GROUP PREPAREDNESS FOR RISK IN THE ENVIRONMENT OF SOCIAL INSTABILITY

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Abstract
This article analysed primary theoretical sources with the view of operationalisation and systematisation of the notions of risk as well as the notions that are allied and interdisciplinarilly connected to it. In the outcome of the theoretical study both classical and the most recent risk studies and correlating events have been analysed and systematised staying in the focus of the study against the backdrop of social instability.
Key words: risk, preparedness for risk, social instability, group, decision making.

Introduction

The science of psychology has been developing quite rapidly during the last decades. Many researchers believe that the rates of development of numerous sides of public life will depend on its achievements and the ability to apply them in practical activity no less than they depend on technical progress and the progress in technical and natural science disciplines.

That is why labour psychology, sports psychology, medical psychology, management psychology etc. have shown up as self-sufficient sciences in recent years.

Unfortunately, risk psychology is not considered as a self-sufficient science at present time. In psychology, risk is studied mostly within the framework of achievement motivation theory, decision theory and concept of oversituational activity.

However, at present the most part of subjects' activity is connected with risk and psychological factors in particular influence subjects in risk situations.

That is why research of risk in psychology, and in particular, its impact on people's behaviour in different uncertain situations is quite relevant nowadays and is of great interest to researchers.

If applied to Latvia where economic crisis is running in the toughest way, the author emphasizes that the economic situation of today does undoubtedly provoke the aggravation of criminal situation in the country, therefore some certain layers of society and groups become more predisposed to different ways of exertion of behavioral risk.

Risks are studied not only by psychologists, but also by specialists in the field of sociology, management, economics and finance. Nowadays psychology has both classical (V.A.Petrovsky, V.Lefevre) and modern studies that are connected to risk (G.M.Breakwell, M.Zuckermann, T.Kornilova and others), however, during the process of studying scientific data bases, the author did not succeed in finding similar studies that had been carried out in the circumstances of socio-economic instability.

Psychological aspects of people's behaviour in risk situations attracted psychologists' attention at the beginning of formation of the applied psychology in the 20-ies of XX century. Research of predisposition to risk took place on the level of individual quality that had positive or negative impact on different occupations depending on the requirements of one or another profession.

In psychology, risks were studied by D. McClemand, F.Burkard, H.Shubert, T.Ehlers, M.Zuckermann, S.J.Riddiger, A.Mehrabian, A.Edwards, D.Kiebelsberg, R.Riser, G.Stoner, G.Atkinson. Problems of risk are still relevant for psychology. This makes us believe that there are issues that need general psychological, theoretical and empirical research.

Definition of the notion of *Risk*

Many specific public and natural sciences use the notion of *risk*. Each of the sciences has its own subject, its own direction and applied methods in risk research. Such situation allows for the identification of many different aspects where risk is considered.

Prior to the consideration of the concepts of risk it s necessary to reveal the contents of the given notion.

Nowadays there is no generally accepted definition for this term, and its interpretation has numerous discrepancies. Largely it can be explained by multiple aspects of this event that has mismatched and sometimes even opposite solid grounds.

In the conscious of masses risk is seen as possible danger or bad luck. In some cases risk is considered to be an activity that is undertaken in the anticipation of successful outcome or just a situational characteristic of activity.

In order to make risk present, danger is needed. And uncertainty is a component of danger.

According to O.Renna, risk is the possibility that human actions or results of human activity lead to the effects that have an impact on human values.

Here the definition of risk contains the effects that have an impact on human values, possibility of appearance (uncertainty), and a formula combining both of these elements.

For example, in physical and engineering sciences the term of risk is considered to be a possibility multiplied by effects. In psychology, risk is considered rather as a function of subjectively perceived benefits and possibilities of their exertion.

However, in spite of the difference all definitions have some similar characteristics. For instance, uncertainty. O.Renn rightly noticed that all risk concepts have one common element – separation of reality from possibility. If the future were predefined or independent from human activity at the present time, the term of risk would have no sense. The term of risk has sense only when the difference between the reality and a possibility of the fact that unwished condition of reality can occur as the result of natural events or human actions is acknowledged.

Uncertainty is inhomogeneous in its form of exertion and contents. The sources of origin of uncertainty are diverse. One of them is connected with the presence of the elements of randomness and spontaneity. For example, spontaneity of natural events and disasters.

Human activity and interaction of uncertain and ambiguous character do also belong to the sources of uncertainty. Or probabilistic character of scientifically technical progress: it is practically impossible to define specific effects of one or another discovery in all its entirety beforehand.

Existence of uncertainty is connected with incompleteness, lack of information about an object, process or event that is connected to decision-making, with limitation of a human-being in the process of collection and processing of information, with constant variability of information about many objects (that is why the method of trial and error is widespread in practical life).

To conclude all the abovementioned information we see that the main factors that generate uncertainty, and consequently, risk, are:

First, internal factors that are typical for the society as a social organism: inconsistency of social events, elements of disaster, randomness;

Second, factors connected with incompleteness of information about an object;

Third, factors conditioned by the subject's influence on public life for the purpose of realisation of one's own needs;

Fourth, factors connected with the influence of scientifically technical progress on social, economic, political and spiritual life.

Alternativity is a necessary peculiarity of risk apart from uncertainty – this is the possibility of choice between two or several possible options, decisions, directions, actions. Lack of choice possibility takes off risk situations. That is why in psychology risk is studied mainly within the framework of the theory of taken decisions.

It is important to note, that risk is always a situation of evaluation of the possibility of deterioration of condition (it is discussed in a more detailed way within the framework of a psychological aspect of risk).

The nature of risk is looked at from different points of view in modern studies.

Some authors believe, that risk is "an objective category that allows for the regulation of relations between people, labour teams, organisations and other subjects of public life that appear as the result of transformation of possible danger into reality". In this sense risk is considered as a term posing possible danger of random occurrence of negative effects.

Subjective concept of risk is quite wide-spread.

In terms of this position risk is always subjective, "since it acts out as evaluation of an action by a human-being, as a conscious choice inclusive of possible alternatives…Subjective concept is oriented on the subject of activity taking into account the realisation of effects, the choice of behaviour option…" In this respect the exertion of risk is always connected with the will and conscious of a human-being, "risk is the choice of behaviour option inclusive of the danger and possible effects".

Despite the difference of views concerning the nature of risk, we think that the one and the other concepts of risk are rightful depending on the purpose of research.

The analysis of the notion of risk carried out above allows for the conclusion that this event is very multi-dimensional and ambiguous and bears specific characteristics. And the

range of studied qualities, peculiarities, elements and characteristics largely depends on the aspect (technical, social, psychological, economic, humanitarian) in which the notions of *risk* and *risk situation* will be considered by a researcher.

The term of *preparedness for risk* is considered and studied largely as an individually psychological category. Social psychology made several attempts to study the phenomena discovered in general psychology, on group and interpersonal level. Thus, if a subject taking decision in risk situation is represented by a group, can we then speak of group preparedness for risk? Apart from that, in the tradition of general psychology subject's preparedness for risk is likely to be considered as a precondition for person's creative activity. Hence there is a natural question about mechanisms and character of the connection of the phenomenon of group preparedness for risk with the ability of the group to find effective solutions to creative tasks, which becomes especially relevant in the environment of world economic crisis.

Group preparedness for risk

With Latvia's accession to the European Union a new form of work appeared in this country, i.e. project teams. In general, we can observe the tendency of complication of public life and social institutions. In these circumstances, the subject taking decision within the organisation more often is represented by a group: managerial and project teams, committees. Attention of researchers and practicians paid to group solutions is explained not only by the fact that a group can have a substantial potential thanks to the diverse experience of its participants. Modern management tendencies, especially those connected with the introduction of the concept of "team management form" speak for the fact that we start to consider managerial activity as collective creativity. At present, it is evident that some certain organisations need to develop the skill of managerial teams to act successfully and solve organisational issues in risk situations, which substantially increases the relevance of the social request to identify factors that determine the quality of group decisions in the circumstances of risk.

This study gives a basis for the necessity and rightfulness of scientific analysis of the preparedness for risk on group level. Socio-psychological factors of the effectiveness of group solutions for creative tasks such as the level of group preparedness for risk and the stage of team development were identified and studied. Comparative analysis of individual psychological characteristics of preparedness for risk with the variables of group activity was carried out. Specifically, the analysis of the variation of group preparedness for risk on different stages of team development was carried out. The typology of the phenomena of personal risk that can serve as a basis for the definition of the phenomena of risk acceptance on the group level was offered.

Operational definitions and statements offered for discussion:

1. *Group preparedness for risk* can be understood as the ability of a group to take decisions and act in the circumstances of risk on the basis of the evaluation of its potential. Specifically, to a large extent preparedness for risk depends on the level of evaluation of its potential by the group for the purpose of collective solution for a set task.

2. Stage of development that a team is located on to a large extent determines the level of the group preparedness for risk. High rate of group preparedness for risk is present with the teams on the stages of adjustment and standardisation. Low rate of preparedness for risk is present with the teams on the stages of grouping and functioning.

3. Group preparedness for risk on certain stages of team development is connected with the effectiveness of group solutions for creative tasks. The teams on the first two stages of development with a high rate of preparedness for risk show low productivity in the solution of creative tasks. The teams on the stage of standardisation with a high rate of group preparedness for risk appear to be very effective in their solutions of creative tasks. It is also possible to determine the increase of the productivity of teams with a high rate of preparedness for risk on the stage of functioning during the accumulation of experience for the solution of creative tasks.

4. Effectiveness of the group solution of creative tasks is determined by the group members in terms of individual preparedness of its participants for risk. Thus, a heterogeneous team solves creative tasks most effectively, since its members have different levels of individual preparedness for risk..

In 1961 G.Stoner discovered the phenomenon of *shift to risk* and proved that a group decision includes the element of risk to a larger extent than individual decisions. Further studies revealed the effect of *polarisation of opinions* that conditions working-out of more extreme decisions in the group than if they had been taken individually by the group members. In the studies with making vitally important choices in the group it was shown that the decisions more often shift to risks in large groups and in the groups consisting of people unknown to each other [Barnir, 1998]. Similar pattern can also be met in cases where risk is socially desirable or

when the statement of the task contains enough information. When a problem that requires solution is characterised by uncertainty, serious effects and large profit, the group takes more "careful" decisions [Barnir, 1998]. Suppositions of some researchers concerning higher quality of group solutions in comparison to the individual ones have not found any confirmation in the effect of *groupthink* revealed by I.Janis. Based on the critical attitude towards the basic method of the research (analysis of historical events), opponents formulated their proposals concerning the reduction of the effect of the *groupthink* during the process of making important decisions. Specifically the following was offered: introduction of the role of critic who would have to point out weaknesses and dangers of considered decisions [Kozeleckiy, 1979; Belbin, 2003]; intentional focusing of the group on studying [Kayes, Kayes, Kolb, 2005]; the model of transition to the constructive team synergy and solution of problems within the group [Neck, Manz, 1994].

The most common characteristics of a successful team can be listed as follows: high rate of performance, clarity of the task and functional distribution between team members, coordination of activities, correlation, creative approach, flexibility, discussion friendly atmosphere [Personnel Management, 2001; Ivanov, Shusterman, 2006; Blanchar, 2007; Gustafson, Kleiner 1994]. Essential criteria of the evaluation of the effectiveness of team activity are analysed: performance, satisfaction gained from joint interaction and above-norm activity of the group members [Andreyeva, 2002; Bazarov, 1980; Nemov, 1982; Shakurov, 1982; Krichevskiy, Margine, 1991]. There is a peculiarity that is typical for the approach of foreign authors who point out two types of effectiveness: effectiveness – quality, quantity, promptness of result, and efficiency – fixes the correlation of planned resources with those factually consumed [Sink, 1989]. Systematisation of implemented studies allows pointing out five basic groups of psychological factors of the effectiveness of task solutions made in groups:

1. Requirements of the task [Cohen, Ledford, Spreitzer, 1996; Cohen, Bailey, 1997].
2. Individual factors (inclinations, personal peculiarities, patterns of interaction within the family, sex etc.) [Fopel, 2005; Capelli. & Rogovsky, 1994, Guzzo, Dickson, 1996; Lawler, Mohrman & Ledford, 1995].
3. Group factors (group composition, dynamics, size) [Bezrukova, Bukhtiyarova, Sinyagin, 2003; Belbin, 2003; Evans & Dion, 1991, Jackson, 1992a].
4. Group processes (achievement of good interplay, development of the group) [Personnel Management, 2001; Bezrukova, Zhukov, Blinova, Lyamin, 2001; Argote & McGrath, 1993; Bogenrieder, Nooteboom, 2004; Gunn, King, 2003].
5. Conditions of external environment (organisational structure and culture, competitiveness of the environment) [Cohen, Bailey, 1997; Romero, Pescosolido, 2008].

It is pointed out that the influence of such group characteristic as its level of development on the effectiveness of group decision making is still less studied if compared to the other group processes. Taking into account constantly changing conditions of activity in modern organisations and creative character of the tasks that are to be solved daily by the teams of managers, there is an important question emerging – on which of the stages of the development is the team most effective in finding solutions for creative tasks?

Basic approaches to the research of group decision tasks in the environment of crisis

The author believes it is reasonable to consider the aspect of rationality at the moment of making decisions in groups. Here we will put the case of the argument between the authors of the *prospect theory* and ecological approach. Conclusions of A. Tversky and D.Kahneman about the dependence of choices on the formulation of questions were criticised by G. Gigerenzer who checked it empirically that the probabilistic format of the presentation of information for the purpose of decision-making is not common for a human-being and can serve as the reason for the *reduction of rationality* at the moment of decision-making [Gigerenzer, 1996]. Authors of prospect theory and the founder of the ecological approach agree in the fact that during the moment of decision-making a person reduces the level of the uncertainty of the situation. The former relate this reduction to the functioning of cognitive heuristics, while G.Gigerenzer relates this to the mechanism of switching of the modules functioning on the same level. When G.Symon introduces the term of "limited rationality", he believes that such behaviour of the subject of decision-making is rational from the point of view of the fact that this simplification lets a person solve a problem [Symon, 1993]. In the support of this statement, Y.Kozeletsky points out a special type of rationality – subjective rationality, in which "the base point of evaluation is not the objective task formulated, for example, by an experimenter or factory director, but the subjective idea about this task" [Kozeletsky, 1979, C, 87].Researchers' answers to the traditional question about which of the decisions is better – individual or made by a group – are analysed. During the research of the quality of made decisions it was determined

that the advantage of group or individual decision depends on the stage of decision-making: individual decision is more productive in the phase of finding, while group decisions are the winners in the development phase (proof of correctness) [Andreyeva, 2002]. On the basis of the research carried out by I.B. Bovina it can be concluded that the groups with different strategies do effectively solve the tasks by means of using different mechanisms of information analysis, search and selection of alternatives [Bovina, 1998]. The experiment of B.Shoner and his colleagues showed that individual decisions in series I-G (first, individual decisions are taken, then the same task is solved in the group) are clearly worse than the group decisions in **G-I** (first, decisions are taken in the group, then – individually). The second conclusion is very interesting: group decisions are better in series **G-I,** than in series **I-G.** The authors explain this by the fact that the individual decisions in series **I-G** made rational activity difficult in the team. At the same time group decisions in series G-I increased the quality of individual solutions [Shoner, 1975]. Detailed overview of G.Hill (1982) allowed concluding that a group action usually exceeds the action of average individual in quality and quantity. However, according to G.Kelly and D. Tibo, in order to achieve the success of the group there must be a person who dominates over the rest of the members in terms of expertise and resourcefulness, and has leader skills [Krichevskiy, Dubovskaya, 2001]. Special analysis of the basic psychological approaches to the issue of creativity was carried out.Within the framework of these approaches mainly the external results or internal creativity factors are studied. Followers of some concepts do not try to reveal the mechanisms of this event at all, since they believe creativity to be in some way mystic. [Vaiman, 1991; Kononenko, 2003].Representatives of the assignment approach postulate the unity of the product and the process trying to overcome the dichotomy of the categories of the "external" and "internal"[Leontyev, Ponomarev, Gippenreiter, 1981; Rubinstein, 1981; Tikhomirov, 1975; Obukhova, Churbanova, 1994]. Still not completely resolved are the problems of the correlation of the input of the conscious and unconscious in the process of creating something new. Lack of a general theory does not provide for the elaboration of a clear description of the process of creativity. In the approach of D.B. Bogoyavlenskaya, creativity is being looked at as the preparedness for cognition beyond the framework of the requirements of the given situation. The author introduces the notion of *intellectual activity* as a unit of the analysis of creative abilities. Intellectual activity is determined operationally through the indices of the respondents' activity in unusual situations [Bogoyavlenskaya, 2002]. Preparedness of the subject to overcome the set borders is a precondition for the creation of something new and realization of one's creative potential. However, the question of how this correlation of risk and creativity is implemented on the group level is still unanswered. How does individual preparedness for risk influence the realisation of the creative potential of a group, specifically, on the material of group decisions of creative tasks?

Presence or absence of a risky situation, predisposition of a person to risk depends not only on a social status or influence of different factors, but largely on the fact, how a person perceives the risky situation, what picture of risk is most familiar for him.

By means of a range of studies it was revealed that people are not disposed to risk if potential losses are heavy, and they take the risk if possible profit is large. Or, according to O. Renna, the scope of risk depends on "the subjective evaluation of the possibility of the occurrence of the event". More specific studies on the perception of the possibilities in the process of decision-making, when the conclusions are made on the basis of probabilistic information, revealed that the perception of risk depends on human prejudices and dispositions.

And, quite naturally, social perception of risk does largely depend on its "semantic image", since risk in its ordinary understanding has different notional meanings depending on context.

Conclusion

This article gave a detailed overview of the definition of *risk* and its components and also identified external and internal sources of uncertainty as one of the main components of risk situation.

Psychological research identified the main concepts of risk study. This is the consideration of risk within the framework of achievement motivation theory, decision theory, concept of oversituational activity and studies of correlation of individual and group behaviour in risk situations.

Besides, the article outlined the evaluation situation that is identical to the situation of risk.

In this article you can also encounter an attempt to reveal peculiarities of risk in terms of certain subject carrying out risky activity, identify the diversity of risk in terms of sphere of implementation of the subject's activities, study the influence of social, psychological, socio-psychological factors that have their impact on the choice of certain risky alternatives.

Besides, different factors influencing group cohesion and organizability of behaviour in risk situation are studied. Therefore, this article is seen as an attempt to analyze a risky situation and recognize whether the phenomenon of risk is the factor of organisational behaviour. And still there are relevant though unsolved theoretical and practical issues concerning the problem of individual psychological disposition to risk in connection with individual personal peculiarities and social conditions.

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