

Economic conditions and risk taking psyche: An analysis of state of mind

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Key words

Risk, psyche, confidence, sensitivity, thinking, self- understanding

Abstract

The objective of this study is to analyze the state of mind for understanding risk taking decisions with reference to economic conditions. The study was conducted on 100 subjects who belonged to Allahabad city and are employed in different organizations . Some self-employed participants were also included in this study. Individual administration process was adopted for the administration of self designed questionnaire. The analysis of data is based on receiver operative characteristics curve (ROC) and parametric statistics . It was found that in risk taking psyche age and expected monthly income (EMC) are the main determinants. Effect of academic qualification was not found very sensitive in economic decisions. This study reflects that all strata of employees feel dissatisfied with their present state of income. Approximately 19% are of the opinion for one lac salary per month and approximately 21% are feeling gap in their salary for meet out the modern need and survival challenges. Approximate 42% are dissatisfied with their present employment and plan to switchover their job. This study predicts that the state of psyche of employees is not a linear function. Interpretation is based on available psychological and economic facts.

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The mental state of the human beings is not the product of state of arts of life but it is governed with different mode of life perspective. Economic condition is one of the realities of life, which makes an individual look forward in his / her on reality and planning for the future. The state of mind is also governed with some specific mode of past experiences and visualization of the future. The psychic stress is the force of present of planning but it is governed by some specific mode of reality. This reality may be of two types: 1. present descriptionable and 2. charismatic indefinable. Those who believe in the first types of reality always think of the present state of mind and have less belief on risk taking conditions but others who govern with the charismatic indefinable state have courage to look forward in life and their planning have been found beyond the imagination of others. Sometimes they may receive comments and criticisms from others but their future vision and management for tomorrow have always been the guiding force of reality. Even then reality is not immediately visible but the optimism becomes the agent of a going path. Present study has raised many such issues and their interpretation for different state of individuals.

Objective

The objective of this study is to focus on the risk-taking psyche of different state of economic conditions of individuals

Participants

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This study was conducted on the 100 employees of Allahabad. They have at least 5 years of experience in their service. Both male and female participants were taken for the study. The status of participants are given in Table –1

Table –1
Status of Participants

Identity of Participants					
Sex	Male	Female			
	69.8%	32.2%			
Age	25 years+	30years ⁺	35years ⁺		
	23.3%	14.0%	60.5%		
Qualification	Graduate	PG	Technical	Others	
	41.9%	42.2%	14.0%	1.9%	
S E	Gov.	Private	Self employed		
	46.5%	48.5%	5.0%		
TCSE	Government to Private	Private to Government	No Change		
	9.2%	32.6%	58.2%		
EMS	20,000/-	30,000/-	50,000/- ⁺	100000/-	
	20.5%	39.5%	21.0%	18.6%	
GPES	10,000/-	20,000/-	30,000/-	40,000/-	50,000/-
	25.6%	11.6%	32.6%	9.3%	20.9%

Tools

A self-developed questionnaire* was used for this study. Questionnaire contains 15 items and the items represent different states of psyche in different modes economic state. For prima facie level of standardized it was administered on a small group of participants and was found significant predictor of the psyche. It was proved with personal interview of 30 participants, who were taken for pilot study. The final form of test was administered on large sample and found high reliable (split-half = 0.78, odd-even =0.83 and test-retest 0.67) and valid (face, concurrent and construct) for this study.

Procedure

* Parts of the items were adopted from The Economic Times August 8, 2007

Individual administration was done for this study. The pre informed participants were contacted either in their organization at the appointed time or at their residence. This was planned as per their convenience.

Results

1. It was found that 9.2% government employees are thinking of changing their mode of service and are thinking of switching over from government to private sector. 32.6% are thinking of moving from private to government thinking but a major group is satisfied in the present state of employment and want to remain same in their condition.
2. The expectation of the salary of the employees is indicates an alarming situation. 8.6 % employees are expecting Rs 100,000/- of salary where 21.0 % are expecting Rs 50, 000/- of the per month salary (see table - 1)
3. The heterogeneity was found in the expectation of monthly salary. This shows that the majority of participants are not satisfied with their present salary. The participants were perceived gap in their present salary and salary what they expected (see figure 1)

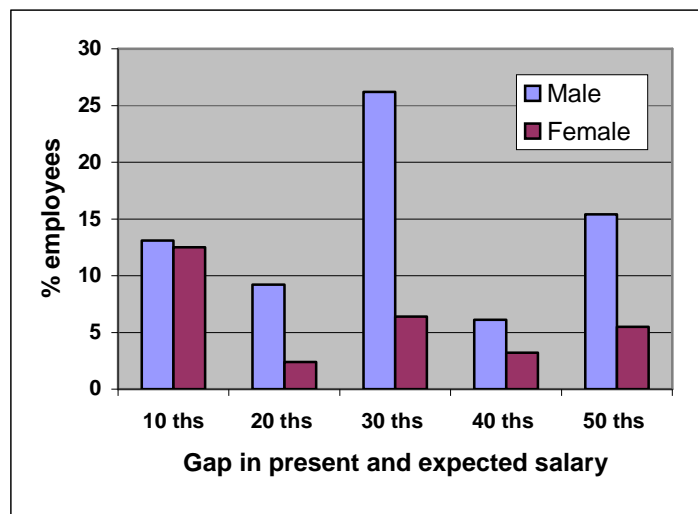


Figure: I
Employees' status of gap between present and expected salary

4. Result shows that risk-taking capacity is dominated by age and status of employment. These dimensions show a very high sensitivity but expected monthly salary and gap in present and expected salary factors have poorly projected in risk taking capacity.
5. Risk taking with confidence was influenced by age, qualification and status of employees.
6. Confidence in mutual fund investment was focused, sex, thinking of changing employment, expected monthly income and gap in present and expected salary but investment decision making factor was influenced by age of the employees and expected monthly income.
7. Age was found most sensitive variable for selection of mode of investment. Status of the employment was not found relevant in selection of investment mode.
8. The key role players agents was found for saving management are sex and age for in different state of mind (see figure –2)

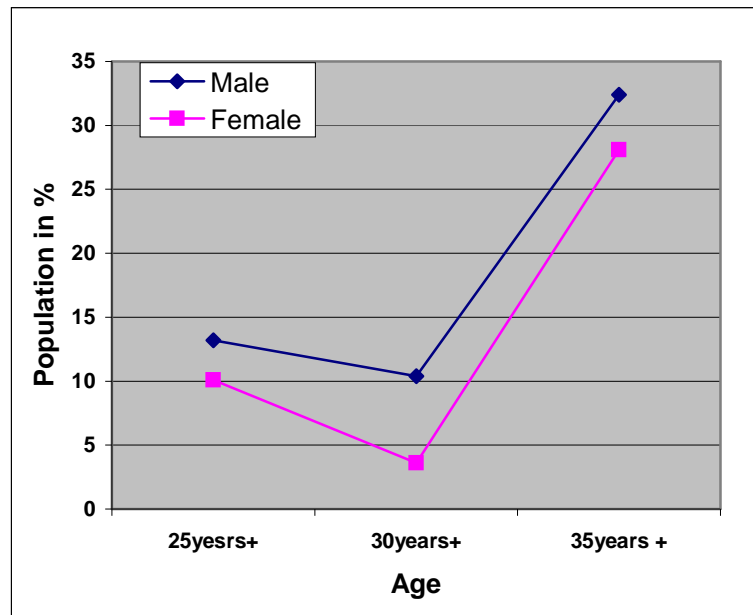
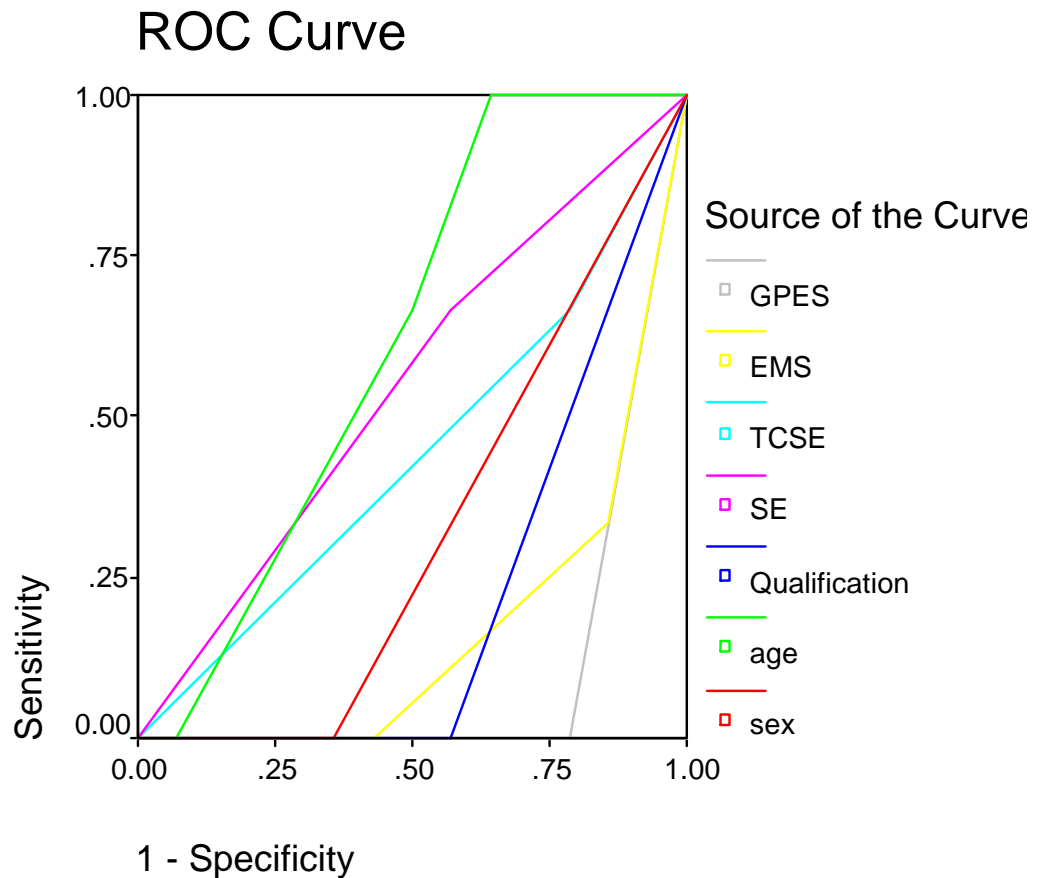


Figure –2
Saving management psyche

9. Job preference is dominated by qualification, status of employment, thinking of changing the employment and perception in thinking of gap in present and expected salary.
10. Money- certificate holding capacity is influenced by status of employment.

11. Planning of purchase a house is determined by age but expected monthly salary was not found very sensitive for this.
12. Mental mapping for job satisfaction age was found extremely poor factor and rest were found with different degree for job satisfaction.
13. Gap in present and expected salary was found to vitiate the impact of globalization. The other variables were found less sensitive on this point.
14. Ethics and financial management is oriented by sensitivity of age, expected monthly income and gap in present and expected salary.
15. Comfortability with available home appliances is a sensitive matter of age, qualification, expected monthly income and gap in present and expected salary
16. Planning with risk for future was sensitized by age, status of employment, expected monthly income and gap in present and expected salary.
17. Life-styles of the individual are not affected by the identity of person.

[Results 4 to 15 are given in figure 3 and table 2]



Diagonal segments are produced by ties.

Note: GPES- Gap in expected salary, EMS – Expected monthly salary, TCSE = Thinking to change the status of employment, SE -Status of employment

Figure –3
Sensitivity with financial planning

Table –2
Area Under the Receiver Operative Characteristics Curve

Economic planning		Participants Identity						
		Sex	Age	Qual	S E	TCSE	EMS	GPES
1	Risk taking capacity	.321	.619	.214	.548	.440	.167	.107
2	Risk Taking confidence	.438	.719	.594	.500	.438	.406	.406
3	Confidence in mutual fund investment	.542	.451	.444	.465	.514	.660	.549

4	Decision making for investment	.349	.667	.429	.325	.413	.500	.429
5	Selection for investment mode	.333	.550	.467	.167	.350	.433	.267
6	Saving management	.530	.591	.409	.303	.424	.341	.432
7	Job preference	.424	.333	.542	.701	.514	.660	.542
8	Money certificate holding capacity	.402	.364	.455	.561	.553	.439	.682
9	Planning for house purchase	.321	.619	.214	.345	.238	.167	.202
10	Life style sense	.308	.375	.462	.442	.490	.317	.308
11	Job satisfaction	.575	.225	.633	.508	.525	.542	.575
12	Agents of globalization	.471	.481	.327	.442	.490	.442	.625
13	Ethics and financial management	.470	.697	.379	.439	.447	.576	.576
14	Comfortability with home appliances	.471	.856	.615	.442	.490	.567	.625
15	Planning with risk	.433	.633	.467	.508	.525	.542	.517

Note: 1. Gray shaded is the indicator of high sensitivity
 2. Dark black shows less sensitive outcome

Discussion

The present state of mind is the challenge and risk of the individual. Dissatisfaction is not always a bad element in human psyche but it is an indicator of self-promotion as per vision of future. The findings that think individually changing of services (government to private or private to government to private) are indicators of dissatisfaction of present state of employment. The psyche to prefer government services is mindset of stability of life and less risk of destabilization but preference of private services is increasing because of salary as per qualification and work performance. The role behaviour and work devotion is the basic requirement of the private service, which have been found comparatively less in government services in the mental strata of individual. This diffused thinking is the manifestation of weak role training of HR. The young HRs thinks that loyalty to organization is good but it is old fashion branding. Organizational commitment means work and payment, beyond this it is harmful for both. The rationale of these young people is that twenty-four carrot gold is pure there is no doubt but it is worthless because it can not show perfection in use and stability. Dewey claimed it is a matter of progressivism. He argued that mind fundamentally is an instrument of adaptation (Dewey 1900 / 1978). Thus

thinking to change of services from set of system to another system is a matter of self-cultivated reality of life. The other corner of reality is maintaining identity in one set of organizational reality focused the tradition of organizational citizenship and professional value of application of life for commitment to equal treatment of state of art of organization. The mental hunger of financial state is the first priority of switchover of services but mental security of services cannot be ignored in this perspective.

Approximately 30% of employees think of salary package between Rs 50,000 to Rs 100000 is the indicator of mass hunger of mental mechanism and their survivals are under risk . Psychologically it is hyper mental set of reality and if 1/3 of our working society is thinking of such high level of salary package in the present economic condition then what will be the status of the national economy. This intra-aggression leads the individual for battle between mechanistic explanation and finalistic valuation of life (Leahy 2004). The aesthetic satisfaction of the belief is in the psyche of such personality individual who are thinking of such a high salary mode. This fact is also supported with the issues of gap between present salary and expected salary. All the respondents think of the gap in their present and expected salary but approximately 26 % are thinking of about 30, 000/- discrepancy where as 15 % are thinking of 50,000/- is the discrepancy in their salary . Psychologists claim it is a matter of computational functioning of human nature. The New Functionalist are thinking of the mind as a running program (Pinker 2002) . At this psychologists have hope to predict, control and explain human behaviour by understanding the human program and without understanding the nervous system and brain. This mechanism easily understands with Hull's S-R theory and mediating r-s mechanism. The first (S-R) is the pure stimulus act but second (r-s) is the counterintuitive notion of brain. In the present state of reality those who have major discrepancy in the present and expected salary are living with psyche of belief process of 'aboutness' (Lachman, Lachman and Butterfield 1979) .

The extreme poles of the risk taking capacity of the individuals are reflector of psyche that human beings develop fear with age and status of employment. Such fears are physical support of life and being of member of an organization, which stimulates him that the risk of life would be , dangerous of identity management because 'life is action not production' said Aristotle.

Risk taking capacity and age have negative correlation. The risk taking capacity is determined by the psyche of proper 'estimation and cognitva' of human said Aquinas. At early stage of life both are governed by a vegetative soul not by sensitive and rationale soul. The expected monthly salary and gap in present and expected salary sensitivity plays the role of a mediator variable, which controls human beings for unrealistic life management for financial planning. The poor sensitivity index of EMS and GPES proved that human psyche have not linear functioning but its curvilinear function is risk taking capacity manager. Age and SE is the external sensible object but EMS and GPES are the internal operation of our mind. This finding proved that economic planning with risk is ethics of life and this ethics governs the present state of mind not the future outlook of consciousness. The time vision and apperception of self-understanding develops the mental framework of risk taking confidence. In this juncture role of academic qualification was found a major determinant. Academic qualification is the shining sun of human which shines in the free men 'who know no master but their reason' (Marquis de Condorcet). If a person takes risky decision with full confidence then his /her potential of knowledge received energy from academic outcome.

Investment in mutual fund is a matter of mental mechanism of humans which runs with econometric analysis. This psyche as per this study is dominated by sex, TCSE, EMS and GPES. Ensuring control and keeping competition are the functional psyche of investment mechanism. Such mental mechanisms are not enough but shareholders activist play is a reality said Renuka Ramnath (2007). This study shows that highest sensitivity was with EMS and GPES on investment planning. Psychologists explained this in terms of experimental ethics of reality and any is over with fearing persecution would be in decision of investment but Shinghvi (2007) said investment decision is a matter of thinking something else and that is analysis of preferential allotment. Thus, investment cannot be generalized with single phenomena a serious investor may go with collective intra psychic decision.

The finding regarding age and mode of investment selection is self-dependence on the physical state of the body. Some may think on the hyper reality and have good vision of market and may go with investment on a particular type of product. The feeling of energetic and future building of confidence are encourager him for investment and selection mode of company. The price

fluctuation and instances of economic state may stimulate the psyche of the individual for mood management of qualified investment.

Saving management is the psyche of future planning but this psyche has fear of unseen reality. The degree of unseen reality is not a mathematical parameter but it is mental measuring scale of individual for future outlook. The result shows that sex and age are the main determinants of this psyche. The interaction of age and sex projected that males have a high level of sensitive on saving management than females. The main cause is separate sphere of influences of both sexes. As male sphere of influences are world of commerce, politics and war where female sphere is home and health (Porter 2000) . Empire image in male is the natural gift and female natural gift is dependency on husband nurture them with different psyche of saving management. Freud claims it is due to neurosis in women, which forced her for, choosing an intelligent mate. This psychological parameter has project on high scale of male for saving management.

The multiplicity of job preference showed that human being is a bundle of mechanical mind, which governs with the machine of cognition and cognition received energy and stimulation from the various agents. These agents are less influenced by age and sex. It is a typical character of social engineering thinking of life. Job preference is the abstract formulation of life planning and thinking what would be image in society, build up a separate identity with beautiful glory and psyche to above on all. The individual for job preference shapes cultural autonomy and family thinking. The super thinking with moving forward is the psyche of civilization and civilization, which nurtured the individual for fighting against the perceived poverty and feeling of happiness. Success mania is the psyche of job promotion reality of individual claimed Sullo way (1991) in his finding . Fisher and Greenberge (1977) analysis focussed on defence of unsuccessfulness which is the cause of it. Qualification where the internal energy of individual for job preference but SE, TCSE, EMS and GPES are the stimulator thinking and planning as per academic standard of individual.

Interaction of status of employment with money certificate holding capacity of individual proved that individual governs what is his/ her present state of reality. If he/ she is satisfied with present mode of life condition and has less optimism in future would be with trait of money certificate

holding capacity. The psychological state of such a human being is determined by his / her life stories and personal problem (Freud 1900, 1968). The positivists explained that the understanding of present state of reality (the status of employment) is a matter of logical association of human being. It (logical association) helps the individual for scientific decision to reduce the further consequences because it is leading variable to prediction and control of life management.

Purchase or build-up a house is a central psyche has been found in each and every human being because it covers the safety mental paradigm. In the Maslow's need hierarchy it comes at second stage. The biological state of an individual is reflected as a key determinants in this study but a very surprising fact was found that expected monthly income is not directly related to this condition. The rationale behind that human beings have psyche to achieve this objective in early age and improvement and extension is the further state of thinking which may be directly associated with EMS and GPES. Functionalists explain it in term of instrumentalism, because mind is the effective actor in the world and knowledge as an instrument for first understating then changing the world. Thus, it can be explained that mental mapping with age and decision of purchase / building a house a instrumental approach to human psyche, where he/ she decides for plan of this basic need object.

Job satisfaction is highly influenced by academic standard of the individual. At the level of sensitivity sex and GPES are found to have the same degree of influence. This shows that gender bias is not a predictor of job satisfaction and age is ineffective agent in it. It infers academic qualification is a matter of scrutiny of surrounding environment which forces the individual for introspect the reality of life as per potential. He / she wants to search the identity in their real field (Mc. Dougal) . Academic standard helps to analyze the cognitive state of employment and at analytical outcomes he / she become the self-predictor of reality. Tolman (1926, 1935) explained retention of cognition is a molecular state of human psyche which is the only possible psychological realism . As finding of this study, it can be explained that job satisfaction is a state of understanding where I am. Qualification is a scanner of this mental imagery of life and on the basis of concrete association between person is and his / her role in organization become the predictor of happiness in the psyche of an employee.

The high sensitivity of GPES for globalization indicates that human psyche operates with two principles of life: 1 the operational state of mind to visualize what would be and 2 the psyche of ultimate reality of changes. Globalization is state of cognitive map of environment and individual may try to discover the reality of his / her position in the existing parameter. This internal adjustment with reality and response as thinking of changes and changes individual position become the state of hungriness of approach of novelty. Sometimes he/ she may achieve it but not at all GPES helps to visualize the reality of individual in the sphere of globalization. If individual is not found suitable to survive in the existing state of reality especially at the salary level try to improve with use of potential and mental management.

Ethics of financial management is manifested by age , EMS and GPES focused on the felt that ethics is a matter of metaphysical state of life . These are unconditioned reflexes of mystery of mind. It focused that mind as social construct and ethics is a superficial agent. If there is poor bond between remembering, thinking and intending then such types of events may occurs.

Comfortability is the abstract state of mind. Human beings may be comfortable in the odd situation but he / she may loose the comfortability in the healthiest life situation. Perception of comfortability may not be generalized because it is not a state, which plays equal degree of satisfaction in all associates of any contour. The mixed parameter of human state of life focused that home appliances are indicator of age and supported by GPES . It may be explained with trilemma human decision-making. This trilemma is, 1 try to explain purposive behaviour by reference to inner events, 2 try to explain purposive behaviour by reference of purely mechanical, 3 try to explain purposive behaviour by reference of truth human action. In all references age, EMS and GPES are the mediator variable, which may reflect the exact state of reality of comfortability.

Planning with risk is psychological state of challenges, which based on the information processing state feedback mechanism. Turing (1950) concept of meaning of thinking is central agent of risk taking behaviour. If an individual become successful in imitation game would be planner of risk events of life. The mediating variables as EMS has found most sensitive in this regard. It is matter of tempting valuation said Kishore Biyani (2007) .

Conclusion

On the basis of finding of this study it may be predict that state of mind is a predictor reality of life but mediating variables have contributing a large in the decision making for going forward and plan for real game of life.

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