

Section 8. Psychology

*Voskanyan Karlen Vagharshakovitch,
Master's degree student, Department of Psychology
International Scientific Educational
Center of the National Academy of Sciences of Armenia
E-mail: voskanyankarlen@gmail.com*

PSYCHOLOGICAL ASPECTS OF INFLUENCE OF BEHAVIOR OF ECONOMIC AGENTS ON THE PROCESS OF ECONOMIC MANAGEMENT

Abstract: The characteristic feature of every person, social group, society, ethnicity, nation as an economic agent, is its economic behavior. It can be cognitive or impulsive, manageable or unmanageable. Any form of manifestation of economic behavior is conditioned by psychological factors. The article emphasizes the fact that in any state, the development of the economy and its effective management depends on individual and ethno-psychological characteristics of its economic subjects as well, and since they predetermine the economic behavior of economic subjects of society, they can become either concomitant or hindering factors for the process of economic management.

Keywords: economic activity, economic subject, economic behavior, economic psychology, psychological factors, individual and ethno-psychological characteristics, ethnostereotypes, interethnic economic cooperation, effective economic management.

The economic sphere is a significant sphere of life in any society. By means of public institutions of the state, all members of society are involved in the economic sphere. That is why any phenomenon in the economic sphere becomes a subject of research not only for economists, but also for politicians, sociologists and psychologists. In particular, psychologists investigate the impacts of economic processes on the psychology of different social units (a person, a family, a group of people, a community, ethnicity, a nation), which can lead to different manifestations of their social behavior. The knowledge of the trends of the population's behavior caused by economic phenomena, as well as the consideration of the interests, needs and goals of different social classes of society, will allow state institutions to use human potential more purposefully and rationally.

In modern theories of economics and social sciences, any unit of economic activity is considered not only to be an object of influence of economic relations, but also a subject of economic relations (as economic agents). Based on this, in socio-economic studies the economic behavior of a person, a public and a political unit is not considered a category that results from purely economic phenomena. The economic behavior of social units (which, no doubt, is conditioned by their psychological characteristics) is regarded in modern economic theories as a factor in the processes of developing

economic relations and economic management. That is why economic psychology, which is currently developing rapidly, is of great practical importance in economic research. As an interdisciplinary science, economic psychology includes theoretical provisions, methodological principles and approaches of economics as well as psychology and the results of their experimental research [9, 12]. From the perspective of psychology, running the economy is a social activity that arises from the individual needs of a person to achieve economic well-being and is characterized by his goals, motives and actions.

The goal of economic activity of any person is to earn income according to his inclinations and aspirations. In economic development and management issues, as a subject of research, economic psychology pays a special attention to those psychological characteristics that are conditioned by purposes, interests, conscious or unconscious motives of economic entities and can cause different manifestations of their behavior. Economic psychology explores the impacts of those factors that influence the economic entities' perception and assessment of social and economic phenomena, their motivation, behavior and work. The adaptation of every member and every class of society, the development of economy and the effective management of the economy are also conditioned by those factors.

The economic behavior of public entities may be conditioned by cognitive, affective or conative motives. It can be

both manageable and unmanageable. The economic behavior of the society, regardless of its conscious or subconscious manifestations, implies management, due to legal norms and their implementation. Reasonable management does not only promote the effective economic behavior of economic agents, but also the principles of establishing desirable cooperative economic relationships between different classes of society, trends and directions of economic development of the state. As a cooperation between subjects and objects, the management of economy is effective only if the process of management takes into account the possible psychological effects of management principles, approaches and styles on the behavior of economic agents.

The behavior of the population of a state is the base of the transformation of the economic system, the social institutions and social relations of that state. The predictable economic behavior of the population is the guarantee of socio-political and economic stability in any country. Any change in the economic system (for example, in post-soviet countries) requires a change of a previously formed system of social values, norms and stereotypes. No matter how much the changes have been dictated by the demands of new socio-economic relationships, they will be conditioned by the psychological characteristics of communities within the state. Consequently, both individual and ethno-psychological characteristics of economic agents will have an impact on the state's economic development and management processes.

Every ethnicity as a historically formed public unit consists of people who have the same stereotypes of consciousness and behavior. To solve the survival problems in various natural and social settings, each member of ethnicity hands down these stereotypes from generation to generation as an integral part of the ethnic traditions, culture, worldview, and global coexistence. In the same way, each nation is distinguished by its dominant characteristics, which are inexplicitly manifested in the economic thought and behavior of each of its representatives. Ignoring the ethno-psychological dominant characteristics may lead to a decline in the capacity to engage people in economic activities in the society, which, in its turn, can hinder the development of the country's economy and its effective management, especially in countries where market economic relations (for example, in the Republic of Armenia) have taken place recently.

In the interpretation of economic behavior the neo-classical economic theories are based on the "perfect efficiency" economic model of the "Homo Economicus", according to which the behavior of economic agents is considered absolutely effective, as it is based on the theory of maximization (when the consumer tries to overestimate the importance of meeting his needs, and the manufacturer's aspiration is to make a maximum

profit) [1; 6; 7; 8]. Both try to choose effective means to achieve their goals. This process of choice, of course, is conditioned by the preferences of economic agents and the normative restrictions provided by the state. The preferences that are manifested in individual psychological features include not only objective but also subjective needs of economic agents. Normative restrictions determine the realistic opportunities of economic agents. Consequently, in case of limited means, the behavior of economic agents stems from their ability to look for effectiveness, which is also limited. If we take into account the fact that, along with the development of society, people's preferences are not stable, it turns out that rational behavior is impossible. That is the reason why the neo-institutional model of economic behavior is based on the principle of "limited effectiveness" [2; 3; 4], which also takes into account social norms, laws, habits, stereotypes of thinking, as well as the fact that in case of lack of information, a person cannot make a rational choice. In fact, economic behavior here is considered a category based on subjective psychological factors. A number of adherents of modern Russian School of Economic Psychology (O.S. Pasipanova, V.P. Poznyakov, V.V. Spasennikov, V.M. Sokolinskij and others) also believe that even though the economic relationships of economic agents are considered an economic interaction of subjects involved in business relations, they are influenced by individual psychological characteristics of economic agents [12; 13; 16; 18].

Obviously, the effectiveness of economic cooperation within the society depends on the ethno-psychological stereotypes (autostereotypes and heterostereotypes) of its social units. As social psychological concepts, autostereotypes and heterostereotypes are interrelated. They characterize a group's consciousness and have a significant impact on each member of the group. Ethnic stereotypes cannot only be a factor in the manifestations of group economic behavior and intercommunity economic relationships, but can also influence the economic activity of the whole society. Thus, regarding people living in different regions of a certain country as economic agents, it is possible to examine their economic behavior based on their ethno-psychological characteristics in order to reveal the objective and subjective psychological factors that can have an impact on the economic development of the country and its effective management processes.

Man cannot be equally involved in all social relations. Based on their personal motives, everyone selectively enters into certain social relationships and appears in a social environment, becoming a member of a society. The social environment as an integrated system of people's material, economic, political, spiritual and cultural activities affects the processes of formation and development of each member of the society. In this process of socialization, every person, besides acquiring

personal experience and convictions, also gains public experience and obtains public convictions, either consciously or unconsciously. Consequently, the mechanisms of economic activity and economic behavior of each member of the society are conditioned not only by their individual psychological characteristics but also by psychological characteristics of his community. That is, every member of a society as a member of any social group is a product of historical and current socio-economic processes. The existing socio-economic relations, reflected in people's consciousness, form a certain type of individual economic consciousness and consequently, economic behavior. In the same way, every state, as a community of different social units, has its socio-economic and cultural characteristics conditioned by ethno-psychological factors, as well

as by its historical development. Therefore, the mechanisms of the economic activity and economic behavior of every economic agent are conditioned not only by their individual psychological characteristics, but also by ethno-psychological characteristics of the whole society.

In conclusion, the economic policy carried out in a country, where the economic benefit of an individual is at the center of its interests, should depend on historical, cultural, ethno-psychological characteristics of the communities that shape the society. In particular, the behavior of any economic agent, based on the social stereotypes and attitudes that are determined by psychological preconditions, can be aimed at the development of the state's economy only if the psychological characteristics of all social units are taken into account.

References:

1. Becker G. S. *The Economic Approach to Human Behavior*. Chicago: The University of Chicago Press, 1976 b.
2. Kahneman D., Tversky A. Prospect Theory: An Analysis of Decision under Risk. *J. Econometrica*. – Vol. 47. – No. 2 (Mar., 1979), – P. 263–291.
3. Kahneman D., Tversky A. *Choices, Values, and Frames*. Russel Sage Foundation. Cambridge University Press, 2000.
4. Kenneth J. Arrow. Risk Perception in Psychology and Economics // *Economic Inquiry*, January, 1982. – Vol. 20. – No. 1. – P. 1–9.
5. Peter Weise. Homo economicus and homo sociologicus: Die Schreckensmänner der Socialwissenschaften // *Zeitschrift für Sociologie*. – April, 1989. – Jg. 18, – H. 2. – P. 148–161.
6. Simon H. A. Theories of Decision-Making in Economics and Behavior Sciences. *The American Economic Review*, – Vol. 49. – Issue 3. – Jun. 1959. – P. 253–283.
7. Simon H. A. A Behavioral Model of Rational Choice // *The Quarterly Journal of Economics*. – Vol. 69. – No. 1. – Feb., 1955. – P. 99–118.
8. Stigler G. J. *Essays in the History of Economics*. University of Chicago Press, 1965.
9. Дейнека О. С. *Экономическая психология // Учебное пособие*. – СПбГУ, –2000.
10. *История экономических учений (современный этап) / Учебник*. Под общ. ред. А. Г. Худокормова. – М.: ИНФРА, – 2002.
11. Крысько В. Г. *Этническая психология // Учеб. пособие для студ. высш. учеб. заведений*. – М.: Издательский центр «Академия», – 2008.
12. Пасыпанова О. С. *Экономическая психология: психологические аспекты поведения потребителей // Монография*. – Калуга: Изд-во КГУ им. К. Э. Циолковского, 2012.
13. Позняков В. П. *Психологические отношения субъектов экономической деятельности*. – М.: Изд-во «Институт психологии РАН», 2000.
14. Позняков В. П. *Экономическая психология в России 21 века. Теоретические проблемы и эмпирические исследования // Экономическая психология: Актуальные исследования и инновационные тенденции / Под общ. ред. А. Д. Карнышева*. – Иркутск, БГУЭП, 2009. – С. 41–68.
15. Саймон Г. А. *Методологические основания экономики // Системные исследования. Методологические проблемы. Ежегодник 1989–1990*. – М.: Наука, – 1991. – С. 91–109.
16. Соколинский В. М. *Психологические основы экономики*. – М.: ЮНИТЧ, 1999.
17. *Социальная психология // Учебное пособие: Серия «Высшее психологическое образование»*. Отв. Ред. А. Л. Журавлева. – М.: ПЕР СЭ, 2002.
18. Спасенников В. В. *Экономическая психология // Учебное пособие*. – М.: Изд. ПЕР СЭ, 2003.