

Economic Psychology

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Economic Psychology of Personality and the Management of Socio-Economic Processes.

The article is devoted to some significant trends of economical psychology development in the period of social and economical transformations and indicates the practical matter of the real-world problems, which the economic psychology deals with. The possible outlook of the development of economical and psychological investigations that have been elaborated during the last quarter of the century on a joint of personal psychology, social psychology, work and management psychology, and organizational psychology are submitted for a discussion. According to the author's opinion, the most important areas and "growth point" of the economic psychology as a science of patterns and mechanisms of regulating personality behaviour in economic situations are performed in the article; the possible application of the results of these investigations in real life of communities and organizations is indicated as well.

Keywords: *economic psychology, economic behaviour, human resources, psychological mechanisms of behaviour regulations, social management, human resources management.*

Social processes and social production in the view of psychology.

Our consciousness is so much accustomed to the continual use of the number of ideologized clichés that every time when the matter concerns the analysis and appraisal of the important social (political, economical, etc.) phenomena or the state decrees that determine the fate of the country - in each case for the purity of the analysis it is necessary to begin with redefinition of some concepts, important for the subsequent statement. At the same time, the triviality of the statements, implied by such redefinition, is (as before) nothing more, than the ordinary psychological illusion. The deviation from these clichés involves the reconsideration of logic structure and causations of the base concepts of humanistic orientation, the estimation of their real "substance" and scope: mutual relations with other adjacent concepts that form the area of humanitarian knowledge; their

interrelations with the objects and events of the objective world (a reflection in the structure of concepts of the subject reality).

But for all that, it is necessary to understand distinctly that the structure and the formation of knowledge not necessarily coincide with the structure and the substance of the process of reality reflection, though the general consequence of all is apparently the organization of the personal experience, defining the regularities of the person behaviour.

Let us begin with the simplest example. When we say words “*social production*” a number of various definitions and associations arise in the consciousness of our nationals. But, as the polls show, the most important and the most essential thing, lacking among them, is the exact and adequate understanding of the sense of this word-combination.

None of the respondents answered that the social production is *the production of society*. In other words, that it assumes *the sustenance of the definite human organization and the continuation of its existence*. In that case, the social production means at the least the following:

- production of *the person* ;
- production of *the living conditions*;
- production and reproduction of *the human relations*.

It looks as if such comprehension was self-evident for philosophers, humanists, and social scientists of the nineteenth century. According to this comprehension, human constituent and human measurement always came first as it was absolutely clear for them that there is not and can not be any human society without a human being [3,5].

It is reasonable, that in such comprehension the next two questions become fundamental:

1) What does the mentioned human production represent, what regulations it is defined by and by which technology it is carried out?

2) What does the production and reproduction of human relations represent, what regulations it is defined by, and what technology does it apply?

Both these questions have the certain attitude towards the area of sociology, ecology, and personality psychology that study the laws of human behaviour in the world and the laws of person development. The answers to these questions is the base of scientifically grounded solutions of the practical problems of culture, education, and economy, since it is obvious that the production of living conditions only does not guarantee their effective solution (even being their forerunners).

Similar questions arise in the area of socio-labor relations and they also can be examined in the course of the foregoing scheme, on the different levels of these relations.

In *the society*, in *the human organization*, on the level of *an individual* we discover the same triad: living and activity conditions, human relations, and production of the subject [1,6].

It is easy to see that this triad exists in the area of *Education, Work, and Rest*; socially necessary (“busy”) and leisure time of person, and then we face the classical problems of *working conditions, education, and leisure time*; the maintenance and development of human relations in *work, education, and leisure time*; the production of the person as a *subject of work, education, and personal life*.

Naturally, there is a problem of management of social processes from the direction of the society and the state at all stages *of the civil and professional formation of a person*.

The major element of social management of the process of public production of any person as a citizen and professional is the state social processes in the systems of education and employment, and especially – the processes and mechanisms of transition from education to work and back. Such management should result in the creation of detailed professional spectrum of the contingent of well trained experts, who take part in the process of production of the society in all its range: from the craftsman and the businessman to the wage labourer and the civil servant (official). And though all of them join in the management of social processes, the structure of their social roles and the maintenance of control actions can differ (and in a number of examples they really differ) radically.

So, unlike the classical “manager” that carries out the *management of "actions"* of different level professionals, whose primary goal is the coordination of interests and functions of professionals in the industrial organization (in a wide sense), the state official carries out the management “in the territory”, and in this sense he controls “*a part of the life*” of the other people, instead of “*a part of their activity*”, due to:

- the influence and “the power” over living conditions and circumstances of people’s life;
- the influence and “the power” over people, their relations and norms of behaviour.

From this point of view, *the state management* actually becomes *a management of the social processes of people’s “life”* in one or another territory, in one or another eco-niche, instead of “the activity” of professionals in one or another organization, in one or another institution. In such case, both the social function and the social result of such management, its subject and object can differ essentially, including such aspects as:

- “production and consumption” of living conditions;

- “production and consumption” of the subject’s realities;
- “production and consumption” of the subject.

Therefore, in the given relation, it is necessary to distinguish strictly enough: *the Society* (as a system of “people’s life”) and *the State* as a mechanism of *the management of the Society; the system of “ people’s life”* and *the system of their activity; the management in the organizations* and *the management of people’s “life”* (social processes) with *the help* and *“through” the organizations*.

Thus, the social practice includes several *major directions of the given community members’ activity and those real relations and systems of relations that are formed within the limits of these directions as well*. And the greatest importance among them now is the problems, connected with *the definition of ways of civilized development of the country: models and purposes of the social order, determining the basic systems of values, priorities, taken decisions, and implemented actions*. And above all, the questions of interrelation and correlation between:

- The Person, the State and Society;
- The Person and the Nature;
- The Person and the Market;
- The Person and Culture (including Education and Development of the person).

Thereupon, the psychological science, in particular, and the study of human nature, in general [2,4], are facing new problems:

- *Analysis of the processes of life* (that do not coincide with the processes of activity and are not exhausted by them):

Development of the person;

Occurrences and satisfactions of the requirements;

Production and development of the relations in a set of subjects {Sb} and in a great number of “subject – object”;

Clarification of how the social processes “develop” out of “*life*” of *the set of subjects {Sb}*:

- “mass” processes;
- correlation of the “individual” and “public” consciousness;
- processes of production;
- processes of exchange (as the realization of market relations);
- forms and processes of the consumption.

Definition of the structure and factors of the social processes management:

- interactions and relations of the subject;
- “family” (relations of sexes);
- production of Sb;

- production of relations;
- production of living conditions;
- distribution of property and product of activity;
- "public" consumption.

The development of political, social and economic reforms pose some new problems of the state regulation (including the direct control) that vary by their content and differ qualitatively from the previous social processes in the foregoing fields.

The new social phenomena, new principles of the organization of life and activity of people in conditions of proceeding to the market relations, to the jural state, to the growth of the person concernment and its responsibility for choosing its own destiny, emerge. There is a necessity of the realized *control and self-governing of the development of the person as a citizen and a professional*, in other words, *the Management of the Human Resource in the system of its interactions* (in contrast to the former concept of applied psychology – concept of *Consideration of Human Element*).

Management of the manpower [4,7] developing at three different levels - the society as a whole (population level), the organization as a social institute (personnel level) and the single individual (person level) - assumes, first of all, the management of its “quality”, including:

- *cultural, professional, and mental potential of the society;*
- *rational organization and use of gained potential of the human abilities in the different sectors of social production;*
- *development of the person itself as a citizen and professional.*

What parts take the state and non-governmental structures in the mentioned processes? What role does science play in these processes? The answer to these questions assumes the development and the realization of *active social policy of the state and the public associations of citizens*, and then: an estimation of sense, the actual state of affairs in the given field, the forecast of the social phenomena of development both on macro and micro levels, the definition of conditions, mechanisms and factors of controllability in the social environment [4,7].

For effective and active social policy there is a need of at least [7]:

- analysis of the former and current social situations;
- definition of real problems, priorities, and acting factors (including transition to the construction of causal models of micro-social processes);
- definition of principles and criteria of the efficiency of various social systems;
- projection and creation of action mechanisms of the mentioned systems;

- definition of the structure and the effects of vertical and horizontal interactions in these systems;
- estimation of resource supplying, and in case of need - creation of such resource;
- logistical support and financial provision of the worked-out mechanism, scientific guidance for its action;
- peopleware and elaboration of the mechanism of “personnel management”.

Solution of the mentioned problems is impossible without an estimation of condition and dynamics of:

- social and economic background and living conditions of society;
- needs of society and its reproduction;
- development and functioning of organizations as human associations and a place of the person in them;
- concerns and norms of behaviour of a single person;
- opportunities of personal development;
- variability of a single person’s destiny and the opportunities of indemnity and compromise in the solution of his vital problems.

Adverting in the offered way to the questions of vocational training, work and employment of the population of Russia, its effective participation in the realization of reforms, carried out by the state, we discover a number of not only new and unstudied, but even poorly realized *human problems - the direct consequence of implemented reforms*.

In the field of property: in the near future, in the social processes, absolutely different three patterns of property - state sector, social (“public”) form of ownership, and “private sector” will coexist “on equal terms”.

In the field of labour relations: relations of hired labour (in the system of available workplaces), business undertakings - as creation of new workplaces in the non-governmental sector of economy, self-employment as an individual development of “the life space” of a person will start to cooperate actively and this interference will intensify in future.

In the field of professional development: alternative, including non-governmental, forms of vocational training arise and will develop creating special “non-labour” area in the field of professional occupation of the population.

Thereupon, a necessity of special research and comparative estimation of the state opportunities (at the different levels - federal and regional) and non-governmental *management of labour and trade markets* arises in two directions:

- creation and comparative assessment of work places and educational institutions, their social implication and profit;
- study and comparative assessment of the market structure.

The matter concerns “external” and “internal” labour markets (beyond and within the acting social organizations, enterprises, establishments, and other social institutes); the spectrum and prospects of development of “the trade market” (taking into consideration the new and arising professions, as well as conversion processes on the ground of scientific and technological progress, and the change of a ratio between military and civil sectors in the structure of social life); a rational correlation and relation of the systems of vocational training and employment, etc.[7].

The process of reforms, changing the social responsibility of the state to citizens and creating a new system of the state guarantees and social maintenance, has generated many new problems of social and occupational adaptation, readaptation, and rehabilitation of the population of Russia to the transition period conditions. These problems determine different levels and different degrees of “activity” in the social policy of the state and various weight of state and private structures in their solution.

Thus, social and vocational rehabilitation and protection of citizens can embrace:

- public assistance (including a welfare for unemployed) at the minimal living wage;
- creation of new workplaces and the assistance in searching the appropriate vacancies;
- creation of “vacant” educational places, vocational retraining of specialists;
- creation of the opportunities for raising the level of skill and growth of professional (and social) firmness of person;
- creation of opportunities of the professional self-determination and self-employment, etc.

Development of active social policy at the labour market (in a wide sense) requires the creation of special systems of social monitoring of the labour market in regions and in the country as a whole, as well as creation of system of support for civil and professional career of the person.

It is necessary to make the estimations and the forecast, as well as the new classification of a contingent potentially and really employed population; the estimation and the forecast of the nearest, including the latent and reserve opportunities of potentially able to work population; opportunities of improvement of the quality of the professional contingent, its rational reproduction and development; structural distribution of the

contingent in different sectors of economy, and the analysis of its intentions as the basis of structural reorganizations of the labour market (due to migratory processes as well).

The real estimation of the quality of labour in the country and the forecast of its change should become one of the principal results of the mentioned monitoring. The other principal result should be development of the system of support of professional career, which should come to take place of former mechanisms of the strict state distribution of skilled workers at the transitions from the general education and vocational school to social and labour field – the field of economic activity [4,7].

Thus, at the time of Russian reforms, living conditions, the habitat, and the system of human relations change radically, creating fundamentally new circumstances of life, where the economic behaviour of the subject is carried out.

During last decades, rather new area of the psychological analysis that investigates the social and labour field as a whole is actively formed, studying the peculiarities of different forms of economic behaviour of person, as well as the laws of existence and activity of such specific social institutes as the manufacturing and intermediary organizations of the national economy. Hence, the detection of regularities is accented, as well as social and psychological regulators of the “economic” behaviour of person.

The modern economic psychology develops on a joint and basis of the personality psychology, the work psychology, the social psychology, the psychology of advertising, the psychology of management, and organizational psychology and it defines the peculiarities of its method and its data domain. Today, the modern economic psychology is occupied with at least three following classes of problems:

The psychological analysis of *phenomenology, laws and mechanisms of the regulation of behaviour of the economic process’ participants*: managers (including those, who creates, applies, and protects social norms of the economic behaviour), producers of a useful product (goods and services forming the public offer), intermediators (especially the social institutes organizing transport, exchange, trade, advertising, etc.), consumers (creating the social wants, forming demand and fashion for accommodation, clothes, behaviour, leisure, etc.).

Study of person in *the economic processes*, along with psycho-technologies of its development (formation, support and realization of the professional career, movement in the social institutes, the mastery and fulfilment of the norms of social and organizational behaviour, and

replacement and execution of the basic economic roles – of a businessman, administrator - manager, and a wage labourer).

Study of *the movement of products of the economic activities of a person* - from the producer (with his own mission, social function, workplaces, and the organization, technologies and personnel) to the system of offer through the detachment and independent movement of a product (with its organizations, personnel, advertising, and mechanisms of distribution and exchange) and up to the consumer (with the social regulators of quality of goods and services and the qualities of consumption as the indicators of life quality).

Thus, the basic processes connected with formation, structuring, and satisfaction of needs of the members of the society, as well as production and movement of the object of satisfaction of these needs, get into the field of analysis. Under the conditions of social and economic transformations, the research of fundamental aspects of mental regulation of human behaviour (first of all, economic behaviour of person) becomes one of the major problems of the psychological science; the problems that have direct application in the work of experimental psychologists, in the creation of market of the psychological services adequate to conditions of a period of transition.

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