

Understanding Social Perception and Managing Diversity

Outline

A Social Information Processing Model of Perception

- Stage 1: Selective Attention/Comprehension
- Stage 2: Encoding and Simplification
- Stage 3: Storage and Retention
- Stage 4: Retrieval and Response
- Managerial Implications

Causal Attributions

- Kelley's Model of Attribution
- Attributional Tendencies

Outline (continued)

Defining and Documenting Diversity

- Layers of Diversity
- Affirmative Action and Managing Diversity
- Increasing Diversity in the Workforce

Organizational Practices Used to Effectively Manage Diversity

- Barriers and Challenges to Managing Diversity
- Ann Morrison Identifies Specific Diversity Initiatives

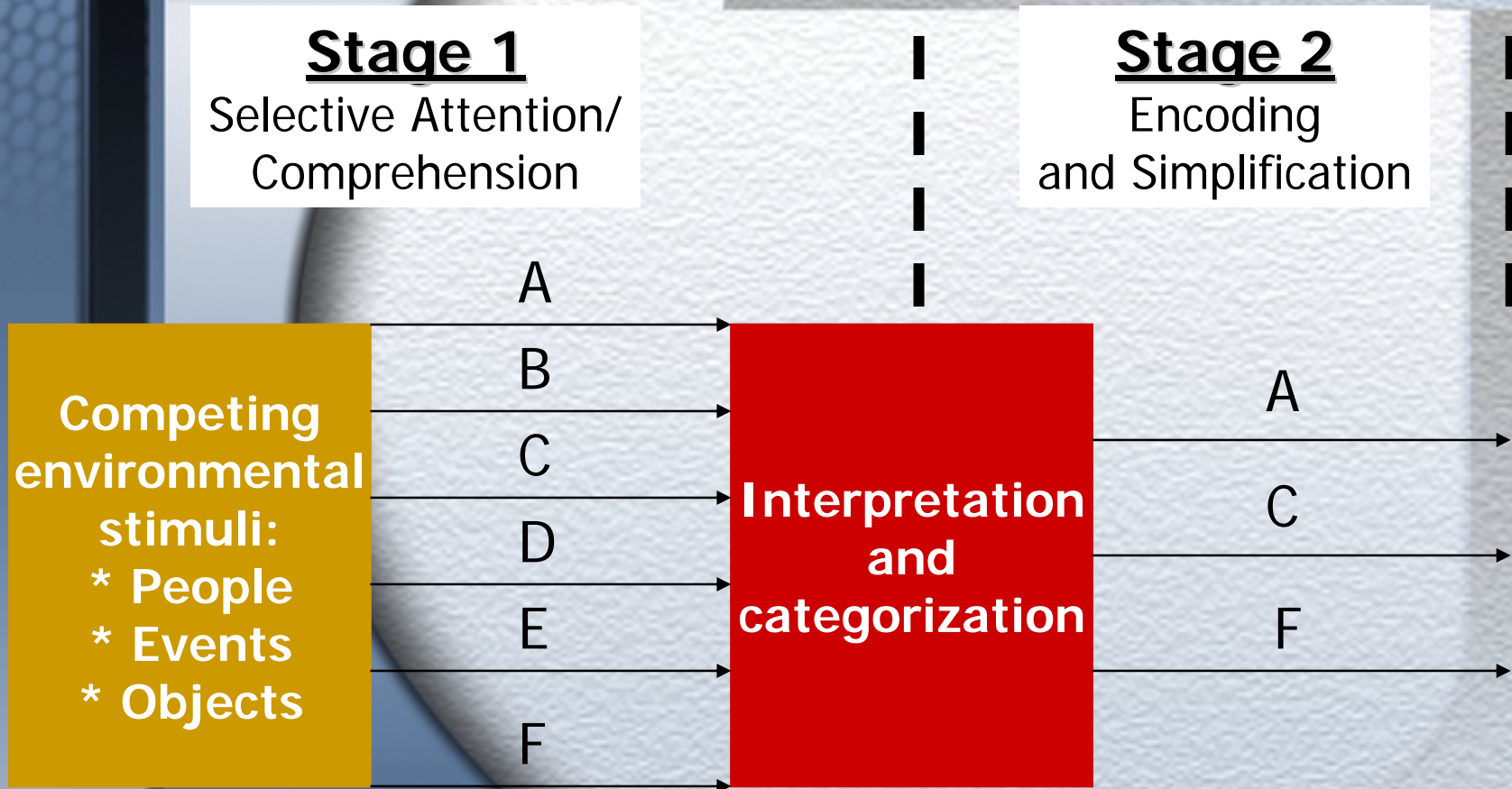
What Is Perception, and Why Is It Important?

Perception

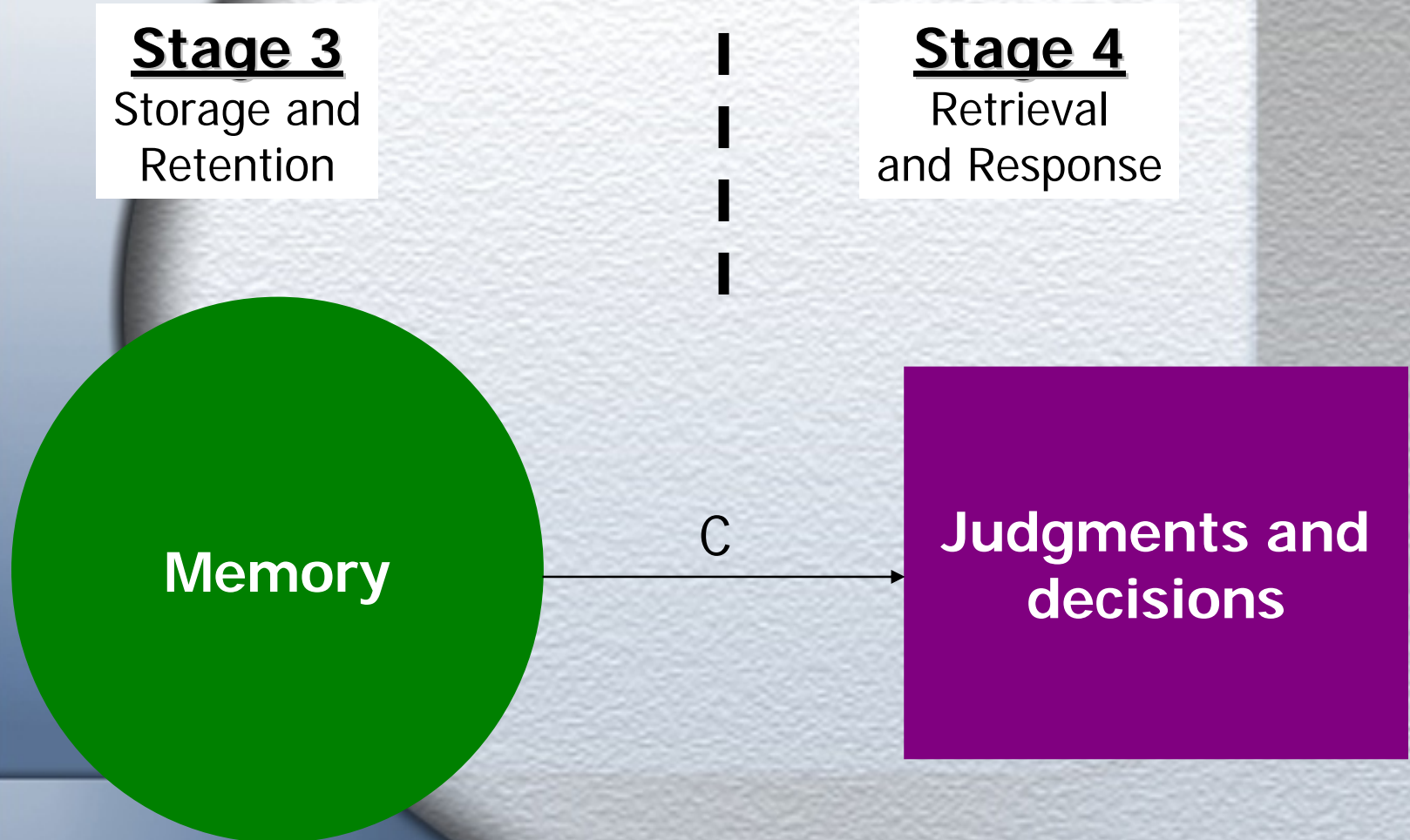
A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

- *People's behavior is based on their perception of what reality is, not on reality itself.*
- *The world as it is perceived is the world that is behaviorally important.*

Social Perception: A Social Information Processing Model



Social Perception: A Social Information Processing Model (continued)



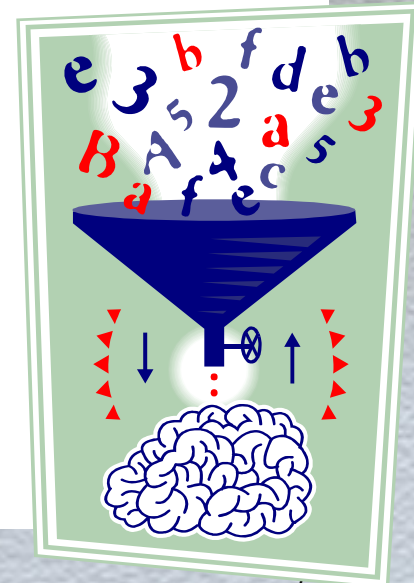
Social Information Processing Model of Perception

Stage 1: Selective Attention/Comprehension

- Attention is the process of becoming aware of something or someone
- People pay attention to salient stimuli

Stage 2: Encoding and Simplification

- Encoding is the process of interpreting environmental stimuli by using information contained in cognitive categories and schemata
- The same information can be interpreted differently by people due to individual differences



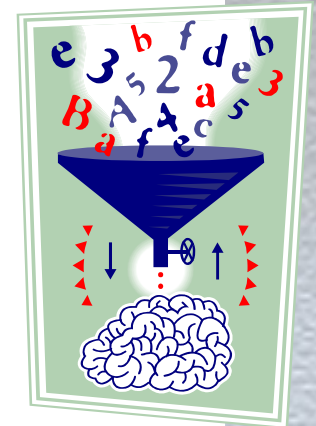
Social Information Processing Model of Perception (continued)

Stage 3: Storage and Retention

- Encoded information or stimuli is sent to long-term memory
- Long-term memory is composed of three compartments containing categories of information about events, semantic materials, and people

Stage 4: Retrieval and Response

- Information is retrieved from memory when people make judgments and decisions



Stereotypes

*A **stereotype** is an individual's set of beliefs about the characteristics of a group of people.*



Characteristics of Stereotypes

- ★ **Are not always negative**
- ★ **May or may not be accurate**
- ★ **Can lead to poor decisions and discrimination**



Common Perceptual Errors

- **Halo**: A rater forms an overall impression about an object and then uses the impression to bias ratings about the object.
- **Leniency**: A personal characteristic that leads an individual to consistently evaluate other people or objects in an extremely positive fashion.
- **Central Tendency**: The tendency to avoid all extreme judgments and rate people and objects as average or neutral.
- **Recency Effects**: The tendency to remember recent information. If the recent information is negative, the person or object is evaluated negatively.
- **Contrast Effects**: The tendency to evaluate people or objects by comparing them with characteristics of recently observed people or objects.



Person Perception: Making Judgments About Others

Attribution Theory

When individuals observe behavior, they attempt to determine whether it is internally or externally caused.

Distinctiveness: shows different behaviors in different situations.

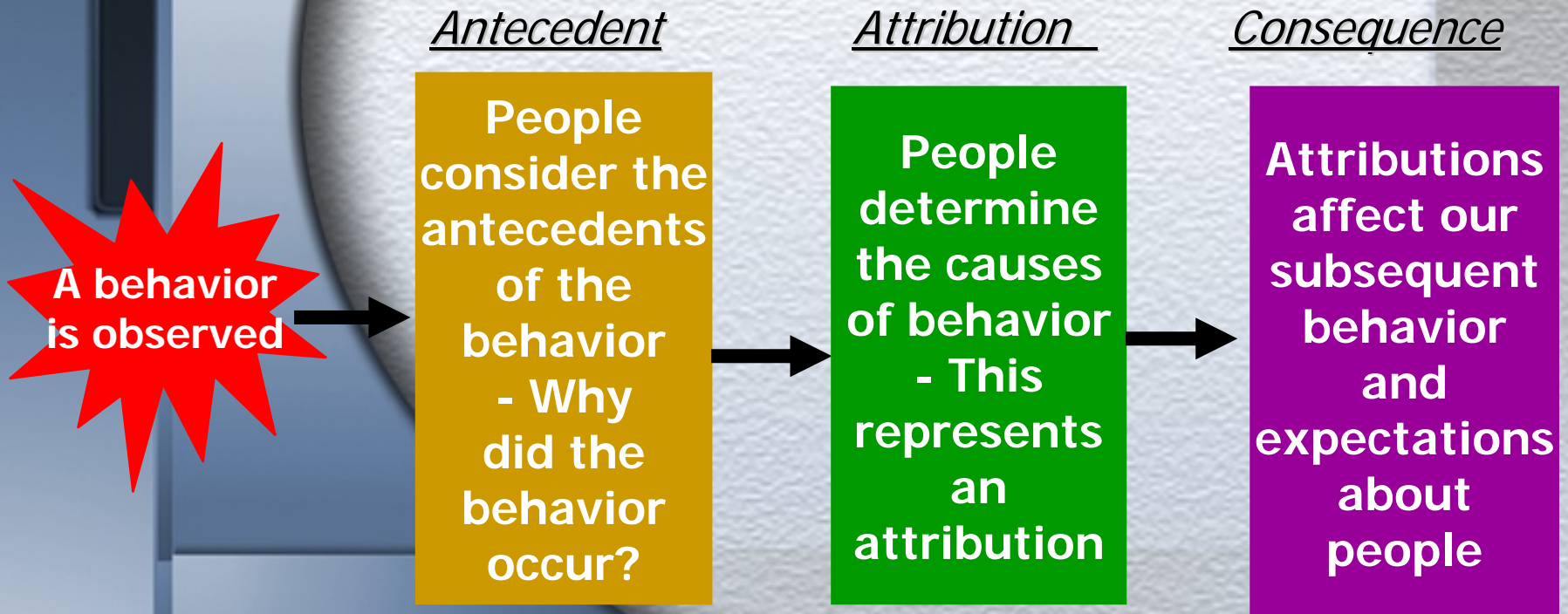
Consensus: response is the same as others to same situation.

Consistency: responds in the same way over time.

Model and Example of Attribution Process

Causal Attributions: Suspected or inferred causes of someone's behavior.

General Model of Attribution Process



Model and Example of Attribution Process (continued)

Attribution Example

Antecedent

Attribution

Consequence

An employee turns in a report that contains many errors

- This employee never did this before.
- The employee is going through a bad divorce.
- This employee is not motivated.

The poor performance was due to personal issues outside of work.

I will go talk to employee and offer support and coaching.

Kelley's Model of Attribution

Basic Premise: An attribution is based on the consensus, distinctiveness, and consistency of the observed behavior.

✓ **Consensus**

- Involves comparing an individual's behavior with that of his or her peers.
- High consistency indicates an individual is different from peers.



✓ **Distinctiveness**

- Involves comparing a person's behavior or accomplishments on one task with the behavior or accomplishments from other tasks.
- Highly distinctive behavior or results represents a situation where the current behavior or result is significantly different from typical behavior or results on other tasks.



Kelley's Model of Attribution (continued)

✓ Consistency

- Involves comparing a person's behavior or accomplishments on a given task over time.
- High consistency implies that a person performs a certain task the same, time after time.

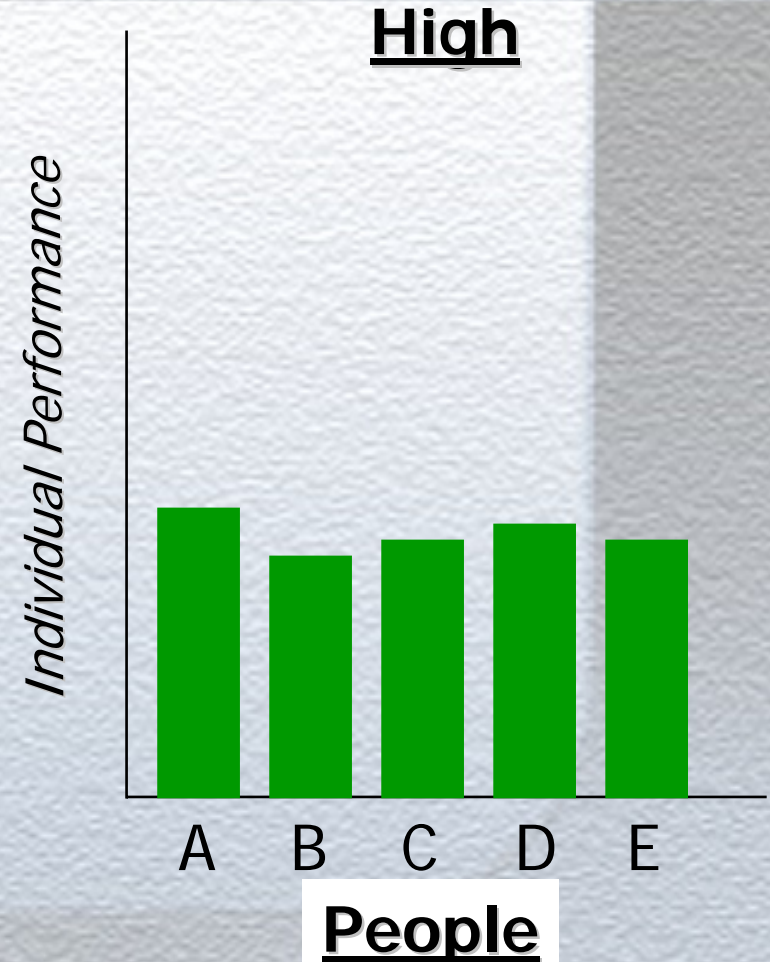
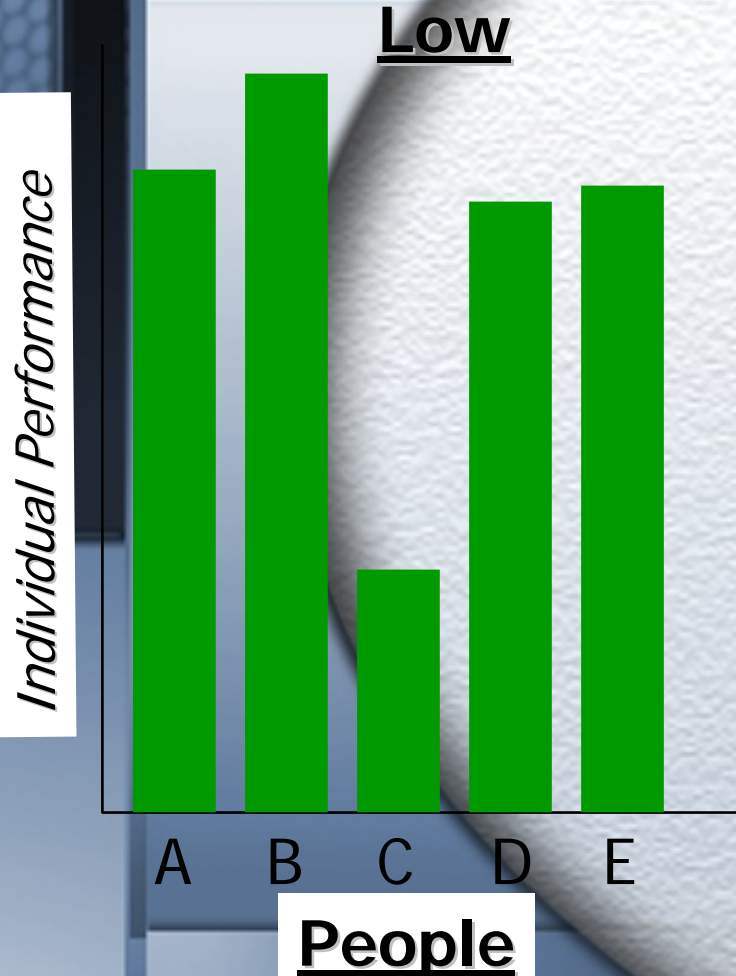


✓ Predictions

- Internal or personal attributions are made when a behavior is associated with low consensus and distinctiveness, and high consistency.
- External or environmental attributions are made when a behavior is related with high consensus and distinctiveness, and low consistency.

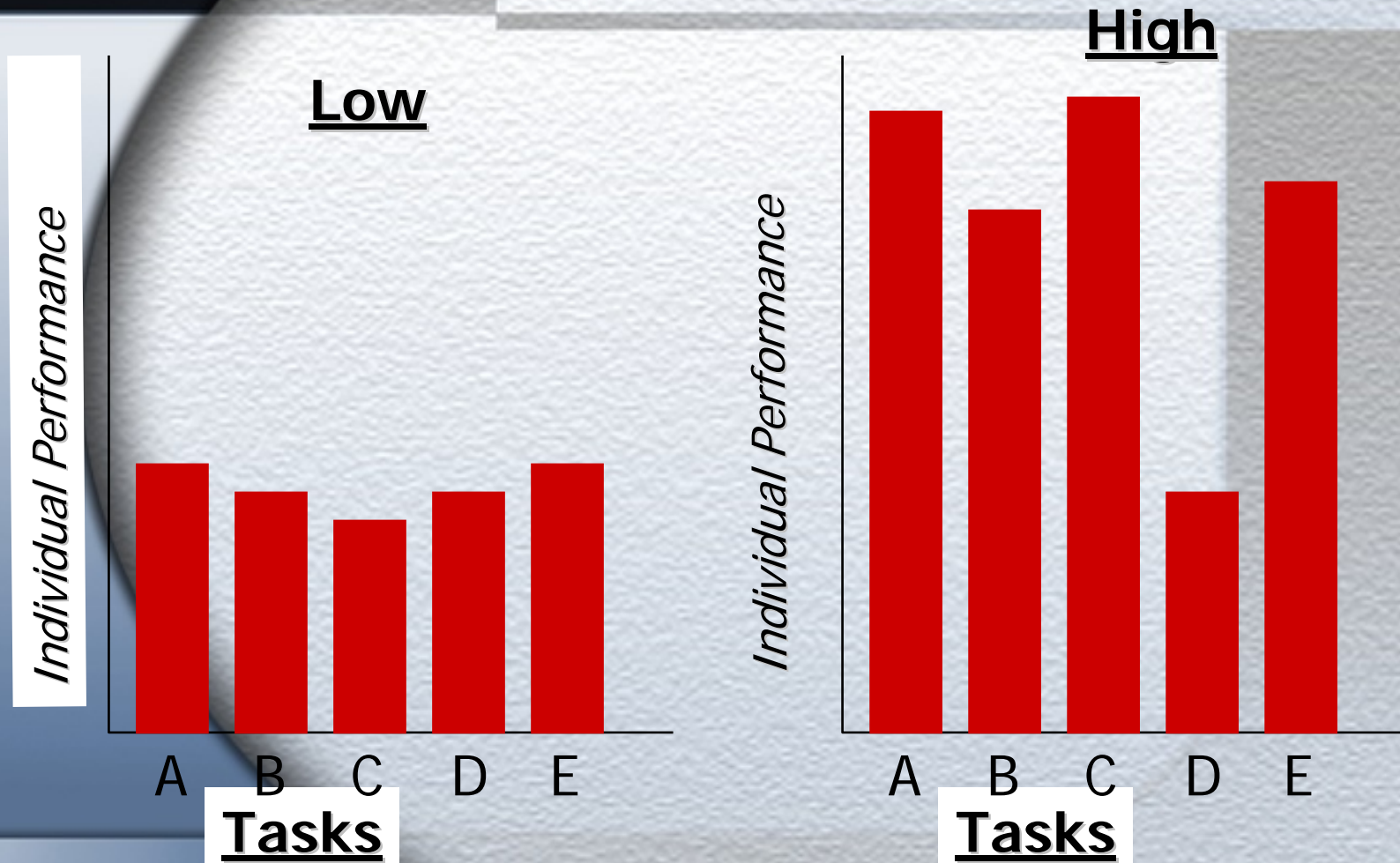


Consensus



Source: KA Brown, "Explaining Group Poor Performance: an Attributional Analysis," *Academy of Management Review*, January 1984, p 56. Used with permission.

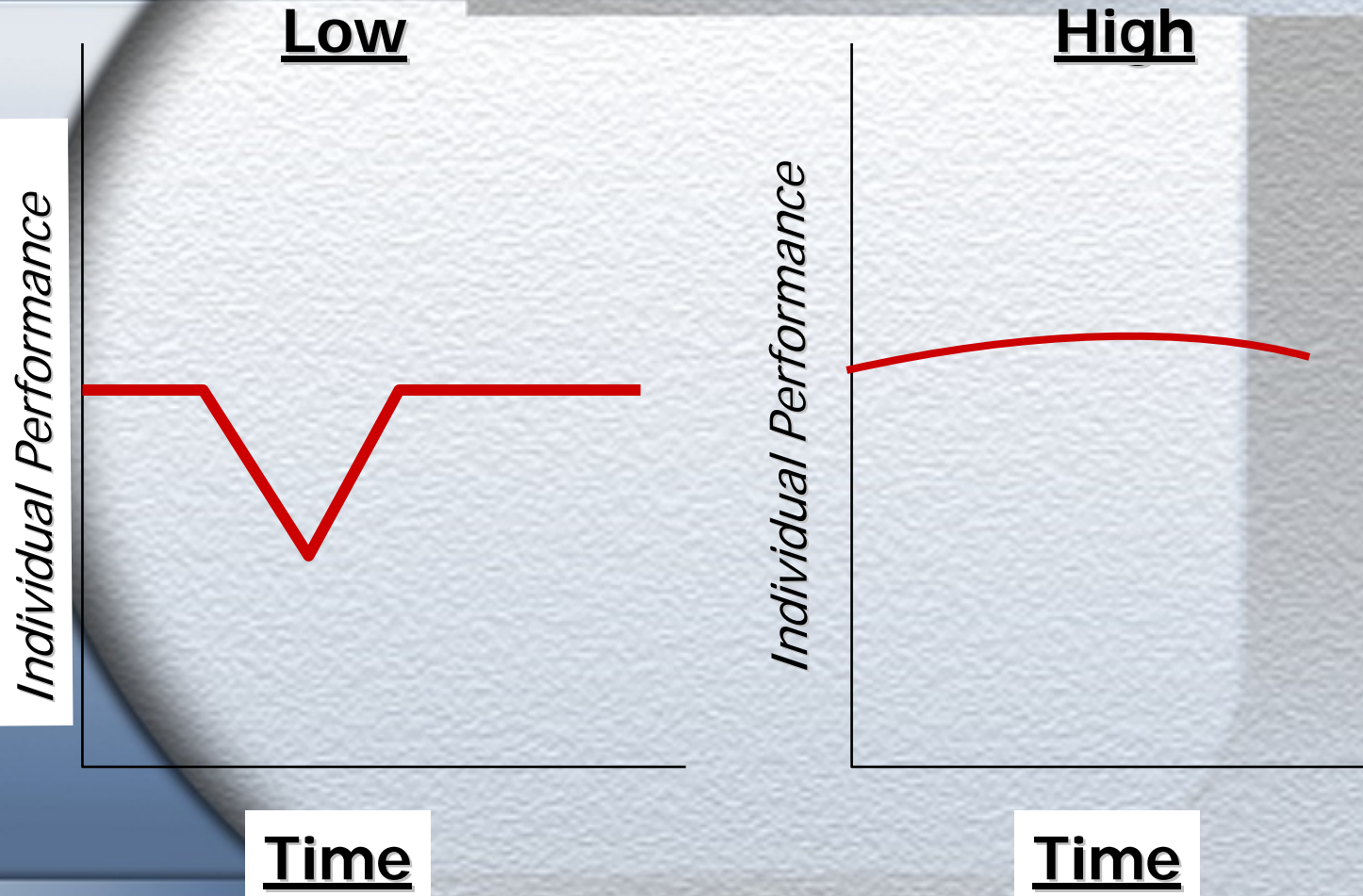
Distinctiveness



Comportamiento organizacional

Source: KA Brown, "Explaining Group Poor Performance: an Attributional Analysis," *Academy of Management Review*, January 1984, p 56. Used with permission.

Consistency



Modified Version of Weiner's Attribution Model

**Judgment/
evaluation**



**Causal analysis
consequences**

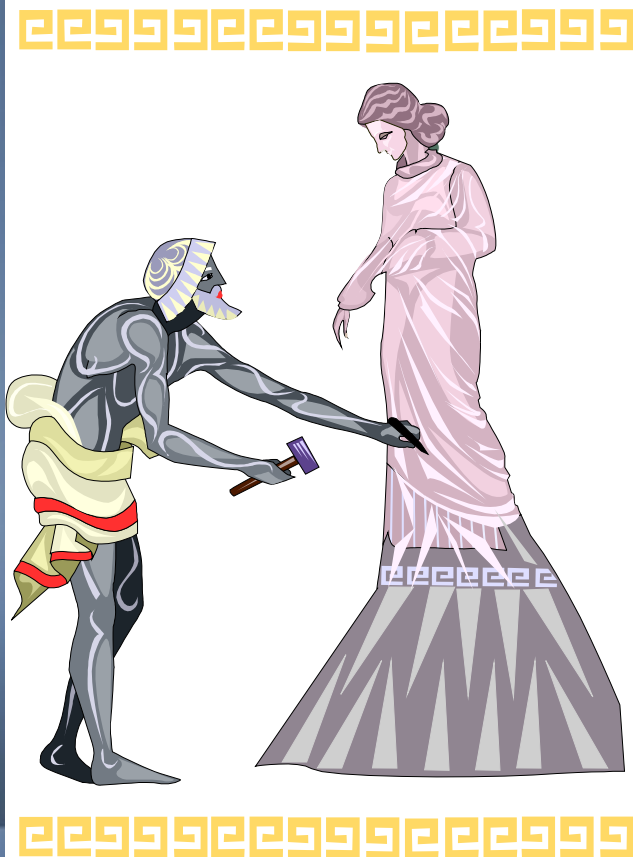


**Psychological
consequences**



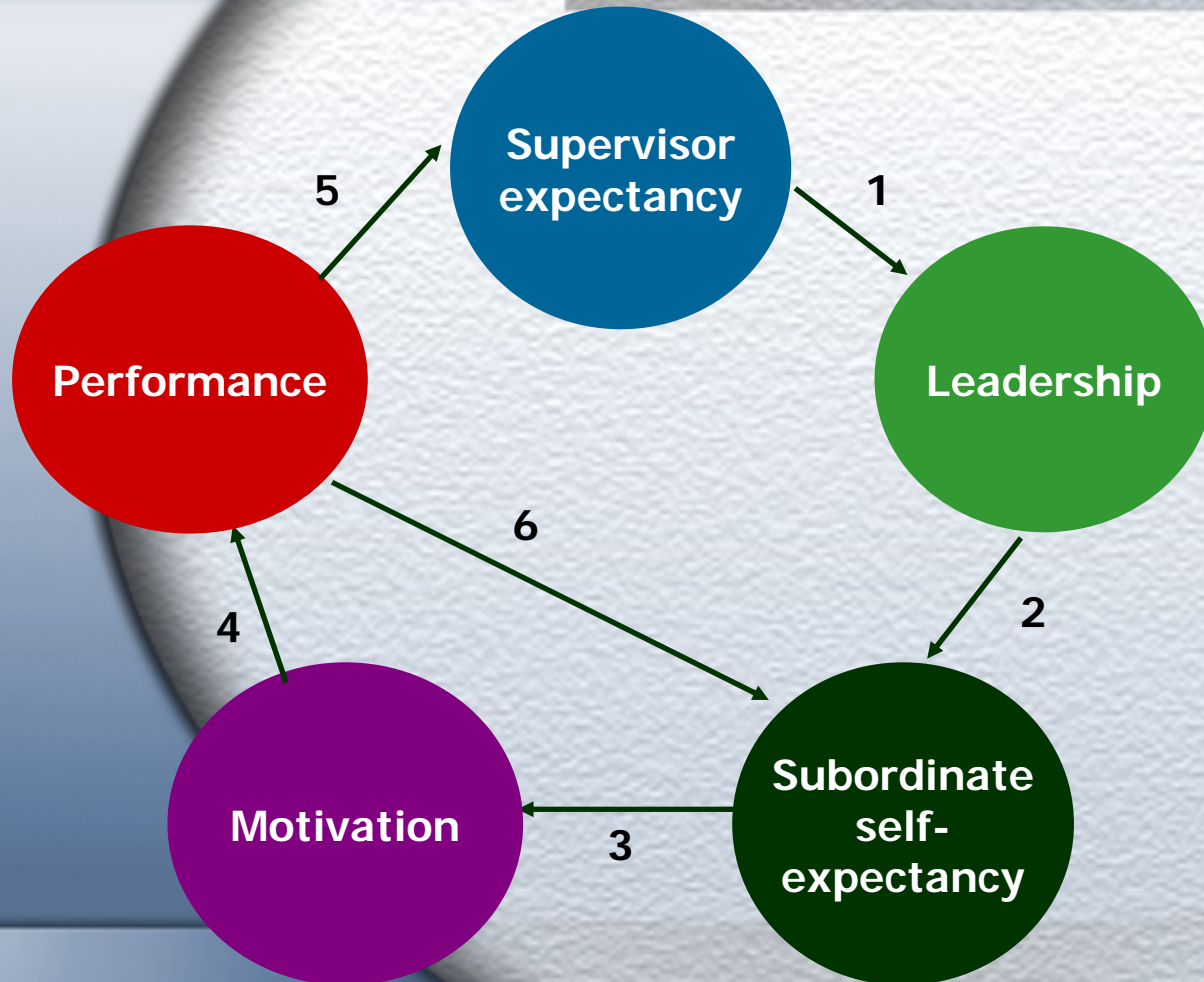
**Behavioral
consequences**

Self-Fulfilling Prophecy



- ★ **Self-Fulfilling Prophecy** or Pygmalion Effect, is that people's expectations or beliefs determine their behavior and performance, thus serving to make their expectations come true

A Model of the Self-Fulfilling Prophecy



Errors and Biases in Attributions

Fundamental Attribution Error

The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others.

Errors and Biases in Attributions (cont'd)

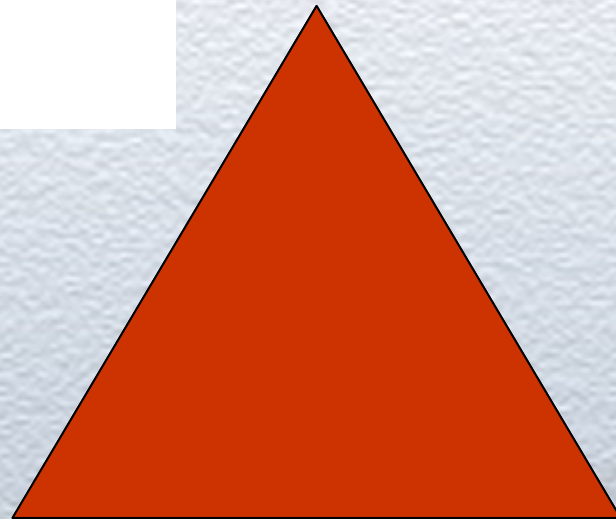
Self-Serving Bias

The tendency for individuals to attribute their own successes to internal factors while putting the blame for failures on external factors.

Frequently Used Shortcuts in Judging Others

Selective Perception

People selectively interpret what they see on the basis of their interests, background, experience, and attitudes.



Frequently Used Shortcuts in Judging Others

Halo Effect

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

Contrast Effects

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

Frequently Used Shortcuts in Judging Others

Projection

Attributing one's own characteristics to other people.

Stereotyping

Judging someone on the basis of one's perception of the group to which that person belongs.

Specific Applications in Organizations

★ Employment Interview

- Perceptual biases of raters affect the accuracy of interviewers' judgments of applicants.

★ Performance Expectations

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

★ Ethnic Profiling

- A form of stereotyping in which a group of individuals is singled out—typically on the basis of race or ethnicity—for intensive inquiry, scrutinizing, or investigation.

Specific Applications in Organizations (cont'd)

★ Performance Evaluations

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

★ Employee Effort

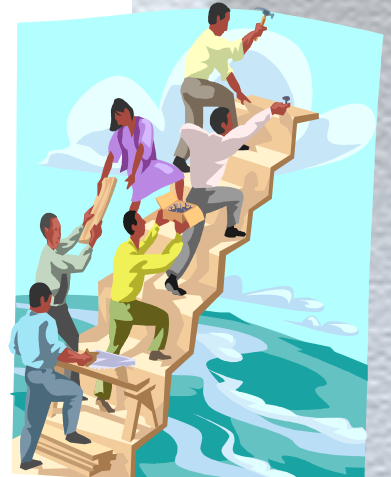
- Assessment of individual effort is a subjective judgment subject to perceptual distortion and bias.

The Four Layers of Diversity



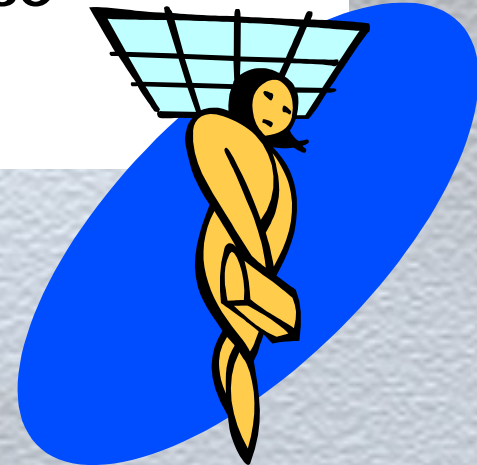
Workforce Demographics

	Percent Entrants 1996-2006	Percent Leavers 1996-2006
Total	100	100
Men	50.4	55.9
Women	49.6	44.1
White (Non-Hispanic)	61.0	68.5
African-American	15.6	20.2
Hispanic	14.9	5.2
Asian and Other Races	8.4	6.1



What are the Strategies for Breaking the Glass Ceiling?

- What were the top four strategies used by women to break the glass ceiling?
- Are you surprised by these results?
- How close was your perception about the importance of the 12 strategies to those identified by the women executives?
What does this gap suggest?



Barriers and Challenges to Managing Diversity

- ① Inaccurate stereotypes and prejudice
- ② Ethnocentrism
- ③ Poor career planning
- ④ Unsupportive and hostile work environment
- ⑤ Lack of political savvy by diverse workers
- ⑥ Balancing career and family issues
- ⑦ Fears of reverse discrimination
- ⑧ Diversity not seen as a priority
- ⑨ Outdated performance appraisal and reward systems
- ⑩ Resistance to change



Specific Diversity Initiatives

- ✓ *Accountability Practices* - Pertain to treating diverse employees fairly
 - Create administrative procedures aimed at integrating diverse employees into management ranks
- ✓ *Development Practices* - Pertain to preparing diverse employees for greater responsibility and advancement
 - Training programs, networks and support groups, and mentoring are frequently used
- ✓ *Recruitment Practices* - Pertain to attracting qualified diverse employees at all levels



Making Decisions



Outline

Models of Decision Making

- The Rational Model
- Simon's Normative Model

Dynamics of Decision Making

- Selecting Solutions: A Contingency Perspective
- General Decision-Making Styles
- Escalation of Commitment
- Creativity

Outline (continued)

Group Decision Making

- Advantages and Disadvantages of Group-Aided Decision Making
- Participative Management
- When to Have Groups Participate in Decision Making: The Vroom/Yetton/Jago Model
- Group Problem-Solving Techniques

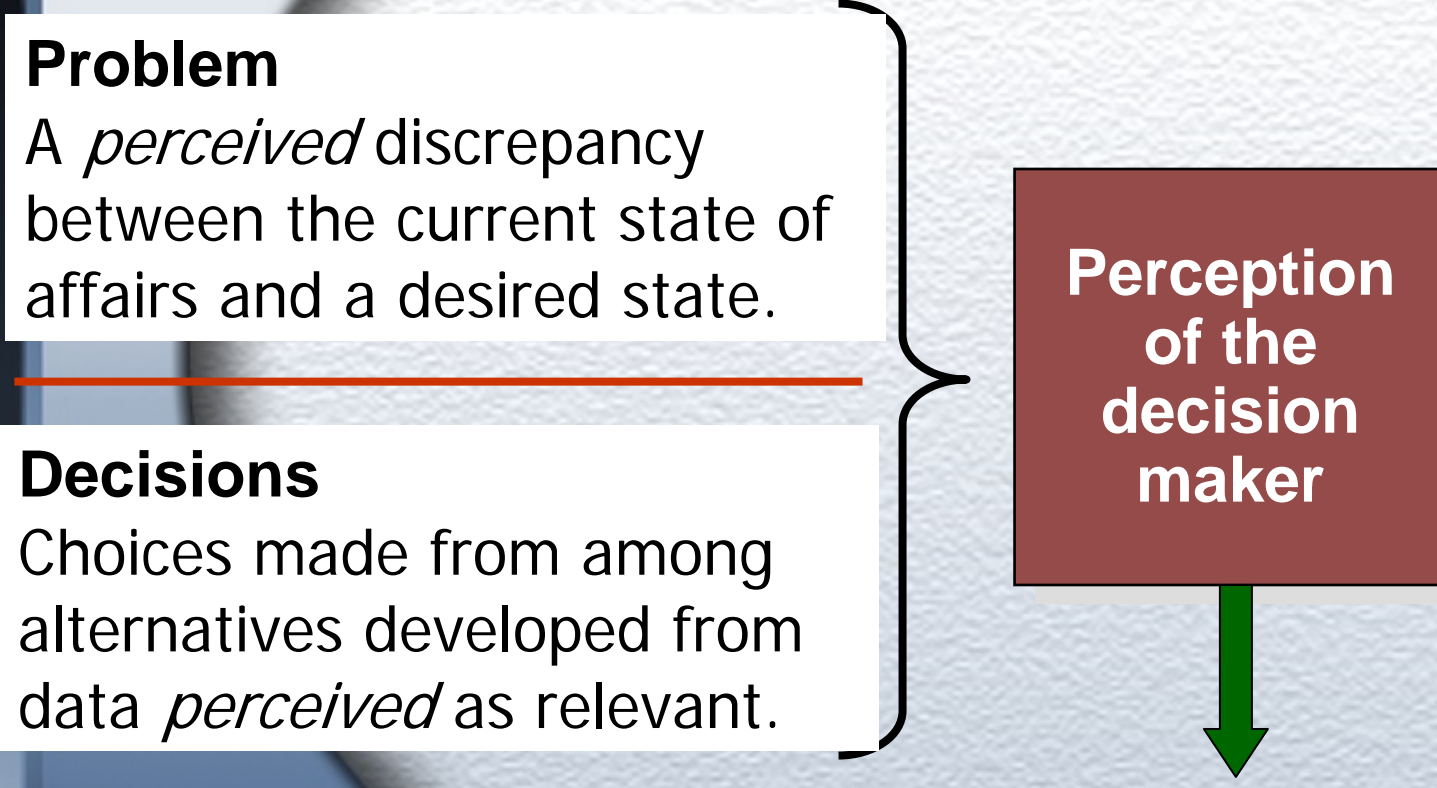
The Link Between Perceptions and Individual Decision Making

Problem

A *perceived* discrepancy between the current state of affairs and a desired state.

Decisions

Choices made from among alternatives developed from data *perceived* as relevant.



Perception
of the
decision
maker

The diagram consists of two white boxes on the left containing the definitions of 'Problem' and 'Decisions'. A large black bracket on the right side of these two boxes points to a dark red box containing the text 'Perception of the decision maker'. A green arrow points downwards from this red box to the word 'Outcomes'.

Outcomes

Assumptions of the Rational Decision-Making Model

Rational Decision-Making Model

Describes how individuals should behave in order to maximize some outcome.

Model Assumptions

- Problem clarity
- Known options
- Clear preferences
- Constant preferences
- No time or cost constraints
- Maximum payoff

The Rational Model of Decision Making

- Consists of a structured four-step sequence
 - * **identifying the problem**
 - * **generating alternative solutions**
 - * **selecting a solution**
 - * **implementing and evaluating the solution**



Simon's Normative Model of Decision Making

- Based on premise that decision making is not rational
- Decision making is characterized by
 - * limited information processing
 - * use of judgmental heuristics
 - * Satisficing



Judgmental Heuristics

Availability Heuristic: A decision maker's tendency to base decisions on information that is readily available in memory.

Representativeness Heuristic: The tendency to assess the likelihood of an event occurring based on one's impressions about similar occurrences.

Judgmental Heuristics (cont)

Satisficing: Choosing a solution that meets a minimum standard of acceptance

A Contingency Model for Selecting a Solution

Characteristics of Decision Task:

The decision problem

- * Unfamiliarity
- * Ambiguity
- * Complexity
- * Instability

The decision environment

- * Irreversibility
- * Significance
- * Accountability
- * Time and/or money constraints

Generating alternatives

Strategies to select a solution

- * Aided analytic
- * Unaided-analytic
- * Nonanalytic

Characteristics of Decision Maker

- * Knowledge
- * Ability
- * Motivation
- * Risk Propensity
- * Decision Making Style

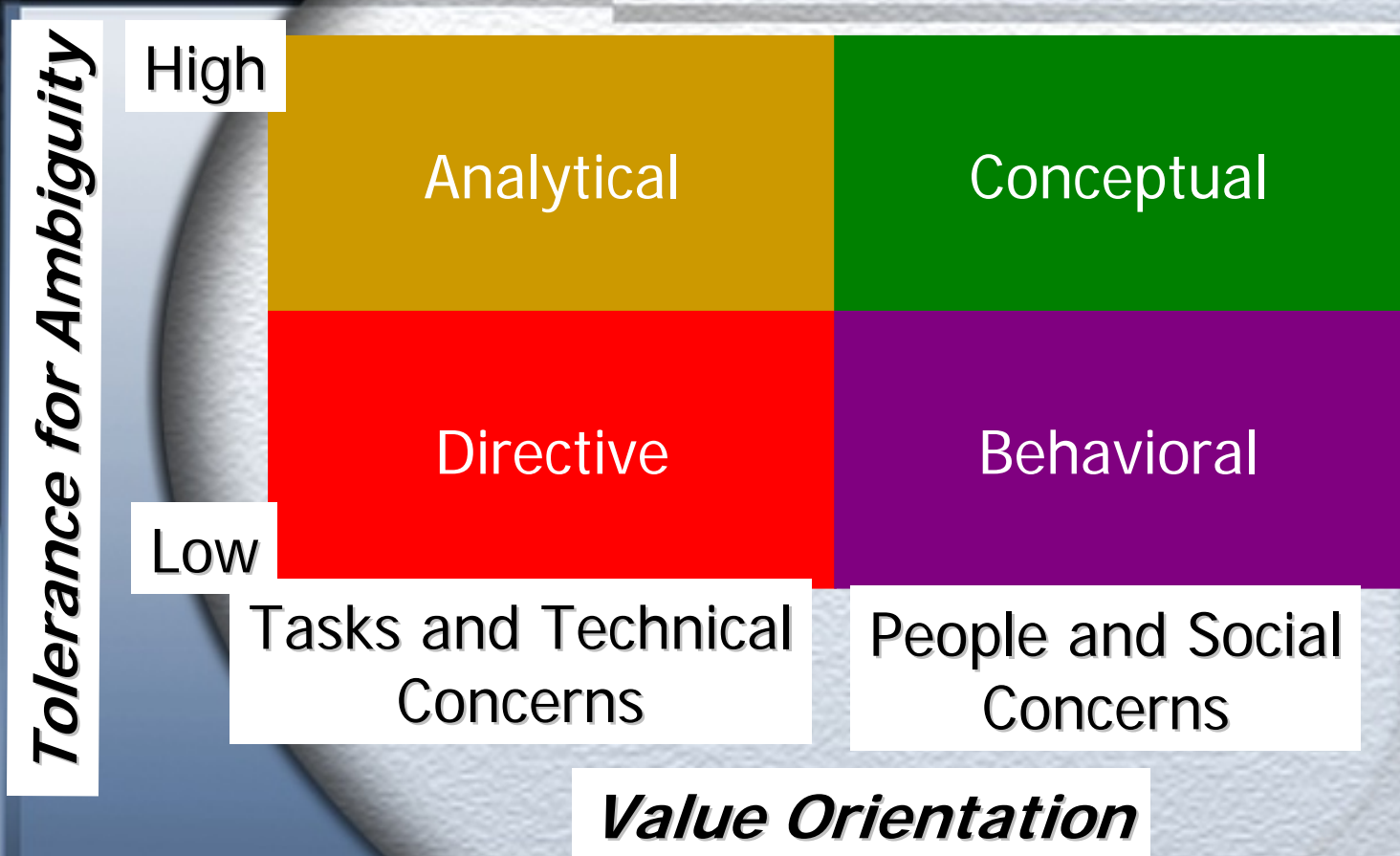
Contingency Relationships in Decision Making

1. **Analytic Strategies are used when the decision problem is unfamiliar, ambiguous, complex, or unstable**
2. **Nonanalytic methods are employed when the problem is familiar, straightforward, or stable.**
3. **Assuming there are no monetary or time constraints, analytic approaches are used when the solution is irreversible and significant and when the decision maker is accountable.**
4. **Nonanalytic strategies are used when the decision can be reversed and is not very significant or when the decision maker is not held accountable.**

Contingency Relationships in Decision Making (cont)

5. As the probability of making a correct decision goes down, analytic strategies are used.
6. As the probability of making a correct decision goes up, nonanalytic strategies are employed.
7. Time and money constraints automatically exclude some strategies from being used.
8. Analytic strategies are more frequently used by experienced and educated decision makers.
9. Nonanalytic approaches are used when the decision maker lacks knowledge, ability, or motivation to make a good decision.

Decision Making Styles

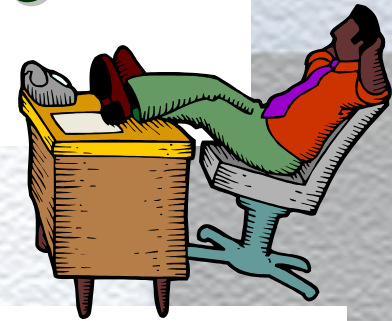


What is Your Decision Making Style?



- Which of the four styles best represents your decision-making style? Which is least reflective of your style?
- How do your scores compare with the following norms: *directive (75)*, *analytical (90)*, *conceptual (80)*, and *behavioral (55)*?
- What are the advantages and disadvantages of your decision-making style?

Skills and Best Practices: Recommendations to Reduce Escalation of Commitment



1. **Set minimum targets for performance, and have decision makers compare their performance with these targets.**
2. **Have different individuals make the initial and subsequent decisions about a project.**
3. **Encourage decision makers to become less ego-involved with a project.**
4. **Provide more frequent feedback about project completion and costs.**
5. **Reduce the risk of penalties of failure.**
6. **Make decision makers aware of the costs of persistence.**

Escalation of Commitment

Psychological and Social Determinants

- * Ego defense
- * Individual motivators
- * Peer pressure
- * Saving face

Organizational Determinants

- * Breakdown in communication
- * Politics
- * Organizational inertia

Project Characteristics

- * A delayed return on the investment
- * Setbacks attributed to temporary causes

Contextual Determinants

- * External political pressure

Escalation
of
commitment

Poor results
or
outcomes

Stages Underlying the Creative Process

1. **Preparation:** Reflects the notion that creativity starts from a base of knowledge.
2. **Concentration:** Where an individual concentrates on the problem at hand.
3. **Incubation:** Done unconsciously. During this stage, people engage in daily activities while their minds simultaneously mull over information and make remote associations.
4. **Illumination:** Remote associations from the incubation stage are ultimately generated.
5. **Verification:** Entails going through the entire process to verify, modify, or try out the new idea.



How Are Decisions Actually Made in Organizations

Bounded Rationality

Individuals make decisions by constructing simplified models that extract the essential features from problems without capturing all their complexity.

How Are Decisions Actually Made in Organizations (cont'd)

- * How/Why problems are identified
 - Visibility over importance of problem
 - * Attention-catching, high profile problems
 - * Desire to “solve problems”
 - Self-interest (if problem concerns decision maker)
- * Alternative Development
 - Satisficing: seeking the first alternative that solves problem.
 - Engaging in incremental rather than unique problem solving through successive limited comparison of alternatives to the current alternative in effect.

Requirements for Effective Group Decision Making

- 1) **Developing a clear understanding of the decision situation**
- 2) **Developing a clear understanding of the requirements for an affective choice**
- 3) **Thoroughly and accurately assessing the positive qualities of alternative solutions**
- 4) **Thoroughly and accurately assessing the negative qualities of alternative solutions**

Advantages and Disadvantages of Group-Aided Decision Making

Advantages

2. Different perspectives
3. Greater comprehension
4. Increased acceptance
5. Training ground



Disadvantages

2. Minority domination
3. Logrolling
4. Goal displacement
5. "Groupthink"



Participative Management



- ★ **Participative Management** the process whereby employees play a direct role in:
 - Setting goals
 - Making decisions
 - Solving problems
 - Making changes in the organization

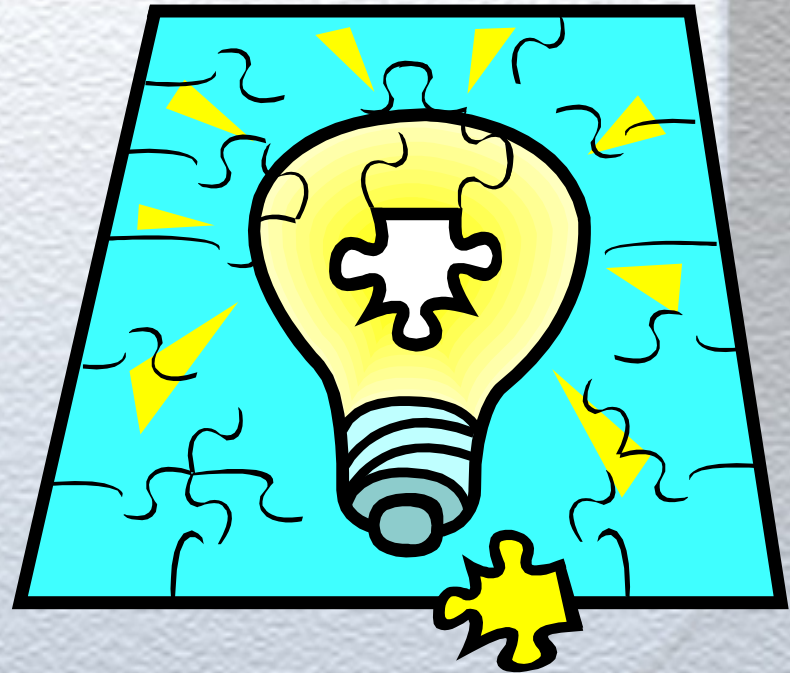
Group Problem Solving Techniques

- ✦ **Consensus** presenting opinions and gaining agreement to support a decision
- ✦ **Brainstorming** process to generate a quantity of ideas
- ✦ **Nominal Group Technique** process to generate ideas and evaluate solutions
- ✦ **Delphi Technique** process to generate ideas from physically dispersed experts
- ✦ **Computer-Aided Decision Making**



Creativity

- ✦ **Creativity** process of developing something new or unique



The Three Components of Creativity

Creativity

The ability to produce novel and useful ideas.

Three-Component Model of Creativity

Proposition that individual creativity requires expertise, creative-thinking skills, and intrinsic task motivation.

Stages of the Creativity Process

Preparation



Concentration



Incubation



Illumination



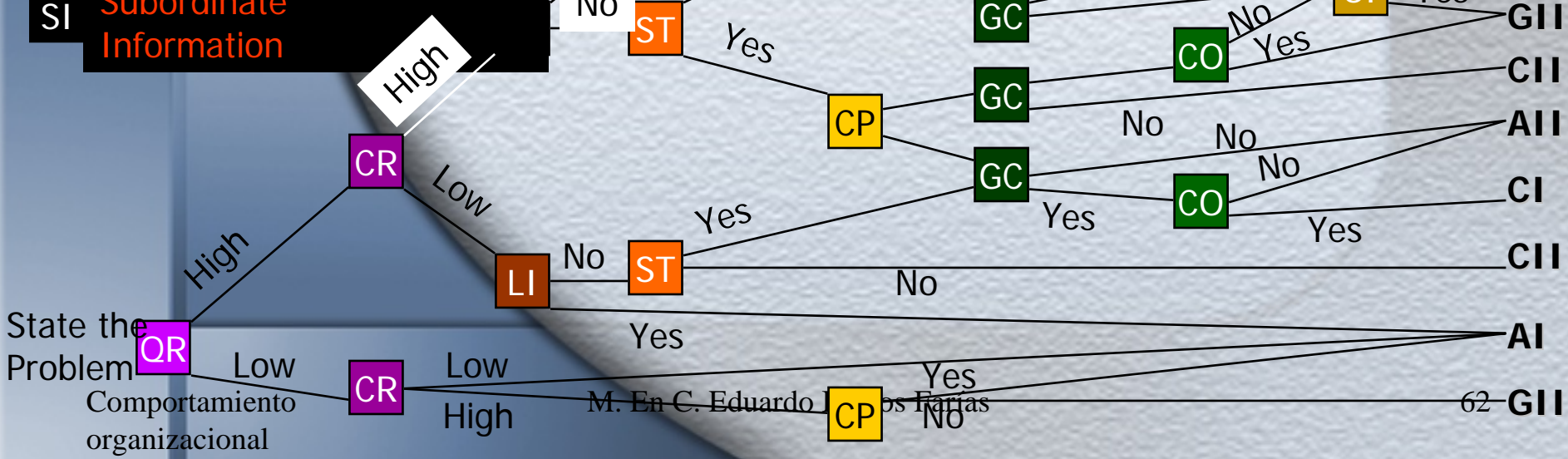
Verification

Management Decision Styles

- AI** - You solve the problem or make the decision yourself, using information available to you at that time.
- AII** - You obtain the necessary information from your subordinate(s), then decide on the solution to the problem yourself.
- CI** - You share the problem with relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then you make the decision that may or may not reflect your subordinates' influence.
- CII** - You share the problem with your subordinates as a group, collectively obtaining their ideas and suggestions. Then you make the decision that may or may not reflect your subordinates' influence.
- GII** - You share a problem with your subordinates as a group. Together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution.

Vroom and Jago's Decision-Making Model

- QR Quality Requirement
- CR Commitment Requirement
- LI Leader's Information
- ST Problem Structure
- CP Commitment Probability
- GC Goal Congruence
- CO Subordinate Conflict
- SI Subordinate Information



Common Biases and Errors

- ★ Overconfidence Bias
 - Believing too much in our own decision competencies.
- ★ Anchoring Bias
 - Fixating on early, first received information.
- ★ Confirmation Bias
 - Using only the facts that support our decision.
- ★ Availability Bias
 - Using information that is most readily at hand.
- ★ Representative Bias
 - Assessing the likelihood of an occurrence by trying to match it with a preexisting category.

Common Biases and Errors

- ★ Escalation of Commitment
 - Increasing commitment to a previous decision in spite of negative information.
- ★ Randomness Error
 - Trying to create meaning out of random events by falling prey to a false sense of control or superstitions.
- ★ Hindsight Bias
 - Falsely believing to have accurately predicted the outcome of an event, after that outcome is actually known.

Intuition

- ✦ Intuitive Decision Making
 - An unconscious process created out of distilled experience.
- ✦ Conditions Favoring Intuitive Decision Making
 - A high level of uncertainty exists
 - There is little precedent to draw on
 - Variables are less scientifically predictable
 - “Facts” are limited
 - Facts don’t clearly point the way
 - Analytical data are of little use
 - Several plausible alternative solutions exist
 - Time is limited and pressing for the right decision

Organizational Constraints on Decision Makers

- ✱ Performance Evaluation
 - Evaluation criteria influence the choice of actions.
- ✱ Reward Systems
 - Decision makers make action choices that are favored by the organization.
- ✱ Formal Regulations
 - Organizational rules and policies limit the alternative choices of decision makers.
- ✱ System-imposed Time Constraints
 - Organizations require decisions by specific deadlines.
- ✱ Historical Precedents
 - Past decisions influence current decisions.

Cultural Differences in Decision Making

- ★ Problems selected
- ★ Time orientation
- ★ Importance of logic and rationality
- ★ Belief in the ability of people to solve problems
- ★ Preference for collect decision making

Ethics in Decision Making

★ Ethical Decision Criteria

– Utilitarianism

- ★ Seeking the greatest good for the greatest number.

– Rights

- ★ Respecting and protecting basic rights of individuals such as whistleblowers.

– Justice

- ★ Imposing and enforcing rules fairly and impartially.

Ethics in Decision Making

- ★ Ethics and National Culture
 - There are no global ethical standards.
 - The ethical principles of global organizations that reflect and respect local cultural norms are necessary for high standards and consistent practices.

Ways to Improve Decision Making

1. Analyze the situation and adjust your decision making style to fit the situation.
2. Be aware of biases and try to limit their impact.
3. Combine rational analysis with intuition to increase decision-making effectiveness.
4. Don't assume that your specific decision style is appropriate to every situation.
5. Enhance personal creativity by looking for novel solutions or seeing problems in new ways, and using analogies.