

**International Journal of Biology, Pharmacy
and Allied Sciences (IJBPAS)**

'A Bridge Between Laboratory and Reader'

www.ijbpas.com

**THE EFFECT OF MANAGEMENT ORGANIZATIONAL STRUCTURE AND
CULTURE ON THE PERCEPTIONS OF INDIVIDUALS AS HUMAN CAPITAL**

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ABSTRACT

Nowadays, human resources are the most important resources of any organization and refers to as "human capital", because in fact this is human resources that apply other resources of organization such as financial resources, information and etc. and use them in order to achieve organizational goals. If the workforces do not have necessary skills for using these resources properly and effectively, no doubt, the organization will not achieve its predetermined goals. Perception is one of the most important issues of organizational behavior. Perception is important because each person's perception of reality will form his or her acts and the person's acts and expectations have effect on others' reactions. Therefore, managers by realization of perception process can understand why different persons react different to a same subject and also realize different aspects of persons' behavior. Perception also can affect the process of creating new businesses and effectiveness of entrepreneurs. This article will examine the effects of perception process on managers' and entrepreneurs' effectiveness from different aspects.

**Keywords: Effectiveness, Perception process, Entrepreneurship, Behavioral reactions,
Human capital management**

INTRODUCTION

The experts at behavioral sciences has defined perception process as : "perception is a process by which the person interprets his or her feeling intending to signify his or her environment".(Robbins,2007)In other words, the interpretation of environmental stimuli is called perception.(Rezaiyan, 2012) The notable point is that human's behaviors are formed based on his perception, not the reality itself. That is why different people have different viewpoints about a same subject. The truth is that none of us behold the reality as it is, we just look at a thing, interpret it and then call it as reality.(Robbins, 2007)"The outer world of each person's mind is influenced by his inside world and and his recognition of this world and its phenomena are influenced by what he has perceived, however, the reality might be something else."Peoplereact entirely differently when they encounter with the same information, situations and incidents and everyone tends to confirm his own opinion. Moreover, our perceptions impact on the others' behavior. In other words, our perception forms our behavior then the other person perceives our behavior and his perception forms a reaction to our behavioiur. Therefore, realization of perception process is of paramount

importance for managers dealing with human resources. If the other person misperceive our behavior he shows wrong reactions to our behavior naturally. On the other hand, our perception might include perceptual errors and our wrong behavior affect the other person's behavior. Our behavior in working environments are important to achieve the organizational goals. Our wrong decisions which are based on our wrong perceptions of a reality could waste the organizational resources and prevent the organization from achieving its goals. Perception almost affect all of the behavior of people in the environment and recognition of perception process in order to form our behaviors and impact on the others' behavioris of utmost importance for managers.

2. Psychology of Perception

Information sent to the brain by sensory systems are separate and distinct but they are integrated in the brain during the perceptual process and they are compared with previous experiences, thus special feelings make sense and these perceptions are used for recognition of the world. In modern psychology feelings and perception are presented as sensory perception based on achievements of empirical science, especially physiology and experimental psychology. In these sciences sensory perception is a process

which initiates in the reality of physical and chemical stimuli of the environment and terminates in quality of living creatures' reactions and psychological interpretation which lead to compatibility with the environment. It means that every living creature including animals or humans have receptive mechanisms which help them receive some information about alterations and transformations of the outer or inner world and by reacting show compatible behavior as quick and efficient as possible. Human complex nervous system paves the way for discovery and perception of the environment after analysis and interpretation of stimuli. Living creatures not only feel the quality and quantity with help of their receptive organisms, but also they show the best compatibility by applying experience. Perception behaviorists believe that perceptual behavior is a response from living creatures which always looks for the inner or outer stimulant effect.

Humans usually respond to elective stimuli and separate particular groups from all of the sensory stimulation and respond to them in a particular way. In many cases the nature of response depends on the context in which the stimulus is perceived. Note that such perceptual responses might be based on perception errors, for instance, our perception

of the environmental stimuli such as light, heat, sound, color, shape and so on and internal and physiologic stimuli is not exactly precise and correct. We often make perceptive errors. In modern psychological, perception is a mental or psychic process which is responsible for selection and organization of sensory information and eventually signifying them actively. In other words, perception phenomenon is a mental process during which sensory experiences are signified then humans realize the relationship of affairs and the object meanings. This process occurs in the brain so fast that it seems simultaneous with the feelings. Sensory experiences, concepts and the resulting notions, the person's incentive and the situation which perception takes place in contribute to the process. Perception process includes three stages: selection, organization and interpretation. (Bokeno, 2011)

It should be taken into consideration that humans are not influenced by just one stimulus, but a collection of stimuli which are related to sensory, spatial and temporal receivers and their interaction in a particular situation form a phenomenon in humans' minds. Therefore, no perception would take place without selection a particular stimulus and without perceptual organization and continuous mental activity. Thus, the mind

categorizes and ranks the input information with the help of the existing data and its potential power. Perception also is not the result of separate feelings, but the person's mind realized them as a meaningful and interrelated collection. During the selection of this collection, pre-perceptual assumptions, previous learning and experiences and motivational state are provided quickly at the moment of perception and play a key role in perception. Thus, perception takes place according to perceptual expectations and prejudice that might lead to error. (Shayesteh, 2012)

Influential factors in perception are: the person who perceives, situation and goal. Personal characteristics of people affect their perception and interpretation of their surrounding phenomena. Personal factors affecting the person's perception are: attitudes, incentives, favorites, previous experiences and person's expectations (Inamori, Analoui, 2010). The situations and context in which we behold incidents and phenomena affect our perceptions, including social environment, environmental variables, time, place, etc. Goals or features of the observed phenomena might influence on what is perceived. Novelty, motion, sound, size, context and adjacency are some features

of the observed phenomena or goals that might influence on beholders' perceptions.

3. Effects of organizational culture and structure on people's perceptions

Organizational culture and structure as state variables are influential on the quality of people's perceptions of realities of working environment. A complex collection of values, beliefs, assumptions and symbols shared among members of an organization is called organizational culture. (Wang, Su, Dongtao, 2011) For instance, if the organizational culture is such that the atmosphere of the organization is competitive, people would behave differently according to the dominant culture of the organization. People might be on the defensive in such environment and they might perceive the other's comments and actions so challenging and threatening and watch their competitors' behavior in the organization in order to surpass them and attenuate their competitors.

Organizational structure plays a significant role in helping managers to achieve their goals and pursuing the company's strategies. (Tavitiyaman, Zhang, Qiu, 2012)

Organizational structure also could affect organization members' perceptions of each others' actions. Organizational structure is an approach by which we can combine people

and careers and define the governing rules and relationships among them. (Robbins, 2007) People usually perceive the environmental incidents in the organization according to the level of the organization they work for or based on the organizational unit in which the incident happens. For example, if the personnel of an organization are questioned about a same subject, each of them would answer based on his skills and the unit he worked in. E.g., sales managers would consider selling products as the most pivotal issue of the organization, while production manager would evaluate production issues as the most cardinal issue of the organization. (Rezaiyan, 2012)

4. Managers' perception and effectiveness

When managers achieve the organizational goals they would be called efficacious managers. (Sayed Javadin, 2007) Effectiveness is defined as managers' success rate in selecting appropriate goals and achieving them (Papadimitriou, 2007). Drucker, management expert and great scholar, believes effectiveness is the secret of organizations' success. (Stoner, 2003) Managers plot their strategies according to the environmental incidents in order to achieve the organizational goals. Each manager has a different perception based on

his own apprehension of environmental incidents.

A manager might consider the incidents of environment as an opportunity for his organization and he plots his strategies to make maximum use of the opportunity, while another manager might perceive the same incidents as threats and he plots his strategies to decrease the environmental threats. Managers perceptions form their decisions which are behavior formed based on reality. Effectiveness of the decisions relies on the correct perceptions of reality. If their perceptions are wrong they would plot wrong strategies and make wrong decisions. Strategies mobilize and integrate the organization's resources to achieve the goals. Ergo, a wrong strategy mobilizes all the resources of the organization in order for failure and the organization might incur considerable damage due to the wrong strategy which is base on wrong perceptions. But if managers are informed about perceptual errors they would perceive the reality of the outer and inner environment of their organization correctly. Then, they would plot strategies correctly in accordance with correct perceptions and they would mobilize their resources in order for success. After awhile, these efficacious strategies would lead to organization success

and would turn the organization into pioneer of industry.

5. Particular applications of perception in organization

As mentioned, perception impacts on various aspects of managers' and organization members' behavior. Some of the perception applications in organization are: job interview, performance evaluation, employees' effort, employees' royalty, decision-making.

- Job interview: volunteers' interviews play a key role in their employment. But evidences signify that interviewers often have incorrect perceptual judgments, moreover, interviewers consensus is often poor. It means that interviewers pay attention to different things about volunteers, therefore, they come different conclusions about them. Generally interviewers often are influenced by primary effects and commit them to memory. If at the beginning of the interview negative information is given usually it would draw more attention than if the same information is given at the end. According to studies, most of the interviewers hardly ever change their decisions after the first four or five minutes of the interview, thus the first given information is more important than the next information.

More importantly, what a person considers as good might be considerably different from what the other person considers as good, because interviews usually lack fixed structures. Interviewers are distinguished by what they consider as the criterion of a good volunteer. Judgments of different interviewers about one volunteer might be significantly different. since job interview plays a key role in the selection of people, realization of effective factors in employment is essential.

- Performance evaluation: performance evaluation is defined as formal and systematic process of identifying, observation, measurement, registration and development of strengths and weaknesses related to employees' job.(Palaiologos, Papazekos, Panayotopoulou, 2011)Performance evaluation of each employee largely depends on the perceptual process.The future of every employee is exactly connected with his evaluation. Promotion, salary increase and continuity of employment are some of the obvious results. The evacuation could be objective or subjective. For example, a sales representative could be evaluated by his sales rate in his zone, but many careers could not be evaluated easily and based on objective criteria.

These career could be evaluated based on subjective criteria because implementation of subjective scales is easier and gives more authority to managers. Subjective criteria are judgments which provide the ground for evaluation of the employee based on his general work. the way of applying subjective scales would have major impact on the results of employees' evaluation.

- Employees' effort: the future of the person in an organization is not only based on his performance. Many organizations take care with the level of each employee's effort. Just as teachers consider the perseverance of students along with their performance in the exam of a lesson; most of the managers act in such a way. It is the evaluation of efforts or subjective judgments which prepares the person accepting the perceptual biases and deviations. Some of the experts claim that personnel are more dismissed due to lack of discipline than lack of work power. Therefore, evaluation of employees' efforts has the greatest influence on the person's future in the organization.

- Employees' loyalty: manager's judgment about employees is whether they are loyal to the organization or not. Employee's loyalty to organization equals to their strong desire for being a member of the organization and struggling for the

organization and believing in values and collective goals of the organization.(Turkyilmaz, Akman, Ozkan, Pastuszak, 2011)Few organizations appreciate their personnel especially those who are in management category, as the result, they do not value the organization too. Moreover, in some organizations if rumor has it that an employee is seeking for job opportunity out the organization, he might be labelled as disloyal and lose all the future progress opportunities.

It is not important that organizations have the right to demand for employees' loyalty or they do not; most of the organizations expect their personnel to be loyal, while evaluation of loyalty or commitment of a person is almost a subjective judgment. What a decision maker might consider as loyalty, the other might account as excessive adaptation and adjustment with the organization. E.g., if an employee questions the senior manager's decisions some might interpret it as disloyalty, while some others might account it as sympathy and interest for the organization. When a person's attitude about loyalty is evaluated it should be taken into consideration that we deal with people's perception and we judge based on them.

- Relationship between perception and personal decision-making: People make

decisions in organization, it means they select one solution from two or more. Due to the fact that every level of an organization requires decision-making, many researches on decision-making and its process have been conducted. (Nutt, 2011)

For instance, senior managers determine the organization goals, types of products or services, the quality of organizing central office or the location new production unit and mid-level and executive managers prepare production tables and decide on the quality of salary raise. However, decision-making does not belong to managers only, other employees' decisions also affect the job and the organization they work in. The most obvious decision is that whether they go to work in a certain day or not. How much they try when they're at work. If they agree with the boss request or they don't.

Therefore, employee's decision-making is an important part of organizational behavior. The quality of employee's decision-making in organizations and the quality of their ultimate selection is affected by their perceptions. Decision-making is a reaction to an issue. When the desired situation differs from the status quo, checking different solutions would be essential in order to obviate the differences. Unfortunately, most of the problems do not

occur as categorized and expected. Someone's problem is a satisfying situation in the other person's viewpoint. The awareness of the problem and the proper decision is perceptual.

Furthermore, each decision is based on interpretation. Since information are received from multiple resource, refinement and processing and interpretation are required; e.g. the answer of the question "which information is related to the subject" must be sought in the decision maker's perception. Various solutions are produced or found and pro and cons of each solution need evaluation. Therefore, the perceptual process of the decision maker has a key role in decision-making process. (Rezaiyan, 2012)

6. Entrepreneurs' perception and effectiveness

Perception and seeking the entrepreneurial opportunities are the core of entrepreneurship and entrepreneurial researches look for a process by which entrepreneurs identify the opportunities in order to produce new products or services. Entrepreneurs are distinguished from the others by their ability in perception and using the opportunities. Thus, the effectiveness of entrepreneurs are due to their ability in identifying new economic opportunities. The entrepreneurs must perceive the market demand and

respond to them at its best in order to make profit. Perception plays a major role in the process of identifying the real market demand. Perception is formed through what we know (knowledge), what we think we

know and what we don't know. Figure 1 illustrates that how real market demand form the entrepreneurs' perception. This illustration could be presented for the approaches of meeting the demand.

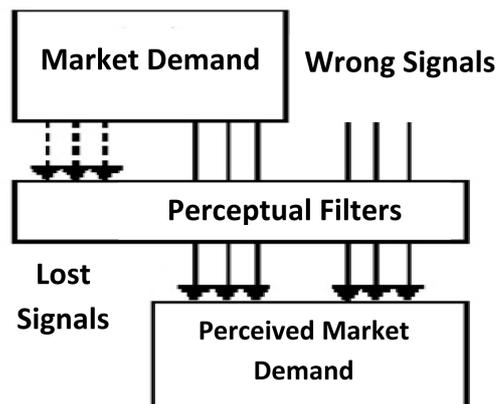


Figure 1. Perceptual Filters (Renko, Shrader, Simon, 2011)

Markets continually publish signals which might or might not be received and interpreted. Perceptual filters (such as bias, intuition, cognitive ability, personal orientation, beliefs, frequency and the time of encounter with stimuli and cognitive map) determine the perceivable signals and the quality of interpretation of these signals. Some signals are received correctly and precisely (presented by three arrows at the center of figure 1), some signals are lost and would not be received (presented by the three arrows on the left) and some wrong signals of the real market demand are received and interpreted as correct signals mistakenly (presented by the three arrows on the right).

These three series of arrows respectively show what a person knows, what he does not know and what he thinks he knows. Sometimes perceptions might be entirely wrong. Such perceptions could be the results of imagination, creativity or intuition. This issue might be more applicable to entrepreneurs than others because they decide in uncertainty and in such conditions they have to predict the future based on feelings and conjectures and they might misperceive. Knowledge has a pivotal role in people's perceptions but knowledge and experience are not the only foundations of perception and other factors contribute as well.

People's perceptions partly hinge on knowledge and experience but perceptual filters, which are unique to each person, significantly fluctuate the precision of perceptions. Theoretically, unlike the real world, perceptions might be exactly precise, or theoretically perceptual filters might block all the real signals of the environment as the result the person's perception might be totally wrong. Note that the person's perceptions play an important role in their ability to identify the real market demand and the proper approaches to meet the demand. (Renko, Shrader, Simon, 2012) Organizations would be founded on opportunities. If the identified opportunity is not a real opportunity, the business is doomed to failure and the entrepreneurs' sources would be squandered.

CONCLUSION

It should be taken into consideration that humans are very sophisticated creatures and their behavior is unpredictable, therefore, their all aspects cannot be realized. The topic of individual differences confirms this issue. But managers and entrepreneurs by realizing the perceptual processes can make strides in recognition of people in organizations and work environment and also keep their behavior from perceptual errors in order to make more efficient decisions. Manager's

correct perceptions of incidents and considering all the aspects of the issue and avoiding one-dimensional orientations will lead to effectiveness of the managers' behavior and decisions in every level of organizations and it will help them to achieve their goals. The correct perceptions of entrepreneurs' decisions of new business opportunities and aid them to conduct business through these opportunities, due to the fact that hunting the opportunities is the foundation of entrepreneurship.

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