

Economic Psychology

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Evolutionary nature of the men business activity

Analysis of the men business activity attracts the increasing attention of psychologists, economists, sociologists, and representatives of other branches of knowledge. Considering complete analysis of the activity necessary, the authors of the article review the evolutionary principles of business activity, following the works of German sociologist M. Weber and Austrian economist F. von Hayek, his conception of the market order, which is based on the works of Scotch philosophers - moralists A. Smith and A. Ferguson.

Realizing that the given level of the business activity consideration can be named a macro-analysis level, the authors assume that it can and must be supplemented with detailed study of the psychological components of the business activity.

Keywords: *business activity, economic activities, intensification, extensification, rationalization, economical way of thinking.*

The area of business activity study is not very seductive for psychologists. However, more and more certified psychologists are faced with the necessity to choose the person behaviour at the workplace, personnel management, marketing, problems of organizations development or psychological support of the chiefs work as a subject of their activity. It is the result of business and organizational behaviour taking more and more place in the integrated structure of human behaviour and representing the maximum abilities for the person's creative potential and human "Self" implementation at the given stage of culture development.

In the meantime, in spite of enormous number of very interesting phenomenological descriptions and detailed schemes of business and organizational behaviour analysis, the integrated psychological conceptions of the man business activity does not exist yet.

Not aspiring to fill up this theoretical vacuum, we will try at least to plan the path of the integrated analysis of such a complex type of behaviour as the men's business activity.

To begin with, we will make use of the economist A. Hosking's definition, which he gives for the economic activity representation. By this activity he implies "an activity, carried out by private persons, firms or organizations, on free goods extraction, production or acquisition and sell of goods, or rendering services in exchange for the other goods, services or money to mutual benefit of the interested persons or organizations" (6, page

18). According to this definition, economical activity is a complex kind of person and team behaviour that has a long history of development and have exerted a great influence on culture and society.

As other basic kinds of human behaviour, such as military (battle) and reproductive behaviour, the economic activities were directed to the basic problem of human survival solution.

So, analyzing the similar complex forms of behaviour, it is natural to recollect the ideas, stated by W. James, the founder of evolutionary psychology.

According to James, behaviour can be regarded as a mean of men adaptation to variable environment. In this connection, both complex forms of behaviour, appearing in human community, and so-called higher functions of mind, ensuring these complex forms implementation, for example, self-consciousness, have the same nature, as different morphological and physiological characteristics of organisms, i.e. they execute an adaptive function.

James has written: "Remember ... the fact that man ... first of all is a practical creature and his spirit is given to him as a mean for accommodation in this world" (8, page 30).

Fundamental statement of evolutionary psychology is that "men, as any other animal, have behavioural predispositions, formed during the evolution (8, pages 33,12). They exist and act because their behaviour as a whole increases the survival of these features' owners.

Resting upon this position, we will attempt to outline briefly the evolutionary fundamentals of formation of modern form of the business activity. Group nature of man has made for the fact, that his survival has appeared to be close connected with the struggle for position in a group, for a place in hierarchy.

During this struggle, were formed the useful aids, due to which man could win an intense competitive activity. These aids are: strengthening the rate of activity, development of the activity, and improvement of the quality of the activity realization.

Man can name the given evolutionary acquisitions the forbears of modern forms of the business activity. They have started the whole number of social and economic processes, on the basis of which a powerful institute of modern business activity was formed.

These processes are intensification, extensification, and rationalization. Studying the essence of these fundamental social and economic processes, it is natural to advert to the works of two largest social thinkers: German sociologist and public man M. Weber and Austrian economist, the Nobel Prize

winner, F. Von Hayek.

Despite the public acknowledgement and rather high authority in the learned society, we can assert with confidence that the ideas, formulated by these outstanding scientists, are not conceived in full measure today.

It seems that the psychologists, considering it necessary to study the men personal behavior in the context of social and economic processes, are in for mastering these scientists' richest creative heritage.

Conception of social life intensification was formulated by M. Weber as an attempt to reflex the complex social and economic processes, especially acutely expanding in Europe in the period of industrial revolution, and determining the European life in the 19th and the beginning of the 20th centuries.

Concentrating considerable capitals, human and material resources at one place, organizing a broad coordinating system of external and internal participants of the process of production, the industrial entrepreneurs have faced the necessity of changing the system "of conventional economy" for the first time.

"At the heart of such economy lied an aspiration to keep a conventional way of living, standard profit, usual working day, habitual conduct of affairs, customary relations with workers, and standard in essence circle of customers, and also conventional methods of buyers attraction and sales ..." (2, page 87).

If the leading motive of traditional housekeeping is business activity for the family basic needs satisfaction, then the leading motive of industrial economy management is every possible augmentation of the profit and, therefore, all possible business development, steady raising of "circulations" or intensification.

Thus, the increase of efficiency of industrial economic activities was caused by its intensification necessity that, first of all, was expressed in customary mode of life changing and necessity of behavioral processes' acceleration.

The basis vector of public and business life starts to be defined by the standards of new "industrial time". The process of intensification has started a modern intensive mode of life.

Rationalization is a kind of the corner stone of effective management. The striking example, since the late Stone Age, is division of labour, according to A. Rihe's conception, oriented on the produced product or on the process of its manufacturing (17).

In the most developed form this process was showed in the period of industrial revolution, when during the grandiose social reorganization the fundamental orientation toward the process of correlating the achievable result

to the costs of its obtaining (process of “calculation” by Weber) was formed.

Because of this kind of orientation appearance, characteristics of labour activity, promoting the quality of production improvement, such as exactness, accuracy, farsight and learning capability have actually represented the ethical principles of the industrial civilization creators, rational bourgeois, professionals, businessmen, and entrepreneurs.

Depicting an image of industrial businessmen, Weber emphasizes that they were not brave and unprincipled speculators and adventurers, but people, who had passed through the hard school of life, they were circumspect and determined, self-restrained, modest and persistent by nature, completely devoted to their business, having definitely bourgeois views and principles (2, page 89).

This moral imperative of rational behaviour, the essence of which consists in the necessity of subordination ones own life to systematic aspiration and capability to control ones own behaviour, underlied the economical way of thinking, determining modern man behaviour in the developed society.

Concept of extensification, as one of the powerful social and economic processes, was formulated by F. von Hayek in the course of notion of the market order, the basis of which were laid by the works of Scotch philosophers - moralists A. Smith and A. Ferguson.

According to Hayek, the market is regarded as spontaneous, evolutionary developing “broadened order of human interaction”, not basing on the initial community of purposes and means, resulting in the creation of variety of goods and services and satisfying diverse needs of the great number of people.

Formation of “the broadened order” was promoted by the trade, which has made the overcoming of the lack of natural resources on different territories possible and thereby, furthered the process of global settling of the people (4,5).

In Hayek’s opinion, the mechanism of formation of the trade chain between two secluded communities is based on establishing completely special relations between them, namely, the exchange, when the products, being at disposal of one community, are offered to the other community in exchange for the products, the first community is in need of.

It is important to accentuate that unlike the power relations, relations of exchange are founded on the basis of the mutual satisfaction principle.

In other words, establishment of systematic exchange relations implies consideration of mutual interests of the deal participants. It means that at the heart of the trade chain establishment, there is a personal communication of

resellers - persons empowered establish the material exchange of community resources.

As the trade chain is strengthened, not only first persons can become resellers and pioneers of new trade chains creation, but also the other participants of the trade process. This is the way, the social and economic process of expanding the boundary of human groups habitation is put into effect and the “expanded order of human interaction” is formed.

The process of extensification has resulted in the necessity of such principles of modern society formation as **“openness”** and **“democracy”**.

These fundamental social and economic paradigms have served as the social context of the individual existence and have necessitated formation of a number of behavioural stereotypes, psychological characteristics and internal means of interpretation and estimation of social reality by individual.

These internal systems of means can be regarded as psychological “tools”, development and usage of which allows the individual to participate in “social competition” and give the grounds for formation of the personal style of business activity and choice of definite form of business behaviour.

The intensive mode of life has made us to regard the speed of activity fulfillment as one of its most valuable indexes. According to well-known expression, “The mankind has decided to become fast instead of becoming clever”. The high rate of business activity fulfillment has turned into the key factor of victory in the market competition.

The employee, capable to sustain the intensive rate of work, is a daydream of the specialists, carrying out the staff recruitment. “Concentration of time is an important skill, which is possessed by those, who manages his time successfully.

These people make fast decisions. They do not hesitate. They are seldom late. They do, what they have planned to do and at the time, they have scheduled, not doubting at all, unhesitatingly. As they finish their business at the scheduled date, they live their life with energy, optimism and being self-satisfied” (12, page 227).

The intensive style of life makes man to work with arduous efforts and pace, frequently exceeding the actual requirement of the current task. Paradigm of intensive way of living had both positive and negative consequents.

First of all, the acceleration promoted creation of the administrative direction under the motto “Start without delay”. One of productive outcomes of this direction was the new administrative discipline creation - time management.

Central problem of time control is ability to differentiate the work tasks

into principal and secondary. Ability at skilful structuring of working day helps workers to develop such significant practical characteristics as self-reliance and resoluteness. The individual learns to say “No”, not wasting the time on trifles.

The reverse side of intensive mode of living is the sluggishness, which gains almost fatal sense, it is regarded as the main reason of business failures and becomes the shortest cut to the edge of the market process.

Worries, concerning the impossibility of following the fast pace of activity, are one of the main causes of nervous breakdowns, depressions, and understated self-appraisal.

Thus, the tendency to the work process acceleration does not always promote the increase of efficiency of the business processes and often comes into collision with the quality requirements. This conflict is especially visually demonstrated in the materials of creative activities study, in particular, the activity of architects and designers (20).

The economical way of thinking, being the basis of individual business behaviour, is grounded on the application of mechanism of rational estimation or “a principle of profit” to the analysis of reality.

The use of this mechanism allows to include the process of analytical, weighted or, in other words rational, thinking.

The scheme of the purpose achievement, developed on this basis, was widely applied for increasing the efficiency of business task solution process. This scheme includes implementation of a number of compulsory procedures, such as choice and formulation of purpose, estimation of available resources, determination of the way of acting and choice of criteria of the purpose achievement.

In the course of rational behaviour paradigm, the psychological properties, which are considered to be the most valuable acquisition of modern businessman, have come to light. They are: ability to attract attention, discipline, ability to self-organizing, and a skill to carry the action to a successful finish.

Rational behaviour, founded on optimum usage of economic means, has created the institute of professionalism.

A.Rih underlined that such form of the economy rationalization as division of labour, directed to the manufactured product, has formed the whole spectrum of so-called primary trades.

Next is a phase of trades’ stratification, on the basis of which a numerous new trades, representing the forms of specialization within the primary trades, are created (17).

Along with the doubtless significance and, moreover, with the main role

of rationalization for forming a successful business behaviour, it is necessary to pay attention to its costs.

First of all, it is what Devree ironically calls “left-hemisphere inclination”. The absoluteness of the rational approach results in the emotional processes that playing the principal part in human life, are found forced out to the edge of business behaviour, and their potential is undeservedly underestimated (3).

The other problem is that concentrating attention on the rational procedures results in danger of “being confounded” by details. That is the case, the saying: “Does not see forest behind trees” is applicable to. The tendency towards over-detailed elaboration of the process of problem solution results in distortion of ratio of main and secondary.

Mastering the procedures of rational analysis is an extremely labourious problem, which solution the whole direction of psychological research is dedicated to (3).

However, even in case of successful mastering, we are trapped by temptation to aim at the usage of complex algorithms of intellection without taking new situation features into consideration. Such tendency to act in concordance with the recognized pattern results in inadmissible mistakes in business practice, being in complete discordance with the fundamental uncertainty of the market order.

And, eventually, standard of rational behaviour, specially supported by large corporations, caused glaring contradiction with the bearers of so-called creative behaviour. As it always happens at conducting any target campaign, in this struggle under the slogan “Down with laxity and idleness!”, “a child is splashed out along with water”.

Thereupon, B. Tracy suggests distinguishing the pseudo-creative people from the true creators: the pseudo-creative people are not capable to continuous concentration of attention, they grow cool quickly and accordingly can not complete the action. As for creators, in practice they show firm discipline, formulating the remarkable ideas (19).

Paradigm of “**broadened order**” or tendency to activity borders’ extension has the most contradictory nature. In the history of competitive activity, its implementation is connected with the direct military seizure as an essence of military behaviour. Originally, this paradigm determined a complex process of establishing the trade relationships between the limited communities in the area of economic behaviour.

Today, this paradigm underlies one of the advanced directions of management - strategic management. D. Maurik gives the following definition: “strategy is a long-term plan of success achievement, especially in

politics, business, and war” (11, page 11).

The strategic approach, which product is the integrated vision of the future of organization, is connected with a number of psychological characteristics and features of person. In general, they could be defined as capacity to act in conditions of uncertainty. One can place them among inclination to risk, tendency to changes, optimism and the absence of conformism.

Besides, for the employees' productive activity in the organization, at the conjuncture of vagueness, there is a necessity of developing the ability for grasping the runaway information flow and knack of using it at the work task fulfillment.

Specialists of the field of strategic processes, working with organizations, come to conclusion that the qualitative skills of strategic behaviour become more and more indispensable for all employees of the company, irrespective of their administrative status.

Thus, the analyzed above paradigms represent the context, within the framework of which the business behaviour of separate person is realized.

The given level of business activity analysis can be regarded as a level of its macro-analysis, which should be supplemented with the thorough study of psychological components of business activity.

Thereupon, results of a number of activities, including activities, carried out by us with the use of the clinical method of person analysis, polling and measuring systems (13,14,15).

However, considering significance of the differentiated psychological analysis, we would like to return the given work to the problem of the integrated approach to the business activity, the one, we have formulated in the beginning.

Directions, towards which, in the context of the listed above social and cultural paradigms, the personal business activity (acceleration of the activity rhythm, fulfillment of rational and evaluation procedures, and behaviour strategic direction) is formed, are characterized by the general tendency that can be regarded conditionally as a tendency to strengthening all factors of activity.

Willingness of an individual to take part in “business competition” makes him to change continuously, to search and to find what he was not “equipped” with in the beginning of the path.

Large competition changes the business activity of an individual into the process of continuous research, search of the greatest opportunities and best alternatives.

Thus, in the basis of business activity lies the individual's acceptance of

internal psychological model, which could be defined as “**activity +**” or “**activity forte**”. The evidence of its acceptance is position: “I can”: work around the clock, work arduously, achieve a planned result, do several works simultaneously, etc. (14).

This orientation to achievement of beyond-limit figures of activity, as the basis of business behaviour of the modern man, represents a significant personal problem and quite often provokes the desire to oppose it any different behavioral scheme.

Experience of vain hopes, sense of being useless, long list of inner offences – these are emotions, typical for people, who “have no time” to follow the rhythm of modern business life. To overcome the feeling of a defeat, people frequently create a certain protective mechanism, which serves as a significant personal stand.

A statement like: “it is hard for me, because ...” is typical of the given stand. People, taking such a stand, consider that someone should undertake the obligations of their life support, as for instance social institutes, relatives, and friends.

The energy resource, spent on formation of such model, not a bit less than the one, spent on the active life position. Practicing psychotherapists know about it very well. It does not mean that the internal model “it is hard for me ...” does not meet a fundamental problem of the man adaptation.

It is appropriate to mention here the notion of “a secondary profit from the illness”, meaning the ingenious ability of man to benefit from any situation.

Problems, related to a similar kind of tendencies are reviewed explicitly in N.S. Kurek’s research “Mental activity deficiency: passivity of person and illness” (10,6). So, the tendency to minimize parameters of activity has a rational nature too.

It is necessary to note that staunch defenders of the model “activity +” are not protected from experiences, caused by the fits of diffidence, inferiority complex, and loneliness.

The efforts of workers of the middle unit of organizations are often not rewarded with the stable predictable salary, regular career development, and life work and financial protectability. They show desire to slow down the pace of activity, complain against fatigue, spiritual bankruptcy and sense of underestimation of their activity.

The top managers feel that they are doomed to isolation from people, they have no one to share hardships and worries, regarding the activity, with. They badly cope with so-called “loneliness of power” (3).

So, we can draw a conclusion that stresses and efforts caused by the

excessive requirements, typical for the business processes, represent the problem for all participants of these processes.

Thus, from the adaptation problem point of view, the model “activity +” can be hardly regarded as an ideal psychological fundamentals of man behavior in the modern multi-version world.

In compliance with it, the major task of psychologists, social workers, and organization consultant is the task of easing the strain of the dramatic contradictions, immanently inherent to the main forms of modern business activity.

Among significant contradictions there are: contradiction between the degree of power, which the senior managers are provided with and rather limited opportunities of the employees in essential decisions taking; contradiction between the necessity for quick react to the changes in the market situation and resistance to the changes, peculiar to the workers of different level of organization management; contradiction between the time that is necessary to devote to the work of success achievement in the business area and time, spent on other important aspects of life (family, creative work, society relations, etc.). Today, a lot of attention is paid to these problems solution (1).

In conclusion, we should emphasize that despite of insistent need to search for the ways of the business life humanizing, we meet “energetic, remarkable, having an incentive to self-perfection” people among the business community representatives (21). They have chosen a difficult path of creation, instead of submission and have undertaken the new organizations management.

Today, destiny of many people depends on the decisions they make. Rendering assistance in work to the leaders, taking a productive innovative stand in the society, psychologists have a chance to realize their cherished professional dream: to exert an efficient, constructive influence on the social life.

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