consumer behavior theories. Consumer behavior theory gives managers the right questions to ask and the right solutions to implement. Without a practical grasp of customer behavior, it is hard to be a successful marketing manager in the long term. Using Consumer Behavior Theory to Solve Research-Oriented Problems: Consumer research is an essential component of marketing choices. It is difficult for one company's product to suit the needs of all customers in a given product category. Since customers vary in many dimensions, they need goods with a variety of attributes. What should marketers do if they are aware of these variations? Marketers confront several challenges in determining the answers to these questions.

Consumer behavior research may identify variations between customers and assist marketers in segmenting markets and delivering various sorts of goods that best fit the differences. Consumer research may also help you transform a product failure into a success. Marketers must do ongoing consumer research. Knowledge of customer behavior and the theories that explain such actions may greatly assist marketers in conducting research in its actual context. Using Consumer Behavior Theory to Solve Creative Problems: This is the era of fierce rivalry. Everyone strives to provide better customer service than his competition. Competitors who excel may ensure your long-term survival. To outperform



Vol 10, Issue 5S, May 2023

your opponents, you must pursue your actions strategically. What does strategy imply in this context? A strategy is a plan or system used to deceive an opponent. To effectively compete with rivals, modern marketers must move strategically in all aspects of their marketing operations. And the subjects covered include everything from product creation to price, advertising, and distribution. Why does a marketer need to develop strategy and undertake actions based on those strategies? There are several explanations for this. Initially, the market is swamped with items. If you want your product to be identified among the many other items, you must offer it in a unique way. How do you go about doing that? By placing your goods strategically in the eyes of current and future buyers. Second, the bulk of the items on the market are genuinely comparable. The only difference might be the brand name or the package.

To establish your brand in the eyes of customers, it must be presented superbly. Customers may purchase your rivals' brands if you fail to do so. For example, paracetamol is a generic product. Various brands of paracetamol have the same chemicals and are most likely equally effective. So why do certain brands of paracetamol sell so well? The reason for this is because they are effective in convincing consumers/prescribers that theirs is superior. This is also accomplished via clever maneuvering. Finally, the development of mass media has enabled every corporation to communicate its message to customers, resulting in commercial clutter. Consider advertisements/commercials you view in one hour of sitting in front of a television screen. Remember how many of them you can recollect as well. You probably only remember advertising that struck you as inventive or exceptional. A person is constantly inundated with adverts from various media. He only attends to those who are able to catch his attention.

Advertising materials should consequently be very imaginative and well-prepared in order for the audience to remember and recall them. If you understand consumer behavior and the theories that explain it, you will be able to determine how to prepare your message for consumers to distinguish it from other messages provided by your rivals [6]–[8]. Pricing issues affect marketers as well. Goods should be priced such that they are both appealing to buyers and affordable to them. Pricing should also take into account the prices of rivals. Again, you must be inventive. Knowing the profile of your customers allows you to establish suitable pricing, which may be done efficiently utilizing consumer behavior knowledge and theories. To reduce the danger of poor distribution decisions, you must also be familiar with consumer behavior theories and their implementations. Goods should be offered where customers want them. Setting up and maintaining a suitable distribution network is a significant challenge for marketers. This difficulty may be greatly reduced by using consumer behavior information or by investigating the thoughts of your customers.

# 2.1 Application of Consumer Behavior Theory to Macro-Marketing Issues:

Consumer behavior information and theories may also be employed in other areas known as macro marketing sectors, in addition to addressing micro-marketing difficulties. Nonprofit marketers, public policymakers, economic planners, and academics in other fields of social sciences may benefit from consumer behavior information, new results in this subject, and ideas. The following topics are covered in this discussion: Nonprofit Marketers' Use of Consumer Behavior Theories: Nonprofit organizations such as charities, religious groups, relief and welfare agencies, museums, and different public services are using marketing ideas to improve the efficiency of their operations. These companies serve two markets: service consumers and financiers. They must keep both markets satisfied. Good understanding of customer behavior gives them with important hints for developing tactics tailored to each group. Using Consumer Behavior Theory to Make Public Policy Decisions: In many nations, government authorities make regulatory judgements to curb misuse in the form of direct deception of customers by marketers. Customers are duped in a variety of ways, including imitation items and false advertising.

Moreover, some marketing operations endanger the environment. Chemical waste, littering the non-biodegradable containers, and the development and marketing of some immoral items should not be tolerated for long. For the interest of consumers, governments have taken and continue to take aggressive positions against such activities. Consumers may benefit from various government programmers. But, before taking action against such acts, the consumer mentality must be thoroughly investigated. It is necessary to know whether they support or oppose the acts of government regulatory bodies in order for the efforts to be sustained. Otherwise, their efforts will be in useless. The government of Bangladesh, for example, may decide to impose a ban on the manufacturing of polythene bags due to their environmental effect. This is done in order to safeguard customers from environmental dangers. But what if customers are opposed to such a government action? It is consequently critical for public policy makers to understand consumer behavioral patterns before taking implementing any action.

Knowledge of consumer behavior may therefore assist public policymakers in better understanding people's brains and response patterns to various public policies. Use of Consumer Behavior Theory in Other Social Sciences Disciplines and Its Broad Application: Even from an academic viewpoint, understanding consumer behavior and its theories is essential. We all know that consumer behavior is a somewhat untouched topic. Nonetheless, it is a wonderful setting in which to develop and test hypotheses from practically every scientific field dealing with human behavior. Anthropologists, sociologists, psychologists, economists, political scientists, and geographers may benefit



# Vol 10, Issue 5S, May 2023

from consumer behavior theories as well. Since they work with people, they must understand their behaviors, and consumer behavior theories may be quite useful in this area. As a result, consumer behavior has a huge potential for people in the marketing profession, as well as those in other professions, to add to the general inventory of information about human behavior [9], [10]. This thorough research has illustrated the many aspects of understanding customer behavior. Such consumer behavior studies assist marketers in recognizing and forecasting customer buying behavior. It also assists marketers in understanding not just what consumers buy, but also why they buy it. So, with the aid of the proposed model, it will be simple to understand how consumer behavior is impacted and what are the key elements affecting customers in today's contemporary period. The advice idea adds to the momentum of developing commercial opportunities [11], [12].

#### III. CONCLUSION

Consumer behavior is the literal study of a consumer's behavioral pattern that guides their purchasing choices and attitude. Consumer behavior is a dynamic component that has the ability to attract enterprises. The primary goal of marketing a product is to meet the expectations and desires of the consumers. The study of consumer behavior contributes to this goal. This review research was performed generally under five headings: factors impacting consumer behavior, factors related to demographics, consumer preferences and attitudes, quality and innovation, and current models of consumer behavior.

## REFERENCES

- [1] G. Festa, M. T. Cuomo, G. Metallo, and A. Festa, "The (r)evolution of wine marketing mix: From the 4Ps to the 4Es," J. Bus. Res., 2016, doi: 10.1016/j.jbusres.2015.10.015.
- [2] A. Chopra, V. Avhad, and and S. Jaju, "Influencer Marketing: An Exploratory Study to Identify Antecedents of Consumer Behavior of Millennial," Bus. Perspect. Res., 2021, doi: 10.1177/2278533720923486.
- [3] Y. K. Dwivedi et al., "Setting the future of digital and social media marketing research: Perspectives and research propositions," Int. J. Inf. Manage., 2021, doi: 10.1016/j.ijinfomgt. 2020.102168.
- [4] C. Alfs, "Consumer Behavior Knowledge for Effective Sports and Event Marketing," Eur. Sport Manag. Q., 2011, doi: 10.1080/16184742.2011.578144.
- [5] K. Y. Koay, D. L. T. Ong, K. L. Khoo, and H. J. Yeoh, "Perceived social media marketing activities and consumer-based brand equity: Testing a moderated mediation model," Asia Pacific J. Mark. Logist., 2021, doi: 10.1108/APJML-07-2019-0453.
- [6] J. Cruz-Cárdenas, E. Zabelina, J. Guadalupe-Lanas, A. Palacio-Fierro, and C. Ramos-Galarza, "COVID-19, consumer behavior, technology, and society: A literature review and bibliometric analysis," Technol. Forecast. Soc. Change, 2021, doi: 10.1016/j.techfore.2021.121179.

- [7] L. Svajdova, "Consumer Behaviour during Pandemic of COVID-19," J. Int. Bus. Res. Mark., 2021, doi: 10.18775/jibrm.1849-8558.2015.63.3005.
- [8] J. P. Govender and T. L. Govender, "The influence of green marketing on consumer purchase behavior," Environ. Econ., 2016, doi: 10.21511/ee.07(2).2016.8.
- [9] C. Tanrikulu, "Theory of consumption values in consumer behaviour research: A review and future research agenda," International Journal of Consumer Studies. 2021. doi: 10.1111/ijcs.12687.
- [10] A. S. Ajina, "The perceived value of social media marketing: An empirical study of online word of mouth in Saudi Arabian context," Entrep. Sustain. Issues, 2019, doi: 10.9770/jesi.2019.6.3(32).
- [11] L. Alvino, L. Pavone, A. Abhishta, and H. Robben, "Picking Your Brains: Where and How Neuroscience Tools Can Enhance Marketing Research," Frontiers in Neuroscience. 2020. doi: 10.3389/fnins.2020.577666.
- [12] A. K. Sahu, R. K. Padhy and A. Dhir, "Envisioning the future of behavioral decision-making: A systematic literature review of behavioral reasoning theory," Australas. Mark. J., 2020, doi: 10.1016/j.ausmj.2020.05.001.

ers..developing



Vol 10, Issue 5S, May 2023

# Family Influences and Decision Making

[1] R Thanga Kumar

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] thanga@cms.ac.in

Abstract—A family has a significant role in how a person uses and disposes of things. Two or more individuals who live together, are related by blood or marriage, have a shared residence, a common source of income, and comparable status and values are said to constitute a family. In order to comprehend the impact of families on consumer behavior and effectively place a product in the market, a marketer must be familiar with family structure, family compositions, purchasing habits, family members' responsibilities and motivations when making purchases, life cycle phases, etc.

Index Terms— Customer, Decision Making, Family, Influences, purchasing.

#### I. INTRODUCTION

The conventional FLC covers customer s' family dynamics when they get married, have kids, move out of the house, lose a spouse, and retire. The phases and the consumer behaviors related to each stage are explained in Table. But customers are not required to go through each stage—they are free to skip a few.

#### 1.1 Newly Single

Young singles may cohabit at this point with partners, live alone, with their nuclear families, or with friends. These customers often have little financial commitments and don't feel the need to save for their futures or retirement, despite the fact that their salaries are typically modest. Many of them discover that their spending is equal to their income on things like vehicles, furniture for their first homes away from home, clothes, entertainment, alcoholic drinks, cuisine away from home, vacations, and other goods [1].

#### 1.2 Recently Wed Couples

Due to the fact that they often have two paychecks available to them to spend on their single family, newlywed couples without children are typically in a better financial situation than they were when they were single. These families often devote a significant portion of their money to buying vehicles, clothes, trips, and other luxuries. Also, they tend to be more sensitive to advertising and have the highest average and buy rate of durable goods (especially furniture and appliances).

# 1.3 Full Nest I

As the first kid is born, parents start to reassess their responsibilities in the family and determine whether one parent will remain at home to look after the child or whether they will both work and pay for daycare. Families are likely to move into their first house at this era, buy furniture and other baby-related products, as well as brand-new items like baby food, toys, sleds, and skates. Families are less able to save as a result of these needs, and the husband and wife often feel unhappy about their financial situation.

#### 1.4 Full Nest II

The working spouse's income has increased at this point since the youngest kid is now old enough to attend school. As a result, the family's financial situation often becomes better, but they start spending more and in bigger amounts. As the family often purchases large-sized packages of food, cleaning supplies, bicycles, music lessons, clothes, sports equipment, and a computer, the children continue to have a significant effect on the family's consumption habits.

#### 1.5 Full Nest III

The family's financial situation often continues to improve as they get older and the parents reach their mid-40s since the main wage earner's income increases, the second wage earner is being paid more, and the kids are getting infrequent and part-time jobs. Usually, the family replaces some outdated furniture, invests in some upscale appliances, and pays for the children's schooling. At this stage, families also spend more on computers, purchasing extra PCs for their older kids. The financial situation of the family may be tougher than in other cases depending on where the children attend college and how many are pursuing higher education.

# 1.6 Married, No Kids

Marriage-only couples are more likely than others in their age group to have more spare money to spend on charitable causes, travel, and entertainment. These couples not only have lower costs, but they are also more likely to have two incomes, which makes it simpler for them to retire early provided they make wise financial decisions [2].

#### 1.7 Senior Singles

Age 40 and older singles may be divorced or widowed, terminating their marital status, or they may have never been married (choosing to live alone or cohabiting with partners), and any of these groups may or may not have children living in the home.

This generation now has more money available to spend on vacation and leisure, but they are under pressure to save for the future since they won't have a second source of income as they age.



Vol 10, Issue 5S, May 2023

#### 1.8 Empty Nest I

The family is now most content with their financial situation. The family can save more now that the kids have moved out and become financially independent. At this point, discretionary money is used to fund the couple's desires rather than the needs of the kids. In order to do so, they spend money on things like luxury goods, holidays, sports utility vehicles, dining out, travel, and products for their grandchildren.

## 1.9 Empty Nest II

Nevertheless, the income earners have retired this time, which often results in a decrease in revenue and discretionary cash. Spending becomes more focused on health, with a focus on things like drugs, medical equipment, and health. Nonetheless, a lot of these families are still active and in excellent health, which enables them to take trips, work out, and volunteer. To support their retirement and keep themselves socially active, many people stay working part-time[3].

# 1.10 Solitary Survivor

Solitary survivors may choose to work or not. If the surviving spouse previously had a job outside the house, he or she often keeps that job or finds another one in order to maintain social contact and live off of earned money rather than saving. At this stage, spending on clothes and food often decreases while spending money on services, entertainment, and medical care. Those who are unemployed often have fixed salaries, so they could move in with friends to split housing costs and provide company. Some might even decide to get remarried.

# 1.11 Retired Solitary Survivor

The overall consumption habits of retired solitary survivors are similar to those of solitary survivors, however their income may not be as great. They have the financial means to purchase a variety of goods, depending on how much they have been able to save over the course of their lives. These people have particular demands for care, love, and security because of their lifestyle choices. When examining marketing and communication strategies for goods and services, marketers refer to the definitions of these FLC phases, but they often tack on more data about consumer markets to assess their requirements, find niches, and create consumer-specific marketing plans.

# II. DISCUSSION

Making Decisions as a Family Families utilize things even though individuals typically purchase them. A complex process involving a number of roles and players determines what things should be purchased, which retail outlet to utilize, how and when products should be used, and who should purchase them.

#### 2.1 Role Behavior

Talcott Parsons, a sociologist, identified families and other groupings as exhibiting instrumental and expressive role behaviors. Financial, performance, and other tasks are done by group members in instrumental roles, often known as functional or economic roles. Supporting other family members in making decisions and expressing the family's aesthetic or emotional needs, including sustaining family standards, are all aspects of expressive responsibilities. Personal Contributions to Family Purchases Family consumption choices contain at least five clearly defined roles that can be filled by spouses, kids, or other household members. It's common to have both several performers and various roles.

Marketers must interact with customers playing each of these roles while keeping in mind that various family members will play different roles based on the circumstance and the offered goods. Children, for instance, consume various items such as clothes, toys, and cereal but may not purchase them. While the children may be significant as influencers and users, one or both of the parents may be the decision- and buyer-maker.

#### 2.2 Family Roles

Roles or duties like doing the laundry, cooking, setting the table, bringing out the trash, and walking the dog must be performed by one or more family members for the family to work as a cohesive unit. Family-related responsibilities are continually evolving in our complex culture.

#### 2.3 Significant Family Consumption Roles

The roles that the various family members perform will change depending on the product. A woman purchases a fresh sort of juice for the family while grocery shopping at the market. Her buying choice was not directly influenced by other family members. She is the buyer and the decision-maker, but she may or may not also be the preparer and one of many users. The buying choice is likely to be made jointly or as a group when it comes to items like televisions, cars, music systems, furniture, or any other goods that the family may use jointly or individually[4]. The decision-making process in a family involves eight different responsibilities. The following roles may help us understand behave in their different how family members consumption-related duties:

- 1. Influencers: Members of the family who provide knowledge and counsel and so influence the purchase. The housewife informs her family about the neighborhood's newest restaurant, and her positive assessment of it affects her husband and adolescent children.
- 2. Gatekeepers: Members of the family who manage the flow of information about a product or service and so have an impact on other family members' judgements. When a teenage son expresses a desire for a racing bicycle, he may hide from his father a large amount of pertinent information about all brands other than the one he prefers, so swaying his father's choice in favor of the favored brand.



# Vol 10, Issue 5S, May 2023

- 3. Deciders: Members of the family who have the authority to decide, individually or collectively, whether or not to purchase a good or service. The husband and wife may decide together whether to buy a new refrigerator.
- 4. Buyers: The members of the family who make the actual purchase of a certain item or service. The individual who really purchases the food, supplies, and amenities used by the whole family may be the housewife.
- 5. Preparers: Members of the family who change the product into the form that it is ultimately eaten in. The homemaker may utilize raw veggies, lentils, spices, oil, and other items to produce the family supper.
- 6. Users: Members of the family who use or ingest a certain item or service. All members of the family are permitted to use the automobile, watch television, and listen to the stereo.
- 7. Maintainers: Any family members that maintain or fix the item to ensure continuing enjoyment.
- 8. Disposers: Those family members who organize, carry out, or discontinue the use of a certain product or service.

## 2.4 Conflict Resolution and Influence Spouses

Husbands and wives often try to persuade one other to choose what they believe to be the best when making purchasing selections outcome. There are six influencing techniques that may be used to settle disputes between husbands and wives about consumption:

- 1. Expertise: A spouse's effort to persuade the other spouse using his or her greater knowledge of available options.
- 2. Legitimacy: A spouse's effort to sway the other spouse based on their relative status in the family.
- 3. Bargaining: An effort by one spouse to obtain power now in return for something from the other spouse later.
- 4. Reward: An effort made by one spouse to influence the other spouse's actions by providing a reward.
- 5. Emotional: A spouse's effort to utilize an emotional response to sway the other spouse's conduct[5].
- 6. Impression: Any efforts by one spouse to persuade the other to change their conduct.

When husbands or wives are at odds with one another over a particular purchase choice, they often utilize these persuasion tactics to win the other spouse over. For instance, we have all had moments when we went to several restaurants, saw various films, or had various kinds of family vacations. These are only a few of the practically limitless scenarios of possible family consumption disputes that may arise.

# 2.5 Children

As any parent will attest, young kids start trying to have an impact on family choices as soon as they learn the fundamental communication skills required to connect with other family members ("Get me a cookie," "I want a Barbie doll," "Let's dine at McDonald's"). Children that are older are probably going to take a more active role in family consumption activities. In a poll of kids between the ages of 6

and 14, more than half said they had a say in family buying choices, including those about vacation destinations, audio equipment, and home computers. According to other study, kids may play a significant role in stoking enthusiasm in new technology and influencing real purchasing decisions. [6], [7] In terms of consumer behavior, the parent-child connection may be seen as an influence versus yield scenario. Children specifically try to persuade their parents to buy something (to yield). It is pretty obvious from watching customers in a store that kids try to persuade their parents to buy items of particular interest (such laundry detergents) for which they see TV commercials.

#### 2.6 Post-teens and teenagers

When it comes to their spending habits, many youngsters exercise prudence. Sports and fitness are what high school students (those in grades 7 through 12) are most passionate about. The majority of boys' spending between the ages of 16 and 19 goes towards movies, dating, entertainment, car expenditures, and apparel, whereas the majority of ladies' spending during same time period goes towards clothing, perfumes, and cosmetics. The adolescent market may be divided into many lifestyle categories. The adolescent market is segmented into four categories in the figure below. For marketers that want to concentrate their marketing efforts on a certain subset of adolescents, such a segmentation approach provides benefit.

# 2.7 Family advertising

In family marketing, ties between family members are emphasized depending on the roles they play, such as the relationship between the buyer and the family's consumer and the buyer and the decision maker. According to family marketing, certain purchases may include more than one decision maker, while others may involve more than one customer. The family marketing model, as shown in Figure, includes nine cells that each represent a different buyer-consumer connection. Marketers may promote and position items differently depending on where in the matrix different products lie in terms of their buyer-consumer connections. These responses do establish a family marketing strategy, even if they may not include all crucial relationships marketers should take into account. which establishes a connection between people and goods depending on the impact or purchase of items that each person has. The tendency in the restaurant business has been to concentrate on marketing to the family as a whole. Undoubtedly, the restaurant industry's goal to increase sales and profits led to the appeal to families.

#### 2.8 Influences on decision-making

What degree of relative influence do husbands and wives believe they have over various decision-making stages? What does this entail for marketers, then? Vacations, TVs, refrigerators, and living room furniture are all choices that are often made in concert. Decisions concerning categories



# Vol 10, Issue 5S, May 2023

including women's jewelry, men's casual wear, interior paint and wallpaper, and baggage often include autonomic decision-making. Marketers may attempt to decide which characteristics of a certain product to promote to various home members and which media will reach the important family member by identifying where on this "map" choices to purchase particular items sit.

# 2.9 Effects of the Decision Stage

At the various phases of the decision-making process, spouses have varying degrees of influence. In the case of many low-participation items, this transition from information search to final choice may be negligible, but it is more obvious for commodities that are dangerous or need a lot of family involvement. The most noticeable movement is seen in household appliances, cars, upholstered furniture, and carpets or rugs. Maybe among all of a family's buying selections, vacations are the most democratic. It is possible to schedule distinct campaigns to coincide with niche interests, particularly for goods that have a lengthy planning cycle [8].

#### 2.10 Employment Effects

In the past, marketers could identify which family member was most likely to buy a certain product by looking at the categories of the conventional role structure. Despite the fact that the conventional roles of purchasing still apply, men in dual-income couples could be willing to stop by the grocery store to pick up a few things, and working wives might drop the family vehicle off at the service station for an oil change. Nonetheless, modern couples are prepared to shop together for big-ticket products rather than shifting the customary shared purchasing obligations to just one spouse.

# 2.11 Effects of Gender

Couples are making more choices together as the gender gap closes. Qualls researched how families made choices about vacations, cars, kids' education, housing, insurance, and money. Previous research revealed that these choices were often made by the wife or husband. Qualls discovered that collaborative decision-making is now the norm for these items, with 80 percent of choices about children's housing and schooling being made jointly. A trend towards equality and more resources for women are leading to an increase in collaborative decision-making in product and service categories with high perceived risk [9]–[11].

# III. CONCLUSION

A family is a social unit in which every member influences and is impacted by others. Family ties are stronger than those of any other group, and when it comes to making decisions on the purchase of goods and services for consumption by the whole family, they act as a unified decision-making unit. Depending on his or her position, stage in the life cycle, and relational dynamics within the family, each member impacts and is impacted by other family members. As a result, family influences on consumer behavior may be explored by looking

at a family member's purchasing responsibilities, family dynamics, and stage in the life cycle.

#### REFERENCES

- [1] O. Koçak, N. Ak, S. S. Erdem, M. Sinan, M. Z. Younis, and A. Erdoğan, "The role of family influence and academic satisfaction on career decision-making self-efficacy and happiness," Int. J. Environ. Res. Public Health, 2021, doi: 10.3390/ijerph18115919.
- [2] C. Afonso Alves, A. P. Matias Gama, and M. Augusto, "Family influence and firm performance: the mediating role of stewardship," J. Small Bus. Enterp. Dev., 2021, doi: 10.1108/JSBED-01-2019-0015.
- [3] F. W. Kellermanns, K. A. Eddleston, R. Sarathy, and F. Murphy, "Innovativeness in family firms: A family influence perspective," Small Bus. Econ., 2012, doi: 10.1007/s11187-010-9268-5.
- [4] R. V. Mahto, J. S. Chen, W. C. McDowell, and S. Ahluwalia, "Shared identity, family influence, and the transgenerational intentions in family firms," Sustain., 2019, doi: 10.3390/su11041130.
- [5] N. A. Fouad, S. Y. Kim, A. Ghosh, W. H. Chang, and C. Figueiredo, "Family Influence on Career Decision Making: Validation in India and the United States," J. Career Assess., 2016, doi: 10.1177/1069072714565782.
- [6] A. Rojas and D. Lorenzo, "Environmental and social goals in Spanish SMEs: The moderating effect of family influence," Sustain., 2021, doi: 10.3390/su13041998.
- [7] J. B. Craig, C. Dibrell, and R. Garrett, "Examining relationships among family influence, family culture, flexible planning systems, innovativeness and firm performance," J. Fam. Bus. Strateg., 2014, doi: 10.1016/j.jfbs.2013.09.002.
- [8] J. Vautero, M. do C. Taveira, A. D. Silva, and N. A. Fouad, "Family Influence on Academic and Life Satisfaction: A Social Cognitive Perspective," J. Career Dev., 2021, doi: 10.1177/0894845320902270.
- [9] K. C. Cox, J. Lortie, D. R. Marshall, and R. E. Kidwell, "Beyond the balance Sheet: The effects of family influence on social performance," J. Bus. Res., 2022, doi: 10.1016/j.jbusres.2022.01.013.
- [10] V. Pike, A. Kaplan Ramage, A. Bhardwaj, J. Busch-Hallen, and M. L. Roche, "Family influences on health and nutrition practices of pregnant adolescents in Bangladesh," Matern. Child Nutr., 2021, doi: 10.1111/mcn.13159.
- [11] A. Duréndez and A. Madrid-Guijarro, "The impact of family influence on financial reporting quality in small and medium family firms," J. Fam. Bus. Strateg., 2018, doi: 10.1016/j.jfbs.2018.08.002.



Vol 10, Issue 5S, May 2023

# Consumer Decision Making Process

[1] Yashoda L

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] yashoda@cms.ac.in

Abstract—There are five fundamental phases in the decision-making process for consumers. Consumers use this technique to weigh their options before making a purchase. Problem identification, information search, alternative assessment, buy decision, and post-purchase evaluation are the five stages. Five fundamental phases make up the consumer decision-making process. Consumers use this technique to weigh their options before making a purchase. Problem identification, information search, alternative assessment, buy decision, and post-purchase evaluation are the five stages.

Index Terms— Consumer Decision, Process, Product, Purchasing.

#### I. INTRODUCTION

Consumer behavior is described as the actions taken by consumers while they are looking for, buying, using, assessing, and discarding goods and services that they believe will meet their requirements. How people decide to spend their available resources on consumption-related things is the main emphasis of the study of consumer behavior. The study of consumer behavior is quite broad. Consumer behaviors, according to the study of the procedures used when people or groups choose, buy, utilize, or discard goods, services, concepts, or experiences in order to satiate their wants and desires.

"The process and behaviors individuals participate in while looking for, choosing, acquiring, using, evaluating, and disposing of items and services so as to meet their wants and preferences" is the official definition of consumer behavior provided by Belch (1978). Either for the individual or in the context of a group or organization, behavior takes place. The study of how items are bought, used, and disposed of is a component of consumer behavior. As product usage may affect how a product is best positioned or how we might promote more consumption, marketers are often quite interested in it. The model acknowledges the significance of information in the choice-making of consumers.

Moreover, it highlights the significance of customer sentiments, but neglects to take those opinions into account in connection to behavior for subsequent purchases [1]. Consumer decision-making might seem complicated, yet all buyers follow the same fundamental stages to choose the goods and services that will best meet their requirements. Skypes in the decision-making process for consumers

#### 1.1Problem identification

Understanding the need for a service or product is the first stage in the decision-making process for consumers. Whether motivated internally or externally, need awareness has the same outcome: a desire. Consumers must acquire knowledge to comprehend how to satisfy wants once they become aware of them.

## 1.2Finding information

Consumers once again depend on internal and external considerations, as well as previous contacts with a product or brand, both favorable and unfavorable, while investigating their alternatives. They may peruse possibilities in person or check online sources like Google or customer reviews during the information stage.

#### 1.3 Alternatives assessment

At this stage in the purchasing process, potential customers have established standards for what they need from a product. They are now comparing their potential options to related alternatives. Lower pricing, more features, product availability, or anything as individualized as color or style selections are all examples of alternatives. Your marketing efforts should aim to persuade customers that your product is better than the competition.

#### 1.4Purchasing choice

The customer has been anticipating this moment for a while: the actual purchase. Consumers should make a reasonable decision about the product or service to buy after gathering all the information, including reviews from prior customers.

#### 1.5Post-purchase assessment

The finest marketers understand that a customer's worth to your business really doesn't stop with their purchase; rather, it just begins there. When the purchase is complete, your new objective is to build long-lasting connections with consumers to make sure that both you and your clients get the most out of your goods.

# 1.6 Consumer decision-making occurs on three levels:

Substantial problem-solving, no standards for assessing the product have been defined by consumers, and there are still plenty of brands to choose. Consumers have developed certain fundamental standards for evaluating products, but they don't yet completely understand what brands they like. Customers have some expertise with the product category; routine-response behavior. They have a set of standards for



Vol 10, Issue 5S, May 2023

evaluating products that are well-established. They could look up a little information or buy anything out of habit [2], [3].

An economic perspective: In an environment of perfect competition, the customer is often portrayed as making logical choices. The customer is portrayed as essentially being subservient ("underdoing") to marketers' self-serving goals and marketing strategies in ii. a passive perspective. an emotional view: link profound sentiments or emotions, such as joy, fear, love, hope, sexuality, imagination and even a little 'magic', with specific purchases or belongings. These emotions or sentiments are probably quite involved. A cognitive perspective: In this approach, customers are typically portrayed as either open to or actively looking for goods and services that meet their wants and improve their lives.

# 1.7 Purchasing Behavior Before:

As a customer becomes aware of his demands, he starts looking for information. In order to make the best choice, he follows suit. He collects data on the following topics: product brands, product variations, product quality, and product substitutes. Depending on his or her age, gender, and level of knowledge, as well as the cost, danger, and acceptability of the product, the customer may obtain information about it.

#### **1.8**Post-Purchase Conduct

Post-buy behavior includes all the actions and events that occur after a purchase. Customers often suffer post-buy dissonance after completing a purchase. People sometimes regret the choices they've made. That mostly happens because there are so many options accessible, and those options often perform well or are appealing. Marketers may need to reassure customers that the decision they made was the correct one. If there are any doubts, the vendor may address them and resolve them by mentioning or even emphasizing the key qualities, aspects, and advantages of the goods. The degree of happiness that the buyer derives from using the product is adversely correlated with a high level of post-purchase dissonance. Consumers sometimes even return or swap the items to lessen post-purchase dissonance [4].

# II. DISCUSSION

The consumer decision-making process details a number of phases a customer takes, starting with recognizing the need for an item or service and concluding whether or not the final purchase fits those criteria and expectations. Understanding how consumers decide is essential because it helps firms to anticipate user needs and create marketing or sales strategies based on those needs. The following advantages also come from knowing how buyers decide: Marketers and salespeople profit immensely from understanding customer purchasing patterns in a particular sector. It helps experts in these fields to create innovative sales and marketing campaigns that persuade more customers to buy a company's goods rather

than those of a rival. Provides details on the clientele Future marketing campaigns, PR campaigns, or product launches might be organized on the way customers make decisions. It inspires marketing and sales professionals to analyses a customer's initial requirements, the many channels they may use to purchase goods, and the factors they take into account, such as pricing, product design, and quality. Extends consumer base and boosts sales.

By understanding how customers make decisions and figuring out the best methods to reach them, you can increase product sales and grow your clientele. Professionals are able to create tailored marketing materials and distribution tactics by having a thorough understanding of how the average client responds to a demand. Reveals practical information for marketers: The benefit of thoroughly understanding decision-making processes is that it enables marketers to better understand what happens after a customer buys a product or signs up for a service. Since they can assess what consumers need to be content throughout the consumption and post-evaluation stages, this is useful for marketers [5]. In the field of marketing, some models of consumer behavior refer to satisfaction as the decision processor's ultimate output and include it in the feedback system that connects completed experiences to subsequent customer behavior in markets. For instance, Nicosia and Mayer (1976) ascribe the existence of CS/D to consumers predominate interest in their "ultimate act," which is the acquisition of goods.

The end result in the context of purchasing choices is depicted in their consumer behavior models as contentment. According to these buyer behavior models; a customer would feel happier if the final result of a product is seen to be superior to or comparable to what was anticipated. The customer will be displeased, though, if the actual result is found to be less satisfactory than anticipated. According to the idea of self-concept, every self-image has a value association that influences how much of a positive or negative impact is experienced when that self-image is engaged. The conventional notions of ideal self-image, ideal social-image, etc. are replaced by this value component related with a specific self-image.

Every product picture additionally includes a value element that reflects the emotive potency of the related attribute. The interaction between a particular value-laden self-image and a corresponding value-laden product image results in positive self-congruity (a match between a positive product image and a positive self-image), positive self-incongruity (a match between a positive product image and a negative self-image), negative self-incongruity (a match between a negative product image and a positive self-image), or negative self-congruity (a match between a negative product image and Tourists' assessment of the destination (including the kind and caliber of resorts, rates, hotel ambience, mood, etc.) "is likely to impact the construction and evolution of the destination visitor image," The specific component of the self-concept that is recalled in



Vol 10, Issue 5S, May 2023

the psychological process of self-congruity is at issue given that the self-concept is multidimensional in nature (such as real, ideal, social, and ideal social self). This is seen, for instance, in the service sector when the self-concept of the traveler matches the image of the visitor to the location. Tourists may assess destinations based on the practical or utilitarian qualities of the destination in addition to emphasizing the symbolic (person-like) qualities of the place. Functional congruity, which may influence destination travel and may be connected to self-congruity during the consumer decision-making process, is the match between the destination's degree of a utilitarian feature and the tourist's anticipation of the attribute.

#### 2.1 Consumer Decision-Making Process Stages

The consumer decision-making process contains a number of phases. The following stages are described in detail:

Need Recognition: The first step in the consumer decision-making process is the recognition of a need or issue. At this point, the customer has realized that there is something lacking and is looking for ways to fill it. The consumer determines his wants that motivate him to search for opportunities for satisfaction of his needs. Information Search: Once a consumer has identified the issue, he looks for details about various products that are currently on the market. The consumer obtains information about numerous goods and services that might meet his needs. For this, he draws on both personal and business sources. Family, close friends, and peers are examples of personal sources, whereas newspapers, television, radio, and the internet are examples of commercial sources. Assessment of Alternatives- After collecting data from all available sources, customers examine a range of product alternatives before choosing the best one. He weighs the benefits and drawbacks of the many options that are accessible. Regarding the characteristics of a product, brand, etc., the customer will construct a set of options that suit his wants, preferences, taste, personality, and lifestyle [6]. Selection and Trial: The consumer makes his initial purchase in this case to test out the products while keeping his set of preferences in mind. He utilizes a variety of things for a short period of time or buys them in tiny amounts to form an opinion about them. After giving a product a try and being completely happy with its quality, the customer makes the choice to purchase it to meet his demands. Here, the customer has obtained all the necessary knowledge after weighing all the available information, coming to a decision to purchase a product.

Finally, he decides on a product, brand, dealer, amount, and time of purchase. Post-purchase behavior is the consumer's behavior after making a purchase in which he assesses whether the product met his expectations or not. He will learn whether a product is practical or not. Following a purchase, there are three possible outcomes: 1) a product's actual performance matches expectations, which will encourage repeat purchases from customers, 2) a product's actual performance exceeds expectations, which will

encourage customer loyalty, and 3) a product's actual performance falls short of expectations, in which case customers will reject the product[7]. Extensive problem solving is the first stage of the consumer's decision-making process when he is still developing his assessment criteria. Buyer is heavily associated with items for their critical assessment since they have minimal knowledge of brands and products. There are many brands being evaluated, and there is enough time to finalize the product. These selections are made while purchasing expensive goods like cars and motorcycles, etc. Limited Issue Solving: This stage of the consumer decision-making process has progressed.

Customers choose items with a reasonable amount of participation. He searches for items broadly, evaluating just a few competing brands. The customer completes the purchasing process faster since the selection criteria are clearly specified. It occurs while buying goods like apparel, footwear, and cosmetics. Routine Reaction Behavior - In this case, buyers show relatively little interest in the things they purchase and just little comparison shopping. He frequently makes all purchase decisions and has a strong preference for one brand. Low product costs encourage speedy selection of any item that meets demands. It applies when making a purchase of items like soap, toothpaste, shampoo, etc. It occurs while buying goods like apparel, footwear, and cosmetics. Routine Reaction Behavior - In this case, buyers show relatively little interest in the things they purchase and just little comparison shopping. He frequently makes all purchase decisions and has a strong preference for one brand. Low product costs encourage speedy selection of any item that meets demands. That holds true for items like soap, toothpaste, shampoo, and others.

## 2.2 Models of Consumer Decision Making

Economic Model: This model makes the assumption that a customer is a rational individual who makes decisions based only on reason. His ability to compare a wide range of items and analyses their benefits and drawbacks gives customers the knowledge they need to make wise purchasing decisions. He has extensive knowledge of all current alternative brands and ranks them according to their characteristics, quality, applications, and downsides. Economic models are seen as being unrealistic since individuals don't always act logically when making purchases and because they don't take into account abilities, preexisting values, and perceptions[8]. Passive Model: The passive model holds that marketing promotions have an impact on customers' purchasing decisions. People react immediately to the market's brands' advertising appeals. The customer will evaluate items according to their market position and the manner in which they are being pushed in the marketplace, according to this model, which is the opposite of the economic model. Passive models are also impractical because they overlook the reality that people have the capacity to independently get information from the market to weigh alternatives before making purchasing decisions. Out of the four models for the



Vol 10, Issue 5S, May 2023

consumer decision process, the cognitive model is one of the best. According to the cognitive model, consumers make all of their purchasing choices based on what interests them and what they can grasp about the market. This model completely disregards how consumers' rational needs and marketing promotions play a role in their decision-making. All marketers must help customers develop decision-making processes that lead to quick purchases. Emotional Model - The emotional model of consumer decision making holds that a person's emotions have a significant impact on their purchasing behavior. Customers are thought to be emotional people who behave emotionally. They identify themselves with products and services, which causes them to make rash judgements. Less time is needed to make a decision about the product, and both good and negative emotions are formed about it. So, only items that elicit pleasant feelings are bought, while all those that elicit negative emotions are shunned.

#### 2.3 Guidelines for Consumer Decisions

Compensatory Decision Rule: This decision rule calls for relevant product qualities to be considered while assessing them in order to make a buying choice. Before deciding to buy a product, he weighs all of its attributes thoroughly, weighing their advantages and disadvantages. The non-compensatory decision rule states that a product's attractive features cannot cause a customer to ignore its drawbacks. It holds the opinion that favorable product reviews won't make up for bad ones [9]–[11].

Conjunctive Choice Rule: In accordance with this rule, the customer establishes a minimal cut-off point for each product characteristic. If any of a brand's qualities go below the cut-off threshold, it is avoided.

Disjunctive Decision Rule: Under this rule, the customer establishes the cut-off point for solely relevant product features. The customer selects a product that excels in at least one of its attributes.

Lexicographic Rule: This one entail ranking product characteristics according to their significance before comparing the most significant characteristics. Product that excels in consumer-important characteristics is chosen.

# III. CONCLUSION

Some consumer behavior models that are employed in the decision-making process. Understanding how customers make decisions helps you anticipate their wants, which in turn enables you to develop marketing or sales tactics based on those demands. The five-stage decision-making process model that is suggested in this study may be useful for any purchase or post-purchase and is a smart market strategy going forward.

#### REFERENCES

- [1] S. Zak and M. Hasprova, "The role of influencers in the consumer decision-making process," SHS Web Conf., 2020, doi: 10.1051/shsconf/20207403014.
- [2] A. Millwood, "Understanding the Consumer Decision Making Process," Yotpo, 2021.
- [3] G. Lăzăroiu, O. Neguriță, I. Grecu, G. Grecu, and P. C. Mitran, "Consumers' Decision-Making Process on Social Commerce Platforms: Online Trust, Perceived Risk, and Purchase Intentions," Frontiers in Psychology. 2020. doi: 10.3389/fpsyg.2020.00890.
- [4] A. Stankevich, "Explaining the Consumer Decision-Making Process: Critical Literature Review," J. Int. Bus. Res. Mark., 2017, doi: 10.18775/jibrm.1849-8558.2015.26.3001.
- [5] V. Butkevičiene, J. Stravinskiene, and A. Rutelione, "Impact of consumer package communication on consumer decision making process," Eng. Econ., 2008.
- [6] C. Mihart, "Impact of Integrated Marketing Communication on Consumer Behaviour: Effects on Consumer Decision – Making Process," Int. J. Mark. Stud., 2012, doi: 10.5539/ijms.v4n2p121.
- [7] D. Shim, J. Shin, and S. Y. Kwak, "Modelling the consumer decision-making process to identify key drivers and bottlenecks in the adoption of environmentally friendly products," Bus. Strateg. Environ., 2018, doi: 10.1002/bse.2192.
- [8] O. Mishra, "Sources of need recognition in online consumers decision making process," Int. J. Exclus. Manag. Res., 2018.
- [9] V. Tassiello, J. S. Tillotson, and A. S. Rome, "'Alexa, order me a pizza!': The mediating role of psychological power in the consumer-voice assistant interaction," Psychol. Mark., 2021, doi: 10.1002/mar.21488.
- [10] R. Hidayat, "Faktor-Faktor yang Mempengaruhi Consumer Decision Making Process (Studi Kasus Rumah Makan Bebek Sinjai Madura)," JIEMS (Journal Ind. Eng. Manag. Syst., 2017, doi: 10.30813/jiems.v9i2.40.
- [11] C. H. Chen, B. Nguyen, P. "Phil" Klaus, and M. S. Wu, "Exploring Electronic Word-of-Mouth (eWOM) in The Consumer Purchase Decision-Making Process: The Case of Online Holidays – Evidence from United Kingdom (UK) Consumers," J. Travel Tour. Mark., 2015, doi: 10.1080/10548408.2014.956165.



Vol 10, Issue 5S, May 2023

# The Importance of Consumer Behaviors in Businesses

[1] Supriya Rai

[1] Associate Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India
[1] supriya@cms.ac.in

Abstract—The behavior of consumers is crucial for companies. Consumer behavior is the study of how individuals choose and utilize goods, services, events, and concepts. It is crucial because it enables companies to comprehend the requirements, wants, and wishes of their consumers and develop goods appropriately. Consumer behaviour refers to the psychological procedures that consumers go through when they identify needs, seek solutions to these needs, decide whether or not to make a purchase and, if so, which brand and where to make the purchase, interpret information, make plans, and carry out these plans.

Index Terms—Businesses, Behavior, Consumer, Product, Service.

#### I. INTRODUCTION

"Assumptions and understanding of customer behavior are the foundation of all marketing choices." Consumer behavior has long been a hot issue in marketing since understanding how and why customers behave a specific way and make certain purchasing choices enables businesses to enhance their marketing tactics and increase their market share. Hence, one of the challenges that all marketers confront today is how to persuade people to buy their goods or services. Therefore, understanding consumer purchasing behavior sheds light on the psychology of how consumers reason, feel, and choose among available options (such as brands, products, and retailers), as well as how the consumer's environment (such as culture, family, and the media) influences him or her. It also clarifies how consumer motivation and decision-making differ between products. All of this helps us to understand how marketers might enhance their marketing initiatives to better connect with consumers. The variables and events that affect consumers' decision-making as it relates to their purchasing behavior. The study paper offers a survey of the key ideas, trends, and knowledge gaps in the area of consumer behavior.

Also given and discussed will be a framework of the variables affecting each stage of the decision-making process. In the conclusion, suggestions for more study in this area will be made [1]. The topic of purchasing decision-making was selected for a number of reasons. First of all, every individual plays the position of a consumer and makes several judgements about purchases every day. It is crucial to comprehend what factors—an issue or need or a professional marketing campaign—are affecting people's purchasing choices. Also, from the viewpoint of a marketer, understanding this subject is important in order to successfully target clients, enhance a company's goods and services, and comprehend how people perceive a product in comparison to that of rivals.

All of these actions have the effect of delivering value and ensuring customer happiness, resulting in a competitive advantage and raising the company's value. In the early twentieth century, academics began considering and putting out broad ideas and expanded frameworks in the area of consumer behavior. These days, academics look at precise causes and connections; also, more complicated issues involving fields like neurology are raised. As a consequence, new scientific disciplines emerge; neuromarketing is a prime example. Using the concepts of neuroscience to marketing research, neuromarketing studies how the human brain functions and responds to marketing stimuli. With time, consumer behavior trends also alter. People demand things to do in today's fast-paced world that not only entail engaging all of their senses, but also provide a variety of different touch points and completely novel experiences. The need for variety is growing, and experiences are expected to provide more. People are rejecting the concept of passively on-looking and believe that it is no longer sufficient to fully immerse an observer in an event. They now want to take an active role. Hyper-efficiency is required as a result of complexity. Individuals are searching for and discovering cleverer, more effective solutions to their issues. Individuals are maximizing their use of time and space and looking for clever methods to combine many tasks into a single structure. Customers have also experienced super-personalization. According to "Six Trends That Will Influence Consumer Behavior This Year," a 2014 report, new technology makes it possible to read people and provide them what they want, sometimes without their knowledge. Modern technology is ingrained in people's daily lives, and being online continually has become the norm. As a result, people's purchasing habits changing, and marketers must take this into consideration. Moreover, customers now want to know that the companies they buy from share their concern for the environment and the community. More companies are aligning with environmental and social concerns as of 2016 and moving forward in response to mounting demand on



Vol 10, Issue 5S, May 2023

brands to really stand for something bigger than the items they sell (Walsh, 2016) [2]. Also, it is essential to evaluate the traits of the millennial generation in today's world. As 48 percent of them say that social media has never affected their purchasing choices, they represent a crucial social media demographic that is resistant to social media influence.

Millennials often use many platforms and devices to consume material, and they frequently take their friends' opinions very seriously. So, it's crucial for marketers to comprehend how this market segment consumes information and how to effectively communicate with them via marketing. Reaching customers at these so-called "moments that matter" or "touch points," when consumers are most receptive to influence, is the only objective of marketing. Marketers look for such opportunities constantly. For years, the concept of a "funnel" has been used to explain contact points. Customers begin with a few prospective brands in mind (left side of the funnel), are directed by marketing to narrow that number of companies as they go through the funnel, and finally arrive with the one brand they have decided to buy (right end of the funnel). Nowadays, however, the idea of the funnel falls short of capturing all the contact points and important purchasing considerations brought on by the expansion of product options and digital channels, as well as the development of a more sophisticated customer. To assist marketers in navigating this environment, which is more complex than the funnel indicates, a more sophisticated strategy is needed. According to McKinsey, due of the shift from one-way communication between marketers and consumers to two-way communication between consumers and marketers, marketers now need a systematic strategy to meet customer demand and control word-of-mouth [3].

While discussing current topics, it is crucial to bring up building relationships with customers. Companies may find extra opportunities for customer engagement before, during, and after the purchase by better understanding the buying experience. For instance, the marketer's job has only began when customers decide to make a buy. Many customers use the internet to do further research after making a purchase. It is a continual loop where their perceptions are shaped by their post-sale experiences. Also, firms have the chance to make these consumer interaction moments meaningful and memorable by comprehending the customer moments (for example, the underlying values). The fundamental ideas and models in the area of consumer behavior and purchasing decisions will be reviewed and analyzed in this chapter of the research paper. The academics from the XX and XXI centuries will offer various notions and points of view. To begin with, the phrase "customer behavior" must be defined. Consumer purchasing behavior is defined as "the process through which consumers look for, choose, buy, utilize, and dispose of products and services, in fulfilment of their requirements and desires" by Business Dictionary. The following definition is often used by writers in research studies. Consumer behavior is the study of people, groups, or organizations and the methods they use to choose, get, use, and discard goods, experiences, ideas, or other needs-satisfying items, as well as the effects these methods have on the consumer and society.

#### II. DISCUSSION

The process that consumers go through when they make purchases is known as consumer behavior, and it includes elements that affect the choice they make. Purchase choices for many goods and services are the result of a thorough, time-consuming process that may involve a thorough information search, brand comparison, and assessment. How effectively marketers understand customer behavior has a big impact on their ability to influence purchasing behavior. Marketers need to understand the exact requirements consumers are trying to satiate and how they translate those demands into purchasing criteria. They must comprehend how customers research various options and choose between rival brands using this knowledge [4]. Behavioral decision theory has been one of the most active academic study areas in marketing over the last several decades. Consumers often make erroneous decisions, according to behavioral decision theorists. Consumer behavior is highly significant, and the context of choices is very 10 Journal of International Business Research and Marketing crucial, as all these and other research emphasize.

For marketers, it might be essential to comprehend how these consequences appear in the marketplace. The work of these and other academics has also questioned assumptions about rationality and predictions from economic theory, resulting in the emergence of the subject of behavioral economics. Consumers go through five phases in the standard "Five-stage model of the consumer purchasing process" before making a choice to purchase a product or service. To successfully drive a consumer towards purchasing a product, engage with customers, and complete the deal, a marketer must comprehend these stages. The "moments that matter" and the variables affecting them at each step of the model will then be identified and explained. In order to improve knowledge of the process and how and when to disrupt it with a promotion, a self-developed framework concerning elements and their impacts on crucial times for consumers will also be provided. For a more comprehensive understanding of the subject, research from different academics regarding the variables that influence decision-making will be provided later. When consumers become aware of a need or issue, the model's initial step is need/problem recognition. It's interesting to note that marketers purposefully want customers' current and desired statuses to be out of balance. Due to this mismatch, customers will feel the desire to purchase a product or service and will do so. An internal stimulus is an instantaneous, extremely fundamental impulse that signals the presence of a demand. When external forces have an impact on a person, it is known as an external stimulus.



Vol 10, Issue 5S, May 2023

Marketers use advertising and sales promotions to create an imbalance or need. Customers have developed a demand when they notice an unmet need and believe that a product would supply it [5]. It is crucial for marketers to know when their target market will develop these requirements and desires since it will define the best moment to promote to them. Moreover, marketers may assist in identifying the consumer's need, issue, or conditions that lead to a need or desire. Moreover, marketers may proactively manufacture the situation or necessity in order to make clients feel uneasy without the product or to help them achieve a desired status. Existence or development of desired (preferred) status, information availability about new status (new goods or versions of the products), linked or complementary items for this product may generate a demand, and consumer driving factors are all factors that affect these times.

After the development of a need or want, the consumer begins researching the many options that may be purchased to satiate the need or desire. It is considered to be the second step of information search. In order to make a choice, he or she will search both within and outside for this information. Using information from memory, such as previous encounters with the product or service, constitutes an internal information search. Asking friends and family about their experiences buying a new product is a method of gathering external information. They may also do research using open sources like blogs and reviews. Marketing-controlled sources like banners, television commercials, brochures, etc. are another external information source. For social science academics, consumer behavior has always been of great interest.

During the last 50 years, this interest has exploded. These modifications always have an impact on consumer behavior research in terms of what, when, how, and why the subjects are investigated. The consumer behavior subject, like any other discipline, requires rigorous study of the state of knowledge development to ensure future progress. It is more significant for a subject of study like consumer behavior, is flourishing as seen by the rise in the number of papers and themes studied. Examining academic literature, which may depict a discipline's intellectual history, is one method of doing this comprehensive investigation. In this respect, in-depth analyses of research published in peer-reviewed journals are the most relevant and helpful tools to analyses a discipline's accumulated knowledge. A current analysis of the literature in this area is necessary given the significance of consumer behavior in the many business literature fields. Such studies will serve as a roadmap for positioning future research and marketing initiatives for consumer behavior researchers and practitioners, in addition to assisting them in better understanding the direction in which the field is moving and identifying the gaps [6].

For carrying out such literature review investigations, a method like content analysis, which can be utilized to examine message content and management, is perfect. Content analysis, as an observational research technique, systematically assesses the symbolic content of all types of recorded interactions. it may be seen as an empirical beginning point for fresh study evidence on the character and impact of certain communications. Content analysis not only aids in identifying key concerns in the subject, but it may also highlight areas that need more research, especially if they are seen to be significant and defining difficulties in the field. If the subject is to advance methodically, such an integrated evaluation of consumption behavior research, a broad discipline with an overwhelming reach in peer-reviewed publications, is required. Moreover, despite the fact that content analysis of journals may be time-consuming and data-intensive, such study offers insight into the topical, methodological, and theoretical trends in research communities, pointing the way for future areas of essential investigation in the field. The kind of subjects that are considered essential to the particular area the journal represents may be examined via a content analysis of journal articles from that discipline. In consumer studies, marketing research, and other business disciplines, literature analyses may also offer light on the contributions made to the subject by certain journals. This may then be used to explain the intellectual history of a field. While doing a thorough content analysis of peer-reviewed journal articles in a particular topic, academics are encouraged to stand back from their own "trees" and evaluate the overall "forest" of knowledge. Based on publications in the most reputable journals, such investigations have been carried out across a range of subjects. There isn't a recent review of the subject, although other researchers have focused on it. A thorough literature review of more recent contributions to this field of study is thus necessary given the significance of consumer behavior.

The length of time spent on this phase often relies on the consumer's prior purchasing history, the degree of risk, and the level of interest. Consumers have established an evoked set whenever they have a selection of alternative goods to pick from. The most popular options are included in this group. The customer will next perform additional research to further narrow his or her options after selecting the evoked set. In this scenario, the information-seeking process is a crucial phase for customers. Marketers must notice it and provide pertinent information about the product, discounts, etc. Also, feedback from other customers and suggestions from friends and family will be considered. Also, the process will be influenced by past use of the product or a like one, as well as by individual tests made while looking (testing the samples)[7]. A customer may inquire of herself or himself in the third stage of evaluating options, "Do I truly need the product?" Exist any substitutes for this? Is the original item really so poor? The customer often selects one key factor-such as price, quality, brand, etc.-on the basis of which he or she would base their ultimate selection. Moments that count in this context might be emotional ties to or experiences with items, or giving in to marketing or



Vol 10, Issue 5S, May 2023

advertising efforts. It's critical for marketers to ensure that a customer is aware of their brand throughout this step's review. process and, ideally, is aware of the characteristic on which the buyer bases his or her purchase choice. The consumer's procedure at this step is unique to his or her search for the greatest offer. The best bargain is defined in terms of factors that are more important to each customer; these factors may include price, quality, brand, product positioning, a store's location, the effects of utilizing the goods, etc. As the buyer reaches the fourth stage of the purchasing process—the actual purchase—they stop evaluating the evoked set. A buyer must still carry out the choice and make the real purchase after deciding which brand to purchase. Moreover, a buyer may initially express interest in purchasing a certain product but fail to complete the transaction. Other choices, such as when to purchase, where to buy, and how much money to spend, may be necessary.

The period between making a choice to buy something and actually doing so is often longer than it should be, especially for more complicated purchases like those of consumer durables, cars, and computers. The period between the choice and the actual purchase may be brief for nondurable commodities, which include numerous low-involvement items like daily necessities. At this stage, it's crucial to create a delay period and buy intention in the customer. Consumers assess and appraise the product at the last stage, post-purchase (satisfaction or discontent). Was the consumer's needs met by the product? Did their predictions come true? At the second stage of their customer journey, if a consumer feels that a product has met or surpassed both their expectations and the promises made, they may recommend it to others, increasing the likelihood that the product will be bought again. Same things may be said about unfavorable reviews, which, if they appear at stage two, might impede a prospective customer's trip towards your product. If the buyer is not pleased, the last step is where it matters most to make your argument. To make the consumer into a devoted one if they are pleased. Among other things, the product met or beyond customer expectations.

Moreover, follow-up efforts (after a purchase) aid in retaining customers [8], [9]. The framework of important moments and the variables that affect them is shown in Figure 5. This model needs one correction. Customers don't always go through the procedure in the exact same sequence. The second and third steps might be performed more than once, and the assessment stage isn't always followed by a purchase. It may be influenced by the kind of goods, the consumer's purchasing stage, and even their financial situation. Consumers often base their purchasing choices on regular or habitual decision-making processes. The decision-making process for many inexpensive, regularly bought items is essentially limited to identifying the issue, doing a brief internal search, and making the purchase. While doing external research or alternative assessment, the customer invests little to no effort (Belch G. & Belch M., 2009). Since the consumer already has preferences and brand loyalty and because it is thought of as an automated process, not all phases apply to items that are used repeatedly. In order to retain their brands in the consumer's evoked set and prevent them from being removed from it, marketers of items with a regular response purchasing process must obtain and/or keep their brands in the consumer's evoked set. Marketing for these businesses want customers to make consistent decisions and keep buying their goods. Branding entails sustaining high levels of brand recognition via recurring advertising, sales events, and prominent shelf placement in retail settings [10].

Additionally, the paper by Hoyer (1984) supports the aforementioned claims and presents a perspective on decision-making based on the notion that when consumers repeatedly buy a relatively unimportant good, they are not willing to engage in a significant decision-making process at the time of purchase. As a result, customers use extremely rapid and simple choosing strategies that result in a good choice. A separate difficulty faces marketers of new brands or those with a small market share. They must devise strategies to sabotage customers' regular decision-making processes and persuade them to consider alternate options. Together with sales promotion initiatives in the form of free samples, special price offers, high-value coupons, etc., high levels of advertising may be utilized to stimulate brand switching or trial periods [11], [12]. Nonetheless, the conventional paradigm has come under fire, and other researchers have added pertinent foci and elements. For instance, McAlister (1979) questioned the long-held belief that consumers make their product decisions independently of one another throughout time. The academic provided a model that takes into account the interdependence of several item categories. The phenomenon of shopping momentum, which happens when a first purchase generates a psychological need that encourages the purchase of a second, unrelated goods.

#### III. CONCLUSION

Businesses need to understand customer behaviors in order to make better judgements about the goods and services they provide. Businesses may modify their offers to better meet the requirements and preferences of their target market by understanding why consumers buy certain items and how they use them.

#### REFERENCES

- [1] M. S. Al Mansoori and S. Z. Ahmad, "Adapting to the 'new normal' post-pandemic consumer behavior: the case of Rafeeg's strategy of service marketing," Emerald Emerg. Mark. Case Stud., 2021, doi: 10.1108/EEMCS-08-2020-0311.
- [2] A. N. Mason, J. Narcum, and K. Mason, "Social media marketing gains importance after Covid-19," Cogent Bus. Manag., 2021, doi: 10.1080/23311975.2020.1870797.
- [3] E. S. Lakatos, V. Dan, L. I. Cioca, L. Bacali, and A. M. Ciobanu, "How supportive are Romanian consumers of the



# Vol 10, Issue 5S, May 2023

- circular economy concept: A survey," Sustain., 2016, doi: 10.3390/su8080789.
- [4] S. Küfeoğlu, D. A. Melchiorre, and K. Kotilainen, "Understanding tariff designs and consumer behaviour to employ electric vehicles for secondary purposes in the United Kingdom," Electr. J., 2019, doi: 10.1016/j.tej.2019.05.011.
- [5] D. A. Frank and A. O. Peschel, "Sweetening the Deal: The Ingredients that Drive Consumer Adoption of Online Grocery Shopping," J. Food Prod. Mark., 2020, doi: 10.1080/10454446.2020.1829523.
- B. Shaw and A. Kesharwani, "Moderating Effect of Smartphone Addiction on Mobile Wallet Payment Adoption,"
   J. Internet Commer., 2019, doi: 10.1080/15332861.2019. 1620045
- [7] N. Popova, A. Kataiev, R. Skrynkovskyy, and A. Nevertii, "Development of trust marketing in the digital society," Econ. Ann., 2019, doi: 10.21003/ea.V176-02.
- [8] D. Mansoor and A. Jalal, "The Global Business Crisis and Consumer Behavior: Kingdom of Bahrain as a Case Study," Int. J. Bus. Manag., 2010, doi: 10.5539/ijbm.v6n1p104.
- [9] H. Vandenhaute, X. Gellynck, and H. De Steur, "COVID-19 Safety Measures in the Food Service Sector: Consumers' Attitudes and Transparency Perceptions at Three Different Stages of the Pandemic," Foods, 2022, doi: 10.3390/foods11060810.
- [10] L. Veselovská, J. Závadský, and L. Bartková, "Consumer behaviour changes during times of the covid-19 pandemic: An empirical study on slovak consumers," E a M Ekon. a Manag., 2021, doi: 10.15240/TUL/001/2021-2-009.
- [11] S. Gupta, N. Nawaz, A. A. Alfalah, R. T. Naveed, S. Muneer, and N. Ahmad, "The relationship of csr communication on social media with consumer purchase intention and brand admiration," J. Theor. Appl. Electron. Commer. Res., 2021, doi: 10.3390/jtaer 16050068.
- [12] P. Sathya and D. R. Indirajith, "A Study on Purchase Behavior of Consumer Durable Goods with Special Reference to Tiruvarur District," Int. J. Sci. Res. Manag., 2018, doi: 10.18535/ijsrm/v6i2.em02.





Vol 10, Issue 5S, May 2023

# The effect of Consumer Attitude in Marketing

[1] Shankar Prasd S

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] shankarprasad@cms.ac.in

Abstract— Consumer attitude is the sentiment of favorability or unaffordability that a person feels towards an item. We are all aware that people with a positive outlook are more inclined to purchase a product, which opens the door to the possibilities of loving or hating a product. A person's thoughts, emotions, and behavioral intentions towards your company make up their customer attitudes. These opinions are often formed based on a variety of elements. The previous experiences of a person have a significant impact on the formation and maintenance of specific attitudes.

Index Terms— Consumer, Knowledge, Item, Marketing, Product.

#### I. INTRODUCTION

Marketing strategy and consumer behavior are intricately linked: Consumer behavior helps businesses determine if what they are offering will be profitable and how to adjust their marketing strategy to the right target market for their product or service. When it comes to a consumer good or service, consumer attitudes are made up of a mix of cognitive knowledge and beliefs, emotions, and behavioral intention. It is your perception of a good or service, your feelings about it, and your intentions towards it. A person who has a favorable opinion about a product or service is more likely to make a purchase, therefore understanding customer attitudes is crucial for marketers. An attitude is a sentiment of favorability or unaffordability that a person feels towards an item (be it a person, thing or situation). It is a taught tendency to display and behave in ways that result in feelings of like or disliking for an item. Consumer attitudes may be characterized as an internal sentiment of favorability or unaffordability towards a product or service offering and the 4Ps in terms of customer behavior.

According to Schiffman, "Attitude formation" is the process by which individuals form feelings or opinions towards other people, products, ideas, activities, and other objects in their environment. "Attitudes" are an expression of inner feelings that reflect whether a person is favorably or unfavorably predisposed to some "object" (e.g., a brand, a service, or a retail establishment). When it comes to consumer behavior, an attitude is a continuous positive or negative sensation that a customer or potential customer develops after making an assessment of an item, such as a product or service offering, brand, price, shop and dealer, salesperson, advertising, promotion, etc. According to Schiffman, it is "a taught tendency to respond in a consistently positive or negative manner based on sentiments and attitudes that arise from an appraisal of information about the item." Notably, attitudes cannot be directly seen since they depend on psychographics including motivation, perception, and learning. Only by what individuals say, do, and act can one deduce what others' attitudes are [1].

The way a person behaves, or their attitude, uses them to create things. In this sense, it is possible to say that it is his way of being or doing. Behavior may also be thought of as a sort of social motivation, which is inherently secondary to biological drive and directs behavior towards certain aims and purposes. According to Easer, an attitude is an acquired inclination to react consistently to a social object. In social psychology, attitudes are important factors in the behavior prediction process. The attitude, according to the same author as the fish, is a sentiment for or against a social object, which might be a person, a social reality, or any outcome of human action.

Rodriguez described attitude, based on a variety of definitions, as a long-lasting organization of beliefs and cognitions that are endowed with an emotional charge in favor of or against a specified object, predisposing to a consistent action with cognitions and emotions linked to that object. While not immediately observable, attitudes are thought of as intercurrent variables that may be inferred from observations. The attitude has also been described as a nervous and mental state of disposition that is structured based on experiences and leads or guides a subject's reaction to certain situations. As a result, the attitude is more likely driven by social than by biological factors. People have a particular tendency that enables them to react to stimuli via experience.

An attitude is the result of a cognitive, emotional, and behavioral process and is the method in which a person actively adjusts to their environment [2]. Social psychology is thus in charge of researching human attitudes in order to forecast future behavior. It is possible to predict an individual's method of behavior by observing their attitudes. A variety of social purposes are served by attitudes. It may be the situation that someone takes a protective stance, which predisposes them to behave in a certain manner before encounters. To reduce disputes, attitude might also be geared towards adapting. A person with a disinterested attitude would think of others as a means to an end rather than as a way to further their own interests. The manipulative attitude is what a person uses to further a personal objective and



# Vol 10, Issue 5S, May 2023

considers the other as a channel, paying close enough attention to do so.

#### 1.1 Attitude Nature

Understanding the nature and traits of attitude can help explain consumer attitude. Three parts make up an attitude: the knowing or cognitive part, the emotion and affect part, and the behavioral and consequential part. In terms of consumer learning, a customer's attitude would reflect how they felt about a product or service, as well as the marketing mix. The gained information that a consumer acquires from his interactions with others and his personal experiences is represented in the knowledge component. His assessment reflects the sensation element, together with the resulting pleasant and bad feelings. The propensity to act (buy) in response to the appraisal reflects the behavioral component. This justification allows us to expound on the nature of attitudes as follows:

- 1. A consumer's attitudes are expressed in relation to an item (product/service offering, pricing, retailer, dealer, promotion, marketing, etc.) about which they have sentiments and convictions.
- 2. Attitudes may be good or negative; they have a direction. A customer could feel like they like or hate, favorably or unfavorably about a product or service, or a combination of these. They may be anywhere on a continuum from very positive to extremely negative and vary in strength and degree.
- 3. With regard to the third factor, or conduct, attitudes are constant in character. Customers exhibit consistency in their actions. They are not fully irreversible, however, and might change if the cognitive or component is altered. This suggests that attitudes regarding the offering and the mix may change if the customer has new experiences with or learns new knowledge about the product/service offering and the mix (cognition), and) sentiments are altered from hate to like (affect). In other words, even while attitudes are consistent and do not change regularly, they may be altered if certain actions are taken [3].
- 4. Attitudes are acquired tendencies. Attitudes are acquired; they are developed as a consequence of interactions with others, including family, friends, classmates, and coworkers, as well as information collected from the marketer via promotion, primarily commercials as well as dealers and salesmen. The process of attitude development is influenced by needs, motivation, perception, and learning.
- 5. It is impossible to directly monitor attitudes. While attitudes have three parts, conduct is just one of them. The cognitive and affective components are not visible; just this component is visible. As a result, it is argued that attitudes are invisible and can only be deduced from how someone acts. We may thus conclude that someone who buys Colgate Complete toothpaste and disregards Peps dent has a favorable opinion of Colgate.
- 6. While attitudes may be deduced from our conduct, behavior and attitudes are not the same thing. It shows a

taught propensity to behave favorably or unfavorably towards a product and service offering and the mix, and it also contains two additional components.

7. Attitudes happen in a circumstance and are situation-specific. Consumers sometimes display behavior that may be at odds with their attitude, depending on the circumstances. When Peps dent is on sale and comes with a complimentary toothbrush, he could choose it over Colgate.

Emotional: An object's emotional components include a person's sentiments towards it. These emotions may be neutral, negative, or pleasant. A police officer or a bill collector would show negative sentiments, whereas a customer service worker would show pleasant ones. Similarly, public employees must maintain objectivity when performing administrative tasks.

Informational: The individual's beliefs and knowledge about the thing make up the attitude's informative component. Here, whether the information is accurate or not doesn't really matter.

Behavioral: This aspect of attitude refers to a person's propensity to act a certain manner towards an item. Just one aspect of attitude may be seen; the other two are only implied [4].

#### 1.2 Features of a Model

Attitudes serve additional purposes in addition to assisting a customer in making assessments of a product or service offering that lead to buying choices (to buy or not to buy). They carry out four fundamental tasks, including utilitarian, ego protective, value expressive, and knowledge functions. The four functions are not exclusive of one another. In actuality, they are connected, and consumer attitudes show a mixture of their roles. Customers develop favorable views about product/service offers because they serve a utilitarian purpose, or in other words, because they deliver a pleasant experience via the advantages they bring. Customers pick up on the connection between a reward and using the service. Consumers, on the other hand, develop a negative opinion towards such an item if it does not provide a gratifying experience. Consumers develop attitudes as they support the defense of their ego, self-image, and self-concept. While buying Indian goods, an ethnocentric buyer will likely have a favorable opinion of Indian companies. Even if he is aware that a product created abroad offers a greater value, he would still advocate for and support such businesses.

The ego is protected through attitudes. Value expressive function: When a product or service is used, positive attitudes are created. represents a person's values, way of life, personality, and notion of who they are. This is so that individuals may communicate their values on the basis of their attitudes. When a consumer's self-image and the image of the product are out of sync, a bad attitude result. Values are reflected in attitudes. Knowledge function: Consumers' attitudes develop when they desire to confirm their knowledge foundation in order to eventually make purchasing decisions simpler. Positive brand perceptions aid



Vol 10, Issue 5S, May 2023

in reinforcing a consumer's view and facilitate quicker and easier decision-making. Making decisions is facilitated by attitude.

#### 1.3 Factors Involved in Attitude Formation

The following are the variables that influence how people acquire their attitudes: Family; Peers; Conditioning; Social Adjustment Functions; Direct Instruction; Modeling; Fulfillment of Wants; and Prejudices.

Family: The most influence on how views are formed is family. Information on many topics is provided by the parents and siblings. Family influences have a significant impact on a person's attitudes, which are highly strong and hard to reverse.

Peers: When a person grows, he or she first comes into touch with the outside world and peers. Peers may be buddies who are the same age, neighbors, classmates, etc. The youngster makes an effort to adopt these individuals' views. The tri-component attitude model claims that attitudes are made up of three parts, namely a knowing (cognitive) component, feeling and emotional (affect) component, and the action (conative) component [5]. The mental processes that result in the development of attitudes are included in the knowledge or cognitive component. The customers' understanding about the products/services being offered and the marketing mix makes up the knowledge or cognitive component of the tri-component model in terms of marketing. Consumer attitudes are created based on experiences and data that is maintained in one's memory from both impersonal (marketers' sources) and impersonal (WOM, family, friends, peers, etc.) sources of information. Attitudes are influenced by the consumer's views and opinions, which cause them to believe that the attitude object—a person, situation, or thing—possesses certain qualities and that acting in a specific way would produce certain results. Repeated reinforcement of the ideas and views eventually results in attitudes. The emotional component follows the knowledge component.

# II. DISCUSSION

The emotional part of attitudes is made up of the feeling or affect component. This is thought to be the attitude itself since it represents either good, neutral, or negative emotional states. In marketing jargon, it alludes to a customer's perceptions about a product or service and the marketing mix. These feelings may be connected to a quality or the whole item. It is evaluative in character and may range from like to hate to like to favorable on a continuum. It shows up as emotions and their outward manifestations, such as pleasure, sadness, anger, surprise, etc., which are indicative of how the offering and mix are being received by the customer and have an impact on their choice to buy as well as the actual purchasing process. Those responses and their subsequent states are likewise retained in our memories. Future decision-making is influenced by the retrieval, recall, and

remembering of these events. The behavioral or conative aspect of attitudes illustrates how an attitude manifests itself in behavior. As attitudes are made up of psychographic elements, they are invisible. Knowledge and sensation, the first two elements, are neither indicative or expressive of attitudes. Just this third element allows for the inference of attitudes [6]. The conative component, which measures a person's propensity to behave in a specific way with regard to the attitude object (a product or service offering, a brand, etc.), is indicative of their propensity to act or not act (to purchase or not buy).

#### 2.1 Model of Three Attitude Components

The multi attribute attitude models assert that a consumer's perception and belief of the key characteristics as well as his appraisal of the key attributes determine his attitude towards an attitude object (product/service offering, brand, parts of the marketing mix). Several academics have offered different changes to the multi-attribute models after extensive study on them. The models put out by Fishbein are the most well-known of all of them. A number of models, including of reasoned action model. theory the attitude-toward-object model, and the attitude-toward-behavior model, have been suggested by Martin Fishbein and his colleagues. A consumer's attitudes towards a brand, product, or service are based on the existence or absence of certain features and the appraisal of those attributes. This is according to the attitude-toward-object paradigm. Mentality is function of evaluating beliefs and assessments related to a certain product. To put it another way, a consumer's attitude towards a product would be based on: An overall assessment of the importance of each of these traits in delivering the required gains and advantages. Let's use the health drink Complain as an example. A mother desires for her kids to develop more quickly, taller, and healthily. If Complain includes vitamins and minerals, which she values (considers important), she would have a favorable attitude towards it [7].

The following equation is used to represent the model:

Where Attitude o is the general sentiment in favor of or against the object bi is the degree to which one believes that an item has a characteristic (e.g., the likelihood that Complain is a nutritious health drink with vitamins and minerals) ei is equal to the evaluation standards connected to the itch attribute (e.g., how "good" or "bad" is a nutritious health drink with vitamins and minerals) The n salient features that the bi and ei combinations are averaged across are shown by the symbol. Since these products and/or brands have a sufficient number of relevant and positively regarded features, customers are likely to have favorable sentiments about them. On the other side, they would have negative attitudes towards products and/or brands that lack the necessary characteristics or have a lot of undesirable characteristics. The Attitude-towards-Behavior Model: It emphasizes how a person behaves towards the attitude object rather than just how they feel or react to it. The underlying



Vol 10, Issue 5S, May 2023

assumption is that although a customer may have favorable sentiments about an attitude object, he or she may have a negative attitude towards their desire to purchase such a product or service. Hence, a favorable attitude towards the offering may not result in a purchasing act. Let's use a Philips home theatre as an example.

Customers are aware that Philips Home Theaters provide a larger screen and superior audiovisual effects. He would be aware of the high cost as well and could opt not to make the purchase. He may not have the money or he might not find it prudent to spend so much on a TV. He thus does not feel motivated to make a purchase, while having nice thoughts and a favorable attitude towards the object being offered. Where A person's general level of support or opposition for engaging in an action is their attitude [8]. Bi is the degree of certainty that a certain action will result in a particular result (e.g., the purchase of a Home Theatre would lead to better audio-visual impact) ei = an assessment of the result (for instance, the "favorability" of a larger screen, greater audio-visual effects, or the unaffordability of the price). The symbol indicates that the total of the b and e combinations over n salient outcomes is. Customers may have good views regarding the product or service being offered but unfavorable attitudes against making a purchase (behavior).

Model for Theory of Reasoned Action: The theory of reasoned action model makes an effort to understand how behavior examples and subjective standards affect the three components that make up attitudes. These two elements, which serve as moderators and ultimately affect people's views, are included in the model. What is referred to as "reasoned action" is seen in the image. Working backwards from action (such as the act of making a purchase of a product or service offered), the model may be described.

Consumer behavior is determined by an individual's desire to act, or general favorability towards the purchase. A desire to act is influenced by a number of things. They are the subjective norm and the consumer's attitude towards conduct. The thoughts and attitudes that customers have towards certain acts of conduct are included in their attitude towards behavior. Attitude is influenced by two things: expectations that a conduct will result in a certain consequence; and appraisal of the outcome.

# 2.1.1 Impacting subjective standards are:

Beliefs on whether the act or behavior should be carried out: Arjun's parents agree that he should put in a lot of effort in his studies. Reason for adhering to the particular referents: Arjun wants to carry out his parents' desires. The purpose to behave that underlies a consumer's conduct is constrained by his attitude towards action and by the subjective standards. Substantive variables have an additional influence on them. As a result, the idea of reasoned action serves as an example of interconnected attitude components. The idea stresses that attitudes are related to conduct indirectly, via purpose, and that beliefs, attitudes, and subjective standards precede actual behavior [9].

#### 2.1.2 Functions of social adjustment:

Balance theory is another name for this. The majority of individuals in any civilization want living in harmony. They make an effort to minimize interpersonal problems and unneeded friction. They naturally have a tendency to have an optimistic outlook on the majority of individuals and problems. Our views could help us build and sustain connections with people who belong to organizations that are highly regarded. Most of the time, we want our significant others to go with us and rebel against those who are not.

Direct teaching: Direct instruction may sometimes have an impact on how people establish attitudes. For instance, when someone informs us about the utility of a fruit or a hair color, we may generate a good or negative opinion of that thing.

Modeling: This has influenced how people form views regarding a variety of topics, including alcohol and different types of clothing, shoes, and other accessories.

Want satisfaction: When a person's desires are satisfied, they acquire positive attitudes towards those people and things and negative attitudes towards those that do not.

Prejudices are preconceived notions or conclusions reached without sufficient knowledge about other people, things, etc.

#### 2.2 Attitude Theories

The dynamics underpinning attitudes, their creation and evolution, as well as their link with acts of behavior, have been the subject of several studies. The primary goal of the work has been to comprehend how attitudes are formed in order to anticipate and perhaps alter behavior. Many models have been put out by researchers that pinpoint the fundamental components of an attitude and explain or forecast behavior. The models that have received the most attention and are most often used are: The Attitude towards the Ad Model: This model focuses on how advertisements, whether printed or audiovisual, affect how consumers feel about certain products, services, and/or brands. After being exposed to an advertising, a consumer develops the knowledge (cognition) and affect (feeling) parts of their attitude, which results in judgements about the commercial (cognition) and emotions from the advertisement (affect). The cognitive element produces beliefs about the brand and attitudes towards the advertisement. The affective element also contributes to beliefs about the brand and attitudes towards the advertisement. As a result, the cognitive and emotion components both have an impact on the consumer's perception of the advertisement and brand. Only seeing the advertisement might cause someone to believe in the brand. Eventually, the formation of an attitude towards the brand is influenced by both the attitude towards the advertisement and the belief about the brand [10].

The model's underlying principle contends that exposure to advertisements cause's consumers to create opinions and emotions. A customer not only develops attitudes towards the commercial, but also develops opinions about the brand.



# Vol 10, Issue 5S, May 2023

According to research, the model is more reliable for new than for current product and service offerings. The advertisement encourages brand loyalty and encourages product trials. As a result, advertisers need to exercise caution when creating commercials, particularly for new businesses and unique goods and services. According to research, whether there is high or low customer participation, both the peripheral (the setting) and the core (the message content) factors affect how consumers build their beliefs and attitudes about a brand, which ultimately affects how consumers feel about the brand. For marketers, these discoveries have ramifications.

#### 2.3 Measurement of attitude:

# 2.3.1 Equal Appearance Interval Method:

It was invented by L.L. Thurston and Chave in 1929, making it the very first attitude assessment method. Thurstone constructed attitude scales to gauge attitude towards numerous topics or towards any object using the equal seeming interval approach that is utilized in the scaling of psychophysical dimensions. Several studies have recognized and extensively used Thurstone's scale for attitude measuring.

The scale is set up in the way described below:

A great number of clear, concise, and readily understood assertions or statements expressing a positive or negative attitude towards the attitudinal object are gathered. Based on how much they express positive or negative sentiments regarding the item, judges are asked to rank objects in a desired number of steps on a scale. All of the assertions that don't have enough support are disregarded. Only those statements that have a great deal of consensus among the judges on where they should fall on the scale are kept in the final scale. Scale scoring is carried out using the median judgement value. Equal seeming intervals are used as the foundation for the final selection.

Thurstone's scale has eleven categories, and for each of the eleven categories, judges must place their judgements at equal distances. Low values point to a positive attitude towards the attitudinal object, whereas high values point to a negative attitude. Bogardus neglected to guarantee the caliber of the units. This was seen as a significant flaw in his scale. Thurstone required eleven pieces with equally spaced appearances to get rid of this flaw. The units of Thurstone's scale are really the eleven lines or evenly spaced intervals. His scale is considered to be reasonable since he required the judges to arrange the elements in the eleven lines at equal intervals, attempting to attain equality of units.

#### 2.3.2 Thurstone's Scale flaws:

It is not impossible that judges' attitudes may have an impact on where they put their verdicts on the scale. In reality, this is supported by evidence that Holland and Sheriff uncovered in a specific investigation. Thurstone has made an effort to account for the zero point on a scale, but has fallen

short of the criteria. Edward draws attention to the possibility that things with similar scale values might have drastically different discriminating values. So, using this method, it is impossible for the researcher to choose the item with the highest degree of discrimination among those with almost identical scale values. Instead of precisely gauging the subject's mood, this will instead provide a misleading impression of it. Modern research has, however, discovered strategies to get around these drawbacks. Thurstone's scale therefore illustrates a method to assess attitude in a reliable way despite its flaws.

#### 2.3.3 Summated Rating Method

The attitude scale created using the summated rating technique, which was developed by Likert, takes a completely different tack. Likert is renowned for developing a number of attitude scales to assess attitudes towards a variety of complicated situations, such as the Black and White Dilemma, imperialism, and other global challenges. The following is a basic explanation of how the Likert scale is prepared. A substantial number of assertions and theories are gathered in relation to the problem. A set of respondents are then given these statements to categories them into five different groups.

For instance: Strongly concur (5), Accept (4), Decline (3), Disapprove (2), vehemently disagree (1). On the basis of this five-point scale, the "S" is asked to offer his evaluation of each assertion. The next step is to add up each individual answer to get the final score for each topic for each statement. The most discriminating items are then chosen and removed by comparing the overall scores on all the items with the scores on each individual item using item analysis methods [11].

#### 2.4 Benefits of the Likert scale

The most crucial aspect of Likert's scale is the use of "Item Analysis" in the creation of the attitude scale. As is typical in the creation of psychological tests, the individual scores on this scale are interpreted in terms of the scores attained by a group of individuals. Thurstone's scale is less practical than Likert's scale. It depends on the choice of things in terms of how effectively they function. Likert did not rely only on the opinions of one particular person, such as Thurstone. Moreover, he built his scale based on the intercorrelation that was discovered between elements, only keeping those that had a greater level of intercorrelation. Thurstone's scale is less workable than the Likert scale. Unique dimensionality is also not affected at this size.

#### 2.5 Defects

The Likert scale's equality of unity has not been attempted to assure. The scores recorded at the top and lower ends of the scale are often more significant than the middle range of scores since it is uncertain what score constitutes the neutral point. It might be perplexing at times since the minimal values on the Likert scale indicate a favorable attitude while



# Vol 10, Issue 5S, May 2023

the greatest levels suggest an unfavorable attitude. The scale's zero point has not been established. Notwithstanding these flaws, Likert's scale has been extensively used for attitude assessment due to the item analysis approach that was utilized in its design, which is one of its main benefits over other scales.

#### 2.6 Social Distinction Index

Under the direction of Gallet and Bogardus, Katz and Allport gave the idea of social distance prominence. Bogardus was interested in researching and comparing racial views, attitudes of individuals towards other races, and attitudes towards various nationalities. via his degree of social distance with them. The process for building the scale is as follows. The researcher starts by coming up with a number of statements suggesting varying levels of acceptance or rejection of the group. The letter "S" must specify his proximity to or separation from the other group's members. These comments essentially assess psychological distance. The proximity and an approachable demean our are signs of a positive mindset.

Distance suggests a negative attitude. The anti-attitude increases with increasing distance, whereas the pro-attitude increases with decreasing distance. The mental separation is increasingly scaled up as one moves from the first to the final assertion, beginning with close connection via marriage and ending with expulsion from the nation. The Bogardus scale measures attitudes towards other ethnicities in this way.

#### 2.7 Criticisms

It has two flaws as a method: It denotes just transient sentiments, and Bogardus made no effort to guarantee unit equality. There are no discernible variations between the various levels of closeness. The psychological barrier between a marriage and a club is far bigger than the gap between a club and its neighbors. The distance between two points on the scale is thus not equal or sufficient, and as a result, the units' dimensions and the measuring index's exhaustiveness are lacking. Bogardus' scale doesn't really assess the strength of attitude; it only captures its range and dispersion.

**Advantages:** This scale has been used in several studies on attitude measuring and has done so pretty well. The scale's building method is quite straightforward. The measure is designed to compare attitudes among individuals towards other nations or among individuals towards the same nationality. Every kind of interpersonal likes and dislikes may be tested using this scale. The Bogardus Social Distance Scale has really served as the foundation for several additional scales that have been created[12].

# 2.8 Method of Cumulative Scaling

To determine if collections of statements and propositions used to assess attitudes may truly meet the essential requirements of a certain kind of scale, Guttman developed the cumulative scaling technique in 1944. The fundamental

purpose of this scaling approach is to establish if the attitude in issue is "scalable" or not.

When a significant fraction of the population being measured reacts to the scale in a predictable manner, it is stated that an attitude is scalable. The consistency criteria is shown when one item is supported by the support of all other things that are less extreme and the rejection of all those items that are more extreme.

Plotting scale scores on horizontal lines was done for the Guttman scale. A "Scalogram" gadget is used in Guttman's method to measure the level of consistency that is present. According to Guttman, a scale is unidimensional and is thus anticipated to accurately represent attitude when a group of items or propositions exhibit considerable consistency. But, if the situation is reversed, it must be assumed that the scale contains more than one underlying dimension. The scale may now be amended and modified to fulfil this consistency criteria by using the Guttman approach to delete the problematic items. The zero point may be determined using Guttman's scale.

Also, it is based on the unique dimensionality standard. The idea of unit equality and its foundation have been contested. Festinger (1947), who states that "little experience with its application in public opinion research with civilian population has tended to reveal that it becomes an unwieldy tool," also brings up the technique's limited practical value. Yet, alternative approaches are equally susceptible to this critique.

## 2.9 The discriminating scale method

The creators of this scale are Edwards and Kilpartic. It is the combination of many preceding methods. Similar to the other scales, a large collection of dichotomous objects is gathered. The products are then categorised by judges based on how favourable they are. Some are rejected because they are unclear. A multiple-choice form with six answer options, ranging from strongly agree to strongly disagree, is then provided with the things that were kept. Then, these claims are presented to new topic groups. To get a final score for each participant, their replies are each given a score. Each item is subjected to "Item analysis," which is similar to the Likert Scale. The final scale is made up of the highly discriminative components. The chosen elements are then dichotomized and scaled in accordance with Guttman's methodology.

The scale discrimination approach has not been widely employed in psychological research studies to evaluate attitude since it is a highly time-consuming process. Hence, it is yet unknown what scale's benefits and drawbacks are. Future study on this size could provide insight. Several methods of measuring attitude have been created. We could talk here. Method of semantic differential scaling. The architects of this are Osgood, Sui, and Tennenbaum (1957). Direct measurements of the assessment of an attitude item are obtained using this scale. This method rates the significance of an item on a range of scales. bipolar adjectives, which



# Vol 10, Issue 5S, May 2023

show their opposition to one another. For instance, the following dimensions—good, terrible, appealing, unattractive, fair, etc.—could be used to grade nuclear disarmament. Next, to gauge a person's overall response to the attitudinal item, a scale value is assigned to each point. The benefit of this method is that it draws on respondents' overall perceptions of attitudinal items rather than particular features of these things.

#### III. CONCLUSION

An item (product/service offering, pricing, retailer, dealer, promotion, marketing, etc.) about which a customer has sentiments and beliefs is the subject of an attitude. The orientation of attitudes might be good or negative. A customer could feel like they like or hate, favorably or unfavorably about a product or service, or a combination of these. They may be anywhere on a continuum from very positive to extremely negative and vary in strength and degree.

#### REFERENCES

- [1] T. N. B. Tandijaya and S. Hatane, "Viral Marketing Message, Consumers' Attitude Towards Viral Marketing, Competitiveness Ability, And Business Performance," *J. Manaj. Pemasar.*, 2021, doi: 10.9744/pemasaran.15.2.83-96.
- [2] J. Trivedi and R. Sama, "The Effect of Influencer Marketing on Consumers' Brand Admiration and Online Purchase Intentions: An Emerging Market Perspective," J. Internet Commer., 2020, doi: 10.1080/15332861.2019.1700741.
- [3] S. F. Chou, J. S. Horng, C. H. Sam Liu, and J. Y. Lin, "Identifying the critical factors of customer behavior: An integration perspective of marketing strategy and components of attitudes," *J. Retail. Consum. Serv.*, 2020, doi: 10.1016/j.jretconser.2020.102113.
- [4] Y. Sun and S. Wang, "Understanding consumers' intentions to purchase green products in the social media marketing context," *Asia Pacific J. Mark. Logist.*, 2020, doi: 10.1108/APJML-03-2019-0178.
- [5] J. Won and B. Y. Kim, "The effect of consumer motivations on purchase intention of online fashion-sharing platform," *J. Asian Financ. Econ. Bus.*, 2020, doi: 10.13106/JAFEB.2020. VOL7.NO6.197.
- [6] S. V. Jin, A. Muqaddam, and E. Ryu, "Instafamous and social media influencer marketing," *Mark. Intell. Plan.*, 2019, doi: 10.1108/MIP-09-2018-0375.
- [7] R. Duffett, "The youtube marketing communication effect on cognitive, affective and behavioural attitudes among generation Z consumers," *Sustain.*, 2020, doi: 10.3390/su12125075.
- [8] A. Chopra, V. Avhad, and and S. Jaju, "Influencer Marketing: An Exploratory Study to Identify Antecedents of Consumer Behavior of Millennial," Bus. Perspect. Res., 2021, doi: 10.1177/2278533720923486.

- [9] S. Bee Lian, M. Safari, and S. Mansori, "The Marketing Stimuli Factors Influencing Consumers' Attitudes to Purchase Organic Food," *Int. J. Bus. Manag.*, 2016, doi: 10.5539/ijbm.v11n10p109.
- [10] M. A. Ahmad and A. Lasi, "The Attitudes on Consumer Perceptions towards Viral Marketing: A Study on Foodpanda Food Delivery in Malaysia," *Int. J. Res. Sci. Innov.* /, 2020.
- [11] M. Pick, "Psychological ownership in social media influencer marketing," *Eur. Bus. Rev.*, 2021, doi: 10.1108/EBR-08-2019-0165.
- [12] H. J. Jung, Y. J. Choi, and K. W. Oh, "Influencing factors of chinese consumers' purchase intention to sustainable apparel products: Exploring consumer 'attitude-behavioral intention' gap," *Sustain.*, 2020, doi: 10.3390/su12051770.



Vol 10, Issue 5S, May 2023

# An Overview on Consumer Decision Making

[1] Raghu G Anand

[1] Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] raghuanand@cms.ac.in

Abstract— Consumer decision-making is the process that customers use to decide what to buy. It includes issue detection, information seeking, alternative assessment, decision-making, and evaluation after the purchase. Knowing how customers make decisions is crucial for marketers because it enables them to comprehend what drives people to purchase a product or service.

Index Terms— Consumer Decision, customers, purchase, product, service.

#### I. INTRODUCTION

Consumer purchasing choices are increasingly being made in online businesses as a result of the fast expansion of e-commerce. E-commerce sales have increased significantly over the last 12 years, rising from \$5 billion in 1998 to an estimated \$194 billion in 2011. By the use of interactive video, animation, flash, zoom, three-dimensional rotating graphics, and live online support, web-based retailers provide a vast array of options and deliver a virtual shopping experience that is more real-world than ever before. The general consensus is that customers have benefited greatly from internet purchasing. Due to the abundance of online retailers, it is undoubtedly simpler for customers to look for the greatest deal when it matters the most. Also, it is now simpler to identify the optimal product fit (i.e., the match between customer demands and product qualities) when that is most crucial because to the wide range of products these merchants provide.

Customers may swiftly browse through enormous product assortments to locate that elusive deal or "dream" product (i.e., one they weren't sure even existed) thanks to recommendation agents provided by sellers and third-party shopbots. Electronic product screening (and rescreening) helps customers to concentrate on the main advantage they want while buying online, whether it's getting a better deal or discovering a product that best suits their requirements. There was no guarantee that the Internet would result in improved customer decision making in a landmark essay on the projected influence of the Internet on consumer information search behavior. The conclusion that there is a dearth of research on the influence of online settings on decision making in their recent thorough evaluation of empirical research on consumer choice making in online environments.

About 80% of consumers feel that the internet is the greatest location to purchase things that are difficult to locate, according to a 2008 survey on "Online Shopping" (Horrigan, 2008) from Pew Internet and American Life Project (a renowned nonprofit authority on Internet use trends). Almost 60% of consumers claim to get annoyed, perplexed, or overburdened when looking for product information, however. Online choice settings appear to offer consumers

the potential to make better decisions, but it is still unclear whether this potential is being utilized [1].

A superior quality choice may be categorized along two dimensions: price and product fit (i.e., how well customer demands and product qualities match). Customers could look for the cheapest deal on a product, the best product fit, or more frequently a mix of the two that shows how they weigh price vs product fit. The capacity of the customer to choose an ideal price-product combination more quickly while shopping online as opposed to in a typical retail setting might therefore be tied to the possibility of making higher quality judgements (Bakos, 1998).

Consumers are able to make better selections online with less search effort, according to earlier studies on decision-making in online environments. It has also been discovered that the ability to manage the flow of information via an interactive information display is connected to decision quality. The concept of this work is compatible with the empirical gains in decision quality shown in both of the research mentioned above. So, what is their theoretical underpinning? To determine the elements that could potentially affect the quality of decisions made in electronic environments, a cross-disciplinary theoretical analysis is conducted using concepts from economics (such as time costs), computing (such as recommendation agents), and psychology (such as decision strategies). The study is significant from a theoretical perspective because it looks at a critical component of online consumer decision-making, namely the effect of the electronic environment on consumer capacities. The capacity of consumers to make better judgements when purchasing online is directly tied to increasing market efficiency and promoting consumer welfare in electronic marketplaces, hence it is significant from both a managerial and public policy perspective [2].

Finding the effects of the digital environment on consumer capacities is the goal of the theoretical investigation of choice quality in online settings. A technique to comprehend the impacts that apply in both conventional retail and electronic information contexts, but have a distinct influence on the customer in online settings, is to adapt the human capital model of consumption to a decision-making context. The human-computer interaction paradigm may also be used to



## Vol 10, Issue 5S, May 2023

analyses how users engage with and interpret electronic information. The capacity of customers to take advantage of aspects of online settings that enhance choice quality while avoiding those that degrade it is correlated with their capacity to make better judgements in online retailers employed a number of the components chosen for the theoretical study to assess customer choices in offline contexts. The impact of these characteristics on the accuracy of decisions made in online situations is then evaluated [3].

Depending on the potential cost of time, time costs affect information search. Lower time costs result in more search, whereas higher time costs cause less search. Consumers engage in more exploratory search when time costs are too low, which might have a negative impact on decision quality. According to other studies, the physical search effort necessary in these contexts dominates the effect of time costs on search in off-line environments. In typical retail contexts, customers do not sufficiently take time costs into account. In the electronic realm, doing a search requires substantially less physical effort. Also, the average internet shopper is "time starving," so they purchase online to save time. Moreover, time-constrained search and assessment behaviors are seen in online customers. As a result, time expenses are given higher weight in online environments. Moreover, using electronic sources of information may save the amount of time required to search for and analyses information, improving the efficacy of searches. Due to the development of talent capital, time-related expenditures made during the search and assessment may lower future time expenses [4]. The decision-making process for consumers begins with the awareness of need, or the need to buy a thing, before moving on to the process of selecting the product. The customer may be reminded that they need the product via a display or other marketing material, or the latent desire for the brand or product category may be reawakened.

Due to sales promotional communications, need or problem recognition may arise in both high- and low-involvement situations. If a consumer durable product, such as a refrigerator, oven, washing machine, or color television set, comes with an enticing exchange offer or interest-free installments, this is more likely to lead to extensive problem solving than an immediate purchase. Because of impulsive or unexpected purchases, brand familiarity or top-of-mind memory, or because of little engagement, the sales impact is likely to be quick. The buyer can believe that it is not worthwhile to invest time and energy into the specific purchasing scenario. The little engagement the customer may have gone into the shop intending to purchase a certain product, but an in-store display caught her/his eye and caused brand switching or impulsive buying. This sort of behavior, according to some studies, is an effort to limit the amount of mental work by employing a simple decision rule while making a purchasing choice. According to some experts, price reductions and in-store displays work better for low participation customers than for high involvement ones. Consumers learn that none of the many brands will match the needs in a market where brands are seen to have little differentiation, leading to minimal engagement buying behavior and a higher likelihood of purchasing the brand that is now on promotion.

## 1.1 Significance of Consumer Choice Making

Consumer decision-making is the process that customers use to decide what to buy. It includes issue detection, information seeking, alternative assessment, decision-making, and evaluation after the purchase.

#### 1.2 Consumer Decision-Making Process Reasons:

A consumer today has a wide range of options when making a choice. Consumers often have access to five decision aspects. They are listed below:

#### 1.2.1 What should I buy?

The most crucial job is making the choice to purchase any given item. A customer cannot purchase anything until and until a choice is made. The customer must also decide which goods to buy from the market. Consumers purchase a product after making a choice. The customer then chooses which brand to purchase. This may be related to the product's characteristics and pricing.

#### 1.2.2 What should I spend?

How much of the product to buy is the next choice the buyer must make. The kind of goods to be bought must be determined before purchases may be made. The consumer's buying decision is influenced by the product's availability and use patterns.

#### 1.2.3 Where can I buy?

The location of the product's purchase is another choice the buyer must make. Customers will often visit a location where the services are outstanding. Moreover, buyers choose additional elements like pricing and retailers. The buyer anticipates receiving a deal on the item. So, customers often frequent locations where the amount and quality of a product's availability may be determined by simply comparing it to other brands of the same item. Several items have unique properties, so a purchase is made only after careful consideration [5].

## 1.2.4 When should I buy?

The customer must also choose the best moment to make the purchase. The accessibility of the goods has an impact on this as well. Due to the significant number of discounts offered throughout the holiday season, consumer purchases are often highly expensive. This not only assures that customers may purchase goods at a discount. Opening hours, sale and clearance dates, transportation, etc., for the items bought also have an impact.

## 1.2.5 How do I buy?



Vol 10, Issue 5S, May 2023

The customer must choose between paying with cash or a credit card under certain circumstances. Also, the customer anticipates receiving their bought items from the business. Also, the ability to pay over time for online purchases may increase product sales. The retailer's sales will increase if this section is handled carefully. Hence, if the customer has access to all the facilities they need, shipping the items won't be an issue. If the necessary paperwork is completed, the sale will increase automatically regardless of how the transaction is made. We participate in making choices every day about numerous elements of our life. Such judgements are often made automatically, without the need of a specific decision-making process. For instance, if a housewife wants to buy a mid-priced brand of tea, she will just need to choose from a variety of tea brands like Taj Mahal, Tata Tea, Red Label, Yellow Label, and so on. Decision-making is the process through which a person must choose one option from a variety of alternatives [6].

#### II. DISCUSSION

Each marketer is attempting to adopt distinctive methods that may influence consumers' decisions in a way that is favorable to them as the marketing environment has evolved, become competitive, and become more of a buyer's market. The consumer benefits by having many options to choose from, but the marketer gets from a significant boost in sales when the consumer chooses to buy their goods. Prakash Tandon of Hindustan Lever made an intriguing discovery on how men and women differ in the way they make decisions.

## 2.1 Perspectives of Consumer Decision Making Models:

The need for a thorough investigation of consumer decision-making or purchasing behavior is driven by the evolving market environment. The word "model" often refers to a broad "view" or viewpoint on how, why, and why people act the way they do. Consumers have a number of goals in mind when they purchase and use various products and services. While satisfying wants is the fundamental driver of all consumer activity, creating effective marketing strategies requires a grasp of requirements and the processes that shape and satisfy them. Economic theory has long been regarded as the foundation of marketing. According to economists, customers get some value (a sense of happiness) from using a certain product, hence their consumption behavior will be focused on maximizing utility. Because of this, if given a particular amount of spending power, together with a set of requirements and preferences, a consumer would rationally distribute his money among various goods at given prices in order to maximize utility.

Moreover, economists think that the utility derived from consuming a particular good decline when that good is eaten in greater quantities (based on the Principle of Diminishing Marginal Utility). Many predictions concerning buyer behavior in terms of the price impact, income effect, and substitution effect may also be made using this model. While

these forecasts are helpful, there are concerns about the assumption of rationality in consumer behavior. Consumer researchers have criticized the industry for a variety of reasons. They contend that in practice, the customer may not be (a) aware of the numerous product alternatives or (b) able to weigh all the benefits and drawbacks associated with the various product alternatives in order to rank them appropriately. So, it will not be feasible for the customer to make the supposedly logical or ideal choice in the absence of all the available adequate, and correct information. The economic perspective has come under fire for being too utopian and unsophisticated. Consumers, it is said, act considerably differently in practice and do not maximize their choices based on economic factors like price-quantity connections, marginal value, or indifference curves.

Most frequently the customer will settle down for a 'satisfying' option and not necessarily the greatest one albeit it will be a 'good enough' one. The passive view of man presents the customer as someone who is essentially taken away by the promotional and self-centered efforts of the marketer, in contrast to the rational economic view of man. According to the passive perspective, customers are seen to be illogical impulse buyers who are swayed by the marketing industry's promotional offerings. The passive approach is criticized for failing to consider the customers from a practical standpoint. According to the argument, the customer will engage in a decision-making process while making a purchase. He will research the goods, weigh his options, and then choose the brand that will provide him the most pleasure. The consumer's choice to buy is sometimes influenced by feelings or moods as well. So, it is incorrect to presume that consumers would make purchases in a passive manner. A cognitive perspective or model: Man is typically engaged in thinking and problem-solving as a consumer. He is always actively looking for products and services that will not only meet his necessities but also improve his quality of life. According to the cognitive perspective, customers use an information-seeking and -processing strategy [7]. They make an effort to obtain all the essential data from numerous sources, including a dependable buddy, an authority figure, and more. He will stop gathering information until he believes he has enough to make a "satisfying choice decision," at which point he will decide whether or not to make the purchase.

Advertisements: This conception of man as a thinker sees the consumer as a processor of information. The methods by which customers look for and assess information on the relevant brands and the associated retail establishments are the main subject of this article. Customers looking for information to buy a high-end television may respond favorably to the Panasonic commercial. The advertisement outlines the technological advantages of the Panasonic brand of TV Series in terms of V-Real Technology, Advanced Smart Sound Speaker System, and HDAVI control. Consequently, in accordance with the consumer cognitive



## Vol 10, Issue 5S, May 2023

model, the ad indicated above will cause the customer to consider the advantages of Panasonic. After considering all available information, the customer will ultimately decide whether to make a purchase.

In other words, the consumer problem-solving perspective or model describes a person who, in the absence of complete knowledge of all available product options, would actively seek "satisfying information and therefore strive to make satisfactory judgements in accordance. A Perception of the Customer as Impulsive or Emotional: Another facet of consumer decision-making is that they might be impulsive or emotional while making purchases. We consumers often participate in impulsive or whimsical purchasing[8]. Advertisements: While making such emotional purchases, a buyer may not follow the customary procedure of thoroughly researching, weighing their options, and then selecting a brand or retailer to buy from. He is more inclined to act on a whim or an urge and buy the product (brand). 'Emotionally driven' is the term used to describe these purchasing choices. In the case of emotional or impulsive purchases, the consumer's mood and sentiments will determine the emotional buy choice in the absence of a search for pre-purchase information. It is possible for emotional choices to be somewhat reasonable. In other words, even while the choice to buy a product may be motivated by emotion, the decision to choose one brand over another will be reasonable.

While choosing attire, presents, vacation locales, or toys, this kind of behavior is shown (for children). In any of the aforementioned circumstances, the ultimate choice can be based only on feelings. In order to appeal to the emotions of the specific target market, advertisers portray their goods or services in a certain manner. Ads for Johnson and Johnson baby goods, Huggies diapers, Wipro Baby Soft, Fisher Price toys, and other items use such emotive appeals. The individual's "mood" is associated with the emotions and feelings of the customer. A feeling condition or mental state may be used to describe mood.

An emotion and a mood are fundamentally different from one another since an emotion is a reaction to a specific environment, but a mood is an unfocused, pre-existing condition that is present whether a consumer is inspired or feels positively about an advertising, a store, a brand, or a product. Moods are crucial in influencing customer choice. The consumer's mood often affects his choices on when, where, and with whom to purchase, among other things. It has been noted that even at a store, factors like the interior design, the way the salespeople act, the services offered, etc., may alter a customer's mood and determine how much time they spend shopping and how often they visit that store. Retailers and dealers are fostering a favorable shop image now that they are aware of this. This is probably going to have a favorable effect and influence on the consumer's mindset and choice to buy.

## 2.2 Consumer Decision Making Levels

Shaving lotion, a tennis racquet, a computer, and a new automobile are all quite different purchases. Consumer decision-making would be a demanding process that would leave little time for anything else if all purchases took significant effort. Consumer decision-making stages are also known as different consumer purchasing behaviors or purchasing circumstances.

Buying decisions are made by consumers in a variety of ways. On the other hand, if every purchase was regular, they would all tend to be dull and provide little excitement or originality.

We can identify four distinct degrees of consumer decision-making along a continuum of effort ranging from extremely high to very low:

- 1. Complicated purchasing patterns
- 2. Dissonance-reducing purchasing patterns
- 3. Consistent purchasing patterns
- 4. Purchasing habits that value variety

## 2.3 Process of Consumer Decision-Making

Customers' awareness of an unmet need is the first step in the purchasing process. They next look for information on how to meet the demand, including what items would be helpful and how to purchase them. Consumers compare the different other sources of goods, such as shops, catalogues, and the Internet, and then they decide which shop, website, or catalogue they will visit[9]. This interaction with a store gives consumers more knowledge and may make them aware of unmet requirements. Customers may decide to make a purchase or visit another merchant to get additional information after assessing the retailer's item selection. Customers eventually make a purchase, utilize the goods, and then determine if it meets their requirements. Customers like Sania sometimes invest a lot of time and energy choosing a merchant and assessing the products. In other cases, purchasing choices are made mechanically and without much consideration. There are three different ways that customers make decisions: extended issue solving, limited problem solving, and habitual decision making.

Extended Issue Solving: When making a buying choice, extended problem solvers spend a lot of time and energy weighing their options. When there is a lot of risk and uncertainty involved in the purchase decision, customers often participate in prolonged problem solving. Risks come in a variety of forms. When clients acquire an expensive product, they run financial risk. When buyers believe a product could have an impact on their health or safety, physical hazards are crucial. Customers take social risks when they think a product will change how other people see them.

While choosing a purchase to meet a critical need or when they are unsure about the product or service, consumers participate in prolonged problem solving. Customers seek advice from friends, relatives, or specialists in these circumstances due to the significant risk and ambiguity involved. Before choosing a store, they could visit a few.



Vol 10, Issue 5S, May 2023

By making the required information easily accessible and understandable and by giving money-back guarantees, retailers may sway consumers who are engaged in protracted problem solving. Retailers who sell products that require extended problem solving, for instance, offer brochures outlining the product and its specifications, have informational displays in the store (like a sofa that has been cut in half to show its construction), and employ salespeople to give presentations and respond to inquiries.

## 2.3.1 Limited Problem Solving:

A purchasing selection process requiring a minimal investment of time and effort is known as limited issue solving. When consumers have some past experience with the product or service and their risk is modest, they participate in this sort of purchasing procedure. Customers often depend more on internal knowledge than external data in these circumstances. They often choose a store they have already visited and chose items they have previously purchased. Most client decisions entail just a little amount of problem solving. When consumers purchase items from retailers, they work to promote this purchasing behavior. Retailers must alter this purchasing behavior if clients are shopping elsewhere by providing fresh information, alternative goods, or services. The purchasing procedure used by Sania Mirza demonstrates both short-term and long-term issue solutions. She made her pick based on an advertisement in the San Francisco Chronicle and her past knowledge of the items in several businesses she had previously browsed in. She used just a little amount of problem solving while choosing to visit Macy's since, in light of this knowledge, she believed the shop choice option was not very dangerous. Yet she took her time choosing the outfit. She took her time gathering information from a friend and the seller in order to assess and choose a suit since she knew how crucial this choice would be to her [10]. Impulsive purchasing is a typical example of restricted problem resolution. When shoppers decide to purchase something on the spot after viewing it, this is known as impulse purchasing. The scarf was an impulsive purchase made by Sania.

By utilizing conspicuous displays to grab customers' attention and prompt a quick purchase decision, retailers promote impulsive purchasing behavior. For instance, placing a "BEST BUY" sign on the shelf next to the item, placing the item at eye level (usually on the third shelf from the bottom), or placing the item near the checkout counter so consumers can see it while they wait in line all significantly boost sales of a food item. Instead of basics like wheat and sugar, which are often planned purchases, supermarkets employ these displays and ideal placements for the lucrative things that people like to buy on the spur of the moment, such as gourmet cuisine. Electronic consumers are encouraged to make impulsive purchases by highlighting exceptional items on the retailer's home page and recommending related products.

#### 2.3.2 Making Routine Decisions:

A buying choice is made habitually when there is little to no cognitive effort required. Customers nowadays have several demands on their time. Their decision-making process is one method they deal with these time constraints. Customers may immediately react, "I'll purchase the identical product I bought last time from the same business," when a need arises. This regular method of decision-making is often used when selections aren't particularly crucial to clients and include well-known goods they have previously purchased. A few of instances of habitual decision-making are brand and shop loyalty. Customers who are loyal to a brand are those who like and often purchase that brand in a certain product area. In the event that their preferred brand is unavailable, they are hesitant to move to another one. Retailers can only meet these clients' demands if they have the particular brands they're looking for. For merchants, brand loyalty both presents possibilities and challenges. Stores featuring well-known brands draw customers. Retailers may not be able to negotiate a favorable deal with the supplier of the well-known national brands since they are required to stock the high-loyalty brands. Customers that like a certain brand of products and often shop there are said to have a devoted following. Every shop wants to see a rise in consumer loyalty. Choosing an accessible location, providing comprehensive assortments, lowering the amount of stockouts, rewarding clients for repeat purchases, and delivering excellent customer service are some strategies for boosting shop loyalty [11], [12].

## 2.4 Consumer Decision Making Process

Consumer behavior refers to how people and businesses decide how to use their available resources, such as time or money. Consumer behavior is related to the two main marketing strategies, business-to-business and business-to-consumer. We shall start by concentrating on the function that consumer behavior plays business-to-consumer (B2C) marketing, which entails the sale of products and services to end-user clients. Restaurants, auto dealerships, and barbershops are a few examples of B2C businesses that target specific customers like you who would buy their goods. Most of the customers targeted by B2C marketers follow a similar decision-making process, regardless of whether they are choosing a restaurant or a mobile phone plan.

#### III. CONCLUSION

The study of consumer behavior focuses on how customers choose and purchase products, services, and ideas to meet their needs. it is crucial to comprehend customer behavior in more depth since it affects consumers' purchasing decisions.

## REFERENCES

[1] A. C. Ewerhard, K. Sisovsky, and U. Johansson, "Consumer decision-making of slow moving consumer goods in the age



## Vol 10, Issue 5S, May 2023

- of multi-channels," Int. Rev. Retail. Distrib. Consum. Res., 2019, doi: 10.1080/09593969.2018.1537191.
- [2] A. B. Bangsa and B. B. Schlegelmilch, "Linking sustainable product attributes and consumer decision-making: Insights from a systematic review," Journal of Cleaner Production. 2020. doi: 10.1016/j.jclepro.2019.118902.
- [3] A. Klein and V. M. Sharma, "Consumer decision-making styles, involvement, and the intention to participate in online group buying," J. Retail. Consum. Serv., 2022, doi: 10.1016/j.jretconser.2021.102808.
- [4] N. Zuschke, "An analysis of process-tracing research on consumer decision-making," J. Bus. Res., 2020, doi: 10.1016/j.jbusres.2019.01.028.
- [5] M. F. Luce, "Consumer decision making," in The Wiley Blackwell Handbook of Judgment and Decision Making, 2015. doi: 10.1002/9781118468333.ch31.
- [6] S. Chaudhary and A. K. Dey, "A materialistic perspective of consumer decision-making styles," J. Indian Bus. Res., 2020, doi: 10.1108/JIBR-07-2017-0108.
- [7] S. Zak and M. Hasprova, "The role of influencers in the consumer decision-making process," SHS Web Conf., 2020, doi: 10.1051/shsconf/20207403014.
- [8] R. Mishra, R. K. Singh, and B. Koles, "Consumer decision-making in omnichannel retailing: Literature review and future research agenda," International Journal of Consumer Studies. 2021. doi: 10.1111/ijcs.12617.
- [9] D. J. Brick, L. Zhou, T. L. Chartrand, and G. J. Fitzsimons, "Better to Decide Together: Shared Consumer Decision Making, Perceived Power, and Relationship Satisfaction," J. Consum. Psychol., 2022, doi: 10.1002/jcpy.1260.
- [10] G. Lăzăroiu, O. Neguriță, I. Grecu, G. Grecu, and P. C. Mitran, "Consumers' Decision-Making Process on Social Commerce Platforms: Online Trust, Perceived Risk, and Purchase Intentions," Frontiers in Psychology. 2020. doi: 10.3389/fpsyg.2020.00890.
- [11] C. Leo, R. Bennett, and C. E. J. Härtel, "Cross □cultural differences in consumer decision □making styles," Cross Cult. Manag. An Int. J., 2005, doi: 10.1108/135276005107 98060.
- [12] A. Millwood, "Understanding the Consumer Decision Making Process," Yotpo, 2021.





Vol 10, Issue 5S, May 2023

## Social Media's Effect on Consumer Behavior

[1] Sunitha B K

[1] Assistant Professor & HoD, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] sunitha@cms.ac.in

Abstract—Social media is one of the most well-liked and often used ways of communication nowadays. Social media is presently used by people all over the globe to communicate with one another. In recent years, people have used social media to share their experiences. Experiences with a platform, product, or service are also included. Many individuals read the product evaluations that social media users submit every day, and they are becoming a significant source of influencing consumer purchasing decisions. Seeing the importance of this platform, businesses have begun to utilize social media to market their goods and services. Social media is now being utilized to sell goods and services efficiently and draw in a diverse audience.

Index Terms— Consumer Behavior, Customer, network, Service, Social Media.

#### I. INTRODUCTION

Social media enables people who may live in various regions of the globe to communicate thoughts, views, stories, and information. Among the most widely used social media networks are Facebook and Instagram. Individual profiles and user-generated material are often available on these networks. A business may reach this enormous audience and produce large leads by employing social media, which has 3.78 billion active users globally. The following well-known social media sites are utilized by businesses to target their customers:

**Facebook:** As of 2020, Facebook has over 2.7 billion active monthly users, making it the most widely used social media platform. As a consequence, several businesses created a Facebook page. Images and important business announcements may all be posted on Facebook. With a business account, you may also have access to robust advertising tools and extensive data.

**Instagram:** Instagram is also quite well-liked, and by 2020 it's predicted to have 1 billion active users. From Instagram Live to Instagram Stories, businesses use a range of strategies to promote their goods and services on Instagram. Instagram is a social media site that priorities visual material, such as images and videos. Influencers are employed by businesses to market their goods and services.

Twitter: Tweets with less than 240 characters, videos, photos, links, polls, and other content may all be shared on Twitter. By include user names in your posts, like and retweeting tweets, and mentioning people in your posts, this platform makes it easy to interact with your audience. If you have fascinating content and can communicate it in an exciting manner, Twitter is a fantastic tool for quickly spreading the word. With the use of hashtags, posts may be promoted, and if a user with a huge following retweet you, your content may get a lot of attention [1]. Social media is an essential resource for consumers to investigate brands and make judgements about what to buy. GlobalWebIndex reports that 54% of social media users use the platform to

research items, and 71% are more inclined to make a purchase after seeing a recommendation on social media. Almost 77% of customers read customer reviews before making a purchase. Even negative evaluations help to develop a company's reputation and trust. Internet testimonials give prospective customers the sense that your business is real and provides a real product or service.

These evaluations serve as a source of information for consumers making purchasing decisions all across the globe. They also utilize these reviews to build the brand's reputation. Even if the reviews are negative, how the business chooses to react to them may still be highly important for their brand image. A personal curiosity in how consumer behavior has altered in these technologically sophisticated times, particularly with social media. Every day, more information becomes accessible to us. As a consequence, we are constantly exposed to new information through the social media platforms that are readily available to us online.

Social media's accessibility and openness have changed how customers present themselves in the market of today, making it imperative and crucial for businesses to arm themselves with a new marketing mindset. The business could think its marketing efforts are working, but the consumers can disagree. In the modern digital world, creating a Facebook page and uploading product images is no longer sufficient to draw in clients. Instead, businesses must make an intentional effort to keep up with the most recent trends and provide fresh, interesting content for their social media channels [2], [3].

Regardless of the user's age or gender, people utilize social media in some capacity while making purchases. To read reviews, learn about current sales, discounts, or general information about the brand. The decision-making process customers employ while making complicated purchases, with a focus on how probable social media usage may affect this process. In this context, complex purchasing behavior refers to pricey, rare transactions that require extensive customer input, wide brand disparities, and high risk. The concept of social media is quite new. In the past ten years, user-driven online technologies including blogs, social networks, and



Vol 10, Issue 5S, May 2023

media sharing platforms have proliferated on the World Wide Web. These technologies, known as social media as a whole, have facilitated the development of user-generated content, a worldwide community, and the publication of customer reviews.

Now, this trend controls how we use the internet and has given birth to well-known platforms where people can interact, create, and share information, like Facebook, YouTube, Instagram, and Twitter. New methods of looking for and receiving information on the wide range of goods and services available have been made possible by the social media revolution. It has made it possible for customers to quickly and easily connect and discuss brands with one another.

Strangers are increasingly dominating consumer views on goods and services in online forums, which then affect attitudes in real-world settings. Social media has given customers more power since marketers have little control over the topics, timing, or volume of consumer dialogues online [4].

## II. DISCUSSION

The use of social media platforms as marketing tools falls under the broad category of social media marketing. Social media marketing as "leveraging the social through the media to market the constituents of businesses." To put it another way, it is a process that enables people to promote their websites, goods, and/or services through online social channels, allowing them to engage with and reach a much larger community than might have been possible through conventional advertising channels. The fact that most mass media commercials are less effective than they formerly were is no longer shocking since doing so usually results in the message being seen by many more people than the target audience had originally planned. Instead of continuing to be broadcasters, marketers should instead become aggregators of customer communities.

In other words, the Web shouldn't just be thought of as a channel for advertising; it's also a place where marketers can listen to communities, respond to them, review content, and promote a specific piece of content across the vast social sphere. Marketers regularly monitor customer social media use, but little is known about how it affects their purchasing behavior. Several studies examine customer behavior in the context of online buying, but often neglect to take into account how the internet affects the various stages of consumers' decision-making. Due to its simplicity and adaptability, the traditional analyses the customers' decision-making process. The approach contains five phases: identification of the need, information search, alternative assessment, choice of the purchase, and post-purchase analysis.

The purpose of the study is to determine the model's applicability to the use of social media. A quantitative survey was utilized to study several facets of the decision-making

processes in retrospect. The survey was completed by 158 people in total, and the results were utilized to analyses the participants' complicated buying decision-making processes. The phrase "social media" became well-known when social networking websites like Myspace and Facebook were established in 2003 and 2004, respectively. During this time, the phrase "Web 2.0" was also coined to characterize a new way of using the internet as a platform where content is continually amended by a large number of users in a participatory and collaborative manner rather than being developed and published by a single user.

Web 2.0 produced the construction of user networks and the sharing of knowledge, ideas, and information among users via the introduction of collaborative projects, Wikis, and interactive blogs. [5] User generated content (UGC) refers to media material that is publicly accessible and produced by end users. It should have been produced outside of professional routines and outside of a commercial market setting. The latter refers to the person who created the material.

The UGC's subject may and often is a commercial item or service about which the participants provide their comments. Based on these ideas of Web 2.0 and UGC, social media may be characterized as a collection of web-based program that expand on the philosophical and technical underpinnings of Web 2.0 and permit the production and interchange of UGC. Collaborative projects (Wikipedia, blogs), content communities (YouTube), social networking (Facebook), virtual gaming worlds, and virtual social worlds (Second Life) are some examples of social media categories.

## 2.1 Consumer Purchasing Patterns

Depending on the purpose of the study, there are a variety of approaches to model consumer behavior, but one important technique is the decision-process approach, which examines the activities that take place before and after a purchase and explains how choices are formed (Karimi, 2013). The "behavior patterns of consumers that precede, decide, and follow on the choice process for the purchase of need-satisfying items, ideas, or services" might be used to characterize consumer decision-making (Du Plessis et al., 1991). The simplest consumer models are the economic ones (where consumers adhere to the maximization of utility and spend the least amount possible to reap the greatest rewards), the psychological models (based on Maslow's hierarchy of needs, where individuals are motivated by their strongest needs), the Pavlovian learning models (behavior brought about by practice, learning, and experience), and the sociological models (behavior brought about by practice, learning, and experience) (buying influenced by society or social norms) [6].

Consumer attitude development, information search and assessment, the act of purchase, and post-consumption feedback were the four areas of activity. The likewise included four sets of variables: external variables (social, psychological, and marketing elements), inputs (stimuli),



Vol 10, Issue 5S, May 2023

perceptual and learning constructions, outputs (consumer behavior, purchase choice), and inputs (perceptual and learning constructs). The four components of the EKB model are information intake, information processing, decision phases, and decision process variables. The five sequential steps in the consumer decision-making process are need identification, information seeking, alternative appraisal, purchase (choice), and results (post-purchase), and each is impacted by personal traits, external factors, and psychological processes. The three grand models depicted the steps of the purchasing process, but they varied in how they were presented and how they placed emphasis on certain factors. They were, however, criticized for being very complicated, having several variables with weak definitions, ambiguous and complex interrelationships, and without empirical backing. In response, simpler models like the theory of planned behavior (TPB) by Ajzen and the Batman model were established in the 1970s and 1980s. The decision-making process is not addressed by the TPB, but the Batman model depicts it as a decision tree that is influenced by how consumers interpret outside information within the restriction of restricted information processing.

## 2.2 Internet influence on buying behavior

The increased variety and quantity of information available online has improved consumers' capacity to make better consumption decisions and created new possibilities for information search due to cheap search costs. User material and views increasingly often dominate search engine results. The influence of the internet varies depending on the stage of the decision-making process. Originally, just the information search stage was helped by the internet, but more recent developments in social media, online decision aids, and recommender systems have expanded the influence of the internet to all decision stages [7]. Other contributing elements for the quality of online decision-making, in addition to time costs and the cognitive costs of gathering and processing information, include perceived risk, product knowledge, and trust. Internet or online skills have also become more significant; the more often people use the internet, the more probable it is that they will utilize it to make decisions. The technology readily available online, including access to the various information sources and decision aids, which have the potential to aid consumers in making better quality decisions, is to blame for the fundamental difference in decision quality between offline and online settings.

## 2.3 Social media's effect on customer choices

Recently, a number of scholars have examined how social media affects consumer behavior, but often not from the perspective of the decision-making process. According to consumers utilize social media to their advantage since it provides instant access to information at their convenience, assisting them in making decisions about what to purchase or learning more about new goods or companies whenever and

wherever they choose. Consumer product selection and purchase behavior have been found to be causally influenced by online user reviews. [8], [9] social media has created a "participatory culture" where users connect with others who share their interests to participate in an ongoing cycle of information sharing, monitoring developments, and soliciting feedback and ratings on a wide range of goods, services, and endeavors. Consumers' purchase intentions are shown to be significantly positively influenced by the perceived amount and quality of online product evaluations, which are measured by perceived informativeness and persuasiveness.

As compared to business communications and ads, social media is seen as a more reliable source of information. The mainstream media is often viewed with suspicion. As a result, customers are no longer using conventional media, such as television, magazines, and newspapers, to inform their buying decisions. A major problem with making decisions online is information overload. It is challenging to navigate all the information accessible due to the sheer volume of information available on social media, which has caused consumers to experience analysis paralysis. Individuals have a limited capacity for processing the amount of information, thus it is not practical to thoroughly assess every option. Social media material quality has a significant influence; thus, it should be relevant to the audience. Social media marketing does not just focus on raising customer awareness or promoting the product itself. It goes beyond that, preserving existing relationships and forging new ones between prospective buyers and businesses. The customer is now king since they have access to all the information about a product or service by just conversing with one another.

Since unfavorable publicity on social media may harm a company's image, businesses and marketers should use extreme caution. Even many people agree that they can express their opinions and communicate with businesses and other customers more efficiently via social media. There is no doubt that social media has reduced the distance between customers and companies. Because of this, businesses are now making every effort to help customers feel connected to the brand and allowing them to provide their ideas, comments, feedback, and evaluations. The business that is adopting an integrated strategy approach with the goal of social media platforms is turning out to be the most effective at attracting, keeping, and influencing consumers. The methods that shaped customers' perspectives and their willingness to purchase are some of the factors that might alter their view of a brand and their decision to make a purchase. As a result, these tactics need a lot of upkeep, and businesses implementing them must be prepared to mend all marketing services in order to keep their current clientele and raise their average lifetime worth [10]–[12].

#### III. CONCLUSION

Understanding how digital and social media are utilized in the purchasing decision process, their effect on consumer



## Vol 10, Issue 5S, May 2023

behavior, and their function as a marketing tool are presently major issues for marketers. The three steps and the final purchase were more satisfying for those who appreciated the decision-making process. More satisfaction with the phases and the purchase was a result of high confidence and trust. Maximizers were less happy with their information search than contented individuals were. Comparing social media users to those who accessed other information sources, social media users perceived decision-making to be simpler and more enjoyable. Also, they felt more satisfied and confident throughout the procedure.

#### REFERENCES

- [1] "Investigating Social Media Influences on Consumer's Behaviors Purchasing Sports Apparel," Eur. J. Bus. Manag., 2019, doi: 10.7176/ejbm/11-26-07.
- [2] A. M. Bastos, J. M. C. de Mesquita, A. T. Dias, and A. M. M. Botrel, "Negative word-of-mouth on social media and consumer behavior: Study with parents of students of private schools in belo horizonte," *Rev. Bras. Mark.*, 2019, doi: 10.5585/remark.v18i4.16381.
- [3] D. Schmuck and C. von Sikorski, "Perceived threats from social bots: The media's role in supporting literacy," *Comput. Human Behav.*, 2020, doi: 10.1016/j.chb.2020.106507.
- [4] K. Wayles, "Instagram and Eating Disorders: An Empirical Study of the Effects of Instagram on Disordered Eating Habits among Young Girls," *ProQuest Diss. Theses*, 2020.
- [5] P. P. Ofori, E. A. Antwi, and K. A. Owusu-Ansah, "The mediating effects of satisfaction and attitude on consumers' intent toward adoption of social media healthcare information," *J. Heal. Soc. Sci.*, 2021, doi: 10.19204/2021/thmd5.
- [6] News Values from an Audience Perspective. 2021. doi: 10.1007/978-3-030-45046-5.
- [7] E. C. Tandoc, L. Cheng, and J. Maitra, "Analysing News Values in the Age of Analytics," in News Values from an Audience Perspective, 2021. doi: 10.1007/978-3-030-45046-5\_5.
- [8] S. Paulussen and P. Van Aelst, "News Values in Audience-Oriented Journalism: Criteria, Angles, and Cues of Newsworthiness in the (Digital) Media Context," in News Values from an Audience Perspective, 2021. doi: 10.1007/978-3-030-45046-5\_3.
- [9] D. Kumar Tiwari, "A study of effect of social media on buying behavior of customers with respect to online branding & brand perception," *Int. J. Sci. Eng. Sci.*, 2017.
- [10] R. Liu, "Reappraising Effects of Word-of-Mouth Communication on the Innovation Diffusion Process: An Abstract," in *Developments in Marketing Science:* Proceedings of the Academy of Marketing Science, 2020. doi: 10.1007/978-3-030-39165-2\_211.
- [11] M. Temmerman and J. Mast, "Introduction: News Values from an Audience Perspective," in *News Values from an Audience Perspective*, 2021. doi: 10.1007/978-3-030-45046-5\_1.
- [12] B. Karlin and J. Johnson, "Measuring Impact: The Importance of Evaluation for Documentary Film Campaigns," M/C J., 2011, doi: 10.5204/mcj.444.





Vol 10, Issue 5S, May 2023

# Changing Trends in Consumer Behavior

[1] Umakanth S

[1] Professor & Hod, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] umakanth@cms.ac.in

Abstract— Consumer behavior assists businesses in understanding what their consumers want and need, allowing them to deliver goods and services that are appealing to their target demographic. This is beneficial for organizations looking to grow into new markets or demographics. Keeping up with recent consumer trends is essential if you operate a company. You will be able to successfully promote and sell your goods and/or services if you understand what customers are doing and what they are engaged in.

Index Terms— Consumer, Customer, Consumer Behavior, Service.

#### I. INTRODUCTION

Customer service fundamentals are ageless, but consumer expectations are not. Consumers have always desired a courteous, quick, and dependable service, but as new technology has advanced, their expectations have risen. They want a better service than previously. They don't simply want 'friendly,' they want to feel that the service is tailored to them. The ancient saying "know your customers" is as valid now as it was then. Moreover, with consumer behaviour changing so quickly, companies must keep up with customer expectations [1]-[3]. Consumers of products or services have certain habits or behaviours that are presently widespread. Consumption trends look at more than just what consumers purchase and how much money they spend. Trend data may also contain information such as how customers utilize a product and how they talk about a brand with their social network. According to Trend Hunter's 2016 Trend Report, the following five trends will influence consumer behaviour:

Automatic Creation: Crowd fundraising platforms like Indiegogo and Kickstarter have made it exponentially simpler to finance a concept, but a new batch of enterprises is looking forward to tapping on enormous, active communities in numerous sectors to help build a product. For example, if you want to develop an app or website, you should start using Fifty Three Paper's Mix app. Mix, a gathering place for designers and artists, acts as an infinite source of inspiration, providing a broad selection of lessons to enhance your talents and templates to get your digital product off the ground.

Curated Dining: Although the word "ready-made" is still not acceptable, it doesn't imply that customers aren't seeking for shortcuts. Chef's Plate, for example, allows individuals to create delicious meals without all of the hassle. The service sends out supplies and instructions so that anybody may create a nutritious homemade dinner hand-picked by Milestones Canada senior chef Jason Rosso.

Sharing of resources and community building: Customers care about the global community and want to know that the companies they buy from do as well. Social Feed is meeting the need for ethical business by enabling marketers to purchase media that has a genuine effect on people's lives in

South Africa. Companies join Social Feed and add adverts or content that they want disseminated. Customers may choose which adverts or pieces of information to share on social media, and for each sharing, a meal is provided to a kid in need [4]–[6].

The more the brand's visibility, the more meals deliveredit's a win-win scenario all around. More corporations will unite with environmental, social, and even political causes in 2016 to respond to rising demand for brands to legitimately stand for something more than the items they offer. Streamlined Feedback: As the speed of customer requirements accelerates, companies must depend on new technology to get feedback and insight into where they are, both over- and under-performing, and what they can do. Co-operative Food's smart shopping carts have tablets that stimulate customers to answer questions on anything from store layout to sustainability. Shaftsbury, on the other hand, is using I-Beacon technology to supply shops with statistics such as the number of visitors that pass by their store vs the number who enter to shop.

Purchase of Recognition: During the last several years, brick and mortar and e-commerce have been aggressively fighting, but the border between the two has gotten more blurred. One Canadian company is attempting to revolutionise the shopping experience. Established an entirely virtual shop in Toronto's Union Station, where pedestrians may buy any goods shown on the wall by scanning the QR code. Slyce, another Canadian-based startup, also makes it easy for customers to buy. Just snap a photo of a product at a shop, and its visual product search technology will enable you to buy it right away from your smartphone.

The following are the most prevalent altering patterns in consumer behaviour: Social media is altering the concept of "quick." We're all linked to a stream of real-time updates, breaking news, and communications. We may share anything on social media and get immediate comments from our friends. According to the Global Web Index, social networking accounts for 28% of online time. This has effectively shortened the time customers expect a company (or anybody) to respond to a message. When asked about a



Vol 10, Issue 5S, May 2023

product or service, 66% of customers want a response the same day, and more than 40% expect a response within an hour.

The internet world is altering our expectations of how efficient a firm should be. A fast Google search will tell you almost all you need to know. As a consequence, customers are impatient when businesses just do not know something. Customers want firms to have data at their fingertips, from correct stock information to delivery dates and client records. With such a plethora of data and the technology to support it, customers often feel as if they have no excuse for doing it wrong. The growth of self-service has resulted in a generation that is content to serve themselves. Consumers are more eager than ever before to attempt to fix their own issues, from self-checkouts to FAQ sites to contact centre IVR. This does not imply that people no longer want to call and speak with a live person, but it does mean that contact centres may save time and money by implementing effective self-service strategies.

The "always on" mentality implies that clients demand assistance 24 hours a day, seven days a week (or as close as possible). We live in a time when almost everyone has a smartphone in their pocket that connects them to almost every element of their life. This is an always-on, always-connected gadget. We've gotten used to being able to access the information we want, contact anyone we choose, and even listen to whatever music we like at any time of day. Customers do not anticipate having to quit this behaviour for a firm. Although 24/7 contact centres are unlikely, customers anticipate extended hours and weekend service [7]–[9].

E-commerce has become the norm, and customers no longer expect to pay for the convenience. Delivery expenses were normal when e-commerce first started. That was an unavoidable aspect of the internet purchasing experience. It seems odd to pay for something like shipping now when internet services are commonplace. Customers now expect free next-day delivery as a norm. Customers demand channel service because of their channel or device hopping tendencies. Consumers notice a brand rather than a department. They don't understand why a contact centre representative can't recall a Twitter interaction they had the day before with the brand. This is especially crucial given that 60% of customers alter their communication channel based on where they are and what they are doing. Consumers should get consistent service as they travel across channels, and the experience should seem like one large discussion.

Customers now feel more empowered as a result of social media. Consumers may now express their ideas with a larger audience than ever before thanks to social media. Some buyers even have a greater social following than companies. Yet, the typical consumer has at least 150 Facebook friends and roughly 140 Twitter followers. Companies now must address an audience with an audience; do it right, and their message might spread like wildfire; get it wrong, and it's a PR nightmare. As a result of all of this, many customers now feel

more powerful. They understand that if they criticize publicly on social media, they are more likely to get a favorable reaction than if they complain privately.

## II. DISCUSSION

In today's data-driven internet environment, customers want individualized treatment. From social media to the way Google personalizes our search results, the whole online experience is now individualized. It seems to reason that customer service should be tailored as well. Customers anticipate that you will remember them. People demand to be treated as individuals, not simply as customers. In reality, this implies that your agents must have access to their entire communication history, as well as their purchasing patterns and preferences [10], [11].

Because of our mobile-first culture, people want your website and customer service to be "mobile-friendly." Mobile is altering how we all spend our lives. It constantly links us to people, brands, and information. From your website to your customer service, all facets of your client experience should be mobile-friendly. Mobile purchasing and service is no longer an option, but rather a need.

Customers want you to be "listening" on social media. Everything is out in the open with social media. Because of this "open book" attitude to networking, companies are expected to monitor and react to any discussions on social media. Consumers want companies to be heard and ready to react, whether it's a direct complaint or message or simply a mention. Customers may demand more from companies than they did before, but with the appropriate technology, any firm can meet (and even surpass) growing consumer expectations. With customer service being the primary competitive difference, prioritise your customer experience and you'll reap the benefits quickly.

Consumers' social situations are also changing dramatically. Not only is the baby-boom generation's demographic bulge resulting in a much older population with different consumption needs, but traditional family structures are also changing, with fewer children, a higher proportion of two-parent families in which both parents work, more lone parents, and more people living alone. Many consumers in these categories, notably two-parent working families and lone parents, have major time management challenges and may struggle to find the time to deal with the amount and complexity of market information they need to examine.

Customers are growing increasingly multicultural and urban. Vancouver, for example, has become one of the world's most culturally diverse cities, with the percentage of foreign-born residents increasing from 30.1 percent in 1991 to 37.5 percent in 2001. The challenges and opportunities this presents are obvious: businesses are developing new products and services to meet a wide range of cultural needs, and may benefit from significant export opportunities; however, there are significant challenges in protecting a less culturally and linguistically homogeneous consumer population.



## Vol 10, Issue 5S, May 2023

Although Canadian customers are becoming more educated, so are the knowledge and sophistication necessary to address the demands of a 21st-century economy. At the same time, many Canadians struggle to understand the complex information required to assess the value and risks associated with many important consumer products and transactions, particularly those involving financial and other important service contracts that necessitate high literacy and numeracy skills. For example, four out of ten Canadians aged 16 to 65 do not reach the minimum required level of reading skills, posing substantial problems when attempting to execute a fundamental activity such as extracting information from a normal bus itinerary.

Personal after-tax earnings of consumers have increased dramatically in recent years, but it is obvious that income distribution is getting more divided, which implies that the economic possibilities and problems consumers confront are growing more diverse. Income growth, for example, has been disproportionately concentrated in upper-income households, while the net rise in lower-income groups' earnings has been significantly less pronounced. Moreover, consumers in the lowest income quintile spend more than half of their income on necessities such as food, housing, and clothes.

In terms of assets, house ownership, a kind of self-imposed saving and, at least in recent years, an appreciating asset, may be a key predictor of consumer net worth. Renters, on the other hand, seem to have substantially less options to increase their net worth. In contrast, many customers struggle with debt and their capacity to handle it. Net indebtedness has continuously increased, with debt-to-income ratios climbing from 75 percent to more than 100 percent of yearly income in the previous 20 years. The fast development of unsecured debt, which may be costly to pay, is especially concerning, especially among individuals with limited physical assets.

What is crucial in judging the present status of the consumer is not merely detailing how different market trends or changes in customers' socio-demographic situations have developed, but also demonstrating the interaction between the two on particular groups of consumers. We can observe how things interact with one another to generate effects that enhance the advantages or obstacles that specific groups of consumers experience today. Here are a few illustrative instances of this kind of analysis, which are not intended to be exhaustive. Although these demographic groups have a number of similar qualities, as will be obvious from the descriptions below, there may also be considerable variances among customers within each of these categories.

#### 2.1 The senior customer

Seniors are a rising segment of the population who, due to their expanding numbers and wealth accumulation, are anticipated to wield greater market influence. As a result, new goods and services specialized specifically for them are likely to develop. Older households are often in better shape than they were before. Today's seniors are more likely to be living alone and may rely less on daily family help. Teenagers must make a number of sophisticated and maybe unfamiliar financial and purchase choices on their own. Seniors, who are currently prone to fraud and unethical marketing ploys, may become an even more vulnerable consumer category in the future. Moreover, many services on which they are increasingly reliant, either due to declining health or a lack of family support (e.g., market-purchased medical services), may be costly.

Rapid technological development in today's industry creates a variety of issues for elderly customers. While many new products and technologies are being developed to meet the needs of seniors, such as new and more sophisticated assistive devices that can facilitate independent living, a lack of familiarity with, and reluctance to use, new technologies (e.g., electronic banking or new self-service facilities in retail outlets) significantly limits seniors' ability to benefit from many of these new technologies to the same extent as the general population.

This consumer group, in general, is ideally positioned to capitalise on the possibilities given by a quickly changing, knowledge-intensive environment. This generation has a lot of spare cash since they have grown-up families and lesser mortgages. Consumers at this period of life usually seek to "large ticket" things such as vacation or house improvements, which have historically been the source of many customer complaints.

Given their financial situation, the variety of offerings in the financial services sector has been very advantageous to these clients. As a result, they are more likely to face challenges related with sophisticated investing choices. Although they have the financial wherewithal to acquire advisory services (such as investment counselling), this also implies they are more exposed to bad financial and investment advice.

This generation is more educated than prior generations, and they have reasonable market knowledge. In general, income growth for these consumers was average or higher in the late 1990s, due to an increase in the share of dual-earner households. Since they are at a point in life where purchasing a house is vital, many may have taken advantage of cheap mortgage rates to join the housing market and therefore begun to accrue positive asset balances.

Yet, since both parents work, families often face a high cost of living owing to the necessity to pay for services such as child care and meals outside the house. They may also have to pay for commuting expenses such as driving two cars. This group, like lone-parent consumers (see below), is under significant time constraints owing to the necessity to work two jobs and care for young or school-age children. Managing postsecondary education expenditures, as well as time stress from being a "sandwich generation" - supporting elderly parents as well as their teenage children - is a big problem for older parents with adolescents. This implies less time to deal with the market and less financial resources to acquire assistance, making these customers especially prone



## Vol 10, Issue 5S, May 2023

to long-term money management blunders. The fact that this group's net worth has declined over the previous 20 years adds to their anxieties.

This consumer category has at least one dependent kid. They encounter many of the same difficulties as consumers in two-parent homes, but with less means to deal with them. Although income growth for lone parents has been significant in recent years, they are still far more likely to be in the lowest income quintiles and to spend the majority of their money on necessities such as food, housing, and clothes, with little discretionary expenditure. They are also more prone to fall behind on their bill payments. Moreover, since they are less likely to own a property, they have considerable difficulties creating an asset base. As a consequence, most of their debt is of the costlier non-secured kind.

With the everyday hardships of raising a family on one's own, time stress is an evident issue for this group. This makes it harder to evaluate market options thoroughly. This predicament is exacerbated by low income, which does not provide lone-parent consumers with the financial flexibility to acquire services or convenience goods that would help them to properly appraise complicated purchases and manage their personal finances.

Those lone-parent customers who cannot afford private transportation sometimes have the additional challenge of not being able to browse around for the lowest prices or access major retail complexes that provide a vast product range and inexpensive costs. Overall, young people are highly educated, media aware, and digitally proficient, and they are likely to feel at ease and capable of navigating the knowledge-intensive high technology economy. Yet, young person's entering the labour force have significantly greater pre-existing debt burdens than prior generations, owing to high student debt in particular. These high levels of debt and extended durations of post-secondary education also make it difficult for this group to create new families; as a result, they begin their asset accumulation process later in their lives than in the past. From 28 percent in 1981 to 48 percent in 2001, the percentage of 18-28-year-olds still living with their parents almost doubled.

As seen above, the spectrum of difficulties that different consumer groups experience is fairly vast, and although all consumers confront opportunities and challenges in today's economy, the mix of concerns varies greatly depending on the group. Even within groups, individual circumstances might have a substantial impact on the result. For example, a lone parent with a high level of education may face dramatically different results (due to anticipated greater income levels and a better capacity to grasp complicated consumer contracts) than a lone parent with little education. Similarly, a newly arrived two-parent family with children is unlikely to confront the same economic prospects or to deal as readily while engaging with the marketplace as other two-parent families.

Throughout the Consumer Trends Report, we have highlighted a variety of research opportunities to deepen our understanding of what is happening to consumers and the marketplace today. Nevertheless, the study can only offer a high-level summary of the rising concerns. There are clearly numerous holes to be addressed, both to enhance the data that is now accessible and to establish new sources of information. There is also a large secondary research agenda that must be addressed in order to evaluate. One specific possibility may be to create a core collection of consumer indicators that may measure how well customers perform in the marketplace over time and serve as lead indications of impending concerns. As a result, these indicators might encompass not just social and economic changes impacting customers, but also trends in market performance, such as reporting on complaints patterns. Apart from the issue of additional primary and secondary research, the emphasis of that research effort is critical [12], [13].

#### III. CONCLUSION

Consumers will become aware in a variety of ways, including social networking sites, new experiences, and more advanced technology, which will make it easier for consumers to determine the precise price of a product, posing significant challenges for businesses. Shifting trends are usually advantageous to consumers since they increase competition in the market, giving the customer an edge.

#### REFERENCES

- [1] "Changing Trends of Consumer Behaviour: A Case on Kerala Rural Market," *Int. J. Manag. Stud. Res.*, 2021, doi: 10.20431/2349-0349.0904001.
- [2] J. George, "Growing & changing trends in consumer behavior," 2016. doi: 10.1109/ICEEOT.2016.7755633.
- [3] T. Price, "Economy:Millennials and the circular economy: The new green generation," *Int. Pap. IPW*, 2019.
- [4] D. Quick and K. K. R. Choo, "Digital forensic intelligence: Data subsets and Open Source Intelligence (DFINT+OSINT): A timely and cohesive mix," *Futur. Gener. Comput. Syst.*, 2018, doi: 10.1016/j.future.2016.12.032.
- [5] D. Mansoor and A. Jalal, "The Global Business Crisis and Consumer Behavior: Kingdom of Bahrain as a Case Study," *Int. J. Bus. Manag.*, 2010, doi: 10.5539/ijbm.v6n1p104.
- [6] V. Sharma and J. Sonwalkar, "Does Consumer Buying Behavior Change During Economic Crisis?," Int. J. Econ. Bus. Adm., 2013, doi: 10.35808/ijeba/9.
- [7] G. Teare and M. Taks, "Exploring the impact of the COVID-19 pandemic on youth sport and physical activity participation trends," *Sustain.*, 2021, doi: 10.3390/su13041744.
- [8] T. Shahrimanyan, "Trends In Changing Consumer Behavior In The Conditions Of The Pandemic In The Ra," Amberd Bull., 2021, doi: 10.52174/2579-2989\_2021\_3\_57.
- [9] A. Angus and G. Westbrook, "Top 10 Global Consumer Trends 2019," *Euromonitor Int.*, 2019.
- [10] R. G. Chivu, I. Stoica, G. Orzan, and A.-V. Radu, "Discounts or happy money for efficient inventory management? A new trend on Romanian markets in changing the consumer



## Vol 10, Issue 5S, May 2023

- behaviour," New Trends Issues Proc. Humanit. Soc. Sci., 2018, doi: 10.18844/prosoc.v5i2.3657.
- [11] E. A. Grigoreva, L. F. Garifova, and E. A. Polovkina, "Consumer Behavior in the Information Economy: Generation Z," *Int. J. Financ. Res.*, 2021, doi: 10.5430/ijfr.v12n2p164.
- [12] I. Yeoman, "The changing behaviours of luxury consumption," J. Revenue Pricing Manag., 2011, doi: 10.1057/rpm.2010.43.
- [13] K. E. Wallen and E. F. Daut, "The challenge and opportunity of behaviour change methods and frameworks to reduce demand for illegal wildlife," *Nature Conservation*. 2018. doi: 10.3897/natureconservation.26.22725.





Vol 10, Issue 5S, May 2023

## The Factors That Affect Consumer Behavior

[1] R Thanga Kumar

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] thanga@cms.ac.in

Abstract— The factors that influence consumer behavior may be categorized under three main headings: economic, psychological, and social. It is tried to explain them as simply as possible. Among social sciences, economists were the first to research consumers and their behavior and give specifics on how to address issues with consumption and consumers. As we all know, economists believed that man was a social and intelligent animal.

Index Terms— Consumer Behavior, Customer, Marketing, Product, Social.

#### I. INTRODUCTION

The fundamental economic factors include, among others: Personal income: An individual's income is the result of their financial efforts. Earnings equal buying power. When we discuss income in the context of marketing, "disposable income" and "discretionary income" are the main topics of discussion. A consumer's "disposable income" is the sum of money at his disposal for either spending, saving, or both. In other words, once anticipatory demands like taxes, debt repayment, debt service fees, and the like are met, the remaining portion of the entire gross income[1]. Consumer purchasing behavior will shift in response to changes in disposable income. Consumer spending decreases as disposable income declines; nevertheless, when disposable income increases, consumer spending increases and causes them to purchase more luxury. In other words, changes in disposable income affect the relative demand for various product and service categories.

Contrarily, "discretionary income" refers to revenue that is left over after covering one's essential necessities. It is the remaining discretionary income that is left over after all necessary costs have been covered for a family to fulfil their basic subsistence requirements. Changes in discretionary income have their own effects. When consumers have more discretionary money, they often spend more on things that improve their quality of life. As a result, a continued increase in disposable money is likely to alter consumers' very lifestyles. When a customer is a member of a joint family, the family income rather than the individual income influences the purchasing behavior. Individual income cannot be disregarded since family income is the total of the individual incomes of all family members. In a joint family, it is possible that a member's income increase might be offset by a member's income decrease.

So, the link between the number of family members or the needs and the money is what ultimately defines the purchasing behavior. The customer's aspirations for their future income often play a role in this kind of consumer behavior. The amount of present expenditure depends on how optimistic or pessimistic one is regarding consumer income.

He spends less now and saves more if there are poor prospects for projected income in the future, and vice versa. It is important to note that consumer demands determine whether an inclination to spend or conserve has strength and vigor[2]. No customer would refuse the minimal subsistence level due to dim future income projections, therefore this tendency will be too weak in the case of basic demands of life. Yet, if he anticipates a poor future revenue generation and vice versa, such a propensity to save rather than spend may be particularly powerful in the case of non-essential products. The liquid asset position of the customer is what affects their purchasing decisions. Assets kept in money or near-money types of investments are referred to as liquid assets of consumers. Hard cash, bank balances, bank deposits, shares, bonds, and savings certificates are the greatest examples of this kind. These assets are amassed in order to purchase certain consumer goods or to cover unforeseen future expenses or eventualities.

A person will spend current or regular income more carefreely if they have more of these liquid assets. The availability or scarcity of consumer credit affects how consumers behave while making purchases. Consumer credit is a service provided by a market to allow customers to defer paying for their purchases until a later time. Many forms of consumer credit exist, including hire-purchase agreements, instalment plans, and delayed payments. Consumers who may have otherwise put off buying certain consumer durables do so because finance is easily accessible. Moreover, it encourages him to spend his present money more freely. The established level of life to which he is used affects the consumer's behavior. Since it is exceedingly difficult to lower one's quality of life, consumer spending will not decrease proportionally even if consumer income declines. On the other hand, an increase in income generally tends to raise the existing level of life. If the income decreases, a portion of the shortfall is covered by borrowing over a brief period of time. Psychologists have also offered some insights into the reasons behind a consumer's actions. Motivation, perception, learning, attitude, and personality are the main psychological factors that determine an individual on the inside [3]. This is an effort to clarify and understand their consequences as they



Vol 10, Issue 5S, May 2023

relate to consumer behavior. The "why" of behavior is motivation? It is a controlling factor in consumer behavior and an intervening variable between stimulus and reaction.

Motivation refers to the impulses, urges, wants, or desires which trigger the chain of events known as behavior. In order to alleviate stress and to safeguard, satiate, and improve the person and his self-concept, motivation is an active, powerful driving force. It is one that motivates the person to perform in a certain manner. The intricate web of psychological and physiological factors is what it is. Hence, reasons might be intellectual or emotional, conscious or unconscious, and either good or negative. These motivations span the gamut from basic biological needs like hunger and thirst to the most cutting-edge scientific endeavors like setting foot on Mars or the Moon.

Abraham Maslow created a five-step hierarchy of human needs, including those for safety and survival. Affection, pride in oneself, and a sense of belonging. The conclusion is that as we climb the corporate ladder, marketing's contribution becomes deeper and more subtle. Understanding the process of perception is important for marketing management since it influences both cognition and behavior. The process of perception is how a person receives, interprets, and converts inputs into a response. Perception, therefore, is the method through which the mind gathers, arranges, and interprets physical inputs. To perceive something is to see it, hear it, touch it, taste it, smell it, and feel it inside. A person can't possible notice every stimulus item in his area of perception, thus he perceives just some of them, leading to selective perception. Since perceptions have significance for the person and do not signify a buzzing chaos, perceptions are structured. Suggestion variables affect perception. In other words, the kind of physical input itself affects how something is seen. This sort of variable includes things like color size, contrast, intensity, frequency, and movement.

Perception influenced individual is again by circumstances. Perception is governed by what the person brings to the circumstance. His capacity to see or hear the message, as well as his needs, emotions, memories, expressions, and values, all affect how the message is received. His self-concept, need, range of apprehension, mental set, and prior experiences are the personal factors that influence perception. Consumer decision-making or customer behavior may be affected by perception. Consider a few of these instances: According to estimates, 90% of the impulses that people experience originate from sight, with the remaining 10% coming from hearing. Because of this, aural and visual cues are frequently used in advertising. Loud sounds, vibrant colors, and enormous advertisements do not, however, automatically ensure that consumers will pay attention to and respond to them. Contrarily, the use of eerie music, pastel colors, regional accents, and carefully adjusting an advertisement's size in proportion to the size of the whole page or poster all alter perception and may result in better outcomes.

#### 1.1 Brand and product perception:

Many research have been conducted on how customers see the brands and items they often choose. In addition to the product's physical attributes, brand uniqueness and imagery play a critical impact in perception. A marketer must thus evaluate all the variables that have an impact on the creation of a brand image to determine how they affect how customers perceive the company's marketing mix. Pricing perception: Another component of the marketing mix where perception may have an impact is price. Consumers unquestionably evaluate a product or service's quality based on its price, according to studies. The adage "higher the price, greater the quality" is true. This further establishes that pricing and demand will have a direct or favorable connection when the marketer stands to benefit. The psychological pricing is another facet of this price perception. Such pricing techniques are justified on the theory that customers would see them as being utilized in sales campaigns with steep discounts to heighten the impression that a price has been significantly decreased[4]. There are five main aspects of a shop's image: location design, product selection, services, and staff. Each of these aspects influences how a customer views the store from which they make a purchase. Physical characteristics alone cannot convey a store's image. Other intangible elements, including advertising, interpersonal interactions, and experience, also affect how customers see a store's image.

#### II. DISCUSSION

The consumer's own self-perception and motivations have a significant impact on how they see shops. Also, where consumers purchase depends on how they see themselves. Risk perception: The notion of perceived risk acknowledges that consumers feel at risk while making purchases and that consumer behavior may be usefully researched as a risk-reducing behavior. Risk is involved in consumer behavior in the sense that every decision a customer makes will have consequences he cannot anticipate with confidence. The likelihood of repercussions and the degree of product ambiguity influence how risky a transaction is perceived. There are two types of perceived risk: functional and psychological. The psychological risk is tied to whether the product improves one's feeling of well-being or self-concept, whereas the functional risk is related to performance. The degree of perceived risk is a function of the amount of uncertainty present and the potential outcomes of a transaction, and it may be decreased by increasing certainty or by limiting outcomes.

Most often, it raises the degree of certainty. Learning in behavioral science refers to any modification of behavior brought on by experience. Acquiring knowledge is the process of learning. Since it is altered in accordance with the



Vol 10, Issue 5S, May 2023

customer's goals and prior experiences, consumer behavior is a learning process. The four steps of this learning process are cue, response, drive, and reinforcement. The term "drive" describes a tension-filled internal condition that calls for action[5]. Therefore, hunger or thirst may act as a catalyst. An environmental cue is a stimulus. The term "Response" describes how a person responds to stimuli in his surroundings, such as those in a food or soft drink advertisement. You may buy food items or soft drinks here. "Reinforcement" is the response's reward. The soft drink or snack item. The response prize is called "reinforcement". The consumed meal or soft drink fulfils one's appetite or thirst. The reaction may be repeated in response to reinforcement, which results in the establishment of a habit, or the learned habit may be extinguished in the absence of reinforcement.

As most consumer behavior is learned, it has a significant effect on how consumers make purchasing decisions. Previous knowledge and education serve as a purchasing guide. Despite such repetitive behavior, one may imagine that some brand switching and product experimentation do occur. Manufacturers of well-known brands gain greatly from customers' high propensity to form brand loyalty. This makes it challenging for the creator of a new brand to encourage brand switching and erode such affinities. When he demonstrates that his product has the potential to be considerably more fulfilling than those of his rivals, he is successful in his endeavors. To overcome the current brand barrier and create new patterns of purchasing behavior, free samples, in-store trials, demos, and deal activities may be employed. Insofar as a product's learning curve and brand loyalty can be cultivated, the manufacturer may trigger a more consistent sales profile that is less susceptible to competition intrusions[6]. Since attitude assessments aid in the comprehension and forecasting of consumer behavior, the idea of attitude is fundamental to research on consumer behavior in general and social psychology in particular.

A person's "attitude" is their propensity to act in a certain manner in response to a certain stimulus and attitudes towards other people, places, things, and things themselves may be good or negative, favorable or unfavorable. As a consequence of experience, attitudes eventually evolve via interactions with one's family, friends, and peer groups. Attitude is made up of three main parts: cognitive, emotional, and native. The "cognitive" component refers to one's beliefs about an item, thing, or event, including whether they are good or terrible, required or not, helpful or worthless. It is founded on logic, is connected to knowledge, and considers whether an item, thing, or event is pleasant or unpleasant, delicious, and how a person reacts to it. It is connected to his behavior and is dependent on the other two components. Each of the three aspects of attitude varies depending on the environment and the individual. The capacity of the marketing manager to comprehend, foresee, and change customer sentiments plays a role in that manager's success. Depending on how his product is doing in the market, the marketer may be interested in confirming current views, changing existing attitudes, or creating new attitudes. Maybe the simplest line of action is to reinforce attitudes while dealing with well-known goods. Just informing the customers of their likes and continued buying motivations is such an act. More difficult than just affirming an attitude is altering it. It is a shift from the intention to behave in line with the initial attitude to the intention to act in opposition to that intention. A product that customers despise is one they should enjoy. That is a really challenging procedure. In reality, it is considerably simpler to develop new attitudes than to modify current ones.

Attitude creation aims to induce customers to completely forget about the previous items or brands and choose for the new ones instead. Advertising is the most effective tool for changing and forming attitudes[7]. The term "personality" is often used to describe a person's ability for charm, friendliness, or popularity. But, in its strictest meaning, it alludes to the fundamental distinctions between people. As a result, a person's mannerisms, habits, and behaviors are what define him as a unique individual and set him apart from others. It is a result of inborn motivations, acquired goals, and life experiences. This indicates that a person reacts to comparable stimuli in a consistent manner. The interaction of three parts—the id, the ego, and the super ego—makes up personality. The 'id' controls a person's primal impulses and urges. The "super ego," on the other hand, controls the "id" by stifling antisocial behavior and propels the person towards higher ideals associated with civilizations.

The executive function is performed by the "ego" component, which also resolves the conflicting demands of the "super ego" and "id" as needed. For instance, although the "super ego" discourages such behavior since borrowing is considered a kind of social guilt in Indian culture, the "id" may push someone to utilize all of their available credit to purchase a vehicle. The "ego" resolves these conflicts and finds a solution that allows the person to make on-time installment payments without straining his monthly budget. An individual's personality may be described in terms of either characteristics or types. Aggression, honesty, anxiousness, independence, sociability, and other attributes may be among the personality traits. The personality types may be classified as either introverts or extroverts, although they can also fall under the traditional categories of exterior and inner direction.

Each of these characteristics has been looked at as a potential indicator of customer behavior. Consumer profiles and psychographic market segmentation are examples of how personality is evaluated in marketing. While examining psychological factors, consumer behavior was viewed from the perspective of the person. Yet, sociologists and social psychologists have made an effort to explain how a group's behaviors impacts and conditions an individual's behavior while making marketing or purchasing choices. As determinants, the following persons and groups are:



## Vol 10, Issue 5S, May 2023

- 1. Family
- 2. Reference teams
- 3. Influential people
- 4. Social status
- 5. Culture and caste

A lot of consumer choices are made in the context of the family, where they are influenced by the preferences, attitudes, and values of the other family members. Family is important as a main group because it connects the individual with a larger community and teaches them the duties necessary for adulthood. You may have a "nuclear" or "extended" family. A two-generational family known as a "nuclear family" typically consists of a mother, father, and kid. The term "extended" refers to a family that includes at least three generations of parents, children, grandparents, uncles, aunts, cousins, and in-laws[8]. The family may also be categorized in accordance with the family life cycle. This division is into "home making phase" from marriage to birth of first child, "procreation phase" from birth of first child to marriage of first child, "dispersion phase" from marriage of first child to marriage of last child, and "final phase" from marriage of last child to death of original partners. The effect of the family on an individual's personality traits, attitudes, and evaluative criteria may be tracked in two different ways, as can the influence of the family on the decision-making process involved in purchases. Family is a unit that both consumers and makes purchases.

Consequently, it is crucial to recognize each family member's distinctive functions. The person who first recognizes the need for the buy; the person who influences the choice to make the purchase; the person who makes the final decision; and the person who will use the item the most directly. Because of this, four factors in the case of family purchases are of great importance to every marketer. In nuclear households, the housewife often has the upper hand when making decisions about the family's needs for food, clothes, cosmetics, home furnishings, and jewelry. The children have the last word on clothing, sports equipment, and entertainment options like TVs, stereos, and the like. The father gets the final say on matters like as education, insurance, and others. The family life cycle has its own impact on consumer behavior. As families spend more on food, clothes, and children during the "procreation period" than during the "home-making stage," this trend continues. Every individual in society is a part of a group or groups outside of their immediate family in addition to their family. These teams might be referred to as reference groups. "Reference groups" are those groups that a person identifies with to the point that they impact his behavior as a standard or norm.

A person's thoughts, beliefs, and objectives are influenced by their social and professional reference group. It is one that gives a person a feeling of security, achievement, and identity. The comparison groups are as follows: Here, the person assesses how they stack up against the other members of the group in terms of their attitudes, behavior, and performance. As a result, if other members are wealthier than he is, or vice versa, he may feel destitute[9]. Organizations that a person desires to join: Here, the person emulates the behavior of that group, including their purchasing habits, in an effort to fit in. So, the group may be a cult like the "hippies" or the "jet-set" or it might be of a higher social position. Societal groups that the person uses as a framework for reference for his own actions: In this case, a person may embrace the group's views without joining. To think and act like a professional athlete, one does not necessarily have to be one. Some people who are not in the military can act in a more aggressive manner. Similar to this, a member of a minority group may embrace the beliefs and values of a group that he or she naturally disagrees with. As humans are social creatures, we spend the majority of our time in groups, and we accept the information that our groups supply on goods, prices, performances, styles, and other factors. The attention of its members is drawn to a new product or brand due to group norms. As these reference groups interact in person, word-of-mouth advertising, which is more effective than formal advertising, is generated.

A happy consumer becomes the product's salesperson. Similar to reference groups, 'opinion leaders' or 'influentials' are crucial in influencing their followers' purchasing decisions. We often see circumstances when a person bases his or her behavior more on an individual than a group. The opinion leader is the one to whom the reference is made by the person or individuals. The leader establishes a trend and a pattern for others to follow in a particular scenario based on their views, preferences, attitudes, actions, and behavior. There is a reference person, or informal group leader, in a very small reference group. The followers hold him in high regard and look up to him. Among the circle of admirers who respect and look up to him, he is the innovator. He is the group's inventor, testing out new concepts and items before spreading them to his followers. With advertisements and other forms of communication, marketers often attempt to engage opinion leaders. If they are successful in persuading the opinion leaders to buy their ideas and goods, they will also have persuaded the whole crowd of supporters [10]. Individuals' social class and caste affiliations have an impact on their purchasing decisions.

A society may be divided into social classes in order to identify people or families who share similar beliefs, lifestyles, hobbies, and behavioral patterns. In terms of size, social class is a more expansive group than an intimate one. Income, power, ownership, lifestyle, education, spending habits, employment, type, and location of residence of the individual members all play a role in social class constitution. There are three social groups that we can identify in our nation: affluent, middle class, and impoverished. Contrarily, a caste is a group that a person is born into. His or her caste is determined by their birth, not their riches. Based on the specialization of a profession or vocation, several castes were



## Vol 10, Issue 5S, May 2023

created. 'Brahmins, Kshatriyas, Vaishyas, and Shudras' are the four basic categories we use in our nation.

Both social class and caste structure are significant from a marketing perspective because they have an impact on consumer behavior. Every class and caste has its own norms for dressing, way of life, and behavioral tendencies. It is not surprising if people in this class choose a certain brand of goods and purchase at a specific establishment that conforms to their social standards. This does not imply that everyone in the group adopts the same tastes, brands, or fashions, but rather that there is a general pattern with a wide variety of preferences. Shudras are not prohibited from accessing restaurants that "Brahmins" and "Kshatriyas" frequent, but they are not permitted to do so either. Since everyone is considered equal under the Indian Constitution, it is due to the distribution of money and historical reverence for upper castes.

Culture: Culture gives the study of consumer behavior still another dimension. All the symbols, negative traits, and behavioral patterns that are socially handed down from one generation to the next are referred to as culture [11], [12].

It consists of cognitive components, convictions, standards, and behaviors that defy conventions. Cultures are unique to the places where they develop. Yet, two countries might share a cultural legacy. Hence, each country has its own unique culture; but, within a given country, subcultures may be distinguished based on ethnicity, nationality, religion, and race. Individual consumption habits of different ethnic and subcultural groups provide as crucial foundational information for marketers. Market segmentation, product creation, advertising, retailing, branding, and packaging are all significantly impacted by cultural trends. It is crucial to identify the broad cultural values that apply to the product as well as the most successful ways to communicate these values when creating the marketing mix. A clever marketer would never use a product, promotion, pricing, or distribution strategy that goes against these cultural norms.

## III. CONCLUSION

Consumer behavior-influencing elements may be roughly divided into three categories: personal, cultural, and social. The most significant predictor of customer behavior is cultural variables. This comprises the ideals and viewpoints that members of society adopt in order to fit in. A youngster raised in any other nation would not have the same preferences as a child raised in India.

#### REFERENCES

- [1] L. G. Sin *et al.*, "A Case Study of the Factors that Affect Consumer Behavior in IKEA," *Asia Pacific J. Manag. Educ.*, 2021, doi: 10.32535/apjme.v4i2.1068.
- [2] J. Bucko, L. Kakalejčík, and M. Ferencová, "Online shopping: Factors that affect consumer purchasing behaviour," *Cogent Bus. Manag.*, 2018, doi: 10.1080/23311975.2018.1535751.

- [3] M. T. Nawawi, "Factors of Consumer Behavior That Affect Purchasing Decisions on Blackberry Smartphone," *The Winners*, 2016, doi: 10.21512/tw.v17i1.1810.
- [4] I. Sattarova and L. Cherkashina, "Factors that affect consumer behavior," *Russ. J. Resour. Conserv. Recycl.*, 2022, doi: 10.15862/03ecor122.
- [5] H. Alamoudi, "How external and mediating factors affect consumer purchasing behaviour in online luxury shopping," *Thesis phd*, 2016.
- [6] H. Shamini and G. Hariharan, "Factors Affect to Consumers Green Purchasing Behavior: A Study on Batticaloa District," South Asian J. Soc. Stud. Econ., 2019, doi: 10.9734/sajsse/2019/v5i130135.
- [7] R. Kumar, "Impact of Demographic Factors on Consumer Behaviour - A Consumer Behaviour Survey in Himachal Pradesh," *Glob. J. Enterp. Inf. Syst.*, 2014, doi: 10.15595/gjeis/2014/v6i2/51844.
- [8] G. T. Tong and G. Du Kang, "Important factors that affect vietnamese consumers' green purchasing behavior," *Int. J. Innov. Technol. Explor. Eng.*, 2019.
- [9] E. Ebrahimi, F. Sadeghvaziri, and S. S. Abyaneh, "The dark side of consumer-brand relationship: Do ideal self-congruence, brand attachment and personality factors affect negative consumer behaviors?," *Iran. J. Manag. Stud.*, 2020, doi: 10.22059/IJMS.2019. 287178.673753.
- [10] P. Nguyen and L. Nguyen, "A study on game consumer behavior," *Manag. Sci. Lett.*, 2021, doi: 10.5267/j.msl.2021.6.002.
- [11] R. Kumar and R. Kumar, "Impact of various demographic factors on consumer behaviour an empirical study of electronic products in rural himachal (India)," *Indian J. Econ. Bus.*, 2019.
- [12] D. R. Bashir, I. Mehboob, and W. K. Bhatti, "Effects Of Online Shopping Trends On Consumer-Buying Behavior: An Empirical Study Of Pakistan," J. Manag. Res., 2019, doi: 10.29145/jmr/22/0202001.



Vol 10, Issue 5S, May 2023

# Consumer Behavior and Marketing Implications

[1] Sunitha B K

[1] Assistant Professor & HoD, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] sunitha@cms.ac.in

Abstract— Understanding customer purchasing behavior is essential for marketers because it provides insight into the motivations behind consumer choices. So, marketers will be better able to focus their future marketing budgets and increase return on investment by knowing which of their efforts are more successful. Consumer behavior aids businesses in their efforts to revamp their marketing plans and remarket their goods. Companies use quantitative and qualitative methodologies in their sales forecasting to predict the anticipated volume of sales for a specific market in a certain period.

Index Terms— Consumer, Customer, Marketing, Organization, Purchasing.

#### I. INTRODUCTION

The fundamental tenet of a marketing-focused firm is that the client is the center around which the enterprise revolves. Understanding what motivates consumers in general and your target market in particular to make purchases is thus essential to company success. The market itself refers to the consumer, around whom all marketing plans are developed and put into action. Marketing managers use a variety of techniques to enhance the final product before it gets into customers' hands in order to compete in the market. It denotes an increasing concern or awareness among marketers to conduct a detailed analysis of the customer behavior that serves as the foundation for all marketing efforts in an ever-changing marketing environment. The main marketing ramifications of customer behavior are listed below.

Consumer Psychology and Marketing Techniques Understanding customer behavior is the cornerstone of developing a marketing plan. The effectiveness of an organization's strategy is determined by how customers respond to it. Businesses in this cutthroat climate can only thrive by providing more customer value than rivals. Customer value is the difference between all the advantages that may be received from a comprehensive product and all the expenses associated with obtaining those benefits. In order to outperform the competition in terms of predicting and responding to customer demands, the business must provide higher customer value. In essence, marketing strategy is a company's response to the challenge of how it can provide its target market higher customer value. The development of marketing mix strategies—product, price, location, and promotion—is necessary to provide a response to this query. When these factors are combined properly, customers are satisfied and get value. To provide exceptional customer value, a bike marketer, for instance, has to be aware of the client's performance expectations, desired services, pricing range, and information needs [1].

#### 1.1 Market segmentation and consumer behavior

The choice of one or more segments on which to concentrate a company's marketing efforts is its most crucial

marketing decision. Instead of creating categories, marketers look for them in the market. Market segmentation is the study of the marketplace in order to identify viable customer groups that are consistent in their methods for choosing and using products or services.

As each market segment has specific wants, a company that designs a product with that segment's needs as its only consideration will be able to satisfy the target group's desires and provide more value to customers than its rivals. For instance, educated urban women are the ideal group for "Femina" magazine. This magazine's success rests on their ability to comprehend the metropolitan lady.

## 1.2 Buying patterns and product positioning

The act of positioning a product, service, business, or store in the mind of a customer or target market. By positioning, marketers look for the ideal match between a product and the advantages wanted by customers. Understanding customer perception in general and perception of a company's product in particular is necessary for effective positioning. For instance, the Samsung brand is seen as a luxury brand by a small percentage of customers and a value-driven brand by the majority of consumers in the market, but marketers must ascertain what influences their target market's perception and position their product appropriately [2].

#### 1.3 Study on consumer behavior and marketing

Marketing experts can forecast how customers will respond to promotional communications and comprehend why they make the purchases they do by looking at consumer behavior. Marketers understood that they could create advertising campaigns and promotional messages that would more successfully sway customers if they had a better understanding of the factors that impact consumer choice.

The significance of customer behavior led marketers to consider creating a distinct area of marketing research called consumer research to focus only on consumer-related concerns. Consumer research's current emphasis is on understanding consumers' fundamental requirements and motivations for making purchases, as well as how they learn and how their attitudes are formed.



Vol 10, Issue 5S, May 2023

## 1.4 Consumer behavior, social marketing, and non-profit organizations

The businesses that market ideas and concepts with social importance might benefit from having a solid understanding of customer behavior. In order to fulfil a desire or need in society, organizations that support family planning, an AIDS-free society, governmental organizations, religious institutions, and colleges also make a plea for the public's assistance. For the organizations engaged in these activities, knowing prospective donors' motivations for giving and how to successfully appeal to those motivations is helpful.

## 1.5 Consumer Choice and Decision Making in Government

Government may benefit from research on customer behavior in two key ways: when developing policies for different services and when creating consumer protection laws. Understanding people's attitudes, beliefs, perceptions, and behaviors is sufficient for understanding customers. Ideas from a variety of fields, including psychology, biology, chemistry, and economics, are included into consumer behavior. Businesses may target certain demographics with their marketing campaigns, increase customer loyalty, and spot new trends by studying consumer behavior. Also, by using this information, organizations may remain one step ahead of the competition and adjust to shifting customer preferences [3], [4].

#### II. DISCUSSION

Understanding consumer behavior is crucial for marketers because it enables them to better communicate with customers. They can close the market gap and pinpoint the items that are required and the products that are no longer in use by knowing how customers choose a product. Marketing professionals may display their goods in a manner that has the most influence on customers by researching consumer behavior. Understanding consumer purchasing behavior is the key to connecting with, involving, and convincing potential customers to make a purchase from you. Consumer behavior is typically impacted by many causes. Marketers should research customer buying trends and purchasing behaviors. Most of the time, businesses only have control over certain factors that affect customer behavior. For example, consider how IKEA always appears to urge you to spend more money than you had planned to. There are three types of variables that affect how consumers behave: Personal factors: Demographics may have an impact on a person's interests and attitudes (age, gender, culture, etc.). psychological aspects: a person's views and attitudes will determine how they react to a marketing message. Social variables such as family, friends, money, level of education, and social media all affect consumer behavior[5].

## 2.1 Consumer Behavior Types

The four primary forms of consumer behavior are as follows:

## 1. Complicated purchasing patterns

When buyers purchase an expensive, seldom purchased goods, they exhibit this kind of behavior. They play a significant role in the research that customers do before making a high-value investment. Consider purchasing a home or a vehicle; these are examples of complicated purchasing behaviors.

## 2. Dissonance-reducing purchasing patterns

Although being heavily engaged in the purchasing process, the customer finds it challenging to distinguish different brands. Dissonance may happen when a customer fear they will regret their decision. Consider purchasing a lawnmower. Choosing one will be dependent on cost and convenience, but after you've made the purchase, you'll want to be sure you picked the appropriate one.

#### 3. Consistent purchasing patterns

Consumers who make habitual purchases show relatively little interest in the product or brand category. Consider going grocery shopping: you visit the store and purchase the bread of your choice. You don't have a strong brand loyalty; you just act in a repetitive pattern.

#### 4. A desire for variety

In this instance, a customer buys a new product because of desire for variety rather than dissatisfaction with the prior one. like when you experiment with different smells of shower gel. You'll have a better understanding of how to segment consumer types if you are aware of the sorts of customers your online shop draws.

There are many variables that may influence consumer behavior, but the ones that do so most often include:

#### 2.2 Promotional efforts

Purchase choices are significantly influenced by marketing initiatives. They may even encourage customers to switch brands or choose more costly alternatives if done well, consistently, and with the proper marketing message. Marketing efforts, like Facebook advertisements for eCommerce, may also be used as reminders for buying items or services that are often needed but may not always be front of mind for consumers (like insurance for example). Impulse purchases might be influenced by a persuasive marketing message.

## 2.3 Financial circumstances

Economic factors have a significant role, particularly for costly goods (like homes or vehicles). Regardless of their financial obligations, customers are known to become more self-assured and prepared to indulge in purchases in a healthy economic climate. With more costly purchases, the decision-making process takes longer and is subject to more subjective influences.

#### 2.4 Individual tastes

Personal characteristics, like as preferences, beliefs, morals, and priorities, may also have an impact on how consumers behave. Personal views are extremely potent in



## Vol 10, Issue 5S, May 2023

sectors like fashion or food. Advertisements may undoubtedly affect behavior, but ultimately, consumer preferences have a big impact on their decisions. No matter how many advertisements for burger joints you see, if you're a vegan, you won't start eating meat as a result [6].

#### 2.5 Collective impact

Consumer behavior is also influenced by peer pressure. Our choices may be greatly influenced by what our friends, neighbors, close friends, coworkers, and family members believe or do. Consumer behavior is impacted by social psychology. For instance, choosing fast food over prepared meals is one such instance. Social and educational aspects may influence one another.

#### 2.6 Ability to buy

Not to mention, our ability to buy things has a big impact on how we behave. You will think about your budget before making a buying choice unless you are a millionaire. Even if the product is top-notch and the marketing is spot-on, you won't purchase it if you can't afford it. Marketers will be able to identify eligible customers and provide better outcomes by segmenting consumers based on their purchasing power.

#### 2.7 Patterns of customer behavior

Patterns of purchasing are distinct from buying habits. Patterns display a predictable mental architecture, while habits evolve over time as inclinations towards an activity and become spontaneous. Each consumer has specific purchasing habits, yet overall patterns of purchasing activity give marketers a distinctive character. Customers' tendencies may be categorized into:

#### 2.8 Location of Purchase

Even when all goods are offered in the same shop, buyers often split their purchases over multiple. Consider your preferred hypermarket: although you can get apparel and footwear there as well, you are likely purchasing those items from real clothing manufacturers. Customers aren't always loyal to one shop, unless it's the only one they can reach, when they have the opportunity and access to buy the same things at multiple places. Marketers will be able to pinpoint important shop sites by researching consumer behavior in terms of location preference.

Marketing professionals may learn a lot about their target audience's purchasing habits by looking at a customer's shopping cart. Bulk purchases of necessities are possible, although smaller, less regular purchases of luxury products are more typical. The perishability of each item, the buyer's buying power, the unit of sale, the price, the number of customers for whom the item is meant, etc., all have an impact on how much of each item is bought [7].

## 2.9 The quantity and timing of purchases

Consumers will purchase based on their ability to pay and will anticipate service even at the most inconvenient times, particularly in the age of e-commerce when everything is only a few clicks away. By analyzing a buying pattern and tailoring its services to the timing and frequency of transactions, the store must satisfy these objectives. One thing to bear in mind is that regional and seasonal variances must also be taken into consideration.

#### 2.10 The buying processes

Either a consumer may place an order online and pay with a credit card or when the item is delivered, or they can stroll into a shop and make an immediate purchase. Also, the mode of buying could encourage a buyer to spend more money (for online shopping, you might also be charged a shipping fee for example). The method a consumer uses to buy anything reveals a lot about the kind of customer he is.

You may find innovative approaches to encourage clients to make repeat purchases, more frequent purchases, and purchases of greater value by learning about their purchasing behaviors. Consider all the client information you've previously gathered. You may either hunt for insights manually or link a tool with your eCommerce platforms, like Shopify or WooCommerce, to receive automatic insights into behavior patterns. The purchasing patterns are hidden in your e-statistics.

#### 2.11 Segmenting based on customer behavior

Identifying different buyer types customer have always been crucial. segmentation Effective segmentation is even more crucial now because personalization and customer experience are variables in a company's success. Finding a segmentation method that clarifies things and works for your company is crucial since just 33% of businesses that employ customer segmentation claim that it has a major influence on their operations. Historically, the six main methods of behavioral segmentation are used by most marketers.

## 2.12 Advantages desired

While purchasing toothpaste, a consumer may do it for one of four reasons: whitening, sensitive teeth, taste, or pricing. Customers' actions while researching a product or service might provide important information about the features, advantages, uses, and challenges that most motivate them to make a buy. When a consumer values one or more advantages much more than the others, they are the main motivational reasons that influence their choice to make a buy

#### 2.13 Situational or time-based

Both general and specific occasions are mentioned in behavior segments depending on occasion and time. Most clients or target audiences fall under the category of universal events. For instance, customers are more inclined to buy certain purchases around holidays and seasonal events. Recurring-personal events are buying patterns for a certain client that repeatedly occur over time. For instance, holidays, birthdays, anniversaries, monthly expenditures, or even



## Vol 10, Issue 5S, May 2023

everyday habits like stopping for a cup of coffee every morning on the way to work. Rare-personal occurrences are likewise connected to specific clients, but they are more erratic and unplanned, making them harder to anticipate. For instance, going to a friend's wedding.

#### 2.14 Usefulness

Another popular method of behavior-based customer segmentation is based on the frequency with which a client interacts or makes purchases from a certain product or service. Use patterns may serve as a powerful predictor of lifetime value and, therefore, loyalty or churn [8].

## 2.15 Status of brand loyalty

The most valuable assets for a company are its loyal customers. They may become brand evangelists, have the greatest lifetime value, and are less expensive to maintain. Customers may be divided into groups according to how loyal they are by studying behavioral data, which enables marketers to comprehend their wants and ensure that they are met. To foster and enhance the customer connection and encourage future business, loyal clients should be given special treatment and privileges, such as access to special rewards programmers.

#### 2.16 User status

Depending on your company, there are a wide range of potential user statuses. Many instances are:

- 1. Non-users
- 2. Prospects
- 3. first purchasers
- 4. often used

Defectors (ex-customers who have shifted to a rival) (ex-customers who have switched to a competitor).

#### 2.17 Customer journey

Marketers may synchronize messaging and customize experiences to enhance conversion at every step by segmenting the audience based on buyer readiness. Moreover, it enables them to find the phases at which consumers are stagnating so they can pinpoint the largest challenges and growth possibilities, even for post-purchase habits. The RFM model is another method of segmentation in addition to these conventional approaches. Since it enables businesses to build customer experiences around the data they have on each client category, this strategy is well-liked among eCommerce marketers [9]–[11].

#### III. CONCLUSION

In conclusion, every effective marketing plan must take into account customer behaviour. Businesses may create efficient marketing strategies that satisfy the demands of their target market by researching the elements that affect customer behaviour. The study of consumer behaviour focuses on how customers choose and purchase products, services, and ideas to meet their needs. It is crucial to fully

understand consumer behaviour since it affects how customers behave while making purchases.

#### REFERENCES

- [1] I. F. Asiegbu, Powei Daubry M, and C. Iruka, "Consumer Attitude: Some Reflections on Its Concept, Trilogy, Relationship with Consumer Behavior, and Marketing Implications," *Eur. J. Bus. Manag.*, 2012.
- [2] P. A. Fadahunsi and D. S. Kargwell, "Social Media, Consumer Behavior and Marketing Strategy: Implications of 'Halal' on Islamic Marketing Operations," *J. Small Bus. Entrep. Dev.*, 2015, doi: 10.15640/jsbed.v3n1a4.
- [3] J. H. Leigh and T. G. Gabel, "Symbolic interactionism: Its effects on consumer behavior and Implications for marketing strategy," J. Serv. Mark., 1992, doi: 10.1108/08876049210035881.
- [4] J. Bruwer, A. Saliba, and B. Miller, "Consumer behaviour and sensory preference differences: implications for wine product marketing," J. Consum. Mark., 2011, doi: 10.1108/07363761111101903.
- [5] S. Sillani and F. Nassivera, "Consumer behavior in choice of minimally processed vegetables and implications for marketing strategies," *Trends Food Sci. Technol.*, 2015, doi: 10.1016/j.tifs.2015.07.004.
- [6] J. H. Leigh and T. G. Gabel, "Symbolic interactionism: Its effects on consumer behavior and implications for marketing strategy," J. Consum. Mark., 1992, doi: 10.1108/EUM0000000002594.
- [7] A. Mason, J. Narcum, and K. Mason, "Changes in consumer decision-making resulting from the COVID-19 pandemic," J. Cust. Behav., 2020, doi: 10.1362/147539220x16003502334181.
- [8] R. J. Zwanka and C. Buff, "COVID-19 Generation: A Conceptual Framework of the Consumer Behavioral Shifts to Be Caused by the COVID-19 Pandemic," J. Int. Consum. Mark., 2021, doi: 10.1080/08961530.2020.1771646.
- [9] H. Nezakati, "Globalization and Consumer Behavior: Global Marketing Strategies Implication-Homogeneity and Heterogeneity (Preliminary Study)," J. Soc. Dev. Sci., 2013, doi: 10.22610/jsds.v4i1.729.
- [10] O. Orji, "Major Classic Consumer Buying Behaviour Models: Implications for Marketing Decision-Making.," J. Econ. Sustain. Dev., 2013.
- [11] J. A. Roberts, "Profiling Levels of Socially Responsible Consumer Behavior: A Cluster Analytic Approach and Its Implications for Marketing," J. Mark. Theory Pract., 1995, doi: 10.1080/10696679.1995.11501709.



Vol 10, Issue 5S, May 2023

# Consumer Behavior and Marketing Strategy

[1] Vyshnavi A

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] vyshnavi\_a2015@cms.ac.in

Abstract— Normal marketing approaches and strategies are predicated on both explicit and hidden assumptions about customer behavior. Compared to judgements primarily based on implicit intuition, decisions based on explicit assumptions and solid theory and research are more likely to be effective. When developing marketing strategies, having an understanding of customer behavior may be a significant competitive advantage. It may significantly lower the likelihood of poor judgement and market failures.

Index Terms— Consumer Behavior, customer, Marketing, Product, Strategy.

#### I. INTRODUCTION

Since the factors influencing and forming consumer behavior change quickly, marketers confront both fascinating and imposing challenges. Here are a few examples. Experience: Consumers may order their coffee in a variety of ways thanks to marketers. Coffee beans may be purchased by customers to brew a cup of coffee. They are able to purchase coffee grounds and prepare a cup of coffee. People may choose to have a cup of coffee by going to a coffee shop. Alternatively, they might get a coffee at Starbucks. Generally speaking, you would be right if you said that the first choice is the least costly and the last option is the most expensive [1]. The layers of value that marketers may add to "commodity-like" items hold the key to the solution. These levels comprise the experiences and services that customers have said they value. Customers are thus inclined to spend more when items transition from being a commodity to a good to a service to an experience. Starbucks' success demonstrates that customers are prepared to pay extra for a cup of coffee from them because they overlay the fundamental product with service and an enjoyable experience. Moreover, Starbucks is advancing. For instance, one of its portfolios of "local relevance" businesses just launched a location in New Orleans. These "hyper local" businesses are intended to provide rich experience elements that capture the geographical context's historical and cultural atmosphere.

#### 1.1 Marketing to two consumers vs four consumers

Marketing has changed throughout time, both in terms of what it offers and how it interacts with customers. The environment has evolved as customers have gained influence over marketers. Simply said, marketing for consumers has replaced marketing for two. In order to reach as many customers as possible, Marketing Consumers employed mass marketing, a dispersed strategy that included inevitably squandering money on people who had no interest in the offered goods. Marketing Consumers continuously and regularly bombarded consumers with advertising in an attempt to capture their attention. In contrast, Marketing

Consumers employs a more focused strategy in an attempt to contact just the customers who are interested in the marketer's service. Marketing Consumers acknowledges that customers have the authority to decide whether or not they will give marketers their consent to initiate a dialogue (by, for example, clicking on an online ad). Marketers are no longer the only ones who can create products. By proposing a concept and/or providing funding for a pitch, customers may start and take part in product innovation (e.g., Kickstarter, Etsy). Customers may validate marketers' claims of affordable rates for many kinds of goods, including products and plane fares. Also, customers can quickly find customer reviews so they do not have to believe what marketers say.

## 1.2 Through social media

The emergence of social media, like Facebook, Pinterest, Tumblr, and Twitter, which places user-generated, consumer-to-consumer communication outside of the direct control and influence of marketers, has further magnified the power shift from marketers to consumers. An amusing illustration is the over 8,000 Tweets (on Twitter) that complain about the unusually lengthy receipts that CVS offers its clients. Tweets include images of customers holding up CVS receipts that wrap over their waists and extend above their heads. Big data is the driving force behind these lengthy receipts. Via the use of the customer's CVS card, CVS obtains information on every transaction. Custom coupons gleaned from the history of prior purchases are printed on each customer's receipt at the cash register when they check out [2]. Both lucky and astute, CVS. With the use of social media, they were able to rapidly and effectively identify the trend, underline the negative aspects (consumers' perceptions of waste and lack of environmental awareness), and take action by shifting more of their discounts and incentives to consumer cards. In the majority of circumstances, such "real-time" trend monitoring was simply not feasible before social and digital media. Understanding customer behavior is becoming even more important for marketers due to the power shift from marketing to consumers to marketing to consumers 4 and the development of social media. Marketing professionals' grasp of the necessity to put customers at the center of marketing is shown by the usage of crowdsourcing



Vol 10, Issue 5S, May 2023

by marketers to give voice to their consumers' needs and wishes.

#### II. DISCUSSION

#### 2.1 Marketing Techniques

Marketing choices that are supported by clear consumer behavior theory, hypotheses, and research have a higher chance of success than those that are based just on gut feelings or intuition, giving them a competitive edge. A thorough knowledge of customer behavior may significantly lower the likelihood of failures. The failure seems to have been caused by a variety of issues, including relatively high costs (which made customers less inclined to toss them away) and the items' lack of true disposable nature. There are no repeat purchases, said one shopkeeper. This book's main objective is to assist you develop a practical management understanding of consumer behavior so that you may manage marketing campaigns more successfully. Let's analyses regulatory policy, social marketing, and the value of being an educated person before we look at marketing strategy and customer behavior [3].

## 2.2 Regulatory Principles

There are several regulatory organizations that create, interpret, and/or put into practice laws intended to help and protect consumers. For instance, the Nutrition Labeling and Education Act is administered by the Food and Drug Administration (FDA) (NLEA). NLEA mandates that packaged goods prominently display nutrition facts in the form of a Nutrition Information panel, among other things. According to recent research, it varies. For instance, individuals who are highly driven but have little nutritional understanding benefit the most from the Nutrition Information panel. With the expected \$2 billion in compliance expenses, proving these advantages is crucial. Yet, these cost-benefit analyses are challenging because it is sometimes difficult to put a monetary figure on the advantages to individuals and society. It is obvious that thorough understanding of customer behavior is necessary for successful regulation of various marketing techniques.

## 2.3 Using social media

The use of marketing techniques and methods to change or generate habits that benefit the targeted people or society as a whole is known as social marketing. Social marketing has been used in efforts to cut down on smoking, increase the proportion of kids who receive their vaccinations on time, promote environmentally friendly behaviors like recycling, cut down on behaviors that could lead to AIDS, increase support for charities, cut down on drug use, and many other important causes. A thorough knowledge of customer behavior is necessary for a successful social marketing strategy, just as it is for commercial marketing strategies [4]. It is acceptable to refer to the majority of economically advanced civilizations as consumption societies. In these

civilizations, the majority of people spend more time engaging in consuming than in labor or sleep (both of which also involve consumption). Also, marketers spend billions trying to sway customer choices. These initiatives are made through advertisements, websites, packaging, product features, sales presentations, and retail settings. Also, they may be found in a lot of TV series' plots, in movie brands, and in educational materials for kids. Customers may become more successful customers if they fully comprehend the techniques and methods being deployed. Equally crucial is for us, as citizens, to understand the underlying consumer behavior of these methods so that we may impose appropriate boundaries when necessary. In other words, a basis for logical corporate ethics may be built on a knowledge of customer behavior.

#### 2.4 The Marketing Strategy and The Consumer

Applications of consumer behavior include marketing strategy development, regulation, and outcomes. We will now look more closely at marketing strategy. An examination of the market that the company is thinking about comes first. The organization determines groupings of people, homes, or businesses with comparable requirements based on the consumer analysis conducted in this stage. Demographics, media preferences, locational preferences, and other factors are used to characterize these market categories. The management then choose which of these categories to target based on the firm's strengths in comparison to those of its competitors (given current and forecasted economic and technological conditions). The development of a marketing plan follows. A company must provide its target consumers more value than its rivals do in order to thrive in a competitive climate. Customer value is the difference between all of the expenditures incurred to get a product's advantages and all of the benefits itself. A company must take into account value from the customer's point of view. Due to customer perceptions that the expense of the product itself and the guilt they would feel if they had to finally throw it away outweighed the benefits of being semi-disposable, Ziploc's Tabletops' were a commercial failure. So, the goal of marketing strategy is to outperform the competition in terms of value for the client while still making a profit for the company [5]. A marketing strategy is developed in terms of the marketing mix, which entails choosing the aspects of a product's design, cost, messaging, distribution, and services that will provide consumers the most value. The term "whole product" is often used to describe this full collection of qualities. The target market, which is constantly processing information and making choices intended to maintain or improve its lifestyle (individuals and families) or performance (companies and other organizations), is provided with the whole product.

It is evidently much more than just a meal and a drink. There is also an experience involved. More often than not, marketers now offer experiences instead of real goods and services. When a business consciously produces a



## Vol 10, Issue 5S, May 2023

memorable event for clients, it generates a "experience". Although experiences are mostly internal to each consumer, goods and services are largely external to the customer. A someone who has been involved on an emotional, physical, intellectual, or even spiritual level may still remember the event. The company, the individual, and society all experience outcomes as a result of the implementation of a marketing plan. Businesses want to build a reputation or position within their target market, make sales, and eventually satisfy consumers who are the foundation of sustained profitability. The process results in some degree of need fulfilment, money outlay, attitude formation or modification, and/or behavioral changes for the person. Keep in mind that some of these actions can entail harmful intake. The cumulative impact of the marketing process on society influences social welfare, economic development, pollution, and numerous ethical issues.

## 2.5 Monetary Analysis Elements

Understanding the consumption patterns of potential customers, the organization's own capabilities, the capabilities of present and potential competitors, and the economic, physical, and technological context in which these elements will interact are all essential for conducting a thorough market analysis. When you visit a restaurant or coffee shop, what do you buy? Even more than the actual food and drink, the experience is the product.

#### 2.6 The Clients

Without a thorough grasp of customer behavior, it is impossible to foresee and respond to consumers' wants and wishes. While identifying client wants is a difficult task, marketing research may often help. Target, for instance, wanted to enter the \$210 billion collegiate market. Target was particularly interested in the market for furniture and accessories as well as the unique requirements and driving forces of students relocating from their homes to college residence halls [6]. Target successfully introduced the Todd Oldham Dorm Room collection, which includes items like Kitchen in a Box and Bath in a Box—all-in-one assortments of the kinds of supplies required by college freshmen. A company must have a thorough understanding of its capacity to satisfy customers. In order to do this, it is necessary to assess every area of the business, including its financial management talents, standing, general production capabilities, research and development capabilities, technical sophistication, reputation, and marketing expertise.

New product development skills, channel strength, advertising skills, service skills, marketing research skills, market and customer awareness, and so on are examples of marketing talents. Serious issues might arise if strengths and weaknesses are not adequately understood. This contributed to the failure of IBM's initial foray into the home computer market, the PC Jr. Despite having a great reputation with big commercial clients and a powerful direct sales team to serve them, IBM's capabilities were irrelevant to the market for

everyday consumers. Via IBM Global Business Services, the company's more recent foray into high-end business consulting has been a huge success and, curiously, shifts IBM's attention back to its original core competencies. Without a solid awareness of the rival's capabilities and plans, it is impossible to constantly outperform the competition in terms of addressing consumer demands.

#### 2.7 The Situation

The capabilities of a corporation and its competitors are impacted by the status of the economy, the physical environment, governmental laws, and technological advancements. Government regulations impacting product design and manufacture have resulted from customer demand for environmentally friendly items as well as the degradation of the physical environment. International accords like NAFTA (North American Free Trade Agreement) have significantly lowered trade barriers and boosted customer expectations for numerous items in terms of both competitiveness and quality. Also, technology is altering how people work, live, and treat illnesses, among other things. Mobile applications, social media sites like Twitter and Facebook, and business websites are just a few examples of how technology is altering how people interact and access information. It is obvious that a business cannot create a successful marketing plan without considering the circumstances in which it will be executed.

## 2.8 Segmenting The Market

The choice of one or more market segments on which to concentrate is perhaps the most crucial marketing choice a company makes. A market segment is a part of a larger market whose demands are somewhat different from those of the broader market. Since each market segment has different demands, a company that creates a whole product with that segment's needs as its primary emphasis will be better equipped to satisfy that segment's needs than a company whose product or service tries to satisfy the needs of many segments[7]. A sector has to be big enough to be commercially supplied in order to be viable. It should be emphasized, too, that technological developments like flexible manufacturing and customized media are enabling mass customization so that businesses may economically target smaller sectors and even individuals. Another illustration of how technology is reducing the cost of personalized communication is behavioral targeting, in which customers' online activity is monitored and particular banner advertising are provided depending on that activity.

## 2.9 Four stages are involved in market segmentation:

- 1. Identifying need sets for products.
- 2. Combining clients with comparable sets of needs.
- 3. Outlining each category.
- 4. Deciding which appealing segment(s) to service. Require Sets Relating to Products



Vol 10, Issue 5S, May 2023

Market segmentation is approached by organizations with a set of existing and future capabilities. These skills may be a reputation, an already-available product, a technology, or something else entirely. The company's initial step is to determine which need sets it can currently satisfy or eventually fill. The phrase "need set" refers to the reality that most goods in industrialized economies meet several needs. Hence, a watch may serve purposes other than reporting the time. Some clients buy timepieces to satisfy their status wants, while others buy them to satisfy their fashion needs, and so on. [8] Focus groups and depth interviews, as well as reasoning and intuition, are often used in consumer research to identify the many requirement sets that the company's existing or projected product may satisfy. Often businesses begin the segmentation process by concentrating initially on one or more of the groups indicated by one of these factors since these demand sets are frequently related with other characteristics such as age, stage in the family life cycle, gender, socioeconomic class, ethnic group, or lifestyle. As a result, a company may begin by identifying distinct ethnic groups before looking for commonalities and variances in these groups' consumption-related demands. Although concentrating first on requirements and subsequently on consumer traits related with those needs will often lead to the discovery of better-defined segments, both techniques are employed in practice and both provide a suitable foundation for segmentation.

## 2.10 Clients with Related Need Sets

Grouping customers with comparable need sets is the next stage. For instance, many young single people, young couples without children, and middle-aged couples whose children have fled the nest seem to have a demand for reasonably priced, entertaining, fast cars. Although having very distinct demographics, these customers may be categorized into one class in terms of product attributes and perhaps even product image. A further illustration of "clustering" or assembling customers with related requirement sets can be seen in Consumer. For instance, basic consumers have the demand for mall staples as their most important need group. Consumer research, including as focus group interviews, surveys, and product idea testing, are often part of this process (see Appendix A). It could also include a review of recent consumption trends.

#### 2.11 Overview of Each Group

Consumers that share a set of needs should be recognized and characterized in terms of their media consumption, lifestyles, and demographics. To create a marketing programmer that is successful, a thorough grasp of the prospective clients is necessary. We can only be certain that we have appropriately identified the requirement set with such a thorough knowledge. Moreover, if we don't comprehend the context in which our product is bought and used, how our consumers think about it, and the words they use to describe it, we won't be able to connect with them

successfully. As a result, even if many young singles, young couples without kids, and middle-aged couples whose kids have moved out may desire the same characteristics in a car, the media needed to reach each group as well as the right language and themes to utilize with each group would probably vary[9]. We must choose our target market—the section(s) of the wider market on which we will concentrate our marketing efforts—once we are certain that we have a solid grasp of each segment. Our choice is based on our capacity to provide higher customer value to the chosen segment(s) while making a profit. As a result, factors including the segment's size and growth, the level of present and future rivalry, the cost of delivering higher value, and others, are crucial to take into account. Profitability, however, cannot be disregarded. A sizable unprofitable part is still unprofitable, after all. Identifying lucrative niches entails determining the best possible match between client wants and the company's product offers. This implies that it may be necessary to "fire" certain consumers and market sectors because they are unprofitable to service. Although it may be challenging to fire clients, ING Direct has shown that doing so might increase earnings. The bank ING Direct is quite basic. It offers little services (no checking) and does the majority of its business online. Because to its higher interest rates, ING Direct seeks for "low maintenance" clients. According to its CEO, ING Direct differs from the rest of the financial sector in the same way as take-out cuisine and a sit-down restaurant do. Relationships are not the foundation of the company; rather, it is a commodity product with large volume and poor margins. When clients demand a lot of compassionate interaction, we need to keep costs to a minimum, but that is impossible. [10]-[12] By identifying high-cost clients and politely letting them leave by recommending they would be better off with a "high-touch" community bank, ING Direct keeps expenses down and revenues up. It's crucial to keep in mind that every market niche demands a unique marketing plan. To assess if adjustments are necessary from one segment to another, each component of the marketing mix should be analyzed. Occasionally, the product as well as the marketing mix must be radically different for each category. Sometimes the only thing that needs to change is the advertising message or the store locations.

## III. CONCLUSION

The study of consumer behavior focuses on how customers choose and purchase products, services, and ideas to meet their needs. It is crucial to comprehend customer behavior in more depth since it affects consumers' purchasing decisions. The study of behavior focuses on how customers choose and purchase products, services, and concepts to meet their needs. It is crucial to comprehend consumer behaviour in more depth since it affects customers' purchasing decisions.



## Vol 10, Issue 5S, May 2023

#### REFERENCES

- [1] J. P. Peter and J. C. Olson, *Consumer Behavior & Marketing Strategy*. 2009.
- [2] J. Sheth, "New areas of research in marketing strategy, consumer behavior, and marketing analytics: the future is bright," J. Mark. Theory Pract., 2021, doi: 10.1080/10696679.2020. 1860679.
- [3] S. Mihic, D. Radjenovic, and D. Supic, "Consumer behaviour building marketing strategy," *Metal. Int.*, 2013.
- [4] M. Laroche, "Advances in internet consumer behavior and marketing strategy: Introduction to the special issue," *Journal* of *Business Research*. 2010. doi: 10.1016/j.jbusres.2009. 06.010.
- [5] L. C. Stocia, M. P. Cristescu, and A.-M. R. Stancu, "Relationship Between Consumer Behavior and Marketing Strategies," *Knowl. Horizons Econ.*, 2017.
- [6] P. A. Fadahunsi and D. S. Kargwell, "Social Media, Consumer Behavior and Marketing Strategy: Implications of 'Halal' on Islamic Marketing Operations," *J. Small Bus. Entrep. Dev.*, 2015, doi: 10.15640/jsbed.v3n1a4.
- [7] G. Di Domenico and M. Visentin, "Fake news or true lies? Reflections about problematic contents in marketing," *Int. J. Mark. Res.*, 2020, doi: 10.1177/1470785320934719.
- [8] F. O. Boachie-Mensah and R. Boohene, "A Review of Cross-Cultural Variations in Consumer Behaviour and Marketing Strategy," Int. Bus. Manag., 2012.
- [9] S. H. Akhter, "Niches at the edges: Price-value tradeoff, consumer behavior, and marketing strategy," *J. Prod. Brand Manag.*, 2009, doi: 10.1108/10610420910949031.
- [10] A. A. Hecht, C. L. Perez, M. Polascek, A. N. Thorndike, R. L. Franckle, and A. J. Moran, "Influence of food and beverage companies on retailer marketing strategies and consumer behavior," *International Journal of Environmental Research and Public Health*. 2020. doi: 10.3390/ijerph17207381.
- [11] J. P. Peter and J. C. Olson, *Perilaku konsumen dan strategi pemasaran (Consumer behavior and marketing strategy)*. 2014.
- [12] A. K. Manrai, "Effect of Ethnocentrism on Consumer Behavior and Marketing Strategy in Global Societies," *Journal of Global Marketing*. 2017. doi: 10.1080/08911762.2017. 1305248.





Vol 10, Issue 5S, May 2023

# Complex Nature of Consumer Buying Process

[1] Krishna Reddy B N

[1] Associate Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India
[1] krishnar@cms.ac.in

Abstract—Consumer purchasing the final consumer's purchasing habit is referred to as behavior. Numerous elements, specificities, and qualities impact the person and the customer in their decision-making process, shopping habits, buying behavior, the brands they purchase, and the merchants they visit. The decision-making process of a customer consists of five steps that the consumer goes through before making a purchase. Throughout these phases, the customer detects a need, gets information, compares options, and makes a purchasing choice.

Index Terms—Buying, Consumer, Marketing, Process, purchasing.

#### I. INTRODUCTION

Consumer behavior is a large topic of research. Consumer behavior is the study of why, what, when, and how consumers purchase a product or a brand (Kumar, John & Senith 2014). Understanding consumer purchasing behavior is still unattainable since it is so intimately tied to the human psyche. Understanding customer purchasing behavior on a digital platform, on the other hand, is relatively feasible thanks to a variety of analytical tools. Nonetheless, a thorough knowledge of consumer purchasing behavior remains elusive. Consumer behavior is the behavior of buying products. Everyone wants to be satisfied. Wants are a natural element of existence. A person goes to the market to fulfil a demand by purchasing items in return for money.

Understanding customer behavior is a crucial component of being a marketer. The study of how individuals make purchasing choices is known as consumer behavior. The behavior might be both pre- and post-purchase. It also assists businesses in identifying opportunities [1]. It is critical to understand the customer purchasing decision process. The consumer purchasing decision process refers to the decision-making processes initiated by the customer before to, during, and after the purchase of products or services in exchange for money in the market (Lumen, n.d.). It assists the seller/marketer in selling their products or services in the market. If a marketer is effective in understanding customer behavior as it relates to the consumer purchasing decision process for products or services, the marketer may be successful in selling its goods or services. Figure 1 depicts the customer purchasing decision-making process step by step. The consumer purchasing decision-making process is divided into five phases. Problem identification, information search, alternative evaluation, buy choice, and post-purchase behavior. It demonstrates how a buyer begins to consider before purchasing a product.

Throughout the product decision-making process, the buyer may employ all five phases. Sometimes the buyer can skip one or more phases; it all depends on the consumer's mindset. Every human mind is distinct from that of other

people. For example, suppose a person buys his or her normal brand of milk every day when the need arises. As a result, the odds of bypassing information and assessment are greater when compared to highly involved items. Essentially, it is determined by human nature. Yet, in the situation of purchasing an automobile, where engagement is substantial. When a client goes to purchase an automobile, he or she cannot skip any of the five steps. This technique is particularly effective for new or highly involved customer purchases. Several businesses concentrate on comprehending the customer experience in studying, selecting, utilizing, and discarding of the product [2]. "Sales dictate profit, and customer behavior determines profit." The goal of every organization's engagement in business is to create a profit, which is defined by how its market acts. Those having money to spend and the desire and capacity to spend it comprise the market. The issues around customer willingness and ability are fundamental to the purchasing behavior process. What motivates customers to purchase the way they do? What makes people vulnerable to some sales attempts but not others? Why does a person buy or not buy a certain product or service? The prospects of success are minimal unless the marketing team understands the purchasing procedures of the organization's target market.

## 1.1 The Complexity of the Consumer Purchasing Process

Consumers' purchasing procedures for the majority of items and services are much more complicated than they look. They are seldom just a question of purchasing or not buying. If you examine a consumer's thoughts, you will discover that he has a number of complicated, sometimes competing, unmet demands. Such sets of requirements, as well as the circumstances that produce these demands, as well as the steps consumers go through to meet them, impact his purchasing behavior (needs) [3].

#### 1.2 The Purchasing Procedure Stages

To understand purchasing behavior, consider the purchasing process as a series of steps that customers go through. Consumer behavior may be broken down into three basic phases. The following are the stages:



Vol 10, Issue 5S, May 2023

Stage 1 is the pre-purchase stage.

Step 2: the purchasing stage

Step 3: is the post-purchase stage.

The following are the steps of the purchasing process:

Stage of pre-purchase: Marketing executives used to associate customer behavior with real purchase decisions. Their interest was totally centered on the act of purchasing itself - the actual exchange of money for goods and services. Pre- and post-purchase behavior has recently received a lot of attention. Pre-buy behavior is what a customer does before making a purchase, which frequently determines the choice. Post-purchase behavior will be the key predictor of future purchase behavior in the case of repeat purchases. Several variables influence pre-purchase behavior. The criticality of a product's requirement and the urgency of the time period are often key variables in deciding how much activity occurs at this stage. Additional considerations include whether the customer is making a first-time or recurring purchase, as well as how costly the transaction is on his or her financial resources. The pre-purchase stage is divided into three parts. Initially, the customer must become aware of both a need to be met and the product or service's availability. It is often assumed that consciousness of the need must emerge first, however awareness of need and availability may occur concurrently [4]. The consumer's second stage is to gather information about how the specific demand may be met. Information may be gathered via friends, family, and acquaintances, as well as from the firm's and its rivals' numerous promotional activities. The quantity of information necessary is determined by the consumer's knowledge and experience with the products and services, the availability of information, and the product's worth and significance. The third step in this stage is for the customer to examine the information gathered, taking into account the benefits and drawbacks of hoarding money (and therefore not meeting the demand) as well as evaluating the qualities of competing items.

Buying Stage: After assessing the available information, the consumer's purchasing behavior is highlighted. The customer's initial choice is whether the need should even be met, i.e., should the consumer make a purchase or save his or her money? Purchases of extremely modest cost will not be very painful. Those needing a significant investment, on the other hand, may be rather challenging. Once the buyer agrees to buy a product, the next question is which one will best meet the requirement. Numerous factors impact this decision, which will be described more below. Buying behavior does not stop with the choice to purchase a certain product or service. The physical trade must still occur. When the transaction cannot be completed immediately after the choice is made, or when the customer must do something else to make it all happen, the sale may never occur. A customer may opt to enjoy (purchase) a delectable Chinese meal after viewing it on television. Instead of dressing up and going out, the customer changes his or her mind and settles for a sandwich.

Post-purchase Stage: Marketing executives have only recently acknowledged the importance of post-purchase behavior. It was formerly considered that the marketing role ceased after a sale was made. Contemporary marketing executives, on the other hand, recognize the importance of post-purchase behavior. The key issue with post-purchase behavior is ensuring that customer demands are met via the usage of the product. Customers will be hesitant to purchase a product again if it did not meet their expectations the first time. Another issue with post-purchase behavior is that following most high-cost purchases, a buyer may suffer cognitive dissonance, doubting the decision's rationality. The unfavorable aspects of the acquisition will look more significant, while the downsides of the alternatives will appear less significant. If this scenario persists, it is quite probable that the customer will never be happy with the product's performance.

To address this state, customers seek information that confirms the rationality of their decisions. Marketing executives have launched aggressive efforts to give the information these customers want in order to increase consumer happiness and get further attention. Hence, consumer choice making is a complicated process full of factors rather than an immediate result. Each purchase choice you make is the result of several elements interacting, including culture, social class, reference group, needs, self-concept, learning, attitude, product qualities, purchasing environment, and so on [5]. First and foremost, our cultural setting influences our purchasing choices. Clearly, this is the most powerful external element influencing an individual's choice. Our tradition teaches us that the bride should wear a bright saree and jewellery on her wedding day, therefore we purchase such items for her. Why do Muslim men purchase 'pajamas' and 'Panjabi' on Eid? This is another example of our culture's effect. Human beings work and live with one another, and are often impacted by those around them.

Consumers are influenced by their family, social class, reference group, friends, neighbors, and associates in particular. Why do you use a certain brand of toilet paper? You may have seen your parents using that brand, which affected your choice. The choice of a certain brand in a product category may also be impacted by your friends, your social class, your reference group, or even your neighbors [6]. While cultural, societal, and other factors may be powerful, so can internally forces. What, when, and how individuals purchase is heavily influenced by their needs and motivations, perceptions, learning processes, attitudes and personalities, and self-concepts. While consumers have many identical wants, they strive to meet them in quite diverse ways, depending on how they view both their needs and the environment in which they operate. In reality, two persons with similar requirements may take different activities to meet them depending on how they perceive the circumstance.



Vol 10, Issue 5S, May 2023

There is little question that what customers learn influences how they behave. Apart from fundamental requirements, all wants are learnt through previous experiences and other people or organizations, as well as the ways in which they strive to fulfil them. Moreover, one's motive, attitude, and personality influence his chosen choices. Two brothers may purchase and wear shirts with distinct designs only for the sake of personality differences.

#### II. DISCUSSION

Apart from cultural, societal, and individual factors, the features of the product and the environment around it impact purchasing choices. You may have gone to the marketplace to purchase one brand of a goods, but returned to buy another? What prompted you to reconsider your decision? Maybe the brand you purchased was so appealing in terms of packaging, style, or pricing that it affected your selection. The way the item is displayed or the salesperson approaches you may also impact your behavior (part of the purchasing environment) [7].

#### 2.1 Consumer Behavior Definition

Consumer behavior refers to the buying and other consumption-related behaviors of persons who participate in the exchange process. Baozi and Zaltman described consumer behavior as " actions, processes, and social \relationships demonstrated by people, groups, and organizations in the \obtainment, use of, and consequent experience with goods, services, and \other resources". Consumer behavior is driven or purposeful. This activity is motivated by the desire to get items or other resources. They are acquired for usage as a stand-alone item or as a medium of future trade. This definition's three key components, actions, processes, and social connections, include a wide range of consumer behaviors. Some of the activities include having a need, window shopping, comparison shopping, merely thinking about the available information about a product's relative merits and drawbacks, or requesting a friend's counsel about a new product, and so on. Consumer behavior also includes the experiences that result from consuming goods and services [8].

When we examine the preceding concept, we may discover three occurrences affecting consumer behavior: Acts, processes, and social interactions are examples of activities. Individuals, groups, and organizations are examples of people. Obtaining, utilizing, and the effects of these experiences. In this lesson, we will discuss a few more definitions of consumer behavior provided by other writers. Consumer behavior was described by Engel, Blackwell, and Miniard as "those activities of persons directly engaged in getting, utilizing, and disposing of economic products and services, including the choice processes that precede and decide these acts." This definition incorporates some of the characteristics of the other definition provided and explained above. It also incorporates one of the most crucial parts of

buyer behavior: the decision process. This is covered in the preceding description of the steps of the purchasing process. Harold W. Berkman and Christopher C. Gilson's notion of consumer behavior is more interesting. Consumer behavior, according to them, is defined as "the actions of persons involved in current or future usage of market commodities whether products, services, retail locations, or ideas." 2 \s. Individuals and organizations are both considered customers under this notion [9]. Moreover, it considers prospective purchasers' actions to represent customer behavior. You may wonder, "Why are the actions of potential/future customers considered consumer behavior?" The rationale is obvious. Assume you want to purchase an apartment next year. What are your plans for the next year? You will most likely look at adverts from several apartment sellers, visit a couple of them, question about costs and payment arrangements, and evaluate locations, designs, and fittings. Why do you engage in these activities? You're presumably going through this procedure to make the most rational option. These tasks will assist you in making your future purchase. As a result, the behaviors of prospective consumers are also considered consumer behavior. Marketers study the actions of prospective customers so that they may plan ahead of time to capture this group and sell to them.

#### 2.2 Field of Consumer Behavior Scope

- The study of consumer behavior seeks to address the following questions:
  - What are the items that people purchase?
  - Why do they purchase them?
  - How do they get them?
  - When do they purchase them?
  - Where do they get them?
  - How often do they purchase them?
  - How is the consumer's decision-making process?

For example, if you intend to produce a new variety of tooth paste, you should examine the nature of individual consumption behavior to determine why the consumer uses tooth paste (to whiten teeth/prevent tooth decay); which brand of toothpaste he buys (say Close-up or Aromatic); why he buys it (because he believes it will whiten his teeth better than competing brands); how he buys it (cash/credit); when he buys it (monthly/weekly); where It should also be mentioned that the behavior is likely to differ from one person to the next, from one product to the next, and from one place to the next. Hence, studying customer behavior is required, despite the fact that the procedure is quite hard. At the same time, a company's capacity to build and sustain satisfactory trade relationships is dependent on its knowledge of purchasing behavior. The area of consumer behavior studies the decisions and actions of individuals who purchase and use items[10]. This profession draws on data from a variety of disciplines in order to examine and concentrate on different elements of consumer behavior. As a result, this subject is referred to as a multidisciplinary area of study. It



## Vol 10, Issue 5S, May 2023

freely draws from Anthropology, Sociology and Social Psychology, Psychology, Marketing Research, and Economics, among other disciplines. The rationale for drawing from Anthropology is to better comprehend the cultural and sub-cultural contexts in which our actions occur. We previously highlighted how culture influences customer behavior from the outset. Consumers are social creatures, and their behaviors are influenced by their relationships with various social groups such as family, socioeconomic status, and so on. Sociology and Social Psychology assist us in understanding the impact of various social groupings on consumer choice making. Moreover, each individual has an own identity, and as a consequence, his conduct is heavily influenced by personal traits such as his learning, perception, motivation, personality, beliefs, values, images, attitudes, and so on.

Psychology deals with them, and consumer behavior draws from it. Marketing Research determines how customers react to various marketing activities such as the product itself, commercials, promotional activities, and so on. It is very difficult for marketers to build plans if they do not understand their customers' reactions to their activity. With this in mind, consumer behavior uses Marketing Research to uncover consumer behavior patterns. Lastly, customer behavior is influenced by his financial situation. Economics helps us comprehend the larger context of consumer behavior, and the consumer behavior field borrows economic results. The more a company knows its customers, the more likely it is to succeed in the marketplace. "Our business is founded on knowing the customer and producing the sort of goods that the consumer wants," said the management of the well-known American corporation Procter & Gamble. We put a high value on product development, marketing, and our employees' knowledge of the consumer."

A thorough understanding of customer behavior would be very beneficial in developing and executing marketing strategies. Buyer responses to a firm's marketing approach, for example, have a significant influence on the firm's performance [11]. Second, the evidence of developing customer orientation in the firm's marketing idea is determined by how well the marketing mix used satisfies the consumers. This is only known when the marketing mix is designed to contain affirmative responses to the questions given in the discussion of the scope of the consumer behavior field. Finally, by better understanding the elements that influence customer behavior, marketers may better forecast how consumers will react to marketing initiatives.

Moreover, the research of customer behavior aids in the development of the following strategies: Target market selection and segmentation; development of suitable marketing strategies most applicable to the target market segment; review of marketing programmers, strategies, and tactics; assessment of changing patterns and preparation of marketing plans to accommodate future changes. Lastly, the

customer is the primary focus of company. The degree of customer comprehension acquired by the business community determines the efficiency with which a free-market system firm function. A corporate community that is unaware of customer preferences cannot fulfil its responsibilities in a meaningful and responsive way. This is precisely why customer behavior is emphasized in current marketing. Moreover, we live in a marketing-oriented age. Customers are regarded like kings and queens (prince/princess) under this approach. To thrive in the face of today's fierce competition, you must service and please your customers better than your rivals. To achieve this effectively, you must first understand who your customers are and how they act. You may readily find the answers to these questions by monitoring customer behavior and acting appropriately.

#### 2.3 Many Consumers Terminologies

Many of us have misunderstandings about some of the most often used consumer terminology. To help clear up any confusion, the following section will define a few key words. Buyers are people who carry out the official agreements for purchase, service, delivery, and payment conditions. Buyers are not usually the ones who make the final decision. Customers are persons who put a bought product to use or utilize it to meet a physical or social/psychological need (s). These two words are sometimes used interchangeably. The employment of synonymous terms resulted in the creation of two new concepts: ultimate and industrial/institutional consumers.

The Ultimate Customer vs. the Industrial/Institutional Consumer: The ultimate consumer is the person who obtains things via marketing intermediaries for consumption in the home. The industrial/institutional consumer, on the other hand, obtains the product for resale or use in the creation of other marketable items.

Consuming vs. Buying: Purchase refers to the act of purchasing any market item via the channel of distribution (marketing intermediaries comprise the channel of distribution), and it is simply one component of the consumer choice process. Consuming, on the other hand, refers to using the product to fulfil motives that emerge from either biological or secondary need (s).

**Customer vs Consumer:** A customer is a consumer who uses or may use a product, while a consumer is anybody who buys and utilizes any goods [12].

## III. CONCLUSION

The idea of the consumer buying decision-making process and the elements that influence it. All marketing initiatives revolve around the consumer. One of the most significant components of marketing is understanding his actions and behavior. Consumers purchase items to meet a variety of wants and desires. Human desires are limitless and change from time to time; from location to place and from man to man. A customer's decision-making process consists of five



## Vol 10, Issue 5S, May 2023

steps that the consumer goes through prior to completing a purchase.

#### REFERENCES

- [1] B. Attreya, "Consumer Buying Behaviour," *J. Adv. Sch. Res. Allied Educ.*, 2018, doi: 10.29070/15/57885.
- [2] S. Dibb, "Consumer Buying Behaviour," in Marketing Briefs: A Revision and Study Guide, 2020. doi: 10.4324/9780080511085-13.
- [3] J. Xliema, "Effect of Social Networks o 11 Consumer Behaviour: Complex Buying," in *IFAC-PapersOnLine*, 2019. doi: 10.1016/j.ifacol.2019.12.594.
- [4] J. Yang, C. Liu, M. Teng, J. Chen, and H. Xiong, "A Unified View of Social and Temporal Modeling for B2B Marketing Campaign Recommendation," *IEEE Trans. Knowl. Data Eng.*, 2018, doi: 10.1109/TKDE.2017.2783926.
- [5] F. Xia, R. Chatterjee, and J. H. May, "Using conditional restricted boltzmann machines to model complex consumer shopping patterns," *Mark. Sci.*, 2019, doi: 10.1287/mksc.2019. 1162.
- [6] W. Terlau and D. Hirsch, "Sustainable Consumption and the Attitude-Behaviour-Gap Phenomenon Causes and Measurements towards a Sustainable Development," *Int. J. Food Syst. Dyn.*, 2015, doi: 10.18461/ijfsd.v6i3.634.
- [7] J. Xhema, "Effect of Social Networks o 11 Consumer Behaviour: Complex Buying," *IFAC Pap.*, 2019.
- [8] S. Devaru, "Significance of Neuromarketing on Consumer Buying Behavior," Int. J. Tech. Res. Sci. SIGNIFICANCE, 2018.
- [9] D. A. GÂRDAN and I. P. GÂRDAN (GEANGU), "Healthcare services consumer behavior in the light of social norms influence," Ann. "Spiru Haret". Econ. Ser., 2015, doi: 10.26458/1512.
- [10] C. Rickwood and L. White, "Pre-purchase decision-making for a complex service: Retirement planning," J. Serv. Mark., 2009, doi: 10.1108/08876040910955152.
- [11] G. Nagpal and U. Chanda, "Economic order quantity model for two generation consecutive technology products under permissible delay in payments," *Int. J. Procure. Manag.*, 2021, doi: 10.1504/IJPM.2021.112371.
- [12] S. M. Temnenko, "CONCEPT «MARKET» IN ECONOMIC THEORY," Sci. Tech. Bull. of State Sci. Res. Control Inst. Vet. Med. Prod. Fodd. Addit. and Inst. Anim. Biol., 2020, doi: 10.36359/scivp.2020-21-1.27.





Vol 10, Issue 5S, May 2023

# Consumer Behavior and Applications

[1] Kiran Lokesh Maney

[1] Associate Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India
[1] kiran@cms.ac.in

Abstract— Consumer behavior is the study of how individuals choose and utilize goods, services, events, and concepts. It is crucial because it enables companies to comprehend the requirements, wants, and wishes of their consumers and develop goods appropriately. Consumer behavior makes it easier to pinpoint the requirements and wishes that remain unmet. This involves looking at market trends, circumstances, client lifestyles, income levels, and expanding factors.

Index Terms— Consumer, Consumer Behavior, customer, Marketing, Service.

#### I. INTRODUCTION

Today's consumers have a lot more options than they had 10 or even twenty years ago. As in the past, a company's ability to develop rests greatly on its ability to attract repeat consumers who are happy with the goods or services they have received. Yet, businesses must first get customers into their storefronts. Businesses sell their products to get customers into their stores. You will discover that Customer is the key concept throughout the book. He controls market. Early on in the course, it is essential to cover strategic nd marketing. An organization's activities are directed by a strategic market strategy, which also helps the organization better comprehend the facets of marketing research, customer analysis, and product, distribution, promotion, and pricing planning [1]. The fundamental goals of this unit are: Understanding the definition of strategic marketing planning and its ramifications can help you better grasp the different strategies.

Understanding market segmentation's significance and the principles behind it can help you establish a target market plan. You'll also learn about positioning of a product or service, its techniques, and how to reposition it. To comprehend what perceptual mapping is and why it is significant, read on. The goal of marketing communication is to comprehend the significance of communication in marketing. Understanding the Model and Method of Marketing Communication, Promotion as a Key Element, Price as a Status Signal, Store Selection & Shopping Patterns, Consumer Outlet Selection, Consumer Shopping Patterns, Stages of the Consumer Purchasing Process, Purchase Timing Behavior Stimuli in Stores, Store Image, and Customer Loyalty Behavior Stimuli in Stores Behavior Basis Visual Merchandising Customer Loyalty.

Consumerism, its definition, history, consumption in India, consumer rights, and consumer protection. Understanding topics like: Consumer psychology regarding how they think, feel, reason, and choose between various alternatives (such as brands, products); Consumer psychology regarding how they are influenced by their environment (such as culture, family, signs, and media);

Consumer behavior regarding how they behave while shopping or making other marketing decisions [2] How consumer motivation and decision-making strategies differ between products that differ in the level of importance or interest they entail for the consumer.

How limitations in consumer knowledge or information processing abilities influence decisions and marketing outcomes; How marketers can adapt and improve their marketing campaigns and marketing strategies to reach the consumer more effectively. By taking the customer into account and understanding these concerns, we may modify our approach. We learn, for instance, that commercials often need to be repeated frequently in order to be successful since many messages compete for the attention of our prospective clients. We also discover that although customers sometimes respond well to logical arguments, they also respond favorably to emotional or symbolic appeals. Understanding the customer will help us choose the best plan since we will be more well-informed.

#### 1.1 Consumer behavior has four key applications:

For marketing strategy, or creating stronger marketing efforts, is the most evident. For instance, we may learn to plan snack commercials for the late afternoon since we know that customers are more sensitive to food advertising when they are hungry. We learn that (1) businesses that introduce new products must be well financed so that they can stay afloat until their products become commercial successes and (2) it is important to please initial customers because they will influence the brand choices of many subsequent customers by spreading word of the product later, and then only gradually, to the rest of the population [3]. Public policy is an additional application. Acutance, an almost miraculous treatment for acne, was launched in the 1980s. Regrettably, using Acutance while pregnant led to serious birth abnormalities. The Federal Drug Administration (FDA) took the action of mandating that very graphic images of malformed newborns be put on the prescription containers in order to attract customers' attention. Instead, then trying to sell things to customers, social marketing entails spreading ideas. Finally, understanding customer behavior ought to improve our purchasing decisions. A market is defined as "an



Vol 10, Issue 5S, May 2023

assortment of people who, as individuals or organizations, have demands for items in a certain product class and who have the capacity, desire, and power to engage in transactions involving such products."

#### 1.2 Various Market Types

Consumers want to use products or get benefits, not to make a profit. Organizational/Business For: Reselling, using directly in manufacturing, or running regular business activities.

#### 1.3 Market division

A marketer would first segment the market, then target one segment or a number of segments, and lastly position inside the segments to deliver a product or service to the proper client. In essence, segmentation is the identification of groups of consumers within a market that have comparable demands and purchase patterns. There are billions of consumers in the globe, each with their own requirements and habits. In order to match groups of buyers with the similar demands and purchasing habits, segmentation is used. A "segment" is what we call such a collection [4]. The following criteria must be met for segmentation to be successful: homogeneity within the segment; heterogeneity between segments; segments that can be measured and identified; segments that can be reached and used; segments that are big enough to be profitable. For instance, the laptop market may be divided into segments for students, business executives, and IT workers on both the front and back ends.

- 1. These are the requirements for segmentation:
- 2. Segments need to be profitable enough to warrant creating and sustaining a marketing mix.
- 3. The consumer's demands for the product must be heterogeneous (diverse).
- 4. Consumer wants must be homogenous across segments (similar)
- 5. The business must have a marketing mix that may target a certain group.

They assist parents make selections about expensive goods and services like TVs, clubs and hotels, cars, shoes, and other items in addition to choosing what to wear. The following are some of the media outlets that the marketers utilize to contact them: Toon Disney, Cartoons Network. POGO. Nickelodeon, cereal packaging, and Sports Illustrated for Kids are just a few examples. Take a look at how the media has evolved lately as a result of shifting demographics, etc., and the necessity for marketers to connect with these audiences. Since they are largely funded by marketers, or at least significantly subsidized, the media must react. Geography factors, which divide the market into zones or regions, are one of the bases for marketing segmentation. Region of the globe or nation, country size, climate, and other factors are taken into account when pricing goods. 15 grammars per 100 grammars within Karnataka AND 18 grammars per 100 grammars outside Karnataka [5]. Population characteristics are referred to by the abbreviation "demographic variables." Race, age, income, mobility (such as how long it takes to go to work or how many cars are available), educational level, house ownership, job status, and even geography are all considered demographic factors. In addition to trends over time, distributions of values within a demographic variable and across households are also interesting. Economic and marketing research typically uses demographics.

#### II. DISCUSSION

Age, Gender, Sexual Orientation, Family Size, Family Life Cycle, Income, Profession, and Education are all factors. Socioeconomic status is the social science of the social and economic effects of any product or service offering, market intervention, or other event on an economy as a whole, as well as on the companies, organizations, and factors that influence how an intervention is likely to change a society. Generally speaking, these factors may include, for example: Prevailing economic conditions Race or ethnicity the level of economic development and the extent to which a country has developed its economy. Any characteristics pertaining to personality, values, attitudes, interests, or lifestyles are referred to as psychographic variables. Also known as IAO variables (Interests, Attitudes, and Opinions). These may be compared with behavioral factors and demographic data (such age and gender) (such as usage rate or loyalty). A psychographic profile is created when an examination of a person's or groups psychographic characteristics is fairly thorough[6]. Advertising and market segmentation employ psychographic profiles. It only applies to one type, not two, like geodemographic, which would connect to, for instance, the geographic distribution of various age groups across India. The factors include personality, life style, values, attitude, and behavioral variables, which are any characteristics linked to how customers utilize a product in a certain way. Benefit desired, Product use rate, Brand loyalty, Product end use, Ready to buy stage, Decision Making Unit. Depth segmentation is the process of combining a variety of characteristics to provide a thorough knowledge of a segment. A buyer profile is what is created when sufficient data is collected to clearly depict the typical member of a sector. A demographic profile—often abbreviated as "a demographic"—is one where the variables are only of a demographic nature. Cluster analysis is a statistical method often used in profile determination. Variables used for segmentation should be connected to customer wants, uses, or behavior towards the product. For instance, age rather than faith. Measureable segmentation variables are required. There is no ideal strategy to divide the markets. Inappropriate variable selection reduces the likelihood of success.

#### 2.1 Creating a Market-Targeting Strategy

A product requires the greatest marketing tactics in order to be successful. A target market has to be created when a



# Vol 10, Issue 5S, May 2023

solid strategic plan has been created. There are three stages to creating a target market strategy:

- 1. Examining shopper desire
- 2. Undifferentiated, concentrated, multi-segmented market targeting
  - 3. Creating the marketing plan
  - 4. Choosing Target Markets through Analysis Demand

Demand is the amount of an item that customers are both willing and able to acquire at the specified price. For instance, if potatoes are priced at \$3 per kg, a customer could be prepared to buy 2 kg of them. Yet, if the price is \$5.00 per kg, the same client could only be ready to buy 1 kg. A demand schedule that displays the amount desired at each price may be created. Plotting the amount required at each price results in a line or curve that may be used to show it on a graph. A demand equation may also be used to mathematically explain it. The price of the product, one's degree of income, one's preferences, the cost of substitutes, and the cost of complementing items are often the primary factors of the amount one is willing to buy [7]. Sometimes, the ability to purchase is used to describe demand as just an alternative kind of supply. As marketers, we must group customers with comparable requirements. We must recognize trends in demand. Asking and evaluating the following questions might help you determine demand. Three demand patterns that a marketer may often recognize are: Homogeneous Demand-uniformity: Everyone wants the same thing and for the same reasons (s). A required course textbook, for instance Demand from consumers divided into two or more discernible groupings. Vehicles, for instance, may be expensive, sporty, spacious, or luxurious. More expensive and challenging to explain demand-product distinction Consider the cosmetics industry, where hundreds of lipstick hues are required. To create clusters that are at least modest in size, businesses attempt to alter customer demand.

# 2.2 Market Targeting

As marketers, we may determine how to target customers after examining the demand trend. This would include three methods a marketer may use to target its audience. Undifferentiated Approach (Whole Market Approach): Under this strategy, the market is not divided based on any factor. In this instance, a Single Marketing Mix is presented for the whole market that has been selected. Every customer has identical requirements for a certain kind of goods. Try to make demand more uniform if the market is homogeneous or if demand is so dispersed that it is not beneficial to discriminate. As in Nirma Detergent soap is a one-soap solution for all stains, fabrics, and people. One pricing approach, one promotional campaign directed at everyone, one product type with little to no variety, and one distribution method targeting the whole market make up the one marketing mix. All of the marketing mix's components were created with all customers in mind, therefore they do not vary depending on the consumer. Examples include common items like sugar, salt, and fruit. This method gained popularity when large-scale manufacturing got underway. This strategy is outdated in the very competitive market of today and might lead to a product failing because of the high level of competition and the wide range of alternatives that are available. If a business adopts this strategy, it must be able to create and manage a single marketing mix. Maximizing sales is the main goal in this situation.

#### 2.3 Market segmentation strategy

Indians are very cost-conscious consumers. They would want high-quality goods that are also extremely reasonably priced. Another group, however, holds the opinion that a product's quality increases with price. It is clear that people with various product demands have heterogeneous needs. Market segmentation is the process of breaking a large, diverse market into market segments made up of individuals who have clusters of demands for a certain kind of product. The goal is to create a marketing mix (s) that better satisfies the demands of people in a chosen market group (s). [8] A market segment is made up of people, organizations, or groups who share one or more traits that allow them to have comparable demands for a certain product. Two market segmentation strategies exist (keep in mind that they are only tactics and not the cornerstones of segmentation).

#### 2.4 Concentration Techniques

Concentrated marketing strategy refers to a company that uses a specific marketing mix to target a certain group. The firm may elect to pursue a focused approach if it is tiny or new to the industry. Here, the whole market is not seen as a single entity; rather, a single homogenous section is chosen. For instance, RECOVA is a face lotion recommended for ladies over the age of 30. Advantages include the ability for a company to concentrate all of its efforts on serving the demands of a single market segment and the ability for a company with limited resources to compete with bigger organizations. Puts all of the company's eggs in one basket; little changes in the customer base or in consumer preferences may have a significant impact on the company. Expanding into new markets, particularly those with higher incomes, may be challenging. With this technique, efficiency is the main goal in order to draw in a large chunk of one sector while keeping expenditures under control. The multi-segment approach, often known as the differentiated marketing strategy. Differentiated marketing strategy is used here to target a variety of market groups utilizing unique marketing mixes. In this case, two or more segments are targeted, with a separate marketing strategy and marketing mix for each group. The advantages of focused marketing and undifferentiated marketing are combined in this strategy. By adopting this approach, the business intends to increase the entire identity of the company with the product category by attempting to provide a product fit for every budget, purpose, and personality. For instance, Titan offers watches that range in price from \$250 to over \$15,000, executive



# Vol 10, Issue 5S, May 2023

watches to sports watches, plastic to the sturdiest metal, water resistant, etc.

#### 2.5 Marriott Worldwide:

- 1. Marriott Suites, which caters to long-term travelers
- 2. Fairfield Inn. Budget Accommodation
- 3. Extended Stay at Residence Inn
- 4. Business travelers may stay at Courtyard by Marriott.

#### 2.6 PROS comprise

Reallocate extra manufacturing capacity. Can attain the same level of market penetration as mass marketing. Pricing differences between various brands may be preserved using contact lenses! Customers in each category could be prepared to pay more for a product that is specifically created for them. Reduced risk since the marketer isn't dependent on a single market. Demands a bigger number of manufacturing processes is one of the CONS. Increased expenses for marketing due to the use of various channels for sales, the promotion of additional brands, various packaging, etc. Must be mindful to preserve the product's uniqueness within each customer group and protect its reputation as a whole [9].

# 2.7 Positioning

Positioning is a strategy used by marketers to attempt to establish an image or identity for their product, brand, or company in the minds of their target market. According to the target market, it is the "relative competitive comparison" that their product holds in a certain market. Positioning is the process of influencing the target market's perception. The positioning of a product affects how prospective customers perceive it. Positioning is defined in relation to rivals' positions. The phrase was first used in the 1969 article "Positioning" is a game individuals play in today's me-too market environment" by Al Ries and Jack Trout in the journal Industrial Marketing. Positioning is simply how your target market perceives you in comparison to your rivals. A desirable position is:

- 1. What distinguishes you?
- 2. Your target market views this as a perk.

A decent placement requires both of these factors. Placement is crucial since there is a lot of noise fighting for the attention of your prospective followers. You have a possibility of catching their attention if you can stand out with a special advantage. It's critical to comprehend how your product stacks up against the competition from the perspective of the consumer.

#### 2.8 Strategy for Product Positioning

Finding a positioning opportunity is a certain way to gauge someone's marketing aptitude. In most cases, a product's sustained competitive advantage serves as the foundation for effective positioning tactics. A business that outperforms its competitors in terms of profitability is taking use of a competitive edge. The cost of capital for the business serves as the yardstick for profitability. The business has to have a sustainable competitive advantage (SCA) to develop

firm-specific unique strategic positioning in order to continually generate profits beyond its cost of capital, or economic rent. The following are the most typical pillars for developing a product positioning strategy: A reason to choose an offering over the competition, positioning against a competing product, positioning through product class dissociation, positioning based on cultural symbols, positioning on specific product features, benefits, needs, or solutions, specific use categories, and positioning on specific usage occasions [10].

## 2.9 Method of Product Positioning

- 1. Typically, the procedure for product placement entails:
- 2. Identifying the market where the brand or product will compete (who the relevant buyers are)
- 3. Determining the characteristics (also known as dimensions) that provide the product's "space"
- 4. Gathering data from a sample of consumers regarding their opinions on each product's pertinent characteristics.
  - 5. Calculate each product's market share.
- 6. Establish where each product is now located in the product space.
- 7. Discover the preferred mix of characteristics for the target market (referred to as an ideal vector)
- 8. Check the alignment of your product's location and the ideal vector's position.

Place comes last.

Establishing "mind share" is one of the primary goals of advertising and marketing (or share of mind). People only consider a small selection of examples when considering examples of a certain sort or category of merchandise (referred to as an evoked set). Each item that is a part of the evoked set has mind share. For instance, there are thousands of universities from which to choose if you are thinking about investing in a college degree. But, the number of candidates in your evoked set, or those you will think about, will likely be little more than 10. The schools from this list of 10 that you are most acquainted with will hold the most of your mental space. Marketers strive to increase the share of their product. Depending on the market niche, mind share might be developed to a greater or lesser extent [11].

A related idea comes to me right away. A brand is more likely to be at the front of your mind if you can recall it with ease. This suggests that you haven't overlooked or hidden the knowledge. For positioning the services of your business, use a similar procedure. Yet, services lack the physical characteristics of things, such as the ability to be felt or touched or to display appealing product images. Thus, you must first ask yourself, "What value do consumers obtain from my services?" before you ask your customers. How would they benefit more from working with me? Moreover, inquire as to whether my services vary in any way. To build the first draught of your positioning, list the benefits clients get from using your services along with the features they provide. Watch their facial expressions and listen for their reaction as you test it out on folks who aren't very familiar



# Vol 10, Issue 5S, May 2023

with what you do or what you offer. You'll know you're on the correct road when they ask questions in order to learn more as a result of your conversation starter and aroused curiosity. Repositioning entails altering a product's identity in the target market as compared to the identities of its rival items. De-positioning refers to the process of seeking to alter how your own product is perceived by the target market as compared to rival goods.

# 2.10 Cognitive Mapping

Marketing professionals utilize a graphics method called perception mapping to represent customers' or prospective customers' perceptions graphically. A product, product line, brand, or company's position in relation to its rivals is often shown. While they may have any number of dimensions, two dimensions are the most typical. Any more is difficult to depict and difficult to understand. Consumer impressions of numerous cars on the two aspects sportiness/conservativeness and classy/affordability are shown in the first perceptual map below. Customers in this group said Porsche was the sportiest and most upscale vehicle in the survey (top right corner). They thought Plymouth was the most sensible and traditional (bottom left corner).

# 2.11 Visualization of Competitive Goods

The customer compares cars that are placed near to one another based on the relevant measurements. Customers, for instance, compare Buick, Chrysler, and Oldsmobile favorably. They constitute a competitive bloc and are fierce rivals. A business planning the launch of a new model will search the globe for a region devoid of rivals. To represent the sales volume or market share of the many competing items, some perceptual maps employ circles of varying sizes. Just half of the story is told by showing customers' impressions of linked items. Consumers' preferred spots are shown on several perceptual maps. These points represent the best possible pairings of the two dimensions in the eyes of the customer. The figure that follows depicts a research of customers' optimum points for alcohol and spirits products. One respondent's preferred pairing of the two dimensions is represented by each dot. A market segment is shown by areas with a concentration of ideal points, like A. Demand voids are a term used to describe regions lacking optimal points.

#### 2.12 Map of Ideal Points and Clusters Perceived

A business thinking about launching a new product will search for regions with a lot of optimal points. Also, they'll search for locations free of hostile competition. The easiest way to do this is to map out both the optimal locations and the rival goods. Instead of perfect points, some maps display ideal vectors. The chart below shows different aspirin medications based on how effective and mild they are. It displays two perfect vectors as well. The ideal vector's slope reveals the desired ratio of the two dimensions among customers in that market. According to this research, there are two segments: one that values gentleness over power and

the other that values efficacy over harshness [12]. Perceptual maps don't always result from thorough research. Moreover, there are intuitive maps that are produced by marketers based on their knowledge of their business (also known as judging maps or consensus maps). Management makes the best decision it can. The worth of a map of this kind is debatable. They often do little more than seem credible in the eyes of management. Methodological issues may occur while conducting in-depth marketing research studies, but at least the data is coming straight from the customer. The raw data gathered in a survey may be transformed into a perceptual map using a variety of statistical techniques. Either ideal points or competitor positions will be produced through preference regression and multidimensional scaling. It is also possible to employ factor analysis, discriminant analysis, cluster analysis, and logit analysis. Some approaches are built on perceived similarities between items, while others are built on perceived disparities between products. Others are built using cross-price elasticity of demand information gathered via electronic scanners.

# III. CONCLUSION

Understanding how people allocate resources is largely dependent on having a solid grasp of consumer behavior. Through a logical process that values usefulness, price, and income alternatives, consumption choices are determined. In order to better serve customers, businesses try to comprehend this process. In order to properly serve customers on a product or service, businesses use brand managers. These choices might entail changing items or using information to target customer markets more effectively.

### REFERENCES

- [1] B. Shen, W. Tan, J. Guo, L. Zhao, and P. Qin, "How to promote user purchase in metaverse? A systematic literature review on consumer behavior research and virtual commerce application design," *Applied Sciences (Switzerland)*. 2021. doi: 10.3390/app112311087.
- [2] C. Xu, M. Siegrist, and C. Hartmann, "The application of virtual reality in food consumer behavior research: A systematic review," *Trends in Food Science and Technology*. 2021. doi: 10.1016/j.tifs.2021.07.015.
- [3] T. E. Ness, D. L. Loudon, and A. J. Della Bitta, "Consumer Behavior: Concepts and Applications," *J. Mark. Res.*, 1980, doi: 10.2307/3151130.
- [4] B. Setiawan, A. Z. Afiff, and I. Heruwasto, "Personal Norm And Pro-Environmental Consumer Behavior: An Application Of Norm Activation Theory," ASEAN Mark. J., 2021, doi: 10.21002/amj.v13i1.13213.
- [5] S. Angosto, J. García-Fernández, I. Valantine, and M. Grimaldi-Puyana, "The intention to use fitness and physical activity apps: A systematic review," *Sustainability (Switzerland)*. 2020. doi: 10.3390/su12166641.
- [6] E. S. Asamoah and M. Chovancová, "The influence of price endings on consumer behavior: An application of the psychology of perception," *Acta Univ. Agric. Silvic. Mendelianae Brun.*, 2011, doi: 10.11118/actaun201159070029.



# Vol 10, Issue 5S, May 2023

- [7] Y. Ding, M. M. Veeman, and W. L. Adamowicz, "The influence of trust on consumer behavior: An application to recurring food risks in Canada," J. Econ. Behav. Organ., 2013, doi: 10.1016/j.jebo.2013.06.009.
- K. M. Gibler and S. L. Nelson, "Consumer behavior applications to real estate education," *Journal of Real Estate* Practice and Education. 2003. doi: 10.1080/10835547.2003. 12091585.
- A. Burlea-Schiopoiu, S. Puiu, and A. Dinu, "The impact of food delivery applications on Romanian consumers' behaviour during the COVID-19 pandemic," *Socioecon*. Plann. Sci., 2022, doi: 10.1016/j.seps.2021.101220.
- [10] D. M. Gardner, J. U. Farley, J. A. Howard, and L. W. Ring, "Consumer Behavior: Theory and Application," J. Mark., 1975, doi: 10.2307/1250137.
- [11] Y. Durmaz, "The impact of psychological factors on consumer buying behavior and an empirical application in Turkey," Asian Soc. Sci., 2014, doi: 10.5539/ass.v10n6p194.
- [12] E. Babakus, S. Eroglu, and U. Yavas, "Modeling consumers" choice behavior: An application in banking," J. Serv. Mark., 2004, doi: 10.1108/08876040410557249.





Vol 10, Issue 5S, May 2023

# Consumer Behavior in an Unstable Economic Environment

[1] Anila Bajpai

[1] Program Manager, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] anilabajpai@cms.ac.in

Abstract— Consumer purchasing habits and choices are heavily influenced by a country's or market's economic state. When a country is rich, its economy is robust, resulting in a larger money supply in the market and better buying power for consumers. Consumer behavior refers to the mental and physical behaviors that people participate in while looking for, assessing, buying, and consuming items and services. Consumers trade limited resources (such as money, time, and effort) for valuable things in the marketplace.

Index Terms— Consumer, Economic, Environment, Marketing, Purchasing.

#### I. INTRODUCTION

In general, consumer behavior is the study of the processes that people or groups go through while making purchase decisions to meet their requirements. Purchasing behavior often takes numerous forms of consumer decisions that may change based on a wide range of variables such as incomes, demography, social and cultural influences. Apart from the fundamental internal elements that are thought to influence purchasing behavior, there is also a collection of factors that are replicated by external situations in the consumer's surroundings. It is important to note that consumer behavior is a mix of customer purchasing knowledge and external motivators that result in a change in the consumer's behavior. This is why most economies throughout the world have the same problem: external influences on internal community features. Because of its critical relevance to companies all over the globe, the phenomena of consumer behavior has long drawn the attention of numerous researchers. By forecasting consumer behavior, a company may better understand its customers' requirements and focus on addressing those wants and expectations.

This would ultimately assist firms in maintaining their success and achieving their long-term objectives. The setting of this study may considerably assist companies and professionals in determining the changes that may occur in consumer purchasing behavior as a consequence of the global financial crisis. During the 2007 financial crisis, many financial institutions and banks went bankrupt. The US financial system's deficiency and the subprime mortgage market's crisis reverberated across the world's developed economies. The crisis shook big European and Asian economies, placing them on the verge of a devastating recession. Additional flaws in the global financial systems have emerged [1].

Financial instruments were too complicated and twisted, leading to mistrust in the global financial system. Because of the crisis's inflation and changes in commodity prices, consumers began to adjust their behavior towards their needs

and desires. The psychological effects of the collapse have spread around the globe, as firms have become more open to the challenges posed by the crisis, particularly in terms of expanding present projects and attracting capital market investments for future development. The uncertainty that has surrounding firms has inevitably damaged job security for workers, consumers have suffered income instability, and spending levels have plummeted. The rapid drop in the stock market has resulted in a slew of distressing occurrences, including a decrease in credit, bank failures, layoffs, a contraction in the money supply, and the closure of firms. Consumers' terror and anxiety rose as a result of the changing financial conditions. Many people throughout the globe were concerned about their financial and material security. Apart from lower work earnings, many households lost their life savings owing to banking system failures or dramatic declines in the prices of their homes and equities. The social consequences of the financial crisis are more visible in developing nations, where the poor suffer the most as demand for their labor diminishes, prices for necessary goods increase significantly, and social services are slashed.

They are compelled to withdraw their children from school, and food is rationed among the family, with women being the first to give up their part. The government's involvement is critical in protecting consumers against inflation by restricting and preventing prices from rising higher, ensuring that customers' buying power does not decrease, generating major issues such as long-term unemployment and poverty. The purpose of this research is to evaluate the effect of the global financial crisis on Bahraini consumers, their view of the situation, and if their purchase behavior has altered as a consequence. The findings of this study were based on an examination of a questionnaire distributed to random consumers in Bahrain in order to gain an understanding of their knowledge of the Global Financial Crisis and some of its consequences, as well as to determine whether the financial crisis affected their consumption [2].

To evaluate the hypotheses, the data was examined using the SPSS software. The One Sample T-test technique will be



Vol 10, Issue 5S, May 2023

used to assess the presence of statistical significance between the variables in the hypothesis. Nonetheless, the paper addresses some of the issues that consumers experienced during the financial crisis and attempts to provide some remedies. One of the most serious issues confronting consumers is the rapid rise in the pricing of essential necessities such as food and shelter. The study may be separated into seven categories in order to build a clear framework and meet the goals of this research. In general, consumer behavior is the study of the processes that people or groups go through while making purchase decisions to meet their requirements. Purchasing behavior often takes numerous forms of consumer decisions that may change based on a wide range of variables such as incomes, demography, social and cultural influences. Apart from the fundamental internal elements that are thought to influence purchasing behavior, there is also a collection of factors that are replicated by external situations in the consumer's surroundings.

It is important to note that consumer behavior is a mix of customer purchasing knowledge and external motivators that result in a change in the consumer's behavior. This is why most economies throughout the world have the same problem: external influences on internal community features [3].

Because of its critical relevance to companies all over the globe, the phenomena of consumer behavior has long drawn the attention of numerous researchers. By forecasting consumer behavior, a company may better understand its customers' requirements and focus on addressing those wants and expectations. This would ultimately assist firms in maintaining their success and achieving their long-term objectives. The setting of this study may considerably assist companies and professionals in determining the changes that may occur in consumer purchasing behavior as a consequence of the global financial crisis. During the 2007 financial crisis, many financial institutions and banks went bankrupt. The US financial system's deficiency and the subprime mortgage market's crisis reverberated across the world's developed economies. The crisis shook big European and Asian economies, placing them on the verge of a devastating recession.

Additional flaws in the global financial systems have emerged. Financial instruments were too complicated and twisted, leading to mistrust in the global financial system. Because of the crisis's inflation and changes in commodity prices, consumers began to adjust their behavior towards their needs and desires. The psychological effects of the collapse have spread around the globe, as firms have become more open to the challenges posed by the crisis, particularly in terms of expanding present projects and attracting capital market investments for future development. The uncertainty that has surrounding firms has inevitably damaged job security for workers, consumers have suffered income instability, and spending levels have plummeted. The rapid

drop in the stock market has resulted in a slew of distressing occurrences, including a decrease in credit, bank failures, layoffs, a contraction in the money supply, and the closure of firms.

#### II. DISCUSSION

Consumers' terror and anxiety rose as a result of the changing financial conditions. Many people throughout the globe were concerned about their financial and material security. Apart from lower work earnings, many households lost their life savings owing to banking system failures or dramatic declines in the prices of their homes and equities. The social consequences of the financial crisis are more visible in developing nations, where the poor suffer the most as demand for their labor diminishes, prices for necessary goods increase significantly, and social services are slashed. They are compelled to withdraw their children from school, and food is rationed among the family, with women being the first to give up their part [4]. The government's involvement is critical in protecting consumers against inflation by restricting and preventing prices from rising higher, ensuring that customers' buying power does not decrease, generating major issues such as long-term unemployment and poverty.

The purpose of this research is to evaluate the effect of the global financial crisis on Bahraini consumers, their view of the situation, and if their purchase behavior has altered as a consequence. The findings of this study were based on an examination of a questionnaire distributed to random consumers in Bahrain in order to gain an understanding of their knowledge of the Global Financial Crisis and some of its consequences, as well as to determine whether the financial crisis affected their consumption. To evaluate the hypotheses, the data was examined using the SPSS software. The One Sample T-test technique will be used to assess the presence of statistical significance between the variables in the hypothesis. Nonetheless, the paper addresses some of the issues that consumers experienced during the financial crisis and attempts to provide some remedies. One of the most serious issues confronting consumers is the rapid rise in the pricing of essential necessities such as food and shelter. The study may be separated into seven categories in order to build a clear framework and meet the goals of this research [5].

Consumer behavior has altered dramatically in the past 25 years, yet it has been evolutionary, with the seeds of change visible for generations. According to the report, the global economic crisis prompted people to seek for new landmarks. They grew more thrifty, responsible, and demanding. According to research undertaken in several countries, the recession had a significant economic and social effect on consumers. Consumer behavior is the study of the processes that people or groups go through while making purchases to meet their requirements. Buying behavior often takes numerous forms of consumer decisions that may change based on a wide range of criteria such as earnings, demography, social and cultural factors. Consumer behavior



# Vol 10, Issue 5S, May 2023

is a mix of the customer's purchasing knowledge and external motivators that result in a change in the consumer's behavior. Because of the external effect on internal community features, most economies throughout the world have one difficulty. The research Consumer behavior has long drawn the attention of researchers due to its critical relevance to companies all around the globe. By forecasting consumer behavior, a company may better understand its customers' wants and try to match those needs and expectations. This would ultimately assist firms in maintaining their success and achieving their long-term objectives. The setting of this study may considerably assist companies and professionals in determining the changes that may occur in consumer purchasing behavior as a consequence of the global financial crisis. The biggest financial institutions and banks had fallen during the 2007 financial crisis. The US financial system's deficiency and the subprime mortgage market's crisis reverberated across the world's developed economies.

The crisis shook big European and Asian economies, placing them on the verge of a devastating recession. Additional flaws in the global financial systems have emerged. Certain financial products were too complicated and twisted, leading to mistrust in the global financial system. Does Consumer Purchasing Behavior Change During an Economic Crisis? 35 generated inflation and volatility in commodity prices, and as a result, consumers began to adapt their actions towards their needs and desires. The psychological effects of the collapse have spread around the globe, as firms have become more open to the challenges posed by the crisis, particularly in terms of expanding present projects and attracting capital market investments for future development. The uncertainty that has surrounding firms has inevitably damaged job security for workers, consumers have suffered income instability, and spending levels have plummeted. The rapid drop in the stock market has resulted in a slew of distressing occurrences, including a decrease in credit, bank failures, layoffs, a contraction in the money supply, and the closure of firms [6]. Marketers must understand the significance of customer behavior. It is critical for marketers to research customer behavior. It is critical for them to understand customers as individuals or groups who choose, acquire, consume, or dispose of items and services, as well as how they share their experiences in order to meet their desires or requirements. Significance of Researching Consumer Behavior: The role or relevance of studying consumer behavior can be illustrated using the following points:

Modern Philosophy: It is concerned with contemporary marketing philosophy, which aims to discover customers' wants and meet them more effectively than rivals. It makes marketing more consumer-focused. That is essential for success.

Target Achievement: In a highly competitive marketing climate, a company's capacity to identify and meet unfilled customer demands better and faster than rivals is critical to its survival, profitability, and growth. Hence, customer behavior aids in the achievement of marketing objectives. Beneficial to Dealers and Salespeople: The research of customer behavior is not just beneficial to the organization. Understanding of customer behavior is equally helpful for intermediaries and in successfully addressing requirements and desires. As a result, consumer behavior increases the overall performance of the distribution system. More Relevant Marketing Program: A more objective marketing programmer, consisting of product, pricing, promotion, and distribution choices, may be developed. If the programmer is based on customer behavior research, it will be more relevant. A meaningful marketing campaign is essential for achieving marketing objectives. Continuously Changing Marketing Programs: Consumer behavior analyses the customer reaction pattern. As a result, a marketer may immediately become aware of market developments. Depending on the current market trend, the marketer might make modifications to the marketing programmer to keep up with the market [7]. Forecasting Market Trends: Consumer behavior may also be used to forecast future market trends. Marketers have adequate time to plan for seizing future possibilities and/or confronting obstacles and risks. Consumer Differentiation: The market is highly differentiated. Each sector requires and desires distinct items. A different marketing campaign is required for each category. Understanding customer difference is essential for matching offerings to various buyer groups. Consumer behavior research provides information regarding customer differentiations.

Customer Creation and Retention: Marketers that build their services on an understanding of consumer demands find a ready market for their goods. The company finds it simple to market its items. Similarly, the corporation may maintain its customers over an extended length of time thanks to ongoing research into consumer behavior and efforts to fulfil evolving buyer expectations.

Competition: Consumer behavior research may also help you deal with competition. More competitive advantages may be supplied based on customer expectations. It is beneficial to the company's competitive strengths.

Creating New Products: New products are created in response to the demands and desires of the target market. A marketer must be well-versed in the industry in order to produce the best-fit product. Consequently, understanding customer behavior is essential for effectively producing a new product.

Market Dynamics: Consumer behavior is influenced by the market's dynamic character. It enables the manager to be more dynamic, aware, and proactive in pleasing customers better and faster than rivals. Consumer behavior is essential for tracking market trends.

Effective Use of Productive Resources: Understanding customer behavior helps managers make organizational activities more consumer-oriented. It ensures that resources



# Vol 10, Issue 5S, May 2023

are used precisely in order to achieve optimum efficiency. Each unit of resources may provide the greatest possible contribution to the achievement of goals.

It should be noted that studying customer behavior is vital not only for present sales, but also for capturing the future market. Consumer behavior presupposes that if you take care of the requirements of the consumers, the customers will take care of your needs. The study of customer behavior may help to address the majority of issues. Without the study of customer behavior, modern marketing practice is almost impossible. Consumer research is critical, particularly when a firm chooses to bring a new product into the market. Companies assess customer data after conducting numerous surveys and focus groups and then offer suggestions based on the findings. A well-organized consumer research process yields findings that are valid, accurate, dependable, fast, and comprehensive. Properly acquired research findings that match your consumers' attitudes and wants can assist you in increasing sales and improving operations [8].

Set and adhere to well-known consumer research techniques to get the desired findings.

#### 2.1 Determine your goals.

Assess your consumer research objectives and create a clear set of objectives that specify what you need to know and what you plan to do with the knowledge. Make sure your goals are SMART and do not presuppose your outcome:

- 1. Precise describe clearly what you want to accomplish.
- 2. Measurable establish measurable targets so you know when you've met your objectives.
- 3. Achievable objectives are those that are within your capabilities and budget.
- 4. Relevant create objectives to assist you improve certain parts of your company.
- 5. Time-bound create objectives that you can attain in the amount of time you have available.

Effective planning enables you to obtain knowledge in novel and logical ways. Your strategy will be determined by the amount and complexity of information you seek, the consumer research abilities of your team, the urgency with which you want the information, and your budget. Determine your list of questions and the research approaches that will best meet your goals. Explain your study strategy and provide some consideration to how you'll collect and analyses data.

Make a list of your study stages, data requirements, and data gathering techniques. This will assist you in keeping track of your research procedures and making sense of your results. It will also assist you to ensure that your research truly represents the thoughts of your consumers and market. Remember that research is only relevant and useful if it is legitimate, accurate, and trustworthy. It is risky to rely on poor studies. It puts you at danger of making key choices based on inaccurate information, which may result in client losses and lower revenue. Take caution not to put one person's perspective into your study results. It is critical to ensure that your data is: valid - well grounded, logical,

rigorous, sound, and impartial - accurate - free of errors and contains all necessary information. Data analysis might include basic, uncomplicated actions as well as advanced and complex processes. Use common sense and choose your data analysis strategy depending on the study you've conducted.

Make a list and organize your information. Pick a spreadsheet that makes it simple to input your data. If you don't have a lot of data, you should be able to handle it using simple spreadsheet capabilities included in most office applications. Once you have gathered more detailed and sophisticated data, you may need to consider employing specialized software to handle it, such as a database system or customer relationship management (CRM) tool. Pick a basic format to record your data, such as a table that enables you to display survey questions vertically and record your replies as numbers classified by age, gender, income, or other criteria that are essential to you [9]–[11].

Examine and evaluate your data to reach conclusions. When you've collected all of your data, you may scan it and analyses it to draw conclusions and make judgements. Examine your data and then: identify important patterns and themes, challenges, opportunities, and concerns, and write a sentence about each; note how often each main finding occurs; and arrange your results in order of most common to least common. Assess and individually identify the SWOT analysis's strengths, weaknesses, opportunities, and threats.

Before drawing any conclusions from your study, go through your research goals again. Evaluate if the procedure you went through and the data you obtained helped you answer your questions. Determine your findings and suggestions based on what your investigation found. Examine your results and, depending on what you've learned, choose a few tactics to assist you enhance your company. Act on your strategy; check for gaps in your knowledge and explore more research if required; and prepare to assess your research findings and evaluate the effectiveness of your efforts.

#### III. CONCLUSION

Understanding customer behaviour is crucial for companies because it may help them make better choices about their goods and services. Businesses may better serve their target market by knowing why customers buy particular things and how they utilize them.

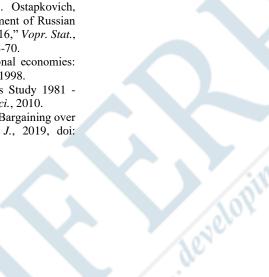
# REFERENCES

- [1] J. Lin, X. Ma, S. Talluri, and C. H. Yang, "Retail channel management decisions under collusion," *Eur. J. Oper. Res.*, 2021, doi: 10.1016/j.ejor.2021.01.046.
- [2] C. Chirica, "Relationship marketing best practice in the banking sector," *Amfiteatru Econ.*, 2013.
- [3] E. Mircea, "Electronic Commerce During Covid-19: An Analysis Over How Online Medium Helps Different Industries In A Pandemic Context," Bus. Excell. Manag., 2020, doi: 10.24818/beman/2020.s.i.1-18.



# Vol 10, Issue 5S, May 2023

- [4] M. B. Shchepakin, "Management Of Anti-Crisis Marketing Behavior Of The Subject In Conditions Of Choosing Social Vector Of Development," *Vestn. Astrakhan State Tech. Univ.* Ser. Econ., 2019, doi: 10.24143/2073-5537-2019-2-101-120.
- [5] D. Hughes, "European Food Marketing: Adding Value in Mature Food Markets through Market Segmentation and Product Differentiation," *EuroChoices*, 2014, doi: 10.1111/1746-692X.12058.
- [6] C. M. Enachi And M.-C. Enachi, "The Dynamics Of Online Social Environment In Enhancing The Competitiveness Of Services.," USV Ann. Econ. Public Adm., 2019.
- [7] U. Gunter and E. Smeral, "European outbound tourism in times of economic stagnation," *Int. J. Tour. Res.*, 2017, doi: 10.1002/jtr.2108.
- [8] L. A. Kitrar, T. M. Lipkind, and G. V. Ostapkovich, "Economic Development and Cyclical Sentiment of Russian Entrepreneurs After the Recession in 2014-2016," *Vopr. Stat.*, 2020, doi: 10.34023/2313-6383-2020-27-1-53-70.
- [9] J. Nemec, "The role of the state in transitional economies: Selected microeconomic issues," *Ekon. Cas.*, 1998.
- [10] J. Kerkhofs et al., "EVS European Values Study 1981 -Integrated Dataset," GESIS Data Arch. Soc. Sci., 2010.
- [11] N. Cushing, "To Eat or Not to Eat Kangaroo: Bargaining over Food Choice in the Anthropocene," *M/C J.*, 2019, doi: 10.5204/mcj.1508.





Vol 10, Issue 5S, May 2023

# Online Shopping Trends and Global Consumer Behavior

[1] Sahana B S

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India
[1] dr.sahana\_bs@cms.ac.in

Abstract— The interrelationship between the variables influencing consumer purchasing habits about online shopping. Internet shopping is the current, rising trend that allows you to make your purchases while seated at home. The goal of the study is to understand how customer purchasing behaviour reflects online shopping trends by examining the relationship between five key factors that were drawn from the literature: trust, time, product variety, convenience, and privacy.

Index Terms— Consumer, Consumer Behavior, Management, Online, Shopping.

#### I. INTRODUCTION

One of the most popular and often used methods for easy purchasing is online shopping. In fact, it's a preferred method of buying among online users. Internet shopping for anything from clothing to gadgets to even pets is on the rise. Every day, a large number of websites are created only to satisfy the growing need for comfort and convenience. Whether you're at home, at the workplace, abroad, or somewhere else, online shopping is quickly taking the place of traditional shopping for all of your purchases. This is particularly true for industrialised nations where every retailer has a website from which you can make an online purchase. People might be easily duped by trade secrets like payment on delivery and exclusive discounts for internet transactions. Now, the Asian continent has also adopted this trend of internet shopping from the comfort of one's sofa, particularly in Pakistan and India. With several fashion, furniture, and food websites along with forays into more well-known firms like Amazon.in and Ebay.in, India seems to have embraced the trend more quickly [1]–[3].

The change, however, has proved more challenging for Pakistan. People often don't believe what they are shown, therefore it might be challenging to expect them to purchase anything online and be happy with it. Yet, Pakistan's young are far more progressive and are progressively starting to accept internet shopping, even if it's merely for food delivery. As a country and as individuals, we have fallen prey to so many online and mobile frauds that it is only natural that we would view any online activity with a modicum of scepticism. Because of this recent development, academics no longer think that youth's preference for internet purchasing is only due to their young. In addition to being one of the fastest-growing marketplaces in Pakistan, internet shopping also significantly contributes to the growth of the IT sector. These are the variables that this research aims to identify.

Businesses that decide not to comprehend their clients' buying habits often suffer losses. A superbly developed product might fail simply because the consumer does not identify with it. So, it is crucial that the company comprehends the structural changes occurring in its market as well as the long-term effects these changes will have on its product and other components of the marketing mix. The business must comprehend how customers make purchases. In particular, it must comprehend how the consumer chooses a certain brand or product, what drives him or her to choose an alternative, and who persuades the consumer to purchase the brand or product.

The marketer must concentrate on the "how" and "why" of the whole customer experience with goods and services. Regrettably, most marketers have a propensity to focus on a small number of experience-related factors and base their whole strategy on them. For instance, one of the top manufacturers of electrical appliances designed its marketing plan on the dealer store experience. As a result, the approach focused on expanding dealer locations and raising dealer loyalty and productivity. Other factors that are as significant in the consumer's mental space and affect his or her attitude towards the brand include service, the price-performance relationship, and the esteem values of the brand. These factors were not taken into account. The customer prioritised transaction security above all other aspects of web-based transactions, yet one dotcom company failed to recognise this. So, marketers must concentrate on learning the "why" behind an event. Students must also comprehend that finding the "truth" in a survey with big samples is not a given. Data volume does not equate to quality.

A thorough grasp of customer behaviour is required. Marketers are unable to predict customer reactions to product designs, features, and marketing concepts without this expertise. The Seamless Global Society and the Global Consumer Market. The gulf between various civilizations has now shrunk thanks to the internet. This divide, which was caused by physical separation, information, and knowledge, is no longer necessary. Now, a global civilization and universal principles are beginning to develop. One such enduring principle has to do with the idea of time. It is no



# Vol 10, Issue 5S, May 2023

longer seen as endless. Time thus serves as a sign of opportunity. The capacity of a company to react quickly, which is decided by market forces rather than by its own skills, is a key factor in determining how competitive it is. In this age of information superhighways, the everlasting and ongoing Hindu idea of time appears to have lost some of its significance. The new idea of value is another result of the Internet revolution. Customers are beginning to demand international goods and services at local pricing, and this expectation will only grow.

In other words, firms' cost structures must be competitive on a worldwide scale. Customers will only get their worth at that point. So, just having a high-quality product on sale from a company won't be enough to persuade clients to purchase it. The growth of these universal ideas will be aided by advancements in telecommunications, which will have an impact on how customers define value and time. The ideas of space, time, and location have changed as a result of mobile telecommunications.

#### 1.1 The Foundation of Competitive Advantage

The idea of a nation state may potentially shift as a result of the internet. These states won't go away, but their function will alter. The governments of these nations will continue to play a part in preserving their national sovereignty and variety of culture. They will cooperate with other societies in areas like ownership, censorship, taxes, and security. The culture of openness and transparency will therefore be one of the primary results of this seamless global civilization. There will be major changes in competitive leadership as a result of these technical advancements. Future company executives will utilise computers to launch new ventures, transform current ones, and even reorganise many of the well-established marketing techniques of today.

Knowledge management will serve as their lasting competitive advantage. Information technology has evolved into the ultimate weapon in the continuous battle for a competitive edge. So, the organization's ability to create, share, and preserve information will likely be its most important competitive advantage.

#### 1.2 The Speed of Thinking in Business

The internet nowadays gives people and businesses extremely little time to respond and react. We must develop the ability to operate our company at the pace of the human mind. We should be able to provide customers with goods and services even when they are still in the conceptual stages. It follows that traditional marketing management will no longer be effective. Online assistance is already on the rise and has often rendered traditional kinds of service useless.

In the marketing of goods and services, interactive technologies have already eliminated a number of positions. For instance, it is believed that a consumer durable company's service centre will no longer be necessary in the 21st century if a rival sells a product that is completely reliable and, in the unlikely event of a failure, offers online

support through a service portal built by a team of service engineers. The lifespans of the products will be much shorter. As products become more uniform, there will be less possibilities to distinguish them [4]–[6].

The emphasis of marketers must shift away from the traditional generic tangible values of performance and dependability and towards tangible and intangible qualities. Regrettably, there won't be much room for difference in terms of these particular goods or business principles as a result of the globalisation of markets and products. So, the marketer's ability to creatively adapt them for the customer will be what sets them apart. The marketing industry will benefit from interactive technology. The main challenges with these technologies will be to proactively develop product solutions based on research and update the customer database in order to advance the client along the technological path. Getting clients to overcome their aversion to change is the marketing problem. The organisation will become a market leader thanks to its capacity to expand volumes and competitively outpace rivals.

#### 1.3 Virtual business

The aforementioned developments, which have already strongly asserted themselves on the international arena, have sparked the development of virtual businesses. An age of "Digital Darwinism" has already begun to arise. In addition to many others, Amazon.com, Yahoo! Hotmail, Rediff.com, and Indiatimes.com are facilitators in the development of a virtual business. Size and location of an organisation will play very little, if any, of a part in this age of virtual reality.

#### II. DISCUSSION

Consumer behaviour may be defined as the study of people, groups, or organisations and the methods they use to choose, get, and discard goods, experiences, ideas, or experiences in order to meet demands, as well as the effects that these methods have on the consumer and society. The shopping decisions made by each person make their consumer behaviour unique. Their purchasing habits, which are impacted by psychological and social elements that have an impact on the decision-making process for purchases, influence these decisions. The act of making purchases from websites on the Internet is referred to as online shopping behaviour (or online buying behaviour). The five phases in the procedure resemble the processes involved in traditional purchasing behaviour. The increase in online shoppers has outpaced the increase in overall Internet users. This shows that the idea of purchasing online is becoming more and more accepted among Internet users [7]-[9].

#### 2.1 The client: A co-producer of goods and services

The client will be a co-producer of goods and services, which is another aspect of the new century that we can already see taking shape. The producer will no longer be required to create the product exactly as the consumer may want. Up to a certain point in the value chain, the product is



# Vol 10, Issue 5S, May 2023

produced by the manufacturer, who then turns it over to the customer to personalise based on their needs. A famous example is the Asian Paints facility, which uses interactive technology in its retail locations to allow customers to choose the colour of their choosing. The ATM and other such interactive technologies have turned the consumer into a co-producer of goods and services.

# 2.2 Client: An Information Storehouse

The client gets access to a vast database of information from many national and international sources in the internet era. How to utilise this data to create the marketing mix will be the marketer's problem. The difficulty in business-to-business marketing will be to integrate organisational processes with the surroundings of the client. For instance, an engineering firm will need to adjust its operations, engineering, and design to meet the customer's evolving needs. Hence, mass customisation has taken the role of uniformity in the modern world.

#### 2.3 Business and consumer marketing are dying

It will become harder to distinguish between corporate and consumer marketing, urban and rural marketing, and domestic and international marketing. This also applies to the marketing of goods and services. The standardisation of production technology will primarily cause the physical distinction between the product and service to disappear. So, regardless of the nature of their goods and markets, firms will need to learn from the marketing strategies of successful organizations.

#### 2.4 Distribution Channels' Function

The traditional distributor and dealer will cease to exist. The intermediary's responsibilities will no longer include physical delivery, risk sharing, and stock market investing. An intermediary will succeed more via customer service and offering something that is tailored to their needs. The market segment of the impoverished. The gap between the affluent and the poor has grown as a result of globalisation.

Poor countries are working really hard to close the gap today. Also, a significant portion of the population worldwide is now destitute. The fact cannot be ignored by any marketer. So, businesses will need to provide innovative solutions for this market, whether it is via product/service customization, price reduction, or improving accessibility. We must remember that the impoverished clients, whether they live in urban or rural locations, are the main focus of this discussion. In addition, this group presents a much more alluring prospect than merely the wealthy.

# 2.5 Protection of the environment

Environmental preservation is the main difficulty facing marketers in the new century. So, the marketer will need to make a deliberate effort to preserve and safeguard the environment throughout all stages of product production, usage, and disposal. This has prompted the creation of eco-friendly hotels, watches, culinary items, and packaging materials, among other things.

#### 2.6 Variety and convergence

The markets are varied. Its variety is based on the customers' responses to changes, particularly technological ones, as well as their demographic and regional makeup. Convergence of wants is a reality, just as varied marketplaces are. Due to the global adoption of the internet and satellite television, it is typical to see people requesting the same goods and services everywhere.

The new century thus requires a paradigm shift from marketers to consumers who are considered as a resource with access to worldwide sources of knowledge and purchase. Customers' overall interactions with a brand and an organisation will determine who succeeds and fails in this climate. There is more to this whole experience than simply the merchandise. It is built on the processes and culture of the company, reflecting organisational quality.

#### 2.7 Buyer: an Idiot

While it is crucial for the company to comprehend the customer and adapt its marketing approach appropriately, the buyer or consumer continues to be a mystery, sometimes reacting in the manner the marketer desires and other times simply refusing to purchase the product from the same marketer.

The phrase "black box" has been used to describe the buyer's thoughts because of this. While the marketer offers stimuli, he is unsure of the buyer's reaction. Product, brand name, colour, style, packaging, intangible services, merchandising, shelf display, promotion, distribution, publicity, and other factors all contribute to the stimulation. Nothing better exemplifies this mysterious customer than the failure of a natural anti-cold balm that Warner Hindustan introduced before. Warner failed despite the fact that the balm business has expanded greatly and Vicks Vaporub has dominated the anti-cold rub market for more than two decades. Was the brand name involved? Did the consumer notice any notable differences between Warner and Vicks? This still remains a mystery.

Also, the media, particularly the electronic media, has a big impact on today's consumer. Consumer choices are also impacted by technological advancements in the fields of information, biotechnology, and genetics, as well as by intense competition in all goods and services. Think about customers who purchase books from US-based Amazon.com, music from Sony, banking from HDFC Bank India, travel services from Jet Airways, or buy flowers from India to be delivered online. Valentine's Day flowers were sent to loved ones in the US through 1-800 flowers.com. It is obvious that the Internet has had an influence on consumer learning and purchasing behaviour today. The customer's values are also being shaped through a variety of television channels. More than ever, the client is aware of his or her rights and available options.



# Vol 10, Issue 5S, May 2023

The Indian consumer nowadays must decide whether to enjoy the pleasure (resulting from such an act) of purchasing a consumer durable, service, vacation, or vehicle, or postpone the experience. The client nowadays expects greater value for the money that he or she spends. The shift brought about by media, technology, and competitiveness has put strain on social institutions including family, role models, and peer groups. These change drivers are now having an effect on customers' knowledge, values, societal structures, and even personal personalities, as indicated in the image.

#### 2.8 Profile of an online user

Also, Indian customers have the choice to look outside of their local, regional, and national borders for products and services. Several demographic groups have seen an improvement in their quality of life as a result of this broad access. Indian Internet users tend to be young, educated, professional, urban (primarily metro residents), and they typically access the Internet at work, cybercafés, or educational institutions. More men than women use the Internet.

Internet users often visit the Internet to get information, regardless of their sexual orientation. Newspapers and publications from other nations, including India, are already available online. While the majority of them are now free, websites that sell information, including those managed by the Mumbai-based Centre for Monitoring Indian Economy (CMIE), provide information about the Indian economy to online users. The future may be seen in Indian advertising companies that have websites that provide their whole range of services and extensive information bases to paying users.

E-commerce is far less common. According to the International Finance Centre (IFC), Indians spent '93 million (about \$2.2 million) on products and services on the Internet in 1999. This was just a sixth of the \$13 million in online purchases made by Chinese Internet users in 1999. In India, the Internet has essentially become a household name. This may be ascribed to the expansion of the nation's private ISP industry, which offers the cyber journey at ever-more aggressive pricing. One of the most important sources of information, entertainment, and communication in India today is the internet, which also serves as the only platform for electronic commerce.

A deeper examination at the Internet user profile reveals that 41% of users are significant businesses that operate online. Corporate India has acknowledged the value of e-commerce and the Internet and has included it into its strategic planning process. Disintermediation-related time and money benefits further encouraged major businesses to use the Internet. The home category made up 18% of the user population, while SME (Small and Medium businesses) accounted for 19%. 10% and 12% of the total came from educational and research organisations and the government, respectively.

Access to the communication instrument is crucial, not ownership of it, as we had previously indicated. It is not

unexpected to learn that not just one person in a family or organisation uses the Internet. The Indian household has used the Internet for a variety of purposes by more than one family member. According to research, the male head of the home or adult son or daughter makes up the majority of Internet users, accounting for 42% of those under 35 and 31% of those between the ages of 25 and 34. This clearly favours the male breadwinner. The younger age groups of 16 to 20 years are the ones that use cyber cafés the most. 98% of users use the Internet for email; 93% use it for web surfing; 59% additionally use it for online chat; and 55% use it for information and data transfer. Just 6.5% of internet users make purchases online.

The aforementioned changes in consumer lives have had the direct effect of raising customer expectations of providers. The criteria used by customers to make decisions now change greatly from those used in prior decades. Even while the ordinary Indian consumer is still sensitive to price, he is gradually shifting his focus from low-cost goods to high-quality goods and services. To put it another way, the Internet has raised people's knowledge of Indian customers are informed about international performance and quality standards at a reasonable price. The fact that a typical consumer may purchase a freshly released book from Amazon.com within a week or a vacation from the most well-known tour operator on their own terms over the Internet has placed pressure on the Indian sector. It was necessary for business to reevaluate its expenses, distribution strategies, and even input-output ratios.

For the majority of Indian enterprises, particularly the older generation firms, competition made the situation much worse. One of the industries where this transformation was apparent was banking, when new generation banks like HDFC and ICICI overtook nationalised institutions like the State Bank of India for the top spot. The main reason HDFC Bank is so successful now is because it changed the way customers in India thought about banking. It was the first to provide Net banking and a number of other online services. The consumer found banking convenient as a result. The consumer might complete their transactions online rather than going to the bank. On the front of industrial goods and commodities, there were also developments [10], [11].

In the Indian market, disintermediation is currently quickly gaining ground. Particularly in metropolises and significant metropolitan areas, customers' selections don't appear to be determined by time or place anymore. This is increasingly true for the younger demographic of customers, who, as we already observed, make up the majority of Internet users. Also, the younger generation of customers has less brand loyalty and shops more for value, which is where the Internet has been a huge help.

The Indian market is being shaped by another intriguing paradigm. The high end of the Indian market no longer has a monopoly on knowledge or ownership of goods and services. All market sectors may now access the same information



# Vol 10, Issue 5S, May 2023

thanks to the Internet, which also gives everyone an equal chance to purchase goods and services. With tools like online chats, client communities that resemble pressure groups have become more prevalent. Customer complaints or subpar performance in one area cannot be concealed from consumers in another market. In this setting, the Internet serves as a terrific leveller and relationship-building facilitator for buyers and sellers [12], [13].

#### III. CONCLUSION

The trust factor seemed to be the most important element(s) influencing customer purchasing behaviour when it comes to online shopping, especially among younger generations. They were more likely to make larger purchases from a website they trusted. Contrary to common opinion, however, it didn't seem that consumers' behaviour was impacted by their feeling of privacy. Consumers did not seem to be very concerned about providing personal information online, such as addresses, as long as they could make purchases utilising the Cash on Delivery or CoD method. Another important consideration for online shoppers was convenience, as they preferred to purchase from the comfort of their homes rather than visiting businesses in person.

#### REFERENCES

- [1] R. N. N. Et. al., "What is a Population in Online Shopping Research? A perspective from Malaysia," *Turkish J. Comput. Math. Educ.*, 2021, doi: 10.17762/turcomat.v12i4.549.
- [2] S. Li, Z. Kallas, D. Rahmani, and J. M. Gil, "Trends in food preferences and sustainable behavior during the COVID-19 lockdown: Evidence from Spanish consumers," *Foods*, 2021, doi: 10.3390/foods10081898.
- [3] Y. S. Lim, A. Omar, and R. Thurasamy, "Online Purchase: A Study of Generation Y in Malaysia," *Int. J. Bus. Manag.*, 2015, doi: 10.5539/ijbm.v10n6p298.
- [4] A. Pandey and J. Parmar, "Factors Affecting Consumer's Online Shopping Buying Behavior," *SSRN Electron. J.*, 2019, doi: 10.2139/ssrn.3308689.
- [5] L. Ye, L. Gai, E. Youssef, and T. Jiang, "Love Consumption at the Digital Age: Online Consumer Reviews and Romantic Gift Giving," J. Glob. Mark., 2019, doi: 10.1080/08911762.2018.1564161.
- [6] R. Kochar and H. Kaur, "A Review of Factors Affecting Consumer Behavior towards Online Shopping," *Int. J. Eng. Manag. Res.*, 2018, doi: 10.31033/ijemr.8.4.6.
- [7] Sharma Anupam and Jhamb Deepika, "Changing Consumer Behaviours Towards Online Shopping - an Impact of Covid 19," Acad. Mark. Stud. J., 2020.
- [8] A. Weersink et al., "COVID-19 and the agri-food system in the United States and Canada," Agric. Syst., 2021, doi: 10.1016/j.agsy.2020.103039.
- [9] A. Kedia, D. Kusumastuti, and A. Nicholson, "Acceptability of collection and delivery points from consumers' perspective: A qualitative case study of Christchurch city," *Case Stud. Transp. Policy*, 2017, doi: 10.1016/j.cstp.2017.10.009.
- [10] R. Mehta, H. Singh, A. Banerjee, S. Bozhuk, and N. Kozlova, "Comparative analysis of the consequences of purchasing models transformation within the global digitalization of the economy," 2020. doi: 10.1088/1757-899X/940/1/012071.

- [11] A. Dhore and S. Godbole, "A Descriptive Study of the Effectiveness of Internet Advertising on Consumer Buying Behavior in Nagpur City," SSRN Electron. J., 2020, doi: 10.2139/ssrn.3341924.
- [12] A. Herziger et al., "A study protocol for testing the effectiveness of user-generated content in reducing excessive consumption," Front. Psychol., 2017, doi: 10.3389/fpsyg.2017.00972.
- [13] R. Kholiya, S. Massey, | Arshia Hussain, and A. Info, "An investigation of Indian consumer's buying behaviour during COVID-19 towards the purchase of apparel items," *Artic. Int. J. Mod. Trends Sci. Technol.*, 2022.





Vol 10, Issue 5S, May 2023

# Perspective of Consumer Behavior Field

[1] Saritha Srinivasmurthy Raghotham

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] saritha\_sr@cms.ac.in

Abstract—Consumer behaviour is more varied, complex, and socially relevant than many other aspects of human activity. Consumer behaviour research includes an assessment of daily living as well as other aspects. This is most likely one of the most fascinating and significant subjects in the social sciences. Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans.

Index Terms— Consumer, Customer, Consumer Behavior, Human Behaviour

#### I. INTRODUCTION

The area of consumer behaviour is multidisciplinary in nature. In most circumstances, consumer behaviour is a complicated process. Consumers' decision-making processes are influenced by broad societal or cultural influences, intimate relationships with various persons organisations, and personal qualities. To successfully characterise consumer behaviour, all viewpoints, including cultural, societal, and individual aspects, must be included. The cultural environment, which is the complex mix of values, ideas, attitudes, and other significant symbols established by humans to impact human behaviour, is without a doubt the most ubiquitous effect on a person. It also comprises artefacts (material characteristics of society) and the transfer of these values, ideas, attitudes, and artefacts from one generation to the next. Culture influences how people work and play, what they purchase and how they buy

Human beings work and live with one another and are often impacted by those around them. Consumers are particularly influenced by their socioeconomic status, reference group, and family. As a consequence, these social effects impact their purchasing choices. While cultural, societal, and other forces may be powerful, so can those inside a person. Wants and motivations, learning processes, perceptions, personalities, self-ideas, and attitudes all influence what, how, why, and when individuals purchase. The complete spectrum of consumer behaviour viewpoints may therefore be described by the graphic below.

Consumer behaviour is a relatively recent area of research. Throughout the 1960s, this became a genuine (academic) subject of study. Around this time, marketers began to build competence in behavioural sciences. "Even the first formal research may be dated back to the late 1940s"4. Despite the fact that it is a relatively young subject of academic research, it has evolved to such a degree that it astounds us. One can wonder why it has evolved to such a degree, or what has contributed to the astonishing pace of growth of this sector.

This is a marketing-oriented period. Marketers in both developed and developing nations conduct their actions in accordance with the marketing idea. Consumers are at the centre of all firm action under the marketing idea. Customers are regarded like kings and queens, and firms strive to make their customers happy in a level that surpasses their competition. To better please customers, one must first understand what they want, when they want it, how they want it, how often they want it, and other consumer characteristics. To know that these marketers are always researching their customers' thoughts, finding newer and more exciting parts of consumer behaviour on a daily basis, which contributes to the field's rapid growth. We previously discussed consumer behaviour as an interdisciplinary area of research that is continually drawing from many other disciplines of social sciences, including some older ones like as anthropology. Marketers take freely from sociology, anthropology, social psychology, psychology, economics, and other related sciences to understand how they connect to people's behaviour. This borrowing has allowed the topic to progress to this point [4]-[6].

Another factor for the rapid growth of this young branch of knowledge is the study on customer behaviour in modern marketing tactics. Marketers may use research to fill knowledge gaps about many elements of customer behaviour. You are all aware of the current status of information technology, especially computers. Marketers are not far behind in this regard. Companies largely rely on computers to uncover consumers' hidden intentions and responses to various features of the businesses and their items. Another factor for the exciting growth of the consumer behaviour sector is the modelling of behaviour using computers.

Researchers from many backgrounds are now working together to conduct research on consumer behaviour elements and to produce books, articles, journals, and magazines, resulting in consumer behaviour being an important subject of study. The topic of consumer behaviour is examined utilising two sorts of ideas: conventional and newer or contemporary/modern theories. The earlier or conventional ideas were formed based on marketers' views or



Vol 10, Issue 5S, May 2023

intuitions. They relied substantially on various economic ideas while creating hypotheses. According to economic principles, the majority of buyers act only on reason or logic. Economists contrast human and machine behaviour. A machine always responds in the same manner to a certain stimuli. Economists and supporters of conventional views both think that human behaviour is analogous to that of machines. Modern marketers employ contemporary scientific ideas to explain why customers act the way they do. Models are also used by modern marketers to explain the unpredictable behaviour of customers.

The modern techniques to consumer behaviour are so exact that they have surpassed the previous conventional ones. Since consumer behaviour is a diverse topic, recent theories are interdisciplinary in character. These ideas are constructed with generous assistance from the results of several fields of behavioural sciences, as already described. Modern tactics are now complemented by models to assist marketers better understand behaviour. A model is a smaller-scale representation of anything, and in this context, a model is a representation of some behavioural system used to explain behaviour in that system. To further understand how models describe behavioural systems, we'll look at a basic consumer behaviour model established by Gordon W. Allport. In the next section, a detailed review of different models will be provided to provide you a better understanding of models and their functions in explaining consumer behaviour.

#### 1.1 Model Description

The Allport consumer behaviour model essentially depicts the interaction between socio-cultural, societal, and individual characteristics and stimulus objects pertaining to goods or services. This encounter results in an individual's consumption or purchasing choice. The stimulus items associated with the product or service are always interacting with these three groups of parameters. The buyer's choice is the consequence of the engagement. If the outcome of the encounter is favourable, the buyer will opt to purchase the brand; if the outcome is unpleasant, the buyer will abandon the notion of purchasing the brand whose stimulus he evaluated. While you will have individual units to study addressing each of the components in depth, we will outline the parts of this model in short in the following section.

Socio-Cultural Variables and Their Influences on Purchasing: The cultural environment in which you live influences what items you purchase, how you use them, how often you buy and use them, and even how you buy them. For example, guys wearing ear rings is frowned upon in our society, yet it is not frowned upon in Western culture. That is why many guys in Western nations wear ear rings, however males in Bangladesh do not wear ear rings since our culture forbids it. When it comes to purchasing, individuals from particular cultures prefer self-service, although it is not yet a popular practise in our society. Bargaining is favoured in our culture, while it is not practised in others. In our nation, we

evaluate the freshness of fish by pressing it between our fingers, something a contemporary developed society cannot understand.

#### II. DISCUSSION

For organisations to achieve commercial success, it is critical that managers understand consumer behaviour. The relationship between consumer behaviour and marketing course of action is emphasised because the success of organisations' marketing course of action is dependent on managers' recognition's' of consumer behaviour (knowing of the behaviour that consumers display is especially important during an economic depression). According to the marketing staff's examination of consumer buying behaviour, customers play three various roles, such as user, payer, and purchaser. Consumer behaviour is difficult to predict, according to studies, even for specialists in the field. Marketing begins and ends with the customer; hence, consumer purchase decisions demonstrate how successfully the organization's marketing strategy fits marketing demand [7]–[9].

Consumer behaviour encompasses the psychological processes that customers go through in order to comprehend their needs. Finding patterns to fix these needs, making purchasing choices such as whether to acquire goods and services and, if so, which sorts of brands and where, interpreting advice, formulating plans, and carrying out these plans such as comparative shopping or actual purchasing of things Completely, contemporary and professional marketing staffs strive to understand customers and their answers, and so analyse the key characteristics of their behaviour. Studying consumer behaviour helps to determine who the customers are, what the consumers want, and how the consumers use and respond to the items. Marketing staffs research the needs of consumers by conducting surveys. Consumer behaviour studies attempt to identify the purchaser's decision-making process, both individually and collectively. It examines personal consumer qualities such as demographics and behavioural aspects in order to better understand human desires. The study of consumer behaviour allows for improved understanding and prediction about not only the problem of purchases but also purchasing goals and purchasing frequency.

Marketing is no longer seen as a local or national phenomena, but rather as an international one. The things you manufacture in Bangladesh may have consumers far beyond our borders. To be effective, marketers need acquire knowledge of various cultures in addition to their own if they want to advertise their goods in other countries. Cultural features are not universal. Cultures have a wide range of differences. Some cultures (such as Western civilizations) are characterised by value changes and technical development, whilst others are marked by insularity and tradition (such as Bangladesh culture). These distinctions have an impact on the items and services that consumers purchase. Many items have particularly excellent marketplaces in Western societies



# Vol 10, Issue 5S, May 2023

due to looser sexual mores (such as little skirts), and certain products may even be marketed via public media. In traditional civilizations, these goods are not marketed or promoted openly. Cultures' values do not remain static; rather, they evolve with time. Even in Bangladesh, values have evolved dramatically over the previous several decades, resulting in considerable changes in our spending habits. Some examples of such changes in our culture include the use and purchase/consumption of certain products and services such as fresh flowers, mineral water, tissues (hand, toilet, facial), mobile phones, debit and credit prepackaged/instant food items, e-mail, internet service, and cable television.

Subcultures within civilizations are common, adding to the complexities of cultural impact on consumer behaviour. Just as there are distinct market groups within a broader market, there are also cultural differences. Obviously, there are disparities based on area, religion, age, money, family structure, and so on. Bangladeshis all around the nation, for example, like fish, while some in particular locations prefer dried fish. This is a subcultural influence. For example, urban folks eat bread for breakfast, but rural people eat rice for breakfast. Since the upper class in metropolitan regions likes to dine out often, restaurant and fast food establishments have proliferated in these locations.

Social Factors Influencing Purchase/Consumption Decisions: Human beings work and live with one another and are often impacted by those around them. Consumers are influenced by their socioeconomic status, reference group, and family. These social elements have just as much effect as cultural considerations. Individuals from the same socioeconomic class tend to have similar ideas, lifestyles, and purchasing habits, as well as to shop at the same businesses and reside in the same sorts of neighbourhoods and homes. Individuals adapt to the habits of life and purchasing that the other members approve. While lives are generally similar within a socioeconomic class, they differ greatly across classes.

Consumers may be classified into a number of reference groups. A reference group is a group of individuals to whom a person turns for affiliation, knowledge, and behavioural norms. These organisations may be created for a variety of reasons, including familial, work, professional, religious, civic, educational, and recreational interests. These organisations have a huge and extensive influence on consumer purchasing behaviour. Reference groups have the potential to affect both the sort of product bought and the brand name chosen.

The family is frequently the most influential group for the consumer, having a larger and broader impact on lifestyles and purchase behaviour than any other. The impact of a specific family member in making a choice depends on the product or service in issue. Some choices are made by a single member, while others are made collaboratively. It changes depending on the product and the stage of the life

cycle in which the family is located. The majority of choices are made jointly by newlywed couples. Consumption patterns shift during the course of a family's existence. Singles, for example, may need different items than freshly married couples, and families with new born children will demand different products than families with older children.

You will see that a lot of changes are occurring in social structures that are having a significant influence on purchase/consumption choices. Women's emancipation in urban Bangladesh, for example, has resulted in a new breed of consumers who are free to choose what they want. As more moms join the labour force, markets for disposable diapers, baby food, and childcare facilities are expanding in metropolitan Bangladesh. As more women pursue careers, they are less likely to breastfeed their children in order to maintain their figures, save time, and avoid inconveniences, resulting in a strong demand for baby food.

Individual Factors Influencing Purchasing/Consumption Decisions: Individual consumer characteristics are as influential on purchase/consumption decisions as cultural and societal influences. Although being a member of society and many social groupings, each person is a distinct entity. As a result, when a person considers making a purchase choice, a variety of unique consumer characteristics come into play. Previous experiences impact consumer choices, which define his learning. If you were unsatisfied with a certain brand, this experience will undoubtedly influence your future selections. Apart from instinctual wants, all needs are learnt through previous experiences and other people or organisations, as well as the ways in which they strive to fulfil them. According to learning theories, marketers should raise the intensity of their stimuli, including adverts, in order for learning to occur fast.

While consumers have many identical wants, they strive to meet them in quite diverse ways, depending on how they view both their needs and the environment in which they operate. In reality, two persons with similar requirements may take different activities to meet them depending on how they perceive the circumstance. Since individuals see differently and selectively, the stimuli that marketers provide to marketplaces should change for diverse groups of people. Because of the selectivity of perception, marketers' advertising and other stimuli should be exceptional for assuring perception of his target audiences.

The physiological and psychological/social motivations of a customer are at the heart of his or her purchasing choice. A motivation is a force that has been ignited and is motivating the person to attempt to fulfil a certain desire. Since people's motivations differ, so do their actions. Some are driven by price, while others are motivated by quality, while still others are motivated by product features and a variety of other considerations. Marketers that do motivation research may be able to uncover hidden customer reasons, and the results may be used to develop marketing tactics.



# Vol 10, Issue 5S, May 2023

Another individual component that influences behaviour is the consumer's personality. Each customer is distinct in terms of ambition, conservatism/liberalism, degree of extroversion, and so on. Individual personalities are made up of these fundamental character qualities. An individual's personality pattern influences the sort of product he will choose and the style he will favour. Why do some individuals purchase sports vehicles and others do not, even if they have the means? The disparity in their personalities is the easy solution.

Without a doubt, marketing executives must be concerned with customer views. They are a person's long-term positive or negative judgements, emotional sentiments, and behaviour patterns towards a certain item or concept. If customers have favourable sentiments regarding the firm's products, information concerning the specific product or service is more likely to be received and have a beneficial influence on them. If you enjoy a certain artist's style (have a favourable attitude towards him/her), you are inclined to purchase any new album issued by that performer. If the attitudes are bad, this will also influence your selection, and changing an attitude from negative to positive is quite tough.

A customer analyses a unique set of social, cultural, and individual elements in each purchasing choice. They stay engaged throughout and interact with marketer-dominated activities in which they (marketers) attempt to persuade customers to acquire their items. This encounter, as well as media and interpersonal communications, influence buying choices [10]–[13].

# III. CONCLUSION

Consumer perception refers to customers' thoughts, sentiments, and beliefs about your brand. It is critical for increasing customer loyalty and retention, as well as brand perception and awareness. Any effective marketing strategy must take into account consumer behaviour. Businesses may create efficient marketing strategies that satisfy the requirements and desires of their target audience by researching the elements that affect customer behaviour.

#### REFERENCES

- D. H. Nguyen, S. de Leeuw, and W. E. H. Dullaert, "Consumer Behaviour and Order Fulfilment in Online Retailing: A Systematic Review," *International Journal of Management Reviews*, 2018. doi: 10.1111/ijmr.12129.
- [2] H. Han, "Consumer behavior and environmental sustainability in tourism and hospitality: a review of theories, concepts, and latest research," *J. Sustain. Tour.*, 2021, doi: 10.1080/09669582.2021.1903019.
- [3] D. J. MacInnis and V. S. Folkes, "The disciplinary status of consumer behavior: A sociology of science perspective on key controversies," *J. Consum. Res.*, 2010, doi: 10.1086/644610.
- [4] M. Boulet, A. C. Hoek, and R. Raven, "Towards a multi-level framework of household food waste and consumer behaviour: Untangling spaghetti soup," *Appetite*, 2021, doi: 10.1016/j.appet.2020.104856.

- [5] G. Antonides, "Sustainable consumer behaviour: A collection of empirical studies," *Sustainability (Switzerland)*. 2017. doi: 10.3390/su9101686.
- [6] L. Qiu, X. Chen, and T. J. Lee, "How can the celebrity endorsement effect help consumer engagement? A case of promoting tourism products through live streaming," *Sustain.*, 2021, doi: 10.3390/su13158655.
- [7] M. H. Moshrefjavadi, H. Rezaie Dolatabadi, M. Nourbakhsh, A. Poursaeedi, and A. Asadollahi, "An Analysis of Factors Affecting on Online Shopping Behavior of Consumers," *Int. J. Mark. Stud.*, 2012, doi: 10.5539/ijms.v4n5p81.
- [8] S. Li and N. S. Jaharuddin, "Influences of background factors on consumers' purchase intention in China's organic food market: Assessing moderating role of word-of-mouth (WOM)," Cogent Bus. Manag., 2021, doi: 10.1080/23311975.2021.1876296.
- [9] M. Pachauri, "Consumer Behaviour: a Literature Review," Mark. Rev., 2004, doi: 10.1362/1469347012569896.
- [10] D. Fischer, J. L. Reinermann, G. Guillen Mandujano, C. T. DesRoches, S. Diddi, and P. J. Vergragt, "Sustainable consumption communication: A review of an emerging field of research," *Journal of Cleaner Production*. 2021. doi: 10.1016/j.jclepro.2021.126880.
- [11] J. Duggan, "Implementing a metapopulation bass diffusion model using the R package desolve," R J., 2017, doi: 10.32614/rj-2017-006.
- [12] V. V. Gerasimenko and E. Golovanova, "Evaluation of consumer behaviour on the Internet under the conditions of pandemic shock based on search activity in the luxury segment," *Popul. Econ.*, 2021, doi: 10.3897/popecon.5.e63315.
- [13] N. Ahmad, R. T. Naveed, M. Scholz, M. Irfan, M. Usman, and I. Ahmad, "Csr communication through social media: A litmus test for banking consumers' loyalty," *Sustain.*, 2021, doi: 10.3390/su13042319.



Vol 10, Issue 5S, May 2023

# Persuasion—Need and Importance in Consumer Behavior

[1] Seema Sambargi

[1] Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] dr.seema\_sambargi@cms.ac.in

Abstract— Consumer behaviour is the study of what encourages people and organisations to buy specific items and support certain brands. The six universal principles of persuasion are reciprocity, commitment, pack mentality, authority, like, and scarcity. Persuasion marketing use what we know about human psychology to create ways for promoting items or services. It especially pertains to the promotional component of the marketing mix in this situation, and relies on a customer's impulsive behaviour to persuade them to buy.

Index Terms— Consumer, Consumer Behaviour, Purchase, Persuasion.

#### I. INTRODUCTION

Persuasion is an art of influencing the mind of the listener, and it should be approached with caution. Persuasion may therefore be described as "an attempt to influence others' attitudes, emotions, or beliefs, or to influence behaviour based on those attitudes, feelings, or beliefs." Persuasion is a kind of communication skill. It allows a persuader to express his point of view from the receiver's point of view and persuade the receiver to behave in accordance with his point of view. Persuasion is very important in organisational management. Persuasion as a talent. Understanding of the recipient. Intellectual appeals to pique the receiver's attention. Presenting of one's interests from the perspective of the recipient. Persuasion marketing is the use of what we know about human psychology to the development of tactics for selling goods or services. It especially refers to the promotional element of the marketing mix in this situation, and relies on a customer's impulsive behaviour to persuade them to buy. Persuasion is present in all aspects of our life. Politicians want our votes, corporations want us to purchase their goods, and individuals want us to like them. Even charitable organisations encourage us to adjust our attitudes about environmental concerns and public safety, or to donate money to help battle hunger and sickness [1]–[3].

This is also true for websites and other digital resources. Persuasion is an essential component of excellent design, ensuring that people interact with your product in the manner you planned, leading to the desired conclusion. Understanding persuasion can help you better include and enhance successful persuasive strategies into your design, as well as explain to others how and why your design is good at convincing people. Persuasion has a terrible reputation; the term itself typically conjures up images of being duped or coerced into doing something we don't want to do. Yet, persuasion is not necessarily bad; it is just a process of influence, for better or worse. These are five approaches to persuasion:

1. Communication is Persuasion

Persuasion requires a strong, unambiguous message given from one party to another.

2. Persuasion is the endeavour to persuade someone.

Knowing your audience and what makes them tick increases the likelihood of your endeavour succeeding. Yet, no conclusion is ever assured.

3. Persuasion entails more than just words.

Aesthetics, interactivity, simplicity of use, and other aspects may increase the persuasiveness of a website or application to prospective users.

4. Persuasion is not the same as coercion.

Individuals must establish or adjust their own attitudes. Using dark patterns or intentionally deceiving a person into doing something they would not normally do is not persuasion.

It's called being an idiot.

5. Persuasion may strengthen attitudes

Your audience's views need to be reinforced from time to time. If you don't preach to the choir, someone else will, and your devoted followers will ultimately be led astray.

#### 1.1 Persuasive Marketing Campaign Components

Persuasion marketing consists of four major components: organized communication, narrative, copywriting, and neuro-marketing.

- 1. Structured Communication: Structured communication, like interpersonal sales' "planned conversation," is about managing the sequencing of the interaction or how information is provided to the customer. The idea is to drive a consumer along his or her "impulse curve," first encouraging the impulse and then making a call to action after the impulse level has reached its peak. It implies that the first page a client sees on a website does not immediately pursue a sale, but instead delivers the introductory message and invites further exploration of the website.
- 2. Storytelling: Storytelling employs a story framework to elicit a customer's emotional and subconscious reactions in order for them to join or dominate their more analytical replies. The use of certain phrases and imagery elicits



# Vol 10, Issue 5S, May 2023

habitual emotional reactions such as fondness, familiarity, empathy, and the desire for victory or resolution.

3. Copywriting: Copywriting is the process of selecting the appropriate words and phrases for headers, captions, product descriptions, and other material. As consumers scan content, questions stand out more than statements, thus "What is the best approach to attract attention?" stands out more than "How to captivate attention." The persuasive marketer field-tests many types of content to identify which is most likely to elicit the emotion or reaction desired.

Words that describe the same thing might have vastly different connotations. "Choices," for example, elicits a favourable emotional reaction, but "trade-offs" elicits a negative one. Moreover, the copywriter and marketer must remember that the fear of loss motivates most individuals more than the promise of gain. As a result, "don't miss out" has greater effect than "this may be yours."

4. Neuromarketing: Maybe the most essential component of persuasive marketing, neuromarketing applies psychology to the marketing message. Psychological study uncovers information on the many elements that influence a choice, and up to 90% of it occurs outside of our conscious thinking.

According to study, visual and olfactory cues are vital for "priming" a specific emotion; hence, grocery shops put flowers at the front to "prime" consumers with the impression of freshness. In terms of website design, it entails employing a certain colour scheme and visual images to boost the reaction of visitors to the page.

Other people's testimony is another important aspect. Companies often publish consumer testimonials on their websites, creating a "wall of social proof" strategy. Photographs of happy and appealing consumers are posted by businesses. As a result, new consumers feel at ease doing business with them.

#### 1.2 Persuasive Techniques

- 1. Reciprocity: To reciprocate is to give something in order to get something. Offer your customer something that will make him feel fortunate. If a waiter delivers you sweets along with a bill, you're likely to tip him. If he offers you the same bill and candy but says, 'And this is for you, since you were such a cool customer,' the tip will be much larger.
- 2. Authority: Purchasing anything implies putting your faith in someone. Humans, and hence customers, follow reputable leaders. If Peter attempts to offer you an apartment, you will be less likely to purchase it from him than if he is presented to you as a real estate agent with 22 years of experience selling and purchasing flats.
- 3. Social Proof: Individuals are influenced by what others do. It is simpler to modify someone's behaviour by telling them what other people did in comparable circumstances than than instructing them what to do in a specific scenario.
- 4. Commitment: Marketing by engaging people makes them feel like they are a member of your community. People will purchase from you more if they have a voice in what the brand, product, or service provides to the market. Begin

- small, and you'll notice that once you have customer commitment, you may snowball your marketing efforts. A loyal connection is built on commitment.
- 5. Likeability: We prefer to purchase more from individuals we like. We are narcissistic individuals who are readily influenced by those who compliment and admire us. Of course, the key issue here is authenticity. How can you appreciate and be thanks to your customer in an honest, natural, and genuine way? Invite them to an online closed community, for example, and solicit their comments on what you're doing.
- 6. Scarcity: Individuals like purchasing something that others cannot afford. Humans have a tendency to rush for items that are in short supply. So the challenge here is 'how can I make my product seem and feel unusual and scarce?' The Concord example is a compelling one. When British Airways announced that it would only operate one round-trip flight per day from London to New York instead of two, sales increased dramatically. As a consequence, fewer flights at a greater cost resulted in a significant gain in revenues [4]–[6].

# II. DISCUSSION

Consumer research is a problem that constantly has an impact on marketing. Identifying and satisfying his wants, as well as understanding how he receives and evaluates the company's messaging, is critical for organisations. To comprehend the customer, one must examine the world that surrounds them and comprehend how they connect to it. We have seen major changes in recent years that have altered society and its natural equilibrium. The economic crisis and online dynamics have warped societal norms, and as a result, marketing is attempting to redefine the bounds of their own profession in order to adapt to new situations in a consistent and successful way.

Successful policies of the past must be rebuilt in today's reality, and marketing operational manuals must adapt to the current market dynamics. Every day, we are bombarded with symbols, pictures, and messages, only a tiny percentage of which can penetrate our perceptual barriers and pique our attention. This surplus of culture, combined with the fragmentation of experience and the very sense of self, understood as an individual's membership in more social spheres and meaning, reveals one of the most relevant concepts that distinguishes the company today: the problem of identity building due to individual fragmentation. Marketing must therefore take notice of these occurrences and give individuals/consumers products that will assist them in expressing their own identity.

According to Morace, "the identity of each one and its relative manifestation, you play and then via a delicate balance between membership in a collective legacy and expression of a unique character, which tends to identify personal. Customers now seek validation of identity in products, while brands, via positioning, strive to establish their own identity as a collection of distinct values to provide



# Vol 10, Issue 5S, May 2023

to consumers [7]–[9]. Persuasion becomes more challenging in an articulated and complicated communication situation defined by media congestion. The vast volume of information that bombards our senses necessitates choices. One of the most important needs for communicators and marketing gurus is the ability to draw the attention and stir the interest of an increasingly knowledgeable audience. The public's attention is not an infinite resource. Just putting a product or a message on stage because it is perceived is insufficient.

In reality, our method of processing information adheres to the notion of maximum energy savings. In general, the information that is more readily received is that which conforms to our preconceptions or coincides with a scheme that is already stored in our memory. This selective process is only as powerful as the degree of engagement in selecting or evaluating a certain message. To complicate matters further, communicators must be aware that the message they receive is not always correctly comprehended and perceived. Several research have revealed that the communicator's goals are not always informed, and include, your reference target. This is particularly true if your target group includes members such as children. According to a study conducted some years ago, only 50% of preschool children can grasp at least half of the television content broadcast, despite the fact that such material was deemed acceptable for children.

The similar issue may be noticed in the programming process. The relationship between the message's product object and what should be recalled is not linear and straightforward. The danger of who is responsible for building competitive traps is not only to make the meaning of communication unintelligible, but also to allow the storage of certain less important components of the message itself. How many times have you saved a great advertisement, a humorous ad, or a feature that is very successful in one place without remembering the most crucial piece of the message: the product?

The current chapter's goal is to analyse the reactions when you want something from someone; sometimes it is necessary to adopt paradoxical behaviour; this incipit is not surprising because the paradox recurs frequently in defining the operation of marketing, particularly in the context of the supplier-customer relationship. In the realm of marketing, it may be stated that if it is feasible to understand what generates voltage to a subject, you will be able to find prospective purchase levers, since this voltage is created by stimuli that can be addressed in the search for a product or a service. As a result, research and examination of unmet or underserved requirements gives for significant marketing potential. Likewise, in the realm of business-to-business, if you understand what produces voltage in an enterprise buyer, you will be able to recognise the purchasing company's motivating levers and adapt the offer appropriately.

In increasingly complex marketing models, the purchasing process must inevitably be compared to that of motivation. And what are the variables that motivate the person to buy?

The voltage is seen as a motivating unit basis in the theory of motivation. The pulse voltage generators engage on members of perceived imbalance and produce an impetus to problem resolution via the accomplishment of states of equilibrium. The pulse becomes a purchasing motivation when there is a notion that the purchase may be used to solve the issue.

Sometimes people's purchasing desires and decisions are predictable, and sometimes they are not. We would not require the cognitive analysis or the dilemma if the sphere of consuming was governed by rationality rules. People, whether as individual customers or as corporate decision makers, exhibit the whole of human nature in their conduct, which often replaces a slope of irrationality. Persuasion, as defined by psychology, is the act of talking with someone in order to persuade them to alter their attitudes and views about a certain object or topic. VeryWell Mind. The catch is that individuals are not compelled; instead, they are allowed to their own conclusions and ideas to choose their position and choices on certain issues. Persuasion in marketing specifically refers to the promotional features of the products and services offered by the sellers, as well as various ways to convince purchasers to act on their impulsive purchasing choices. These messages are transmitted in a variety of methods, including vocally, via photographs, proofs, promotional videos, and so on. Currently, numerous businesses compete to offer comparable items using distinct and unique persuasive strategies to attract clients. Since the market is becoming more diverse by the day, businesses are adopting more complex and informative persuasion strategies to urge clients to seek the company's projected lifestyle, which is obtained via that specific product. The visual appearance of a product on an e-commerce site has a significant impact on 93 percent of e-commerce shoppers. 2016. It's tough to buy anything without first seeing it, whether in person or online. As a consequence, the visual presentation, which includes branding, logos, websites, product endorsements, and photographs, is highly valued by the client.

Since the Covid-19 epidemic, everything has been online, and the majority of people all across the globe buy their requirements online. According to UNCTAD, owing to mobility and travel constraints, total real shares in the e-commerce sector of business increased from 16% to 18% in 2020. Visits to e-commerce websites increased to 21.8 billion in 2020, up from roughly 16.07 billion at the start of 2019. This depicts the widespread use of internet purchasing sites during and after the epidemic. While this was a wonderful benefit to the sellers, it also made the already competitive side of business considerably fiercer, making it harder for small enterprises and start-ups to thrive. Various marketing and persuasion methods were and continue to be vital for sellers in order to attract their attention and, hopefully, persuade them to acquire the items. Despite the fact that psychology plays an important role in marketing campaign design, it is necessary to establish the degree to which



# Vol 10, Issue 5S, May 2023

persuasion works and if it is adequate to convince a person to purchase a certain product or participate in other forms of advertising. A dissertation by Baryshnikova attempted to comprehend the many persuasive strategies employed in marketing with regard to psychological elements, as well as the impact on individuals. To understand the effect, the research involved a review of current literature as well as qualitative interviews with seven persons ranging in age from 20 to 30 years. The findings revealed that, although psychological variables are important for a successful marketing effort, they are insufficient. Technological advancement is something that has to be worked on in the subject of neuromarketing.

A persuasive marketing campaign consists of four components: structured communication, narrative. copywriting, and neuromarketing. The merchants must utilise their wares to tell a tale that will encourage shoppers to listen and maybe be persuaded to rethink their hasty purchases. Structured communication is the process of starting a pre-planned discourse with a client, which may be done via a website that, instead of interrupting the customer with a sale, sends out a message that starts a conversation. People's emotional states and subconscious reactions may be influenced through storytelling. They may feel empathy, faith, and other emotions when certain words and images are exposed to them.

A meta-analysis was conducted to examine the effect of visual stimulation on persuasion. He investigated if adding visuals to certain texts altered perception. 12 research with a total of 2,452 individuals were considered, and the final findings revealed that adding visuals to verbal texts had no significant effect on persuasion. Nevertheless, when moderating factors such as pictures, drawings, evidence, and so on were added, it was discovered that various substantial visual effects appeared, such as photographs, positive images, and health-related images affected persuasion. As a result of this study, we can clearly grasp the significance of the four marketing factors discussed before. Without a doubt, an image and a tagline that clearly communicates a narrative to the consumer and gets through to them is the key to success in the game of persuasive marketing.

#### 2.1 The efficacy of online persuasion

Since we are becoming closer to the concept that each human action is linked to a variety of motivations, beliefs, and experiences that may be understood via psychology, many new branches of psychology are developing. Since marketing persuasion involves convincing consumers to act on their instincts, a solid grasp of human psychology is required. The internet has made it possible for individuals to come forward and showcase their ideas that have the potential to enhance people's lives. Every day, we are exposed to hundreds of different advertisings, whether on our phones or on television, and as a consequence of the world's increasing competition, developing the perfect marketing campaign has become a challenging task. Designing internet

marketing campaigns is far more complex than it looks since most consumers would just glance at an ad for 6-8 seconds. The study of how the internet environment effects our attitudes, beliefs, and behaviour patterns is referred to as "web psychology". Businesses employ several marketing methods to differentiate themselves and sell their goods to a specific audience.

Businesses must select their approaches in such a manner that they reach the segment of the audience that is interested in the product. Many persuasion claims have emerged in the market, each of which affects and manipulates a buyer to purchase a certain product. Jeong et al. Performed two tests to investigate the impact of two kinds of persuasion claims: restricted product availability and product popularity.

A questionnaire was used to examine the risk aversion propensity, purchase intention, and perceived product quality of 208 college students using three distinct scores. It was discovered that the popularity claims increased customers' perceptions of quality, especially among risk-averse consumers, as well as their buy intention for that product. The restricted availability assertions, on the other hand, had little to no impact, which might be attributed to a lack of psychological reaction and a lack of message trustworthiness.

When deciding whether or not to purchase a certain product, one of the things that impacts their choice is the availability of reviews. When a large number of people comment positively about a product, it persuades the client to purchase that product. It persuades people to trust the positive remarks. Meanwhile, the negative feedback assists them in discovering the product's flaws. Mangold et al. conducted research to determine the implications of awareness of altered online product reviews on the influence of these reviews on customers' product judgements. Two different empirical studies were conducted with 211 students and other members of a university in Switzerland, and the results demonstrated that people could clearly understand that product reviews could be manipulated, and people who had this knowledge were not influenced by these reviews for product evaluation. Negative evaluations have even less impact on buyers when they purchase things from a highly This investigation indicated that source. trustworthiness and sources were very important and impacted adult purchasing attitudes. Banner advertisements and sponsored ads are two alternative ways to advertise a product online. Sponsored advertisements occur when a firm pays for a specific event or campaign in exchange for advertising their brand in that campaign or event. Sponsored advertising are seen as more entertaining and informative than banner ads, which are rectangular graphic ads that appear at the bottom and top of certain websites' displays

Food product promotion on delivery apps is growing increasingly imaginative and appealing to consumers. Food, a fundamental requirement of existence, has become so easily available for the wealthy class, and delivery services are capitalising on this. Gunden et al., investigated the role of two



Vol 10, Issue 5S, May 2023

main components in the design of the user interface of online food delivery systems, namely, the display of various pictures and calories on the application and its impact and influence on consumers' willingness to use these applications, as well as how much they spend on food items and their tipping behaviour.

A manipulated between-subjects 2×2 randomised posttest-only between-subjects experiment was carried out, with the independent variables being 1. Images and 2. Calories. The information was gathered using a questionnaire that was created utilising two separate pre-established scales from current research. The population consisted of the email answers of 139 college students. The findings indicated that the calorie display style effects customers' inclinations to utilise these meal delivery services, as well as their tipping behaviours towards the delivery driver. The type of picture that may be shown in these applications also has a large impact on the purchasing intentions of individuals, as a picture with a person enjoying the food is more appealing to the consumer, which influences impulsive buying attitudes and thus benefits the food delivery business and the delivery man [10], [11].

When done effectively and for the right reason, a brand's persuasion and influence on consumers may be very powerful. By adopting the right colours and marketing, each organisation may have a positive impact on its unique target group. Lee et al. Performed research to better understand the role of fashion merchants in encouraging their customers to wear eco-friendly clothing. They wanted to investigate the ability that a fashion retailing brand has to convince and urge customers to buy eco-friendly apparel that is healthier for the environment.

The effect of green goods as advocated by green private brands and their impact on customers was researched, as well as the impact of green fashion campaigns on consumer green awareness and green behaviour. It was hypothesised that 1. consumers' positive/negative perceptions of green private brands would have a positive/negative direct impact on consumers' green behaviour, and 2. consumers' positive/negative perceptions of green campaigns would have a positive/negative direct impact on consumers' green consciousness. 3. Consumers' green knowledge has a direct and positive influence on their green behaviour.

A questionnaire with questions regarding green behaviour, perception of green retailing, and green awareness was sent to 200 Korean participants for this research. The findings revealed that consumers' perceptions of green private brands had a favourable influence on their green behaviour. The consumer's green awareness is extremely responsive to their perception of green initiatives, and this impression has an indirect influence on the consumer's green behaviour. This research demonstrates the effect that green fashion businesses have in influencing individuals to adopt a more sustainable and eco-friendly approach to fashion and clothes [12], [13].

#### III. CONCLUSION

Persuasion abilities are incredibly significant since they allow marketing professionals to modify the preconceived beliefs of their prospective customers and persuade them to trust in them. The first and most important technique for persuading a new customer is to seem confident while still being knowledgeable about the goods. Marketing campaigns may impact customer behaviour because they provoke responses, leverage imagery and word connections, and trigger emotions such as nostalgia and fear.

#### REFERENCES

- [1] A. Kronrod, A. Grinstein, and L. Wathieu, "Go green! Should environmental messages be so assertive?," *J. Mark.*, 2012, doi: 10.1509/jm.10.0416.
- [2] C. Flavián, R. Gurrea, and C. Orús, "The influence of online product presentation videos on persuasion and purchase channel preference: The role of imagery fluency and need for touch," *Telemat. Informatics*, 2017, doi: 10.1016/j.tele.2017.07.002.
- [3] M. Kaptein and D. Eckles, "Heterogeneity in the Effects of Online Persuasion," *J. Interact. Mark.*, 2012, doi: 10.1016/j.intmar.2012.02.002.
- [4] И. Павлов, I. Pavlov, E. Ревякина, E. Revyakina, B. Елесина, and V. Elesina, "Market Research of Bottled Drinking Water," Food Process. Tech. Technol., 2019, doi: 10.21603/2074-9414-2019-3-487-494.
- [5] L. Wathieu, A. Kronrod, and A. Grinstein, "Go Green! Should Environmental Messages Be So Assertive?," J. Mark., 2012.
- [6] P. Goel and S. Sharma, "Impact of Green Marketing on Consumer's Perception and Preferences," Splint Int. J. Prof., 2017.
- [7] P. Goel and S. Sharma, "Impact of Green Marketing on Consumer's Perception and Preferences: A Quarterly Peer Reviewed Multi-Disciplinary International Journal," Splint Int. J. Prof., 2017.
- [8] M. Koster, M. Ruth, K.-C. Hamborg, and K. Kasper, "Kontoübersicht vom 25. März 2016," J. Advert., 2014.
- [9] S. Thakur and R. Aurora, "Consumer Preferences change when it comes to green Marketing," 2015.
- [10] C. A. Scott, "Researching The Broadened Concept of Consumer Behavior," *Broadening Concept Consum. Behavor*, 1975.
- [11] N. A. Govoni, "Consumer Socialization Process," in Dictionary of Marketing Communications, 2012. doi: 10.4135/9781452229669.n799.
- [12] O. Hinz et al., "Social Media and Word of Mouth," Manag. Sci. Lett., 2016.
- [13] M. Diehl, R. Ziegler, and S. Schwarzbach, "Persönlichkeit und persuasion: Die Überprüfung der validität einer konsumententypologie," Zeitschrift fur Sozialpsychologie, 1998.



Vol 10, Issue 5S, May 2023

# An Overview on Consumer Involvement

[1] Richa Tiwari

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] dr.richa\_t@cms.ac.in

Abstract—Consumer participation is the attitude that drives a customer to buy something or the value they put on a product or service. A customer may participate in the decision-making process to varying degrees, and there are several elements that might affect that participation. Increased customer contacts increase brand value for consumers and provide you customer insights. These consumer insights may influence sales procedures like message and outreach techniques as well as marketing strategies like remarketing and content creation.

Index Terms— Consumer Involvement, Consumer, Product, Service.

#### I. INTRODUCTION

It is said that certain customers are more engaged with their purchases and goods than others. A customer who is really interested in a product would want to learn a lot about it before making a purchase. As a result, he carefully reads brochures, contrasts the brands and models offered at various retailers, asks questions, and seeks for advice. Hence, consumer participation may be described as a raised level of awareness that prompts customers to look for, pay attention to, and consider product information before making a purchase [1]–[3].

# **1.1**Consumer Involvement's Root Reasons

Personal, product, and situational characteristics are among those that affect customer participation.

#### 1.2Personal aspects

The three individual aspects of self-concept, needs, and values determine the degree of customer participation in a product or service. The more closely a product's image, intrinsic value symbols, and needs it addresses align with those of the customer, the more probable it is that the consumer will feel invested in it. For instance, celebrities self-perceptions, philosophies, requirements. People often utilise goods and services that correspond to their way of living. They invest a lot of money on acquiring high-end goods like designer clothing, expensive automobiles, and medical supplies. product variables When the perceived risk of purchasing an item or service rises, so does consumer participation. Given that buying a home is a significantly riskier investment than buying toothpaste, customers are likely to feel more invested in the latter [4]–[6].

Differentiating a product influences participation. When there are more options available to them, the level of participation grows. A person's enjoyment of a product or service may also have an impact on engagement. There are certain goods that provide consumers more pleasure than others. Comparing tea and coffee to, say, household cleansers, the former have a higher degree of hedonic value

(joy). Thus, there is a lot of interaction. When a product receives media exposure, participation rises. Every product that is eaten in public or is socially visible requires a lot of engagement. For instance, purchasing an automobile requires more effort than buying home goods.

# 1.3Environmental Factors

The circumstances surrounding the purchase or consumption of the goods may cause emotional connection. The participation depends on the justification or setting of the transaction. A pair of socks for oneself, for instance, requires far less effort than a present for a close friend. Social pressure may dramatically boost participation. While shopping with friends as opposed to when shopping alone, one is more likely to feel self-conscious about the brands and things they consider.

Involvement is also influenced by the requirement to act quickly. When a customer wants a new refrigerator and notices a "one-day-only offer" at an appliance store, they do not have the time to evaluate the pricing and brands of several models. The decision's importance makes people more invested.

When a choice is made that cannot be changed, such as when a merchant refuses to allow returns or exchanges for things that are on sale, there is a high level of engagement. As a result, participation may come from both within and outside of the person, as in the case of lasting involvement or situational involvement. Many individual-product- and situation-related elements, many of which the marketer may influence, might cause it. It has an impact on how customers perceive, interpret, and communicate information to others.

# 1.4Forms of Participation

These are the two categories of involvement:

- 1. Predicament
- 2. Persistent Situational Engagement

"Situational involvement" refers to the fleeting emotional states that a customer goes through when they are in a given circumstance and think about a particular product.

#### 1.5Long-term Engagement



Vol 10, Issue 5S, May 2023

A product category's enduring engagement relates to sentiments held for it across time and in many contexts. Although vacationers who rent a resort are quite interested in their decision, their participation is just transitory, as opposed to someone whose pastime is bike racing, whose commitment lasts over time and has an impact on his or her life. responds to situations involving sport motorcycles before, during, or after purchase. It has been seen that participation is brought on by Holiday travellers have a unique circumstance, however in the second scenario, it originates with and belongs to the client. It's crucial to understand the difference between momentary and ongoing engagement. When marketers assess participation, they look at how much of it may be caused by the product or the selling environment. Marketers attempt to regulate items or selling circumstances after recognising the level of participation they are experiencing.

#### II. DISCUSSION

Consumers digest product-related information more quickly when they are invested in the product. As this information is properly analysed, it is kept for a long period. As a result, consumers experience emotional highs and have a propensity to participate in prolonged problem solving and word-of-mouth interactions. They fall into three categories: information gathering, information processing, and information dissemination. As compared to clients with low participation, those with high involvement tend to do more research and comparison shop [7]–[9].

For instance, a consumer who is interested in vehicles a lot and considers purchasing one is likely to research. He searches for different models to assess their benefits and drawbacks. They learn more about the options within that category the more they are engaged. They get information from a variety of sources. One such action is to shop around, visiting several stores and speaking with salespeople. Retailers should encourage clients of this kind to visit the stores to learn about and compare different models to satisfy their informational demands [10]–[12].

### 2.1 Transformation of Information

Processing information refers to the level of cognitive development, emotional arousal, and depth of understanding, as explained below.

#### 2.2 Depth of Understanding

Customers who are more engaged with a product often grasp it more deeply than those who are less engaged. For instance, urban educated parents are more active in deciding where to buy infant food than rural illiterate parents. They also hold onto this knowledge for a very long period. In this scenario, marketers must provide information cues to assist customers in recalling information from memory. Yet, when minimal participation customers are the target audience, marketers should make the relevant information as available as feasible at the time of product selection and purchase.

#### 2.3 Detailed Cognitive Explanation

Customers who are very engaged consider their product selections more than consumers who are not as interested. Their thorough comprehension includes defence and/or oppositional arguments. That is to say, highly engaged customers often produce cognitive reactions that are either favourable to the product information or unfavourable to the information offered by the marketers. In the prior example, selling infant food items, although being beneficial, might have serious negative side effects like obesity. Parents that are educated are likely to give this a lot of thinking before presenting it to their kids. The marketers must make a strong case that the advantages of the product exceed its drawbacks in order to guarantee that the parents have good attitudes. It is probable to cause negative thoughts and an unfavourable attitude towards the product if the arguments are poorly researched and unpersuasive.

#### 2.4 Emotional Arousal Level:

Customers who are highly engaged are more emotional than those who are less involved. Highly engaged customers respond to product-related information more strongly, which may work for or against marketers. This is due to customers are more likely to reject the goods if the negative perception is amplified more often.

#### 2.5 Transfer of Information

The degree to which deeply interested clients spread knowledge about the product to others is referred to as transmission of information. Often, this is accomplished via word-of-mouth marketing. Researchers have shown that customers who are really engaged with a product speak about it more often than other customers. Customers who are pleased are more inclined to talk favourably about the product than those who are dissatisfied. As a result, marketers targeting customers who are highly engaged should work to increase consumer happiness and reduce discontent. For instance, a satisfied client via word-of-mouth, television conveys the same information to others through ONIDA. There are four well-known consumer involvement-based behaviour models that aid marketers in making strategic decisions, especially with regard to marketing communication techniques. These are the four models.

- 1. Model of Low Participation Learning
- 2. Model of Learn-Feel-Do Hierarchy
- 3. Model for Degree of Message Processing
- 4. The Model of Product vs Brand Engagement

# 2.6 Model of Low Participation Learning

Products with little involvement are ones that are often used by customers and are at low risk, partly because they are affordable. The goal of marketers is to sell things without influencing customer views. Old brand perceptions are replaced by new product beliefs. Marketers use effective positioning to create low-involvement learning. For instance,



Vol 10, Issue 5S, May 2023

dental paste with the placement of "mouth wash" and writing pens with the "uninterrupted flow" draw in new customers.

#### 2.7 Learn-Feel-Do Hierarchy Model

Purchasing choices differ depending on how they are approached. Some choices are made after careful consideration, while others are made after strong emotions. Some decisions are made intentionally, while others are made as a result of habit. The learn-feel-do hierarchy is a straightforward matrix that links informational (learn), emotional (feel), and behavioural (do) factors to customer decision. Each of the matrix's four quadrants—informing, habit-forming, effective. or promoting self-satisfaction—defines a key marketing communication aim. The relationship between thinking and emotion is shown as a continuum; although many judgements incorporate components of both, others only involve one.

#### 2.8 A high level of involvement and thought

The relevance of the goods to the customer and associated thinking challenges make purchases in the first quadrant more information-required. This category includes significant expenditures like homes, vehicles, and other pricey and seldom purchased products. The approach is known as learn-feel-do. To ensure that consumers would buy the goods, marketers must provide complete information.

## 2.9 High Feeling/High Involvement

The second quadrant's buying judgements are more based on intuition than on knowledge. Jewelry, clothing, cosmetics, and accessories are common purchases linked to self-esteem. The feel-learn-do paradigm of approach is used. Marketers must use emotion and appeal to get people to make purchases.

#### 2.10 Low Involvement/Low Feeling

The urge to meet individual preferences, many of which are affected by self-image, drives purchases in this quadrant. This category includes goods like newspapers, soft drinks, liquor, and so on. These purchases are often the result of group pressures. The do-feel-learn approach paradigm is used. Marketing professionals may use reference groups and other social elements to sell their goods.

# 2.11 Little Engagement or Thought

It entails more habitual purchasing than critical thought. This category includes goods like meals, groceries, and stationery. Every product may eventually fall into this category. Information's function is to distinguish any "point of difference" from rivals. Brand loyalty might just be the product of habit. The do-learn-feel paradigm of strategy is used. It implies that marketers encourage experimentation through a variety of sales promotion strategies.

# 2.12 Model for Degree of Message Processing

consumer interest in commercials or other marketing. Pre-attention, concentrated attention, understanding, and

elaboration are the four degrees of customer participation that communication relies on. Every call in order to process messages at various levels. Pre-attention just requires the customer to identify the product and process a little amount of messages. Basic information such as a product's name or usefulness is the focus of attention. The message is studied and its content is merged with other information via elaboration at the comprehension level, which helps to develop attitudes about the product. It is advised that advertisers create ads that may prompt elaboration.

#### 2.13 The Model of Product vs Brand Engagement

Sometimes consumers are engaged with a product category but may not always be engaged with a specific brand, or the other way around. For instance, housewives are more knowledgeable about kitchenware but may not be as knowledgeable about specific brands. Consumer types may be categorised into four groups as shown below, depending on how involved they are with a specific brand or product.

Brand Loyal: These customers have a strong affinity for both the product category and the specific brand. Smokers of cigarettes and readers of newspapers are two examples of this group.

Information Seekers: While these customers may not have a particular brand, they are more interested in the product category. They probably to see data in order to choose a certain brand. Buyers of washing machines and air conditioners are two examples of this group.

Routine Brand Purchasers: These customers are not really interested in the product category, but they can be interested in a specific brand that falls within that category. They are mostly attached to their brand and have little emotional relationship to the product category. This group includes those who have been using a certain brand of soap for a long time or frequent customers of a certain restaurant.

Brand Switching: Customers in this group have no emotional ties to the product category or any of the brands that fall within it. Price usually gets their attention. This category includes things like fashion accessories and stationery.

Consumer decision-making and communication habits are discovered to be influenced by involvement, a characteristic based on individual differences. Numerous other marketing concepts have been linked to it, including perceived risk, information search, brand commitment, brand loyalty, brand similarity, opinion leadership, brand switching, advertising, diffusion process, and segmentation measurement of consumer participation with advertising, the notion of involvement was connected to marketing. Since then, and particularly in the 1980s, consumer researchers have paid close attention, leading to a large body of literature that conceptualises and measures involvement in a variety of contexts, such as involvement with a product class, a purchase decision, which has sparked more study into the construct. Concerns have also been expressed about the problem of the dimensionality of engagement, for which



Vol 10, Issue 5S, May 2023

several opposing viewpoints have previously been 4 offered. According to Park and Moon and Quester and Lim, several studies have assessed engagement using either unidimensional or multidimensional methodologies, showing the lack of consensus over how to operationalize the concept in consumer marketing.

# 2.14 Participation in Consumer Behavior: Conceptualization, Types, and Classifications

For defining and arranging the many conceptualizations, definitions, kinds, or forms of engagement in consumer behaviour, three categories have been suggested. Three categories of definitions were proposed by Laaksonen: cognitive-based, individual-state-based, and response-based. This category includes the first separation of participation made by Houston and Rothschild and Rothschild, who claimed that engagement comes in three flavours or varieties: lasting, situational, and reaction. This difference serves as the standard by which other writers have measured their writing. This concept has been expanded by Richins and Bloch, who use the idea of duration to emphasise the distinctions between seven "enduring" and "situational" participation kinds. According to these writers, lasting participation refers to a person's sustained affinity for a particular product category, which is likely to be shown via in-depth brand research, brand expertise, and ultimately brand commitment. Yet, situational engagement is a transient phenomenon in which a person gets interested in a "situation," often a buying choice. Thus, rather than the product itself, the issue is with the acquisition of a specific item, like a refrigerator. The situational participation decreases after the transaction is made. Response participation, which adopts a behavioural perspective and reflects the level of a person's engagement in a situation, is the third kind of involvement. Paying attention, being cost-conscious, or being aware of brand distinctions are some examples of how this attentiveness may be shown. Here, the three types of participation are covered in more

Long-Term Engagement: In order to conceptualise persistent participation, academics have embraced the social psychology idea of "ego involvement," which takes into account a person's perception of the personal importance of an item. This method views participation as the degree to which an attitude is valued relative to its intensity. As a result, engagement is seen as a quality of an attitude that endures or remains constant across time. According to many researchers, involvement in the area of consumer behaviour refers to the emotional bond that exists between a person and a stimulus object, such as a good, service, advertisement, task, or idea. Hence, a person develops a psychological bond with an item based on how much they believe it to be relevant to and linked to their "cognitive components". While they make reference too many cognitive components, the definitions of lasting participation, which are grouped into 8 cognitive-based categories, follow this approach. Examples include the phrases "goals and values" used by Celsi and Olson, "interests, needs, or values" by Zaichkowsky in 1985, "needs and values" by Bloch in 1981, and "values" by Tyebjee in 1979 and Lastovicka and Gardner in 1979.

Situational Involvement: This sort of involvement's fundamental characteristic is that it embodies a "mental state" in the form of a fleeting preoccupation with a stimulus item. According to definitions, the level of interest, motivation, or arousal is what determines the intensity of this kind of engagement. Therefore, Rothschild cites "a state of interest, motivation or arousal", whereas an individual's level, internal state variable that shows the degree of arousal, interest or drive". Situational engagement, in contrast to persistent involvement, is a "mind set"; it is a brief preoccupation with a stimulus item that is often sparked by a specific reason, such perceived danger. The temporary character of situational participation to differentiate between the two forms of involvement. contending that although situational involvement may lead to permanent involvement, the reverse is not conceivable.

Similar to Richins and Bloch, who emphasise that situational involvement is a transient condition influenced by an item or situation's qualities, utilise the term "temporal duration" to differentiate between the two kinds. Moreover, Houston and Rothschild contend that factors like price, time, elapsed time of consumption, and product complexity directly influence situational participation. Beatty and Smith, who hold a similar perspective, claim that situational engagement, by definition, relates to the level of interest that a given scenario elicits. This argument, however, strengthens the low vs high participation dichotomy by implying that individual qualities have no effect on involvement levels. Contrary to popular belief, Antil contends that participation in goods arises from the personal significance or weight that users attach to a product's attributes rather than from the nature of the product itself.

enduring forms of involvement and situational forms of involvement: it is a "goal-directed arousal capacity" controlled by two sets of motives: cognitive and emotional. Although emotional motivations concentrate on the symbolic rewards associated with using the product, cognitive motives include the cost-benefits or functional performance of a product or service.

According to the implication, even while participation elicits an arousal. Those who pay attention to option 1 are more likely to get immersed in the job of making the purchase, whilst those who are interested in option 2 are said to be persistently fascinated with the object itself. People are more likely to pay attention to information on brand attributes in the first scenario than they are in the second. Response Involvement: This kind of engagement is a behavioural attitude that entails gathering data and making decisions. This situation views participation as conduct as opposed to a mediator of behaviour. While it's generally acknowledged that they evaluate potential consequences of participation rather than involvement per se, the depth of information



# Vol 10, Issue 5S, May 2023

search and the length of product acquisition time have both been used to conceptualise and quantify response engagement. It is important to use caution when defining engagement as a behavioural process since other factors are likely to influence such processes.

One of the two components, which reflects the third division between modes of engagement, is response involvement. He advocated seeing engagement as both a "behavioural" and "mental state" process. In contrast to Rothschild's conception of situational participation, engagement as a "mental state" that combines aspects of both situational and persistent involvements [13].

#### III. CONCLUSION

The participation influences how a customer uses a product and also influences how they think, since they are more willing to invest more time in research before making a purchase choice. A customer who is really interested in a product would want to learn a lot about it before making a purchase. As a result, he carefully reads brochures, contrasts the brands and models offered at various retailers, asks questions, and seeks for advice. Hence, consumer participation may be described as a raised level of awareness that prompts customers to look for, pay attention to, and consider product information before making a purchase.

# REFERENCES

- [1] K. I. Kang and J. Joung, "Outcomes of consumer involvement in mental health nursing education: An integrative review," *International Journal of Environmental Research and Public Health*. 2020. doi: 10.3390/ijerph17186756.
- [2] N. Arora, S. Prashar, C. Parsad, and T. S. Vijay, "Mediating role of consumer involvement between celebrity endorsement and consumer evaluation: Comparative study of high and low involvement product," *Asian Acad. Manag. J.*, 2019, doi: 10.21315/aamj2019.24.2.6.
- [3] M. K. Leong, S. Osman, L. Paim, and S. M. Fazli, "Enhancing consumer online engagement through consumer involvement: A case of airline and hospitality services in Malaysia," *Manag. Sci. Lett.*, 2019, doi: 10.5267/j.msl.2019.3.008.
- [4] J. Iqbal, D. Yu, M. Zubair, M. I. Rasheed, H. M. U. Khizar, and M. Imran, "Health Consciousness, Food Safety Concern, and Consumer Purchase Intentions Toward Organic Food: The Role of Consumer Involvement and Ecological Motives," SAGE Open, 2021, doi: 10.1177/21582440211015727.
- [5] J. Boote, R. Telford, and C. Cooper, "Consumer involvement in health research: A review and research agenda," *Health Policy (New. York).*, 2002, doi: 10.1016/S0168-8510(01)00214-7.
- [6] K. Wyatt, M. Carter, V. Mahtani, A. Barnard, A. Hawton, and N. Britten, "The impact of consumer involvement in research: An evaluation of consumer involvement in the London Primary Care Studies Programme," Fam. Pract., 2008, doi: 10.1093/fampra/cmn019.
- [7] Y. Wang, J. Wang, T. Yao, M. Li, and X. Wang, "How does social support promote consumers' engagement in the social commerce community? The mediating effect of consumer involvement," *Inf. Process. Manag.*, 2020, doi: 10.1016/j.ipm.2020.102272.

- [8] N. Yadav, S. Verma, and R. D. Chikhalkar, "eWOM, destination preference and consumer involvement – a stimulus-organism-response (SOR) lens," *Tour. Rev.*, 2022, doi: 10.1108/TR-10-2020-0506.
- [9] A. H. C. Hwang, J. Oh, and A. C. Scheinbaum, "Interactive music for multisensory e-commerce: The moderating role of online consumer involvement in experiential value, cognitive value, and purchase intention," *Psychol. Mark.*, 2020, doi: 10.1002/mar.21338.
- [10] T. Stevens, D. Wilde, J. Hunt, and S. H. Ahmedzai, "Overcoming the challenges to consumer involvement in cancer research," *Heal. Expect.*, 2003, doi: 10.1046/j.1369-6513.2003.00214.x.
- [11] R. E. Cruz, J. M. Leonhardt, and T. Pezzuti, "Second Person Pronouns Enhance Consumer Involvement and Brand Attitude," *J. Interact. Mark.*, 2017, doi: 10.1016/j.intmar.2017.05.001.
- [12] R. Ashraf, N. Albert, D. Merunka, and M. A. Khan, "Consumer involvement with corporate ads vs product ads: a cross-national study," *Asia Pacific J. Mark. Logist.*, 2020, doi: 10.1108/APJML-09-2017-0219.
- [13] R. W. A. Franceys and E. Gerlach, "Consumer involvement in water services regulation," *Util. Policy*, 2011, doi: 10.1016/j.jup.2010.08.003.



Vol 10, Issue 5S, May 2023

# Cultural & Environmental Influences on Consumer Behavior

[1] Saritha Srinivasmurthy Raghotham

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] saritha\_sr@cms.ac.in

Abstract—A consumer's culture, surroundings, family, social standing, and groups all have an impact on him or her. To fulfil the demands of the customer and boost sales, businesses must comprehend these variables, build plans, and advertise themselves appropriately. Culture is referred to as the collection of ingrained norms, values, and ideas that control how people behave as consumers in a given country. Consumer behaviour is guided by beliefs and ideals; traditions are uncommon but common ways of acting.

Index Terms— Consumer Behavior, Culture, Marketing, Society.

#### I. INTRODUCTION

In our world, everyone is a consumer. We purchase and use a staggering array of products and services on a daily basis. Nonetheless, every one of us has unique preferences, dislikes, and behavioral styles. patterns of behavior while buying purchases. How each of us lives, finances, and consumes as people and society is influenced by a variety of circumstances. External factors including culture, race, and socioeconomic class affect individual consumers' product purchases and use decisions as well as provide context for the actions of consumer groups. All facets of a society, including its religion, knowledge, language, laws, conventions, traditions, music, art, technology, work habits, goods, etc., are included in the study of culture. The importance of culture in our lives cannot be overstated [1]–[3].

#### 1.1 Culture: Definition

Culture is the collection of ingrained assumptions, moral standards, and social mores that all members of a society adhere to and that influence how they behave as consumers. Culture is described as "A selected, manufactured manner of reacting to experience, a collection of behavioral patterns" by Howard and Sheth. Culture therefore comprises of traditional beliefs and especially the values that are associated with them. It comprises all of the habits that a person develops as a part of society, such as knowledge, beliefs, art, morals, laws, and conventions. An accepted definition of culture is a system of taught ideas, values, attitudes, routines, and ways of behaving that are shared by a society and passed down from one generation to the next. The three methods listed below are how culture is learned.

Formal education: Parents and other adults educate kids how to act properly. For instance, you have learned that in order to succeed and be happy in life, you must study. Your attitude towards education as a student and a person may be affected by what you study [4]–[6].

Informal education: We pick up new skills by modelling the conduct of our parents, friends, or celebrities on television and in movies.

Technical learning: Directions are provided on the precise way to do tasks like painting, dancing, singing, etc.

- 1. Culture-Specific Features
- 2. Culture may be acquired.
- 3. Culture controls society's rules, expectations for conduct, and sanctions.
  - 4. Culture improves the quality of life
  - 5. All members adhere to the same standards.
  - 6. Culture is flexible.
  - 7. Environment has an impact on culture.
  - 8. Several civilizations are stacked one over the other.
- 9. What is appropriate for product promotion also depends on culture.

What individuals dress, eat, live in, and travel depends on their culture. In India, respect for age and seniority, education, and good health are considered cultural virtues. But, the lack of time is a significant issue in our society today, which suggests that meals need to alter. a few adjustments to our culture:

Convenience: As more and more women enter the workforce, there is a growing market for items that make life easier and more comfortable by alleviating the burden of regular domestic tasks. Sales of washing machines, microwaves, pressure cookers, mixer-grinders, food processors, frozen foods, etc. are surging, which reflects this.

Education: Individuals in today's culture want to gain knowledge and abilities that will help them advance their careers. This is clear from the sheer number of professional, career-focused educational institutions opening up but yet failing to keep up with demand. Count the number of organisations that have established in your city that provide courses and training in computers as a particular example.

Outer appearance: Nowadays, physical health, attractive looks, and fitness are highly valued. In all of the nation's main cities, slimming centres and beauty salons are proliferating like mushrooms. More and more cosmetics are being offered



Vol 10, Issue 5S, May 2023

to both men and women. Designer clothing is sold at even high-end stores.

Materialism: There is a very clear societal movement away from spiritualism and towards materialism. We're investing more money than ever before on purchasing items like air conditioners, vehicles, CD players, and other items that increase our physical burden. Popular culture is the culture of the masses with norms that appeal to a wide audience. Subculture is the culture of a group within a larger society. Group identification based on nationality of origin, race, region, age, religion, gender, etc. Corporate culture is the company's values, rituals, customs, myths, and heroes.

#### 1.2 FAspects of Culture According to Hoffstede

Consumers' perceptions of themselves, the goods they purchase and use, their buying behaviors, and the businesses from whom they make purchases are all significantly influenced by culture. But marketers are paying increasing attention to how macro cultures influence consumer behavior. In his study of 66 nations, Hoffstede identified five cultural elements that were shared by all of them. These parameters provide a framework for describing, contrasting, and comparing particular country cultures. They are also useful for locating environmentally conscious consumer niches [7]–[9].

Collectivism against individualism (Pursuit of self or group interest): The connection between a person and other individuals, or the collectivism that rules society, is referred to as individualism. the disparities between individualism and collectivism in attitudes and behaviors. Power separation (Social inequality and submission to authority): Power gap measures how far a society is willing to tolerate that power is distributed unequally inside organizations and institutions. It may influence people's inclinations for centralized authority, their acceptance of varied incentives, and how individuals of different statuses interact with one another.

Avoiding uncertainty (tolerance for ambiguity). The many ways that cultures respond to the ambiguities and uncertainties that are a part of existence are the subject of uncertainty avoidance. Although some communities are tolerant of unconventional ideas and conduct, others need well defined norms or rituals to regulate behavior. Division of male and female roles in society (masculinity/femininity): The degree to which cultures uphold ideals that have historically been seen as primarily masculine or feminine is determined by this aspect. For instance, aggressiveness, reverence for success, and acquiring wealth and material belongings are considered traits of masculinity, while nurturing, environmental awareness, and supporting the underdog are traits of femininity. Associative vs abstract thinking: Cause-and-effect reasoning used to create value in goods or connections between unrelated occurrences

#### II. DISCUSSION

Culture is the complex totality that consists of all the skills and routines that people develop over the course of their lives as members of a community, including knowledge, belief, art, law, morality, and traditions. The way people live, consume, and make decisions is influenced by culture. Culture is something that is gained, and it might come from the family, the area, or anything else that was there when we were young and still learning the ways of the world. Culture creates a framework within which a person thinks and behaves. One adopts a cross-cultural behavior and is influenced by cross-cultural factors when they think and behave outside of these bounds. We seldom ever become conscious of cultural influences because of their nature [10], [11].

It is all encompassing and ubiquitous; one feels, acts, and thinks like the other members of the same culture. The way that technology is influenced by material culture, such as via the usage of telephones, mobile phones, and changing trends and apparel, allows marketers to better their products and packaging to better serve their clients. Culture establishes norms as the limits for acceptable conduct. Cultural values are generally held convictions that define what is good and what is not, and they are the source of norms. Since it is natural to follow conventions, the majority of people do so. Many behavioral conventions, familial norms, corporate norms, etc. are outlined by culture. How we introduce ourselves to others, how far away we should stand while doing business, how we dress, and any other recurring behaviors.

Culture is dynamic and continues to change throughout time. Rapid technological change is the cause of changes. Marketers and managers need to be aware of the current culture as well as the shifting culture and culture of the nation where the products are to be promoted in case of emergency, war, or natural disasters. Large corporations are well-known worldwide and have adapted to different cultures.

#### 2.1 Values with an Outside Focus

This demonstrates the connection between people and society.

The connection affects marketing strategies. A culture that emphasizes group work will make choices as a group. It raises the following issues that influence consumer behavior.

Person or group: If individual initiative is worth more than group effort?

In a romantic mood: This shows if courtship-focused communication is more successful than non-courtship communication. A romantic theme is more popular in many nations.

Masculine/Feminine: The degree to which men or women are more or less dominant in society. By making alliances with other people, this is accomplished.

Age vs. youth: Are prestigious positions given to younger or older people of society? Korean society is age-oriented,



# Vol 10, Issue 5S, May 2023

while American culture is focused on youth. In Korea, mature individuals make decisions.

Values centered on the environment: If a society places an excessive emphasis on hygiene. There is potential for the selling of cosmetics, cleaning supplies, deodorants, pesticides, detergent, vacuums, etc. This component is heavily emphasized in western nations, where perfumes and deodorants are often utilized.

Performance/status: A status-oriented culture prioritizes better standards of life and favors high-end products with recognizable brands. The United States, Japan, Singapore, Malaysia, Indonesia, Thailand, and the majority of Arab nations can all attest to this.

Brand names are less important in civilizations that value performance, where status and rewards are dependent on an individual's accomplishments. Items that may not be household name brands but nevertheless perform as well are utilized. Brand names do not get the same significance from Germans. Thus, marketers change their tactics.

Tradition/change: Societies that value tradition tend to persist with the status quo and reject new ideas or methods. Old traditional items are in higher demand in traditional civilizations when there is less room for new ones. Customers in certain upwardly mobile civilizations are searching for contemporary practices, fresh goods, fresh models, and fresh processes.

Security and risk-taking: A person who chooses to take a risk when in a secure situation might be seen as either adventurous or foolish. The culture of the society will determine this. Risk-taking is essential for nurturing aspiring businesses. It results in the creation of new products, advertising themes, and distribution methods. Societies that priorities security have few opportunities for growth and innovation.

Problem-solving vs. fatalist society: A society may be proactive and approach problems positively or it can be passive and rely on destiny. This has marketing repercussions for how complaints are registered when customers are displeased with their product purchases. Advertising has a significant role in society since it guides consumers and greatly reduces their doubts.

Nature: People's attitudes about the preservation of nature vary. Consumers place a strong emphasis on recyclable and environmentally friendly packaging materials. Several nations place a high value on product recycling and reducing environmental pollution. Businesses like P&G and Colgate-Palmolive have dominated a large portion of the market by providing environmentally friendly goods. Also, they employ substances in their goods that are completely safe.

#### 2.2 Self-Oriented Values

Active/passive: if adopting a more physically active lifestyle is rated more highly than adopting a less active one. An active strategy results in constant activity rather than inaction. Women are participating actively in all activities in

many nations. Because of this, society is quite busy and everyone is employed.

Material vs. immaterial: In many countries, money is valued more highly, and materialism is strongly encouraged. But in many civilizations the value of relationships, leisure, and comfort takes priority over materialism. There are two sorts of materialism. Instrumental materialism is the practise of acquiring goods in order to perform or accomplish certain tasks. Using a car for transportation is common. Humans prefer to own items that have tangible worth and can make them more effective. The acquisition of materialism for the sake of owing it rather than using it is known as terminal materialism. Cultural disparities are a significant factor in this kind of materialism. In contrast to Japanese commercials, which predominate in terminal materialism, instrumental materialism is widespread in the United States of America.

Work/play: This affects how quick meals and labor-saving items are marketed. A fuller life is valued in certain civilizations, which respect hard effort. Some utilise labor-saving technologies and fast meals to increase their free time. To live simply for the day or to sacrifice the present for the future? Although credit cards are widely popular in America and other nations with diverse cultural orientations, some prefer cash to debt. Countries like The Netherlands and Germany see purchasing on credit cards as living above one's means. Some cultures practise saving for the future while others splurge excessively in the present.

Sexual gratification/abstinence: In certain traditional civilizations, appetites for food, alcohol, or sexual relations are restricted if they go beyond what is necessary. Muslim communities are very conservative and do not want their ladies to be exposed or seen in public. As a result, Polaroid instant cameras may be acquired and used by family members to snap photos without their women being exposed to the developers at a photo lab.

Humor vs. seriousness: Which is preferable—taking life lightly and laughing off certain situations, or taking everything seriously? This is another another cultural element. These themes and the methods used to make a product appealing in diverse cultures may be the focus of advertising, personnel selling strategies, and marketing.

#### 2.3 Contextualization and Consumer Behavior

Subcultures are a division of culture. A subculture is a clearly defined, cultural group that, although adhering to the general society's main cultural ideals, also has its own beliefs, values, and rituals that distinguish it from other members of the same community. The following are categories for subcultures:

Nationality: Pakistan, Sri Lanka, and India

Religions: Islam and Hinduism

# 2.3.1 Male and female

Social classes: high, medium, and lower Geography regions: South India, North-eastern India Occupation: Farmer, Teacher, Business



# Vol 10, Issue 5S, May 2023

Influences of Location, Ethnicity, and Religion on Consumer Behavior. Regional, ethnic, and religious distinctions are the three main facets of culture that have a significant impact on consumer behaviour. First off, different parts of India and the globe may have different consumption habits, and marketing strategies may sometimes be adjusted exclusively to these regions.

Second, there are many distinct ethnic groups in our country, and in the next 50 years, population patterns will significantly change the demographics of the nation. Despite its variety, marketing plans for this group may be created. Lastly, consumers may be influenced by their religious views and ideals. By attempting to appeal to several cultures at once, many marketers are increasingly becoming multicultural in their marketing operations. There are several significant ethnic groupings in other parts of the globe, despite the fact that India's melting pot of variety may be unique in this regard.

#### 2.3.2 Household, Gender, and Age Effects on Consumer Behavior

Teenagers, who must build an identity, are the consumers of tomorrow and increasingly have a say in family choices. They are one of the four main age groups. Consumers of the somewhat disillusioned Generation X are shrewd and sceptical, readily seeing through the apparent marketing initiatives. Baby boomers' attitudes for autonomy and rapid change have been impacted by their upbringing in a highly dynamic and changing society.

Freedom. The young again and the grey market are two subgroups of people aged 50 and above. Neither group wants to be associated with ageing. Next, it is looked at how gender variations in customer behaviour. Gender roles are evolving. Men are becoming more sensitive and compassionate, while women are becoming more autonomous and professional. Men and women might have different qualities, ways of processing information, ways of making decisions, and habits of consumption.

Gender influences consumer values and preferences throughout the course of their lives. Different consuming habits and attitudes towards consumption circumstances vary by gender. For instance, the wedding ceremony. Consumer behaviour heavily depends on household composition. Due to variables including later marriages, cohabitation, dual-career families, more divorce, and fewer children, the percentage of non-traditional households has grown.

Moreover, households have a significant impact on patterns of purchase and consumption. First, several roles in the decision-making process may be played by members of the family (such as gatekeeper, influencer, decider, buyer, and user). Second, depending on the scenario, husbands and wives might have a husband-dominant, wife-dominant, autonomic, or syncretic effect on the decision-making process.

#### 2.3.3 Values, Personality, and Lifestyles

This is a description of how psychographics effect customer behaviour. Values are steadfast opinions about things that matter. They are acquired via the socialising and acculturation processes. Our values are structured into a system, with certain values being prioritised over others. Some are seen as terminal values, reflecting desirable end states that serve as behavioural cues in a variety of contexts. The values required to reach these desirable end states are known as instrumental values. Values that are pertinent in a particular area of activity are referred to as domain-specific values. Material possessions, youth, the house, family, and children, work and play, health, hedonism, and technology are often accorded relatively high values in Western societies. Value segmentation is one strategy that marketers use to identify customer groups who have similar values.

The specific patterns of actions, attitudes, traits, and personal dispositions that set one individual apart from the others make up personality. The methods used to research personality include: The psychoanalytic perspective, which contends that personality develops as a result of unconscious inner conflicts inside the mind at critical phases of development. Trait theories, which make an effort to pinpoint a collection of personality traits that characterise and distinguish people, such as stability, extroversion, and introversion; Phenomenological methods, which contend that an individual's perception of life experiences shapes their personality. Behavioral methods, which see an individual's personality in terms of prior rewards and punishments. Social-psychological theories, which concentrate on how people behave in social circumstances (e.g., compliant, distant, or hostile).

Marketers assess lifestyles, which are behavioural patterns (or activities, interests, and opinions). These ways of living may provide light on customers' spending habits in other ways. Lastly, to forecast customer behaviour, some marketing experts employ psychographic methodologies that take into account all of these variables. The Values and Lifestyle Survey is one of the most well-known psychographic instruments (VALS).

#### 2.4 Consumer Cross-Cultural Behavior

#### 2.4.1 Multicultural marketing: Goals and Strategies

The phrase "attempt to identify how similar or dissimilar the customers of two or more countries are" is used to describe cross-cultural marketing. This will make it easier for marketers to comprehend the psychological, sociological, and cultural characteristics of the international customers they want to reach and develop efficient marketing strategies for each of the relevant national markets.

#### 2.4.2 Cross-cultural marketing issues

1. Issues with the product choice: While employing cross-cultural marketing, the marketer must choose the clients and market based on actual driving reasons rather than



# Vol 10, Issue 5S, May 2023

superficial similarities in age or wealth that can lead them to accept or reject items.

- 2. Issues with marketing and advertising, such as those with Pepsi and Ariel in the Middle East
- 3. Pricing-related issues: The marketer must modify his price strategies in light of regional economic realities and traditions.
- 4. Issues with distribution channel selection: P & G utilised this to market soap in Japan.

#### 2.4.3 Study of Cross-Cultural Consumers

We must carry out some kind of cross-cultural consumer study to decide if and how to join a foreign market. Analysis of how customers from two or more distinct cultures are similar or different may be referred to as cross-cultural consumer analysis. Such research may provide marketers insight into the psychological, sociological, and cultural traits of the international customers they want to reach, enabling them to create efficient marketing plans for the relevant national markets [12], [13].

#### III. CONCLUSION

What seems proper, natural, and attractive is influenced by culture. It is more difficult for customers to pick a retailer's services when they are asked to swim against the societal stream. Making it simple and feasible for customers to choose your goods from inside their cultural comfort zone is often superior business strategy.

# REFERENCES

- [1] A. Chwialkowska, W. A. Bhatti, and M. Glowik, "The influence of cultural values on pro-environmental behavior," J. Clean. Prod., 2020, doi: 10.1016/j.jclepro.2020.122305.
- [2] R. Samarasinghe, "The Influence of Cultural Values and Environmental Attitudes on Green Consumer Behaviour," Int. J. Behav. Sci., 2012.
- [3] V. Melnyk, F. A. Carrillat, and V. Melnyk, "The Influence of Social Norms on Consumer Behavior: A Meta-Analysis," J. Mark., 2022, doi: 10.1177/00222429211029199.
- [4] B. S. Gammoh, S. C. Okoroafo, and A. C. Koh, "Cultural Influences on Environmental Consciousness and Green Environmental Behavior," Int. J. Mark. Stud., 2019, doi: 10.5539/ijms.v11n1p20.
- [5] Y. N. Cho, A. Thyroff, M. I. Rapert, S. Y. Park, and H. J. Lee, "To be or not to be green: Exploring individualism and collectivism as antecedents of environmental behavior," J. Bus. Res., 2013, doi: 10.1016/j.jbusres.2012.08.020.
- [6] G. Sheng, F. Xie, S. Gong, and H. Pan, "The role of cultural values in green purchasing intention: Empirical evidence from Chinese consumers," Int. J. Consum. Stud., 2019, doi: 10.1111/ijcs.12513.
- [7] M. C. J. Caniëls, W. Lambrechts, J. Platje, A. Motylska-Kuźma, and B. Fortuński, "50 shades of green: Insights into personal values and worldviews as drivers of green purchasing intention, behaviour, and experience," Sustain., 2021, doi: 10.3390/su13084140.
- [8] T. N. Nguyen, A. Lobo, and S. Greenland, "The influence of cultural values on green purchase behaviour," Mark. Intell. Plan., 2017, doi: 10.1108/MIP-08-2016-0131.

- [9] J. P. Enriquez and J. C. Archila-Godinez, "Social and cultural influences on food choices: A review," Critical Reviews in Food Science and Nutrition. 2022. doi: 10.1080/10408398. 2020.1870434.
- [10] M. A. Vicente-Molina, A. Fernández-Sainz, and J. Izagirre-Olaizola, "Does gender make a difference in pro-environmental behavior? The case of the Basque Country University students," J. Clean. Prod., 2018, doi: 10.1016/j.jclepro.2017.12.079.
- [11] B. Chekima, S. A. W. S. Khalid Wafa, O. A. Igau, and S. Chekima, "Determinant factors of consumers' green purchase intention: The moderating role of environmental advertising," Asian Soc. Sci., 2015, doi: 10.5539/ass.v11n10p318.
- [12] J. E. Blose, R. W. Mack, R. E. Pitts, and H. Y. Xie, "Exploring Young U.S. and Chinese Consumers' Motivations to Recycle," J. Int. Consum. Mark., 2020, doi: 10.1080/08961530. 2019.1618776.
- [13] I. Popovic, B. A. G. Bossink, and P. C. van der Sijde, "Factors influencing consumers' decision to purchase food in environmentally friendly packaging: What do we know and where do we go from here?," Sustainability (Switzerland). 2019. doi: 10.3390/SU11247197.



Vol 10, Issue 5S, May 2023

# Customer Purchasing Patterns and Analysis of Customer Behavior in-Store

[1] Richa Tiwari

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India
[1] dr.richa\_t@cms.ac.in

Abstract—A structure for gathering, examining, and effectively applying customer data is provided by a customer behaviour analysis. It's a method that gives you understanding of client behaviour, as well as the causes and factors that lead to it. Consumer purchasing behaviour is the study of consumers' actions while selecting whether to purchase a something that meets their requirements. It is an investigation of how customers behave and what motivates them to purchase and utilise certain goods. Considering Customer Attitude, Evolution of Perceptions, and Marketers' Fear, through comparison, By Imagining Unexpected Events by Encouraging, Consumer Attitudes in the Service Sector, Attitude & Branding, and Perception of risk among customers are all topics covered in this chapter.

Index Terms— Consumer, Consumer Behavior, Brand, Marketing.

#### I. INTRODUCTION

It's crucial to analyze customer behavior in-store. The goal of behavior analysis is to identify the rules and principles that regulate behavior via testing. According to conduct is of scientific interest in and of itself, independent of being a sign or signal of anything else. Several marketing academics have recommended for additional in-store retailing trials in accordance with this. Additional study is required to concentrate on measuring real behavior. that track and watch actual movement or maybe identify actual use and consumption. The avoidance of deductive theorizing, or the formal construction and testing of hypotheses, has been another epistemological priority for behavior analysts. Yet, marketing scientists often priorities deductive theory testing. The marketing mix, however, is composed of components like product, price, location, and promotion, classes of stimuli that may and often are deliberately utilized to affect customer decision. This is one of the tenets of marketing. While this process is not fully understood, it is reliant on the surroundings and consequences that consumers have encountered. The different components of the marketing mix are mostly utilised as standards for what matters in marketing strategy. Accordingly, advise retailers to treat every offer (such as in-store specials and coupons) as "a test" and, as a result, to gather and analyse customer information in more sophisticated ways in order to assess the impact of different promotional strategies on consumer purchasing patterns.

Required to evaluate the efficacy of various aisle placements and shelf positions, as well as to comprehend the usage context and efficiency of cutting-edge technologies and in-store marketing tools (like in-store TV, shelf-talkers, and shopping carts). The model of how shopper marketing works, according to them, "remains a mystery. This necessitates finding practical techniques to research consumers in their "natural habitats" as opposed to fluorescent-lit "lab" settings. In other words, more field

research is required to complement laboratory research and to confirm its findings (p. 39). When evidence diverges from theory or when research focuses too much on the model rather than the real subject matter, consumer behaviour, descriptive consumer behaviour analytic research and results may be used to critique armchair theorising in marketing [1]–

Also, the level of decision-making in the shop shows that there might be a significant benefit from doing additional in-store studies. Data from POPAI (Point-of-Purchase Advertising International) indicates that when a customer enters the store, they make more than 70% of their brand selections. In addition, a lot of shopping excursions happen without a list or any preparation from home. As a result, many customers interpret the setting and the shelves of a shop as indicators of what to purchase. This shows that merchants may gain a lot from an active retailing strategy, which is based on knowledge and insight gained through behaviour analysis of in-store customer behaviour. The growth of these product lines via active retailing will depend on retailers' continued investment in their own private brands.

# 1.1 The significance of applied behaviour analysis in-store

Many practical applications of behaviour analysis research have been developed, including techniques for behaviour prediction and control. Developmental impairments, problem behaviour, education, and organisations are just a few of the significant and varied fields where applied behaviour analysis is currently successfully employed. The field has "become stuck" in developmental impairments, on the other hand. For instance, this area of study accounted for 60% of data-based publications published in the Journal of Applied Behavior Analysis, the field's premier journal, from 2001 to 2005, and this trend does not seem to be reversing. Hence, despite the promise, applied behavior analysis is sadly not as relevant to society as many analysts in the area would want. The economic slump that is now affecting many markets and



Vol 10, Issue 5S, May 2023

nations has increased store competition, which has decreased turnover and profits. As a result, overstoring is becoming a problem in more and more marketplaces, which results in an unbalanced rise in the number of shops compared to population growth.

It is to increase sales by using more efficient aisle and display management techniques, for example, by using in-store applied behaviour analysis to extract more surplus from customers after they enter the shop. Retailers are prompted to concentrate on in-store merchandising and marketing as a result, which again calls for a thorough grasp of in-store consumer behaviour. For brand producers, a thorough understanding of customer behaviour in stores is also essential.

Since consumers are inundated with marketing messages and have a greater propensity than ever before to switch between TV channels during commercial breaks, they have already concluded that conventional advertising no longer has the same impact it once had. In response to this trend, fast-moving consumer goods (FMCG) companies have increased their spending for trade and sales promotions at the cost of conventional advertising. Trade promotion expenditure in the US grocery business surged eightfold between 1996 and 2007, and in 2007 it made up around 70% of a manufacturer's marketing budget. In the US grocery business, it has surpassed the cost of products as the second-largest manufacturing expenditure. manufacturers need all the information on consumer behaviour in the store, where they walk and stop, where, when, and how they evaluate products as they shop, as well as how they can be influenced most successfully while they are shopping in order to maximise return on investment (ROI) from such increased expenses. The rise in trade promotion expenditure in the US shows how important it is to contact consumers when they are in the correct zone of the shop and at the right moment. When the behavior-environment interaction is situated in the same area and time, consumer behaviour analysis is most applicable.

This is particularly true if uncontrollable external factors in the retail environment, such in-store trials, may be taken into account. Contrary to mass advertising, there aren't many or any intermediates between customers detecting in-store interventions and their reaction (such as budget adjustments, adverts from rival manufacturers, or word of mouth). Retailers should be in a strong position to understand consumer behaviour since they are near to the customers and have access to point-of-sale data on customer activity. Despite this, many shops seem to disregard in-store actions. One justification given in the literature is that merchants make more money by focusing on manufacturer rebates, slotting fees, and other promotional benefits, or even real estate, rather than the margins from sales. This scenario aligns well with our own experiences, which may help to partially explain why few merchants have a thorough understanding of their consumers' real in-store behaviour. Hence, rather of using data and testing, many merchants are running their businesses purely on gut instinct and sentiments. Yet rather than relying on custom or mythology, rules of thumb should be created through data-driven and fact-based research.

Leading manufacturers also have a significant impact on retailers' merchandising strategies via a variety of inducements, including product placement programmes and payments for shelf space. Manufacturers must comprehend the success of certain places and activities since they are more expensive. So, despite their distance from the behavioral scene, which is governed by the merchants, leading manufacturers invest a significant amount of resources in analyzing and comprehending in-store customer behaviour. Manufacturers have acquired a great deal of private knowledge thanks to their efforts, but sadly, much of this information is not accessible from open sources. Gamble who constructed a consumer town in St. Bernard, which has a convenient-sized shop that sells items other than those made by Proctor & Gamble. Each year, thousands of consumers volunteer to do their normal shopping routine in front of a camera and a two-way mirror in the village.

It is significantly less usual than laboratory research to perform rigorous academic studies on in-store customer behaviour in "actual" retail outlets in collaboration with manufacturers and/or retailers. The amount of academic research on in-store experiments is restricted since most studies are carried out by companies for their own purposes (Sigurdsson et al., 2009). As a result, it is unknown if the results are reliable and genuine. Accessing retail spaces may be challenging for academics, and contextual control issues might arise when salespeople fail to grasp the research's scientific intent.

Also, there are expanding possibilities for study including new technology (such as radio-frequency identification (RFID) and computerised in-store advertising tools and vehicles) as well as advancements in experimental protocols and methods. Using modern technology has made it feasible to better understand certain in-store customer habits that were previously difficult to monitor. For instance, used RFID tags placed on individual customers' shopping carts to gather field data about grocery store shopping patterns. Aisles, end-cap displays, and the "racetrack" are among the illusions regarding consumer travel behaviour that common sense promotes that are disproved by the researchers' research. The combination of shopping trip data with purchase data has also led to new insights, such as how the presence of other customers impacts customers' propensity to visit and spend in a certain area of a store. Another instance is the in-store deployment of wireless eye-tracking technology for customer behaviour studies. An investigation of how package design elements are impacting visual attention and how form and contrast predominate the first phase of searching at a grocery shop gives fresh insight on customers' visual attention while looking for a certain product or brand [4]–[6].



Vol 10, Issue 5S, May 2023

#### II. DISCUSSION

A recent in-store trial has also revealed information on how merchants might boost sales for a brand on display by several hundred percent. The retail business is aware of the sales potential afforded by displays (assuming that the display has a sales-inducing design), but relatively little academic research has developed on elements of enhancing the displays' attention-capturing qualities. Watched more than 13,500 people approaching particular displays and discovered, for example, that by switching from one display design to one that is much more successful in guiding consumers' observing behaviour, a merchant may boost sales by up to 977%. Consequently, by seeing and examining customers' responses to various display designs, in-store consumer behaviour analysis aids businesses in enhancing the efficacy of diverse displays [7]–[9].

Some researchers believe it is more advantageous to employ publicly accessible store-level data in their behavioural studies since in-store trials are rather expensive and time-consuming (which enables ease of analysis). An example is the research of Bezawada et al. (2009). They studied the impact of aisle and display placements on cross-category brand sales while adjusting for the effects of marketing-mix activities using store-level data from a large retail chain. They were able to achieve this since their data (gathered from 160 locations) eliminated differences in aisle and display arrangements across stores (spatial distance data). Aisle placements were determined by the distance between the two investigated categories' aisle positions in the shop, while display placement was determined by the separation of a brand's display from the product category aisles. However, while a combination of spatial data and scanner data provided the data required for this specific study, such data are not ideal for all studies focusing on understanding in-store consumer behaviour or examining the impact of different in-store stimuli on the purchasing decisions of specific customers.

Perception is the process by which a person interprets the many inputs they get and creates a mental image of the world. The brain sorts the stimuli and stores them as information once they are received via the sensory organs, which include the eyes, ears, nose, mouth, and skin. As it does so, the brain of the person assigns colours and tags to the information based on its own logic and, if applicable, past memories or experiences. In actuality, a person's view of the world and everything in it is all that exists. So, it is possible for different people to experience several "realities" of the same event or item.

# 2.1 Considering Consumer Perception

Every moment, the person is creating new perceptions and storing them for later use. When the person must make any consuming choices, the perceptions that have been developed will be a factor. As a result, customer perceptions of a product or service that are established in their minds have a crucial role in how well they do on the market. So, astute marketers pay close attention to how perceptions are generated and how they may be altered.

#### 2.2 Development of Perceptions

While it has been said that the person is continually being exposed to sensory inputs when awake, not all of these sensations are always registered. The majority of stimuli are really those that are detected by the sensory organs but are not recorded. Any monotony and consistency of the provided stimulus are the primary causes of non-registration. As an example, we can demonstrate how someone may be aware yet not "notice" light, sound, touch, or movement if any of these inputs is constant across time and has a fixed level of intensity. The guy can feel a feather lightly brush his skin, yet he is unaware that the floor is constantly pressing and touching his feet. Similar to this, if a person is driving along a street with billboards of the same design placed all along the road, just the first one may be observed, and subsequently as the trip continues, that image may be obscured.

The second cause for non-registration is that, despite any changes in the stimulus's strength, they could not be significant enough to warrant detection. Later in the chapter under the heading JND, we shall look at this occurrence in more depth (Just Noticeable Difference). The "shut-out" or rejection by the person is the third cause for non-registration. When someone is subjected to an overdose of any feeling for an extended period of time, their shut out or turn-off happens automatically. As an example, someone who sees a TV advertising repeatedly may mentally block it and cease to perceive it. If such a person is made to notice it by only altering the intensity of stimuli like its sound or light without altering its substance, they may even have a negative opinion of it. By watching the aforementioned occurrence, marketers may get valuable insights that will help them avoid wasteful advertising and communications that are counterproductive.

#### 2.3 Marketers' Fear

A business that markets its goods works hard to create favourable and favourable customer perceptions of the business and its goods. For this, the company's statements, packaging, ads, and even the items itself should stand out as stimuli. They ought to be made to stand out from the cacophony of other inputs. These are some techniques to make the stimulus stand out.

#### 2.4 Via contrast

It's usual practise to draw attention to an advertising by using contrast with the surrounding elements in terms of size, colour, color-reversal, or style. Every day, further contrastive techniques are discovered. A brief pause in an audio advertising, a blank area on a page with dense printing, or a colour image in a black-and-white image all generate contrast and may be exploited to your benefit. Other techniques that fit within this category include writing a message upside



Vol 10, Issue 5S, May 2023

down, employing different language and symbols, printing a teasing message, etc.

#### 2.5 By Imagining Unexpected Events

Another tactic to draw attention is to strike where and when it is least anticipated. Advertisements that successfully use words like "DON'T BUY," "WE'RE SORRY," "WHY WE CANNOT," and similar expressions do draw attention. They are able to convince their intended audience to read the whole message in order to figure out the mystery. It is often easier to recognise stimuli that dispel misconceptions or preconceived assumptions. In actuality, a communication that challenges a belief is more likely to be noticed than a message that supports the view. You could be enticed to read the whole message if, for instance, a commercial shows Bangkok as a destination for family vacations and religious pilgrimages or Dubai as a pleasant, green city.

#### 2.6 By Encouraging

A person might be motivated by exposing their displeasure and projecting solutions, as detailed in the separate motivation chapter. The marketer may attract the attention of those who are unhappy with a certain circumstance by strategically designing their communications. It is possible to shape their impression of the root of their unhappiness and cultivate a favourable perception of the remedy. As an example, consider the HORLICKS advertising, which highlight the unsatisfactory state of a recovering patient and explain how HORLICKS may help the patient. The advertisements for soft drinks in tropical nations have traditionally shown how one becomes thirsty and how a soft drink may relieve that thirst.

### 2.7 Customer Attitudes in the Service Industry

When one transitions from the realm of commodities to that of services, the knowledge and management of customer perception become more complicated. It is generally acknowledged that customers find it more challenging to assess "quality" when it comes to services. Due to the fact that services are immaterial, ephemeral, and lack predetermined physical norms, the consumer may have views based on unrealistic expectations. The provider also develops an opinion of what is sufficient. Often, there is no starting point for a meeting. Even worse is the lack of a joint perception-creation session between the provider and the customer. As a consequence, the customer experiences disappointment or shock when the service is really provided. This situation was entirely preventable.

We may use a package vacation offered by a tour operator to a novice customer as an example. Before the trip started, the provider neglected to tell the customer of several restrictions and limits in the package's description. In the meanwhile, the customer developed his own lofty goals. He believed that hotels only provided single beds and offered complimentary breakfast and bed tea. The rate was inclusive

of museum admission fees and visa fees. All of the aforementioned conditions weren't satisfied. The trip as a whole was seen to be terrible and disappointing due to the disappointment of the aforementioned three modest expectations. Nevertheless, visitors who had previously had similar experiences did not have these expectations, and therefore had a favourable impression of the area.

### 2.8 Attitudes and Brand

Brand recognition facilitates the consumer's recall of the brand's quality connection and expedites the buying decision. The buyer, however, assumes that the brand guarantees an earlier perceived quality. In actuality, there are greater expectations when purchasing a brand, and mistakes are less likely to be overlooked or forgiven. When a brand is evoked, the golden rule for marketers is to only provide high-quality goods.

#### 2.9 Risk perception among consumers

Even when buying choices have already been made, every customer is aware of certain potential hazards. Concerns about these concerns are seldom publicly stated. The customer may continue to feel there were hazards even after a transaction has been completed without any concerns manifesting. These alleged dangers include: Financial risk of paying a greater price than required; Functional risk of the product not operating as anticipated. The potential for lost time and effort due to a failed product. Marketers have a variety of options for reassuring customers that their decision was wise when they make a purchase. Most importantly, they should keep track of each profitable deal to provide the groundwork for future sales and eliminate any risk perception.

#### 2.10 Donald Trump game

You will undoubtedly encounter customers who are having trouble choosing owing to the hazards they perceive at the shop, online, or at home. The salesperson has a responsibility to assist the customer in these situations. He could: Identify their true wants and recommend goods that can satisfy them. Motivate customers to trust the brand. Provide fair brand comparisons. Describe the parameters of the warranties and post-sale services. If in doubt, play the trumps. Disregarding financial considerations, simply provide the best options [10]–[13].

### III. CONCLUSION

Understanding consumer behaviour is crucial for marketers because it enables them to better communicate with customers. They can close the market gap and pinpoint the items that are required and the products that are no longer in use by knowing how customers choose a product.



## Vol 10, Issue 5S, May 2023

- [1] K. Yada, "String analysis technique for shopping path in a supermarket," J. Intell. Inf. Syst., 2011, doi: 10.1007/s10844-009-0113-8.
- [2] T. Rains and P. Longley, "The provenance of loyalty card data for urban and retail analytics," *J. Retail. Consum. Serv.*, 2021, doi: 10.1016/j.jretconser.2021.102650.
- [3] Y. H. Hu and T. W. Yeh, "Discovering valuable frequent patterns based on RFM analysis without customer identification information," *Knowledge-Based Syst.*, 2014, doi: 10.1016/j.knosys.2014.02.009.
- [4] G. Alfian, M. F. Ijaz, M. Syafrudin, M. A. Syaekhoni, N. L. Fitriyani, and J. Rhee, "Customer behavior analysis using real-time data processing: A case study of digital signage-based online stores," Asia Pacific J. Mark. Logist., 2019, doi: 10.1108/APJML-03-2018-0088.
- [5] J. Kang, M. Majer, and H. J. Kim, "Empirical study of omnichannel purchasing pattern with real customer data from health and lifestyle company," *Sustain.*, 2019, doi: 10.3390/SU11247185.
- [6] M. C. Espinoza et al., "Consumer Behavior Analysis on Online and Offline Shopping During Pandemic Situation," Int. J. Account. Financ. Asia Pasific, 2021, doi: 10.32535/ijafap.v4i3.1208.
- [7] S. A. Kristina and R. Kuswahyuning, "Anti-aging cosmetics and factors associated with purchase behavior in Yogyakarta, Indonesia," *Int. J. Sci. Technol. Res.*, 2020.
- [8] , and J. Rhee, "Customer behavior analysis using real-time data processing," *Asia Pacific J. Mark. Logist.*, 2019, doi: 10.1108/apjml-03-2018-0088.
- [9] C. A. Bustos-Reyes and Ó. González-Benito, "Store and store format loyalty measures based on budget allocation," *J. Bus. Res.*, 2008, doi: 10.1016/j.jbusres.2007.03.008.
- [10] N. David, H. Schramm-Klein, O. Rank, and G. Wagner, "Customer segmentation in retailing based on retail brand patronage patterns," *Int. Rev. Retail. Distrib. Consum. Res.*, 2015, doi: 10.1080/09593969.2015.1087417.
- [11] V. Vijay Anand *et al.*, "Consumer behaviour A study with special reference to retail stores, Trichirapalli," *Int. J. Econ. Res.*, 2017.
- [12] H. ming (Deanna) Wang, M. U. Kalwani, and T. Akçura, "A Bayesian multivariate Poisson regression model of cross-category store brand purchasing behavior," *J. Retail. Consum. Serv.*, 2007, doi: 10.1016/j.jretconser.2007.02.004.
- [13] L. Kakalejcik, R. Bacik, and B. Gavurova, "Diverse groups of smartphone users and their shopping activities," Sci. Pap. Univ. Pardubice, Ser. D Fac. Econ. Adm., 2018.





Vol 10, Issue 5S, May 2023

# Impact of Culture on Consumer Behavior

[1] Anila Bajpai

[1] Program Manager, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] anilabajpai@cms.ac.in

Abstract— Consumer purchasing behaviour is significantly influenced by cultural factors. The fundamental beliefs, needs, desires, preferences, perceptions, and behaviours that a consumer learns from close relatives and other influential persons in their life are included in the category of cultural factors. This contains cultural aspects, current cultural impact, cross- and subcultural effects, cross-cultural marketing, consumer behaviour, and cultural values.

Index Terms— Consumer, Consumer Behaviour, Culture, Marketing.

#### I. INTRODUCTION

The "personality of a society" might be referred to as culture. It encompasses a wide range of things and is ubiquitous in nature, including language, norms and laws, customs and traditions, religion, art and music, etc. It also encompasses people's hobbies, work habits and orientations, as well as their A society's culture clearly defines the dos and don'ts and spells out what is and is not acceptable. It reflects the moral principles and worldviews that the majority of a society's citizens hold dear. A society's culture is strengthened by the many values, beliefs, and conventions that its people uphold. This is not to say that cultures are actually inflexible; on the contrary, they change and adapt throughout time as circumstances and times change. The personality of a civilization may be best described as its culture, which is further broken down into several sub-cultures.

Moreover, culture crosses generations and is transmitted from one generation to the next. In order to analyse our culture, one must do a thorough investigation of every the nature and temperament of the community in which we reside. A society's culture has an impact on its people's consumption and purchasing habits. Culture is described by Schiffman as "the totality of taught ideas, values, and conventions that help to guide the consumption behaviour of individuals of a specific community" in terms of consumer behaviour. The categories of goods the brands that customers choose are all influenced by their own cultures and subcultures. For instance, the foods people consume and the clothing they purchase and don all influenced by their culture, traditions, and practises, as well as by their norms, beliefs, and attitudes towards both general and particular concerns [1]-[3].

#### 1.1 Cultural Characteristics

Understanding the nature and traits of culture can help to better explain how culture affects consumer behaviour:

Culture is organic and pervades the social structure naturally: It permeates every social structure and is bred into its members. Since we are all influenced by culture, whether consciously or unconsciously, it has an impact on how people behave. People use their values and beliefs to guide their actions, but they often assume that others will act in a similar and consistent manner (as culture is shared). All members of a social system are united by culture.

The fulfilment of wants is aided by culture: In actuality, it exists because it aids in meeting people's wants. Beliefs, values, conventions, and tradition all contribute to the social system's governance by defining how members of the system should act; by defining the dos and don'ts, they establish the limits of social system-acceptable conduct. But, as long as they continue to serve the requirements of the people in the community, these values, beliefs, practises, and traditions will endure. Because of this, culture changes as time goes on. Beliefs, values, traditions, and tradition vary as people's needs change in order to accommodate and accommodate newer demands and wishes.

To capitalise on the scenario, marketers must be aware of freshly created and accepted values, conventions, and traditions. For instance, people's growing awareness of i) fashion has boosted the garment and accessory industries; ii) fitness has boosted the sports and gym industries; and iii) health has boosted the sales of natural items like fruit juices, honey, aloe vera, etc. Culture is something that is learned via socialisation; it is not something that is inborn. From early infancy on, socialisation takes place, and it lasts the rest of one's life. This process of socialisation imparts culture. There are two possible cultural lessons here.

enculturation and acculturation are two examples. Enculturation is the process of learning one's own culture, while acculturation is the process of learning a new or foreign culture. During our lives, both our friends and our families—including our families of origin and families of procreation—have an effect on us. Individuals learn about what is and is not acceptable in terms of our values and views through family and friends. Three different types of cultural learning are possible: formal education, informal education, and technical education. Formal education: When a youngster is taught appropriate conduct by family members, such as grandparents, parents, and siblings, they explain to him the good and bad aspects of behaviour. Informal learning



Vol 10, Issue 5S, May 2023

is when a youngster picks up new skills by copying the actions of others, such as friends, family members, famous people, or fictional characters. Technical learning occurs when a teacher teaches a youngster how to act in a formal educational setting [4]–[6].

We learn what is considered a good buy and what is not as consumers via our cultural learning. The same may be said about brands. Informally, thoughts and opinions from family, friends, and coworkers affect how we see brands, and formally, the marketer, the dealer, and the salespeople affect how we perceive brands. As a result, both general and specialised purchasing patterns reflect the society in which we live. In the end, culture also influences the kind of goods and services that people choose to purchase. For instance, eating pig and beef is frowned upon in certain cultures, thus when McDonald's arrived in India, they had to introduce the chicken burger rather than the standard beef burger offered there. They created the veg-tikki burger MNC's who want to penetrate overseas markets and offer their goods since they could not ignore the country's vegetarian population. The services offered there, should thoroughly research and comprehend the customs of such nations. They must go through a difficult acculturation process in order to comprehend the people of these cultures and their demands in order to determine if these prospective customers may be lucrative target niches. To be able to acquire acceptance more quickly, they should create the product and service offerings (including the 4Ps) in accordance with the culture. It is important to keep in mind the symbols, colours, and languages. With the creation of relevant promotional messaging and the utilisation of an appropriate medium, the marketer might use all three types of cultural learning.

Shared cultural values All of the social system's members embrace it and adopt it. In actuality, it links the individuals who make up a social structure. Political institutions (law, public policy, leaders, and government), social institutions (family), educational institutions (schools, colleges, and universities), and religious institutions (such as houses of worship, artefacts and religious authorities) aid in spreading this culture among society's citizens. The transmission of culture also involves the mainstream media, both written and visual. People within and outside of a culture share a variety of subcultures nowadays. It goes without saying that the media plays a significant influence. The numerous soaps and serials depict cultures of all sorts; they show all types of families, all types of cultures, and all forms of subcultures. This is due to the many satellite channels' differing viewership throughout India and greater TRP ratings. We get to read about families from the Gujarati, Bengali, Punjabi, and Tamilian cultures and learn about their clothing styles, favourite foods, traditions, and rituals, among other things. We have started to exchange sub-cultures thanks to the multiple national and vernacular networks we have in India.

#### II. DISCUSSION

Nowadays, subcultures are no longer confined to certain geographical areas. As consumers. these institutions-particularly the mass media-have the most influence on us. As was said in the paragraph above, the introduction of satellite channels has increased people's understanding of other ethnicities and subcultures. Advertising plays a significant part in the dissemination of culture. Dhokla and khakra (Gujarati cuisine) are in demand in North India right now, whereas mishtidoi and hilsa fish (Bengali food) are in demand in South India. The fact that individuals are migrating across state lines in search of employment and assignments is another factor contributing to the growth of this trend [7]–[9].

Culture is dynamic by nature; it changes throughout time. It adjusts to its shifting surroundings. As was previously said, values, beliefs, practises, and traditions endure as long as they meet the needs and desires of the populace. When they can no longer meet people's requirements, they transform. As a result, culture evolves and adapts to its surroundings. Marketers must constantly examine the environment in order to spot shifting demand patterns, adjust or create new goods and services, as well as replace or modify current ones. Dual income homes and the necessity to eat out, which leads to a demand for fast food and restaurants, is one such scenario that has previously been examined. We can see how cultural shifts affect how purchasing roles are played. The initiators, influencers, decision-makers, purchasers, and users must all be identified by the marketers, who must then target each group either directly or indirectly via the media. Marketers that are always monitoring their surroundings will be able to see chances and take advantage of them.

## 2.1 Current Cultural Effect

Consumer purchasing decisions are influenced by a variety of variables, with cultural aspects ranking as one of the most significant ones. The beliefs and ideals of a certain community or group of people make up cultural elements. It pertains to a person's culture. It determines how he or she acts. Simply said, culture is nothing more than a person's ideals. What a person learns from his or her parents and relatives while they are young shapes his or her culture. As an example, the mixed family structure and strong family relationships are still valued in India. In contrast to other nations where children are more autonomous and leave their parents once they start making a livelihood for themselves, Indian children are raised to live with their parents until they get married.

The choice to purchase is significantly influenced by cultural variables. Every person develops their own unique set of behaviours, values, and beliefs based on their familial history and social standing. Their culture is formed by the things they saw as children. Let's use a few instances to better understand how cultural variables affect people's purchasing decisions. Female residents of West Bengal or Assam would



## Vol 10, Issue 5S, May 2023

like purchasing sarees over Westerners. Similarly, a man might choose a Dhoti Kurta at significant occasions in Eastern India since that region's tradition favours it. Compared to females in north India, who like SalwarKameez more, women in south India often wear skirts and blouses. We have been adhering to our culture's practise of dressing traditionally for nuptials for many years. Although rice is popular in South and East India, bread is preferred by people in North India.

Influences from culture and marketing strategy. Businesses now confront an environment that is more globally connected, where rivals are more frequent and intense. Without using marketing methods, it is difficult for any organisation to launch and sustainably grow their business. Consumer preferences and tastes have changed as a consequence of the global market. Customers, for instance, don't wait for a single product since there are other choices on the market, and they may quickly switch to a different product without sacrificing their taste. This is the primary justification for the consumer-focused nature of today's corporate climate. Marketers continually think about how to please customers. The greatest quality, lowest costs, and easiest excess for customers are the three most crucial considerations for a marketer, but practically all marketing managers take these into account as well. Only businesses that adopt new tactics and don't downplay the significance of culture in product marketing survive for an extended period of time. Businesses are struggling with a variety of marketing and cultural issues, but culture is by far the biggest difficulty. To companies must comprehend the variety and complexity of marketing efforts in order to experience continual development and competitive success. In various nations, consumers have different options. These distinctions are the outcome of many cultural attitudes, beliefs, and customs. The lifestyle, motivation, and product preferences of consumers are strongly influenced by culture. How many people choose to buy the same product demonstrates cultural impact. Redesigning a product's marketing techniques is necessary as a result of the expansion of global commerce. International marketing has become more prevalent as a result of the growth of cross-border trade. Companies who are embracing the idea of worldwide marketing have issues related to country differences, and one of the biggest issues they encounter is devising marketing plans that take into account the diversity of cultures. Only businesses who export their goods to meet the unique requirements of a certain culture are more successful nowadays [10], [11].

## 2.2 Cross- and subcultural influences

While culture is said to be the "personality of a community" and includes things like language, conventions and laws, religion, art and music, among other things, it is not wholly uniform in nature. Within a social structure, not every member speaks the same language, practises the same religion, or follows the same traditions. Each civilization is made up of smaller units that are homogeneous within and

diverse outside, and when they are all together, they form a complex society.

Sub-units or sub-groups of this kind are referred to as sub-cultures, and members of sub-cultures have unique sets of values, beliefs, practises, and traditions, among other things. A subculture's members share certain values, beliefs, rituals, and traditions that distinguish them from members of other subcultures. For instance, although though we are all Indians and share an Indian culture (including a similar national language in Hindi and popular holidays like Diwali), North Indians and South Indians vary from one another. South Indians also observe Pongal as their harvest festival at the same time as North Indians observe Lohri in January. In other words, individuals who live in smaller units have the same language, religion, traditions, and customs; nevertheless, these things may vary somewhat or significantly from those of people who live in other sub-units.

#### 2.3 Marketing that is cross-cultural

Cross-culturalization and globalisation are processes that are inescapable in the twenty-first century. The globe is getting more and more uniform, and for certain items, the disparities between national markets are no longer just eroding but really going away. This indicates that marketing is now a widely practised discipline. On the other hand, cultural distinctions across countries, regions, languages, regulatory environments, historical legacies, groupings, etc. continue to exist in the market and have a clear influence on the marketing strategies used by corporate organisations. From a marketing perspective, it's crucial for marketers to understand that the markets in the twenty-first century are cross-cultural marketplaces, and that understanding and sensitivity to cultural differences is a key element of success in the market of the twenty-first century. A company should really take into account the following factors: effects of culture on marketing (international versus domestic) elements of marketing research that are cross-cultural multicultural components of the marketing mix (products, price, promotion, and distribution) education and training in cross-cultural marketing cross-cultural electronic marketing approach.

Marketing to customers whose cultures vary from the marketer's own at least in one of the essential cultural features, such as language, religion, social norms and values, education, etc., is known as cross-cultural marketing and the way of life. According to anthropology, all market behaviours are influenced by culture. Thus, in order to align the marketing mix with what consumers want, marketers need a deep awareness of the cultural context of a target market to predict consumer behaviour and product use trends.

## 2.4 Consumer behaviour and cultural values:

Projective tests, attitude measuring tests and procedures, content analysis, consumer fieldwork, and value measurement instruments are just a few of the various methods that may be used to assess culture. These methods



## Vol 10, Issue 5S, May 2023

are used to research and evaluate cultural trends, changes, and patterns.

Projective Tests: Psychoanalytic psychology, which holds that human beings have conscious and unconscious attitudes, motives, and personalities that are concealed and unknown from conscious awareness, is the origin of projective tests. The projective exams make an effort to gauge underlying characteristics, concerns, fears, and attitudes as well as motives and personalities. They aid in exposing how individuals see cultural ideals, myths, customs, traditions, and rituals. To help the participants grasp, interpret, and comprehend them, photos, images, cartoons and characters, inkblots, and partial phrases and paragraphs are shown. The participants are requested to respond with whatever that comes to mind right away. Also observed are body language and gestures, voice tones, and other emotions.

Such tests are used on the presumption that people prefer to project and interpret these ambiguous cues from their subconscious. These assessments are used to examine motivation and personality. The Rorschach Inkblot Test and the Thematic Apperception Test are the two frequently utilised tests (TAT).

Techniques and assessments for measuring attitudes People's attitudes towards other people, things, and circumstances are measured through attitude measuring tests and methodologies. They serve as a reflection of how individuals feel and behave towards cultural ideals, myths, customs, traditions, and rituals.

Content analysis: This technique examines written, spoken, nonverbal, and visual compositions and communication. The process of content analysis reveals and explains the messages' contents as well as the many interpretations. The content of spoken, written, non-verbal, and visual compositions/communication may be used to assess the society, its culture, as well as the progression of socio-cultural changes.

Consumer fieldwork: This kind of research involves observing customers' behaviour in order to make generalisations about the values, myths, beliefs, habits, traditions, and rituals they adhere to. These generalisations are based on consumer behaviour that may be seen in-store. Also noticed and documented are both verbal and nonverbal body language. The researchers may sometimes take on active roles and engage in sales-like interactions with the participants' (consumers) rather than acting as passive observers. Moreover, focus groups and interviews may be conducted.

Value measurement tools: In today's research, value measurement tools are being used more and more. These are scales that use a questionnaire to assess values. Participants are invited to share their thoughts on a range of topics, including ambition, peace, freedom and independence, comfort and convenience, and many more. Researchers may determine the prevailing or underlying values of the society by interpreting their reactions and behaviour. Such values

would affect both general and particular purchasing and consumption behaviours. The Rokeach Value Survey, the List of Values (LOV), and the Values and Lifestyles Survey are three often used tools for measuring values (VALS).

#### 2.5 Views, Products, And Cultural Practices

Practices: Practices are social interaction routines and behaviours. Products are used in practises. They stand for the understanding of "what to do, when and where," as well as how to engage in a certain culture. Products are the physical or intangible works produced by a specific civilization. They represent the viewpoints of a culture.

Tangible items: Examples of tangible items are artwork, a cathedral, a book, and a pair of chopsticks. Products that cannot be physically touched include laws, holy rituals, dances, oral tales, and educational systems. A society's cultural practises and products are based on its philosophical viewpoints, meanings, attitudes, values, beliefs, and ideas. They reflect the worldview of a particular society [12], [13].

#### III. CONCLUSION

The "personality of a society" might be referred to as culture. It encompasses a wide range of things and is ubiquitous in nature, including language, norms and laws, customs and traditions, religion, art and music, etc. Together with their hobbies, work habits, and orientations, people's views about both general and particular topics are also included. A society's culture has an impact on its people's consumption and purchasing habits. Culture is described by Schiffman as "the totality of taught ideas, values, and conventions that help to guide the consumption behaviour of individuals of a specific community" in terms of consumer behaviour. Values, language, myths, conventions, rituals, and laws are only a few of culture's many components.

- [1] V. Minh Duc, "The Impacts of Culture on Vietnamese Consumer Behavior Towards Foreign Products," *Soc. Sci.*, 2018, doi: 10.11648/j.ss.20180704.17.
- [2] B. Teimourpour and K. H. Hanzaee, "The impact of culture on luxury consumption behaviour among Iranian consumers," J. Islam. Mark., 2011, doi: 10.1108/17590831111164 822.
- [3] S. Spiers, R. R. Gundala, and M. Singh, "Culture and Consumer Behavior—A Study of Trinidad & Tobago and Jamaica," *Int. J. Mark. Stud.*, 2014, doi: 10.5539/ijms.v6n4p92.
- [4] "Consumer behavior and culture: consequences for global marketing and advertising," *Choice Rev. Online*, 2004, doi: 10.5860/choice.41-4134.
- [5] Smriti Chand, "The Impact of Culture on Consumer Behaviour," 25/12. 2017.
- [6] J. Lai, P. He, H.-M. Chou, and L. Zhou, "Impact of national culture on online consumer review behavior," *Glob. J. Bus. Res.*, 2013.
- [7] F. Hachtmann, "Book Review: Consumer Behavior and Culture: Consequences for Global Marketing and Advertising," J. Advert. Educ., 2004, doi: 10.1177/109804820400800212.



## Vol 10, Issue 5S, May 2023

- [8] F. ur Rehman, R. Md Yusoff, and F. Ismail, "Assessing the Impacts of Organizational Culture and Sales Promotion on Consumer Buying Behavior: A Case of Telecom Sector," J. Soc. Transform. Reg. Dev., 2019, doi: 10.30880/jstard.2019.01.02.005.
- [9] M. De Mooij and G. Hofstede, "Convergence and divergence in consumer behavior: Implications for international retailing," J. Retail., 2002, doi: 10.1016/S0022-4359(01)00067-7.
- [10] A. H. Herdimansyah, "An Analysis of the Impact of Culture on McDonald's Consumer Behaviour in Indonesia," 2021.
- [11] [11] V. Rehman, "Looking through the Glass of Indian Culture: Consumer Behaviour in Modern and Postmodern Era," *Glob. Bus. Rev.*, 2017, doi: 10.1177/0972150917693139.
- [12] E. Gentina, R. Butori, G. M. Rose, and A. Bakir, "How national culture impacts teenage shopping behavior: Comparing French and American consumers," *J. Bus. Res.*, 2014, doi: 10.1016/j.jbusres.2013.03.033.
- [13] N. Sreen, S. Purbey, and P. Sadarangani, "Journal of Retailing and Consumer Services Impact of culture, behavior and gender on green purchase intention," J. Retail. Consum. Serv., 2018.





Vol 10, Issue 5S, May 2023

## Environmental influences on Consumer Behavior

[1] Anita Walia

[1] Assistant Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] anita@cms.ac.in

Abstract—A purchase and consumption model based on behaviors analytic concepts is used to better comprehend social demarketing activities targeted at environmental preservation. These ecologically damaging consumer habits are discussed in terms of both their repercussions and the form of action to mitigate them. A suitable social marketing mix is provided for each kind of customer behaviors.

Index Terms— Consumer Behavior, Cultural, Consumer, Environmental, Marketing.

#### I. INTRODUCTION

Consumers do not exist in isolation. Their conduct, including their purchasing habit, is impacted by the environment in which they reside. Their environment comprises their relatives and friends, their lifestyle and lifespan, as well as their socioeconomic class's culture and values. Marketers may frequently tap into these effects when developing marketing strategies if they understand how they function. This lesson will teach you how to discuss the role of cultural ideas, values, and conventions in controlling consumer behavior [1]-[3]. Explain how social class-related attitudes and beliefs affect consumer behaviour; explore the effect of groups on consumer purchasing processes; describe the influence of the family-on-family members' consuming behaviour; and explain distinct buyer wants as defined by life cycle changes. Determine the consequences of group membership, family, culture, lifestyle, and socioeconomic class for the formulation of a marketing plan.

Environmental Factors Influencing Consumer Behavior: It is described as the complicated sum total of people's knowledge, beliefs, traditions, conventions, art, moral code, or any other habit gained as members of society. Our purchasing behaviour, or what we purchase, is impacted by our background or culture. Various cultures place varied emphasis on the purchase, usage, and disposal of things. South Indians have a distinct way of consuming food, clothes, and saving. This is not the case with the inhabitants of northern India. Various cultures and practises prevail in various places of the globe. Japanese culture is distinct from those of the United States, England, or Arabic nations. As a result, culture has a significant role on consumer behaviour.

Sub-cultural Influences: Within a culture, there are numerous unique groups or sectors of people with their own conventions, traditions, and behaviour. There are several subcultures within Indian culture, including the cultures of the South, North, East, and West. Hindu culture, Muslim culture, Hindus from the south vary from Hindus from the north, and so on. Goods are made to appeal to a certain demographic of clients who have a same cultural background and are similar in many ways.

Social Class: A social class is a group of individuals who have equal positions in society. Income, education, employment, and other factors determine social class. People in the same socioeconomic class have comparable values and ideas and prefer to buy similar things. Their choice of housing, style of vacation, entertainment, and leisure activities all seem to be similar. A marketer's understanding of socioeconomic status and customer behaviour is very valuable.

Social Group Influences: A group is a collection of people who have similar consumer relationships, attitudes, and interests. Such organisations are common throughout society. These groups might be main if contact occurs often and include family groupings. These groups have a lot of contact with one another and are very close. Secondary groups are made up of people whose relationships are more official and less intimate. They might include political organisations, work and study groups, and service organisations such as Lions and Rotary. The behaviour of a group is impacted by the conduct of its members. A person may be a member of many groups, and different members of those groups might have varying impacts on his consuming behaviour. An individual might be a corporation executive or a member of a political party. He might be a member of a service organisation, as well as amusement and study groups. They have varying effects on his intake.

#### 1.1 The Impact of Family

As previously stated, the family is the most significant of the key groups and has the biggest effect on consumer behaviour. Children absorb family traditions and customs, and they internalise various behavioural patterns from their family members, both consciously and subconsciously. These patterns of conduct become ingrained in the lives of youngsters. Several choices are taken jointly in a joint family, which has an impact on the members of the family. Nowadays, the family structure is evolving, and individuals prefer nucleus families, which include a parent and dependent children. The second sort of family is the joint family, which includes the mother, father, grandparents, and other relatives.



Vol 10, Issue 5S, May 2023

#### 1.2 Personal Affects

Each person analyses information differently and assesses items in his or her own unique manner. This is true regardless of family, socioeconomic status, cultural background, or other factors. His choice is ultimately influenced by his personality. He may have personal reasons for his preferences, dislikes, pricing, convenience, or prestige. Some people value price more than quality, while others value status, symbolism, product ease, and so on. Personal factors have a significant role in the buying of a product.

## 1.3 Internal or psychological influences:

A variety of internal or psychological variables impact customer purchasing behaviour. Motivation and perception are the most crucial.

a) Motivation: When a need is stimulated to a sufficient degree of intensity, it becomes a motivation. A motivation is a compelling desire that propels a person to action.

There are many sorts of requirements:

- 1. Biogenic needs: They occur as a result of physiological tensions such as thirst and hunger.
- 2. Psychogenic demands: These are needs that originate as a result of psychological states of stress, such as desires for recognition and respect.

"A motivation may be described as a desire or an urge for which a person wants gratification," writes William J Stanton. It becomes a purchasing motivation when the person seeks fulfilment via the purchase of something". A motivation is an inner impulse (or need) that drives a person to make a purchase to fulfil one of two types of needs: core wants and secondary wants. Thus motivation is the driving factor behind goal-oriented conduct. Motivation is a driving force that propels a person to take action in order to meet his requirements. As a result, it becomes one of the internal elements that influences customer behaviour [4]–[6].

#### II. DISCUSSION

Humans have much more than five senses. Besides from the fundamental five (touch, taste, smell, sight, and hearing), there are senses of orientation, balance, and a clear understanding of which way is down, among other things. Each sense is continually giving information to the brain, and the quantity of information being acquired would dangerously overwhelm the system if it were all taken in. As a result, the brain picks from the world surrounding the person and filters out unnecessary noise.

In effect, the brain makes automated judgements about what is and is not significant. Even though there are numerous things going on around you, you are probably oblivious of the majority of them; in fact, investigations have proven that some information is filtered out by the optic nerve before it reaches the brain. Humans rapidly learn to disregard superfluous noises: for example, as a guest to someone else's house, you may be acutely aware of a loudly

ticking clock, yet your host may be completely oblivious to it, save when checking to see whether the clock is still ticking.

As a result, the information that enters the brain does not present a comprehensive picture of the world around you. As a person creates a worldview, she then assembles the remaining knowledge to map what is going on in the outer world. Any holes (and there will undoubtedly be many) will be filled with imagination and experience. As a result, the cognitive map is not a "photograph," but rather a mental construct. The following elements will have an impact on this mapping:

This is the person's current world-view, which is unique to that individual. This is the pigeonholing of information as well as the pre-judging of events and items. This may be accomplished via the process of chunking, in which the person organises information into chunks of similar objects. A image viewed when a certain piece of music is playing, for example, may be chunked as one item in the memory, such that seeing the picture conjures the music and vice versa [7]–[9].

The degree to which the brain selects from its surroundings. It is determined by how much activity is occurring on around the person, as well as how selective (concentrated) the individual is on the present job. Selectivity is also very subjective: some individuals are much more selective than others. They cause people to perceive subsequent information in a certain manner. Consider the following sequence of numbers and letters. This causes us to interpret subsequent experience in light of what we already know. The law of primacy states that sometimes sights, smells, or sounds from our past will elicit inappropriate responses: the smell of bread baking may recall a village bakery from twenty years ago, but the smell could have been generated artificially by an aerosol spray near the supermarket bread counter. The following is an example of cognitive mapping applied to product quality perception. The consumer selects clues and assigns values to them using the input selector. Price, brand name, and merchant name are common quality indications. In most customers' judgements, there are substantial positive correlations between price and quality, as well as brand name and quality; while the merchant name is less relevant, it still has considerable weight.

Many customers, for example, would be sure that Big Bazaar would offer higher-quality products than the local corner shop, but they would be less able to differentiate between Food Bazaar and Giant hypermarket. The information is subjective in the sense that the customer will base choices on the information chosen. Every one of us chooses differently from the surroundings, and we all have distinct points of view. Quality information will be pigeonholed or categorise: the person may place the Scoda Octavia in the same category as Mercedes Benz, or Sony in the same slot as Aiwa.



## Vol 10, Issue 5S, May 2023

When it comes to business purchases, customers are influenced by a variety of factors. One of the biggest influencers on some marketers' view is the economy. They believe that purchasers would choose the provider that gives the lowest price, the best goods, or the greatest service. They concentrate on providing significant economic advantages to customers. Business purchasers, on the other hand, are influenced by both economic and human reasons [10], [11].

Most B2B marketers now acknowledge that emotions play a significant part in corporate purchasing choices. An advertising marketing huge trucks to corporate fleet customers, for example, can emphasise objective performance, technical, and economic reasons. An advertisement for Volvo heavy-duty trucks, on the other hand, depicts two drivers arm-wrestling and promises that "it solves all your fleet concerns, except who gets to drive." There are several elements that have an impact on company buyers:

#### 2.1 Environmental Aspects

Business purchasers are significantly impacted by existing and predicted economic environment elements such as the degree of primary demand, the economic outlook, and the cost of money. As economic uncertainty increases, company buyers reduce new investment and try to use existing inventory. Other environmental elements include economic growth, supply circumstances, technical changes, political and regulatory developments, competitive development, and culture and customs. They have an effect on the commercial market, either directly or indirectly.

## 2.2 Organizational Elements

Every purchasing organisation has its own set of goals, rules, methods, structures, and systems. Since so many questions are related to these characteristics, business marketers must thoroughly comprehend them. For example, how many persons are engaged in purchasing decisions? Who are they? What are the criteria for evaluation? What are the company's regulations and restrictions for buyers?

#### 2.3 Factors of Interaction

Often, a purchasing centre has numerous players who affect one another. As a result, interpersonal aspects impact the company purchasing process. Yet, assessing such interpersonal aspects and group dynamics is challenging. Managers do not wear badges that distinguish them as significant or unimportant buyers, and strong influences are often concealed behind the scenes. Participants in the corporate purchasing process's interpersonal aspects may include authority, status, empathy, and persuasiveness.

## 2.4 Individual Variables

Individuals play an important part in the company purchasing process. Each individual involved in the company purchasing decision process adds personal reasons, preferences, and views to the table. Nevertheless, these individual elements are influenced by personal qualities such as age, education, income, professional identity, work position, personality, and risk attitudes. Every shopper has a unique purchasing style.

Culture is a society's common values, practises, conventions, arts, social institutions, and intellectual accomplishments. Cultural values convey a community's common ideals, norms, and priorities. Most advertising messages across the globe reflect, to some extent, the cultural values of the target consumers.

Culture is sometimes referred to as a "invisible hand" that governs the conduct of individuals in a specific community. When consumer researchers ask individuals why they do particular things, they typically respond, "Because it's the proper thing to do"—a statement that reflects culture's deep impact on human behaviour. Only by visiting other nations and studying local beliefs and behaviours can we properly comprehend and appreciate the effect of our culture.

Marketers must constantly watch cultural changes in order to identify new possibilities and forsake markets that have "dryed up" as a result of cultural shifts. To that aim, marketers should rethink why consumers do what they do, who their customers and users are, when they buy, how and where they may be reached by the media, and what new product and service demands are arising on a regular basis.

#### 2.5 Consumer Wants are reflected in Cultural Beliefs

Culture expresses and meets societal demands. It provides structure, direction, and assistance for problem resolution by using "tried-and-true" techniques of meeting physiological, personal, and social demands. For example, culture establishes guidelines for when to eat ("not between meals"); where to eat ("most likely, the restaurant is busy because the food is good"); what to eat for breakfast (pancakes), lunch (a sandwich), dinner ("something hot and good and healthy"), and snacks ("something with quick energy, but not too many calories"); and what to serve to guests at a dinner party ("a formal sit-down meal"), at a picnic ("barbecued "franks (champagne).

Culture also influences whether a thing is a need or a luxury item. For example, although mobile phones (which were first launched as car phones) were historically costly and scarce, they are now a necessity since less and fewer people have landlines and payphones are almost extinct. Culture also affects what clothing are appropriate for various circumstances (for example, what to wear around the home vs what to wear to school, work, church, a fast-food restaurant, or a movie theatre). Dress rules have altered dramatically in recent years, and Americans are now wearing informally for settings that used to demand more formal clothes.

#### 2.6 Cultural Values Learning

A concept or tradition must be held by a major percentage of society to be deemed a cultural value, since culture is basically a set of standards that regulate personal and



Vol 10, Issue 5S, May 2023

collective behaviour and unite people into a mostly cohesive community. Members of a community often share their beliefs and practises via a common language, while some cultures incorporate many languages.

Anthropologists have classified cultural learning into three categories. When parents, elder siblings, and other family members teach younger members "how to act," formal learning occurs. Informal learning occurs when youngsters copy the actions of individuals they like, such as family, friends, or TV and movie heroes and characters. Teachers' advice children in educational settings on what should be done, how it should be done, and why it should be done, in both social and personal circumstances. Our ethical values (for example, the value of compassion, honesty, and responsibility) are developed throughout childhood as we learn them from our parents, teachers, and other influential people.

#### 2.7 Acculturation vs. Enculturation

Anthropologists differentiate between learning one's own (or native) culture and learning about foreign cultures. Enculturation is the process of learning about one's own culture. Acculturation is the process of becoming acquainted with new or foreign cultures. When marketing items abroad, marketers must research the culture(s) of their target customers to decide if their products would be accepted and how to successfully explain the features of their products and convince people to purchase them. Consumers might be "foreigners" in their own nations at times. The family and the process of consumer socialisation are important components of one's enculturation. This process include teaching children and young people values and abilities associated to consumption, such as the meaning of money and value, how to appraise product quality, styles and preferences, product use, and the meaning and purposes of promotional messages. Apart from the family unit, educational and religious organisations instill cultural values in younger members. Educational institutions teach the arts, sciences, civics, as well as professional and specialised skills. Religious organisations give spiritual and moral direction as well as ideals, which have a significant effect on conduct.

#### 2.8 Influences of Marketing on Cultural Learning

The contents of media, advertising, and marketing reflect cultural values and successfully communicate them to all parts of society. Every day, at practically any moment, we are bombarded with hundreds of promotional signals and messages, many of which we hear and see many times.

Marketing messages are repeated to transmit and reinforce cultural attitudes and values. Cultural values are encoded not only in the advertising language, but also in the visual images, colours, gestures, music, and other nonverbal components of a commercial. Marketers also disseminate a large amount of information, allowing customers to exhibit shared cultural values.

#### 2.9 Symbols and Language

Cultural values are represented in a society's languages, symbols, communications, and artefacts. Symbols are anything that signifies something else, and they may be vocal or nonverbal. Since words are linguistic symbols, the text of each advertisement is a collection of symbols. Figures, colours, forms, and even textures are nonverbal signals that occur in marketing, trademarks, packaging, and product designs. Many symbols have both verbal and psychological implications.

Symbols may have opposing meanings. For example, an advertiser that employs a logo picturing an ancient artisan to represent meticulous craftsmanship may instead communicate an impression of outdated procedures and a lack of flair. Marketers that employ slang in commercials aimed at teens must exercise extreme caution; slang that is abused or outmoded may symbolically date the marketer's business and product, as well as be objectionable to some.

Pricing and distribution channels are symbols that represent the cultural values of things. For example, the places where garments are sold (as well as the pricing of the things) represent their quality. In reality, all of the marketing mix's components—the product, its promotion, pricing, and the places where it is sold—are symbols that convey the item's quality, value, and image.

#### 2.10 Rituals

Cultures involve ritualised activities in addition to language and symbols. A ritual is a form of symbolic action that consists of a set sequence of activities that are repeated on a regular basis. Rituals might be public, extravagant, or ceremonial (for example, weddings), or they can be simple routines (e.g., daily grooming). Ritualized behaviour is often formal and scripted (e.g., a religious ceremony or correct conduct in a court of law), and it happens frequently (e.g., singing the national anthem before the start of a sports event). Many rituals incorporate artefacts, and some things are explicitly promoted for certain rites. For example, turkey, stuffing, and cranberries are all part of the Thanksgiving Day tradition. Graduations, monthly card games, and trips to beauty salons all feature artefacts. Ritualistic conduct is defined as an activity or set of acts that has evolved into a ritual. Golfers, for example, who take a few practise swings before striking the ball exhibit ritualistic behaviour [12], [13].

#### III. CONCLUSION

The most significant components of environmental influenced behaviour are the effect of parenting and peer groups via conditioning and conforming, cultural impacts of social norms, and gender development. Our surroundings influence our mood, and our mood influences the things we buy. Consumer spending on unrelated items like green tea and newspaper subscriptions has been proven to rise simply because of good weather. This is because the additional sunshine boosts mood. Additionally, certain environments



## Vol 10, Issue 5S, May 2023

can affect how we feel.

- [1] D. Gadenne, B. Sharma, D. Kerr, and T. Smith, "The influence of consumers' environmental beliefs and attitudes on energy saving behaviours," *Energy Policy*, 2011, doi: 10.1016/j.enpol.2011.09.002.
- [2] T. Mainieri, E. G. Barnett, T. R. Valdero, J. B. Unipan, and S. Oskamp, "Green buying: The influence of environmental concern on consumer behavior," *J. Soc. Psychol.*, 1997, doi: 10.1080/00224549709595430.
- [3] O. Essiz and C. Mandrik, "Intergenerational influence on sustainable consumer attitudes and behaviors: Roles of family communication and peer influence in environmental consumer socialization," *Psychol. Mark.*, 2022, doi: 10.1002/mar.21540.
- [4] H. K. Jeswani and A. Azapagic, "Environmental impacts of healthcare and pharmaceutical products: Influence of product design and consumer behaviour," *J. Clean. Prod.*, 2020, doi: 10.1016/j.jclepro.2019.119860.
- [5] D. Gil-Giménez, G. Rolo-González, E. Suárez, and G. Muinos, "The influence of environmental self-identity on the relationship between consumer identities and frugal behavior," *Sustain.*, 2021, doi: 10.3390/su13179664.
- [6] S. M. F. Uddin and M. N. Khan, "Young Consumer's Green Purchasing Behavior: Opportunities for Green Marketing," J. Glob. Mark., 2018, doi: 10.1080/08911762.2017.1407982.
- [7] A. Chwialkowska, W. A. Bhatti, and M. Glowik, "The influence of cultural values on pro-environmental behavior," *J. Clean. Prod.*, 2020, doi: 10.1016/j.jclepro.2020.122305.
- [8] M. B. Raewf, T. H. Thabit, and Y. A. Jasim, "The Relationship between the Elements of Marketing Mix and Consumer Behavior during Environmental Uncertainty:," Cihan Univ. J. Humanit. Soc. Sci., 2021, doi: 10.24086/cuejhss.v5n1y2021.pp50-55.
- [9] N. Mohd Suki and N. Mohd Suki, "Examination of peer influence as a moderator and predictor in explaining green purchase behaviour in a developing country," *J. Clean. Prod.*, 2019, doi: 10.1016/j.jclepro.2019.04.218.
- [10] K. White, R. Habib, and D. J. Hardisty, "How to SHIFT consumer behaviors to be more sustainable: A literature review and guiding framework," *J. Mark.*, 2019, doi: 10.1177/0022242919825649.
- [11] E. J. M. A. Filho, B. L. Cardoso, and M. N. L. Barboza, "Motivations behind green consumption and the influence of environmental consciousness on consumer behaviour," *Int. J. Innov. Sustain. Dev.*, 2017, doi: 10.1504/IJISD.2017.083298.
- [12] S. Gupta and D. T. Ogden, "To buy or not to buy? A social dilemma perspective on green buying," J. Consum. Mark., 2009, doi: 10.1108/07363760910988201.
- [13] H. S. Seo, "Sensory nudges: The influences of environmental contexts on consumers' sensory perception, emotional responses, and behaviors toward foods and beverages," *Foods*, 2020, doi: 10.3390/foods9040509.





Vol 10, Issue 5S, May 2023

## Consumerism and Ethics in Consumer Behavior

[1] Varalakshmi S

[1] Associate Professor, Department of Management, Jain (Deemed-to-be University), Bangalore-27, India [1] varalakshmi@cms.ac.in

Abstract— Ethical consumerism is the practice of buying items and services that are produced in a manner that minimizes social and/or environmental harm while avoiding products and services that are perceived to have a detrimental influence on society or the environment. The purpose of ethical consumerism is to promote ethical behavior via increased sales, so that our economic development model ultimately becomes a triple bottom line: money, people, and earth.

Index Terms—Business, Consumer, Consumer Behavior, Consumerism, Ethics.

#### I. INTRODUCTION

Ethical consumerism (also known as ethical buying, moral purchasing, ethical sourcing, ethical shopping, or green consumerism) is a kind of consumer activism based on the notion of dollar voting. It is exemplified by positive buying,' in which ethical items are preferred, or'moral boycott,' in which negative purchasing and company-based purchasing are preferred the phrase "ethical customer," currently used generally, was popularized in 1989 by the UK magazine Ethical Consumer. The fundamental innovation of Ethical Consumer magazine was the creation of 'ratings tables,' which were inspired by the criteria-based approach of the then-emerging ethical investing movement. The Ethical Consumer ratings tables gave companies negative marks (and, beginning in 2005, overall scores) in a variety of ethical and environmental categories such as 'animal rights,' 'human rights,' and 'pollution and toxics,' empowering consumers to make ethically informed consumption choices and providing campaigners with reliable information on corporate behaviour. Criteria-based ethical and environmental ratings have now become ubiquitous in both consumer information and business-to-business corporate social responsibility and sustainability ratings as those given by Innovest, Calvert Foundation, Domini, IRRC, TIAA-CREF, and KLD Analytics. Nowadays, Bloomberg and Reuters provide "environmental, social, and governance" scores to hundreds of thousands of stock market traders' financial data displays. The Ethical Consumer Research Association, a non-profit organisation, continues to print Ethical Consumer and its accompanying website, which gives free access to ethical ratings tables [1]-[3].

## 1.1 The origins of consumerism:

Consumerism's Origins. Depending on who uses the phrase, the term consumerism may have a variety of meanings. The word has been defined differently by business, government, consumer organisations, and academic scholars. In the United States, consumerism has several underlying foundations.

The following may be used to trace the origins of consumerism:

- Dissatisfaction with the system
- The performance disparity
- The knowledge gap between consumers
- Antagonism against advertising Marketing entities that are impersonal and unresponsive
- Invasion of privacy Falling living standards Disadvantaged people's special difficulties
  - Various perspectives on the marketplace
- Institutions have faced increased public scrutiny, mistrust, and loss of trust.

Many customers believe that they are getting worse offers in the marketplace than they used to. Many customers are dissatisfied with the products they purchase. Their expectations for product performance and dependability have grown (mainly due to advertising emphasizing the new enhancements). Product complexity increases the possibility of malfunction and gives customers the impression that the promise-performance gap is growing. Amateur buyers who lack the time, interest, or capacity to adequately process information in order to make optimal marketplace decisions are confronted with literally thousands of complex products that require evaluations along many dimensions relating to performance, convenience, or even societal concerns. Substantial sectors of the public are suspicious of the value and veracity of advertising material. It has been chastised for its intrusiveness and clutter, the annoyance factor, stereotypical role depictions, and the promotion of unreasonable and unsustainable expectations. Telemarketing calls are another source of aggravation. Almost 70% of individuals rated human or automated voice on the other end as a serious irritant. Such marketing has been caused by impersonal and unresponsive marketing entities. Reasons such as: the growth of self-service retailing; less sales employee expertise

**Consumer Safety:** Both safety and counterfeiting pose significant threats to the government and customers. Our standards aid in the tracking of goods along the supply chain and the tracing of histories from production to customer, making it simpler to: Check authenticity Comply with



## Vol 10, Issue 5S, May 2023

product safety laws, conduct efficient and effective recalls. The growing number of statutory requirements for end-to-end supply chain visibility necessitates further efforts on the part of both enterprises and the government. GS1 standards assist consumer safety stakeholders in implementing systems that allow them to improve product safety. Today's picky customers want more than just quality and a decent price performance. They are also sensitive to the manufacturing circumstances of a product. As a result, consumer safety must include both the promise of high-quality textile goods free of health dangers and the assurance that sustainability is adopted at every stage of the manufacturing process.

The system satisfies the highest criteria for providing customers with environmentally high-quality textiles as well as a clean conscience due to its comprehensive approach. Only components and technology with the least effect on human health and the environment are used throughout the whole manufacturing process chain. As a consequence, proactive manufacturers are able to satisfy their consumers' demands for sustainable and trustworthy goods long before legal duties compel them to act. Act Concerning Consumer Product Safety (CPSA) The CPSA, enacted in 1972, is our overarching legislation. This legislation establishes the agency, outlines its core authorities, and empowers it to adopt rules and prohibitions. It also empowers the CPSC to conduct recalls and prohibit items under specific conditions [4]–[6].

#### II. DISCUSSION

Consumers need this information while investigating, buying, and completing a transaction. Product qualities (e.g., specification, pricing, quality standards), expert and customer views, and vendor reputation are examples of consumer information requirements. Consumer Guide: Constructing or remodelling a property-Getting bids, resolving concerns and where to obtain \smore information. Buying and selling a house-Information about purchasing, selling, constructing, or remodelling real estate. Consumer Protection - Mines, Industrial Regulation, and Safety. Consumer Protection offers advice and information to consumers, companies, landlords, and renters in Western Australia. Consumer Scams-How to Recognize and Avoid Scams [7]–[9].

Fuel Watch Email Service-Do you want to be informed about gasoline costs at your leisure? Then sign up for Fuel Watch. You may get information about a certain location, route, or service station distributor online. Prices are guaranteed for 24 hours. Homebuyers' Survival Guide-This handbook offers relevant and valuable information for Western Australians looking to purchase or construct their first house. The book also includes information to help individuals purchase their first 'easier living' property. It is available as a whole version or in four distinct sections.

Consumer Protection governs occupational licencing and provides information on applications, prerequisites, training,

and registrations. This site contains information on product safety problems such as toys, infant cribs, toughened glass, pool skimmer boxes, and throwaway cigarette lighters. Renting a House - Consumer Guide-If you have any questions or concerns about renting a property, this section will provide you guidance and information on your rights and duties as a renter. Shopping Rights for Consumers-This website informs consumers about their rights and how to make shopping more convenient. Suggestions for Homebuyers-If you want to purchase a new or existing house, you'll find some useful advice below on how to do it.

#### 2.1 Consumer Assistance:

Building Commission-In Western Australia, the Building Commission regulates construction, painting, building surveying, and plumbing services. Building dispute resolution-The Building Commission may help with building, painting, plumbing, or design certification concerns. There is also information available regarding the speedy resolution of a payment issue under a building contract and concerns about a dividing barrier.

Consumer Protection - Department of Mines, Industry Regulation and Safety-Consumer Protection offers Western Australians with guidance and information. Customers, companies, landlords, and renters are all affected. Customer Accounts - Water Company - This page contains important information regarding your account, concessions, and payment options. Debt - Legal Aid-If you feel you are owed a debt, want to know what terms apply to repaying a debt, or believe you are being falsely accused of owing a debt, here is the place to visit. Fidelity Guarantee Account-The Fidelity Guarantee Account assists in providing financial reimbursement to people who suffer monetary loss or property loss as a result of the criminal or fraudulent actions of a licenced real estate or business agent, real estate settlement or business settlement agent, or their employees during a real estate settlement or business broking transaction.

Internet Betting Disputes-If you have a question or a complaint about Online sports betting, you may contact the Gaming and Wagering Commission here. Filing a consumer complaint-If you have bought products or services or rented a residence in Western Australia and have a problem, you may be entitled to a solution. This page describes your rights and obligations to assist you in determining if you have a legitimate complaint, as well as the procedure for filing a formal complaint.

### 2.2 Consumer responsibilities:

Obligations or Duties as a consumer. Customers are required to pay all of their bills and clear them when they are due. Each customer is responsible for ensuring that his or her use or consumption of communication services does not harm the environment. Taking personal responsibility for the environmental costs and repercussions of your purchase habits and lifestyle is what consumer responsibility entails.



Vol 10, Issue 5S, May 2023

On-time payment of bills: Customers are required to pay all bills and clear them when they are due. Environmental Protection: Each customer is responsible for ensuring that his or her use or consumption of communication services does not harm the environment. Every person on the earth has responsibility for the environment. As an example of this obligation, a customer should ensure that wrappers and scratch cards are disposed of properly. It is the consumer's job to be vigilant and to query problems such as terms and conditions of service. Consumers should be aware of their rights and obligations, as well as the additional information accessible to them. It is the consumer's responsibility to be forceful in order to guarantee that he/she and other users of the service(s) get a fair deal. It is improper for a customer to discover a flaw in a service or in the industry and then keep quiet about it. Communication Facility Protection: It is the consumer's duty to protect all communication equipment and facilities in his or her proximity.

#### 2.3 Marketer reactions to consumer problems:

Marketers confront a two-pronged problem when dealing with the challenges highlighted in this article. First, they must expand their understanding of the nature of the issues, and second, they must create organisational features that effectively react to the constitution. Understanding the Problems, many marketers are unaware of the difficulties and how unfavourable certain customers see events. When it comes to consumer protection, businesspeople often list the following potential defence positions: The quantity and severity of consumer complaints experienced by the general public are insignificant. Only a tiny, loud percentage of customers complain about faults with goods and services that are remedied to the consumer's satisfaction. Yet, data from a countrywide household survey do not corroborate these claims. Instead, it seems that the private sector has to improve its complaint-handling capacities. For example, more than 40% of families who launched complaint action over their most significant complaint concerns received unsatisfactory outcomes.

Further research suggests that when it comes to consumer concerns, consumers and businesspeople are not on the same wavelength. A survey comparing CEO and consumer attitudes on numerous consumer concerns discovered multiple studies that demonstrated high consistency and suggested that a big proportion of customers disagree with executives on a variety of topics. For example, there is dispute on whether present standards of product quality and safety are enough.

Moreover, people lack trust in advertising and turn to the government to remedy it. Moreover, there is a broad range of perspectives among executives and customers about the appropriateness of product information, responsibility for consumers, and the necessity for extra government controls. Just 5% of customers believe that American businesses listen to them and strive to do their best. Roughly one-third believe firms and CEOs are too greedy. This implies that businesses

must educate the public on how the marketing system works, the advantages of free enterprise, and the limits of government interference. Businesses must also examine and adjust their rules and processes in order to enhance the goods and services they provide to customers.

Companies definitely have an obligation to assist defend customers' rights. Several businesses have created a bill of rights for its consumers, as seen in the table below for a television cable provider. More companies are taking consumption seriously and tackling the concerns in a systematic and ongoing manner. Nevertheless, when corporations were faced with government laws in the past, such action was not the first thing that happened. Recent research examined different business reactions to consumption. Overall, the findings demonstrated a weak responsiveness to customer requirements. Few firms have coordinated anti-consumerism efforts. The majority of industrial producers claimed that consumption had little impact. Several businesses claimed to have always been consumer-oriented, hence consumerism had no effect on them. This seems to indicate apathy about the movement. Many businesses were protective about consumerism, seeing it as a conflict between the supplier and the customer.

As a Louisiana Cable Vision subscriber, you can anticipate the following from us: Customer service sales, installation construction, and technical professionals shall offer prompt and polite service. A No Risk Money Guarantee – if you, the client, are not entirely pleased during the first 30 days of service, just contact us within those 30 days. We will immediately deactivate your subscription and return your whole payment. You will get a consistent and high-quality television feed.

#### 2.4 Marketing ethics in action consumers:

One of the most difficult and controversial topics in human history is business ethics. For years, scholars and business executives have researched the link between doing the right thing and generating money, with little agreement. According to a poll conducted by the Ethics Resource Center, 43% of respondents said their bosses lacked ethical integrity. All business activities are surrounded by one overarching question: what is the ethical method to sell things?

The question has never received a good response, but it has recently become a contentious subject. Corporate profits reached an all-time high in 2011, according to the Bureau of Economic Analysis. At the same time, the globe was experiencing a debilitating economic depression exacerbated by unethical commercial activities. Because of the tremendous discrepancy between businesses and their clients, ethical business practises have become an incredibly important problem [10], [11].

Ethical marketing is a principle that guides all marketing activities rather than a marketing strategy. It aims to encourage honesty, justice, and accountability in all forms of advertising. Since everyone has subjective judgements about what is "good" and "wrong," ethics is a famously tough topic.



## Vol 10, Issue 5S, May 2023

As a result, ethical marketing is not a hard and fast set of laws, but rather a broad collection of recommendations to help businesses assess new marketing methods. Ethical marketing has both benefits and pitfalls. Unfair advertising is often as successful as it is immoral (See also Black Hat Marketing). Yet, since unethical activity is not always illegal, many businesses utilise unethical advertising to obtain a competitive edge.

Many consumers purchase diet pills despite the fact that they are seldom, if ever, effective. This is due to the fact that certain diet pill businesses make exaggerated and misleading promises in order to lure clients into purchasing their products. If that same corporation committed to utilising only ethical products, they would most likely go out of business if they did not advertise. Whatever their business plan is, it is not unlawful and it keeps their doors open. This kind of immoral action may swiftly lead to failure for organisations wanting to boost their brand's image and create long-term connections with consumers.

Consumers do not want to feel deceived by their favourite businesses. Ethical marketing may be used by businesses to build trust among their consumers. If a product lives up to the promises stated in its advertising, it reflects well on the firm as a whole. It might give the consumer the impression that the firm is concerned about the quality of its goods and the value it provides to them. It is hard to say whether a corporation is entirely ethical or immoral. The concept of ethics exists in a murky region with numerous tiny lines and fluctuating limits. Many businesses act ethically in one part of their advertising while acting unethically in another.

Dove soap, for example, produced a highly publicised ad campaign using "genuine" models. The advertisement was intended to promote realistic body ideals and inspire ladies to embrace their appearance even if they were not supermodels. Several Dove advertisements, both during and after, have featured stereotypically attractive women whose photos have been edited to mask flaws. Dove used ethical marketing in one campaign and unethical marketing in another. This demonstrates how tough it is to always do the right thing. The most crucial thing for any organisation that claims to employ ethical advertising is to make it a core component of their marketing approach. Every choice must be made with the question "would this sell?" and "is this the ethical method to sell it?" in mind.

Ethical guidelines: All marketing communications adhere to the same standard of truth, and marketing professionals adhere to the greatest level of personal ethics. Advertising is properly separated from news and entertainment material. Marketers should be open about who they spend to promote their goods. Customers should be treated equitably, taking into account both the nature of the product and the character of the consumer (e.g. marketing to children). The consumer's privacy should never be jeopardised. Marketers must follow the rules and regulations imposed by governments and professional bodies. With all marketing choices, ethics

should be addressed openly and honestly. Ethical marketing has both benefits and pitfalls. Unfair advertising is often as successful as it is immoral. Moreover, while unethical action is not always illegal [12], [13].

#### III. CONCLUSION

It educates people on their consumer rights and empowers them to speak out against dishonest dealers. Consumerism is a broad term that encompasses both consumer protection and ecology. It prevents the waste of precious natural resources. The practise of buying goods and services produced in a manner that minimises social and/or environmental harm and avoiding goods and services that are thought to have a detrimental influence on society or the environment is known as ethical consumerism..

- [1] M. J. Carrington, B. A. Neville, and G. J. Whitwell, "Why ethical consumers don't walk their talk: Towards a framework for understanding the gap between the ethical purchase intentions and actual buying behaviour of ethically minded consumers," *J. Bus. Ethics*, 2010, doi: 10.1007/s10551-010-0501-6.
- [2] R. Akhtar, S. Sultana, M. M. Masud, N. Jafrin, and A. Al-Mamun, "Consumers' environmental ethics, willingness, and green consumerism between lower and higher income groups," *Resour. Conserv. Recycl.*, 2021, doi: 10.1016/j.resconrec.2020.105274.
- [3] J. Brinkmann and K. Peattie, "Consumer ethics research: Reframing the debate about consumption for good," *Electron. J. Bus. Ethics Organ. Stud.*, 2008.
- [4] R. Govind, J. J. Singh, N. Garg, and S. D'Silva, "Not Walking the Walk: How Dual Attitudes Influence Behavioral Outcomes in Ethical Consumption," J. Bus. Ethics, 2019, doi: 10.1007/s10551-017-3545-z.
- [5] O. Uusitalo and R. Oksanen, "Ethical consumerism: A view from Finland," *Int. J. Consum. Stud.*, 2004, doi: 10.1111/j.1470-6431.2003.00339.x.
- [6] M. Z. Mustafar and J. T. Borhan, "Muslim consumer behavior: Emphasis on ethics from islamic perspective," *Middle East J. Sci. Res.*, 2013, doi: 10.5829/idosi.mejsr.2013.18.9. 12113.
- [7] A. Chatzidakis, P. Maclaran, and A. Bradshaw, "Heterotopian space and the utopics of ethical and green consumption," J. Mark. Manag., 2012, doi: 10.1080/0267257X.2012. 668922.
- [8] S. Kraus, M. Cane, and D. Ribeiro-Soriano, "Does doing good do well? An investigation into the relationship between consumer buying behavior and CSR," *Econ. Res. Istraz.*, 2022, doi: 10.1080/1331677X.2021.1970605.
- [9] A. Chatzidakis and D. Mitussis, "Computer ethics and consumer ethics: the impact of the internet on consumers' ethical decision-making process," *J. Consum. Behav.*, 2007, doi: 10.1002/cb.223.
- [10] A. N. Sarkar, "Green Branding and Eco-innovations for Evolving a Sustainable Green Marketing Strategy," Asia-Pacific J. Manag. Res. Innov., 2012, doi: 10.1177/2319510x1200 800106.
- [11] J. Dickstein, J. Dutkiewicz, J. Guha-Majumdar, and D. R. Winter, "Veganism as Left Praxis," *Capital. Nature, Social.*, 2020, doi: 10.1080/10455752.2020.1837895.



Vol 10, Issue 5S, May 2023

- [12] B. Jensen, F. Annan-Diab, and N. Seppala, "Exploring perceptions of customer value: The role of corporate social responsibility initiatives in the European telecommunications industry," *Eur. Bus. Rev.*, 2018, doi: 10.1108/EBR-09-2015-0104.
- [13] M. Lee, A. Pant, and A. Ali, "Does the individualist consume more? The interplay of ethics and beliefs that governs consumerism across cultures," *J. Bus. Ethics*, 2010, doi: 10.1007/s10551-009-0240-8.

