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BEHAVIORISM AND BEHAVIORAL ECONOMICS

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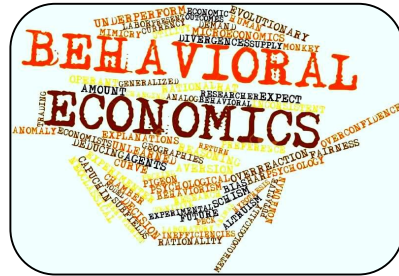
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ABSTRACT:

Behavioral psychology or behaviorism is an approach in psychology, which studies noticeable behavior; accentuating the role, that conditioning plays in manipulating an individual's opinions and activities. The behavioral political economy includes the study of psychological science into the examination of the decision-making behind Associate in nursing economic consequence, like the factors outstanding up to a client getting one product instead of alternative.

In conclusion, behavioral economics suggests ways how policymakers might restructure environments to facilitate better choices (Sunstein, 2014).

The focus on errors suggests ways that policymakers might restructure environments to facilitate better choices. In sum, the basic message of behavioral economics is that humans are hard-wired to make judgment errors and they need a nudge to make decisions that are in their own best interest. The understanding of where people go wrong can help people go right. This approach complements and enhances the rational choice model.



KEYWORDS: Behaviorism and Behavioral Economics.

INTRODUCTION

Behavioral psychology or behaviorism is an approach in psychology, which studies noticeable behavior; accentuating the role, that conditioning plays in manipulating an individual's opinions and activities. Behavioral social science includes the study of psychological science into the examination of the decision-making behind associate degree economic consequence, like the factors outstanding up to a shopper buying one product instead of the alternative.

Richard Thaler won the Nobel Prize in economics for his original effort in this field. The Royal Swedish Academy of Sciences, which awarded the £845,000 prize, praised Thaler for integrating psychological moulds into examining of economic decision-making. Unlike the field of classical economics, in which decision-making is completely based on cold-headed logic, behavioral economics permits for irrational behavior and attempts to recognize why this may be the case. The idea can be applied in small to separate conditions, or more broadly to include the wider activities of a society or trends in economic markets. Brexit is one instance of how behavioral economics can be beneficial. The theory is mainly useful for businesses and marketers looking to raise sales by inspiring changes in behavior by consumers.

PAST OF BEHAVIORISM

- 1) Russian physiologist Ivan Pavlov was awarded the Nobel Prize for his physiology work; he (1897) published the results of an experiment on conditioning after originally studying digestion in dogs.

- 2) Watson (1913) launches the behavioral school of psychology, publishing an article, Psychology as the behaviorist views it.
- 3) Watson and Rayner (1920) Little Albert – Behavioural (1920) conditioned an orphan called Albert B (aka Little Albert) to fear a white rat.
- 4) Edward Thorndike (1898) is famous in psychology for his work on learning theory that leads to the development of operant conditioning within behaviorism. (1905) formalized the Law of Effect.
- 5) Skinner is regarded as the father of Operant Conditioning, but his work was based on Thorndike's (1898) law of effect. He (1936) wrote The Behavior of Organisms and introduced the concepts of operant conditioning and shaping.
- 6) Hull (Principles of Behavior, 1943) produced a complete account of learning based upon need reduction—that is, reducing the strength of the drive linking stimulus and response under various experimental conditions, In 1943 Principles of Behavior was published.
- 7) Skinner (1948) studied operant conditioning by conducting experiments using animals that he placed in a 'Skinner Box', which was similar to Thorndike's puzzle box
- 8) Chomsky (1959) published his criticism of Skinner's behaviorism, "Review of Verbal Behavior."
- 9) In social learning theory, Albert Bandura (1977) agrees with the behaviorist learning theories of classical conditioning and operant conditioning. In (1963) he publishes a book called the Social Learning Theory and Personality development that combines both cognitive and behavioral frameworks.
- 10) B.F. Skinner (1971) printed his book, on the far side Freedom and Dignity, wherever he argues that power is an illusion.

BEHAVIORAL APPROACH

The activity approach explained: Introduction to the branches of scientific in psychology, assumptions of the approach associated an analysis.

The activity approach relies on the conception of explaining behavior through observation and therefore the belief that the environment is what causes us to behave otherwise or suffer sicknesses. The main categories of behaviorism are:

1) Classical Behaviorism:

Initiated arguably by John B. Watson, with his publication of "Psychology as the Behaviourist Views It", who described his behaviourist approach in psychology as "a purely objective experimental branch of natural science" More on Classical Behaviorism?

2) Methodological Behaviorism:

Methodological behaviouristic psychology based on the concept that everyone kind of psychological analysis is based to a bigger or lesser extent on perceptive behaviours; the nearest insight, some may argue.

3) Radical Behaviorism:

Radical behaviourists would claim that every one of our actions might be explained in terms of environmental factors. This is a somewhat extreme read therein it ignores biological and psychological feature influences, particularly given research that has found genetic factors to play a part in disorders such as schizophrenic disorder and depression and therefore the success of psychological feature treatments like rational emotive therapy (RET). Popular holders of the novel behaviouristic psychology approach were J.B. Watson and Skinner, but psychologists today widely acknowledge the importance of cognitive and biological factors in explaining disorders and behavior.

TYPES OF BEHAVIORISM

Historically, the most significant distinction between versions of behaviorism is that between Watson's original 'methodological behaviorism,' and forms of behaviorism later inspired by his work, known collectively as neo-behaviorism (e.g., radical behaviorism).

METHODOLOGICAL BEHAVIORISM

Psychology because the behaviourist views it is a strictly objective experimental branch of scientific discipline. Its theoretical goal is the prediction and management of behavior. Introspection forms no essential a part of its ways, neither is the scientific price of its information dependent upon the readiness with that they lend themselves to interpretation in terms of consciousness.

The behaviourist, in his efforts to induce a unitary theme of animal response, acknowledges no demarcation between man and brute. The behavior of man, with all of its refinement and quality, forms only a part of the behaviourist's total scheme of investigation'.

RADICAL BEHAVIORISM

Skinner, like Watson, also recognized the role of internal mental events, and while he agreed such private events could not be used to explain behavior, he proposed they should be explained in the analysis of behavior.

Another necessary distinction between method and radical behaviouristic psychology issues the extent to that environmental factors influence behavior. Watson's (1913) method of behaviouristic psychology asserts the mind is tabula rasa (a blank slate) at birth.

In distinction, radical behaviouristic psychology accepts the read that organisms are born with innate behaviours and therefore acknowledge the role of genes and biological elements in behavior.

WHAT IS BEHAVIORAL ECONOMICS?

The field of behavioural social science blends concepts from scientific discipline and social science, and it will offer valuable insight that people do not seem to be behaving in their own best interests.

Behavioral social science provides a framework to know once and the way folks build errors. Systematic errors or biases recur predictably in particular circumstances. Lessons from behavioural social science may be wont to produce environments that nudge folks toward wiser choices and healthier lives.

Behavioral economics emerged against the backdrop of the traditional economic approach known as the rational choice model. The rational person is assumed to correctly weigh costs and benefits and calculate the best choices for himself. The rational person is expected to know his preferences (both present and future), and never flip-flop between two contradictory desires. He has perfect self-control and can restrain impulses that may prevent him from achieving his long-term goals.

Traditional economics uses these assumptions to predict real human behavior. The standard policy advice that stems from this way of thinking is to give people as many choices as possible, and let them choose the one they like best. Because they know their preferences better than government, officials do. Individuals are in the best position to know what is best for them.

In distinction, behavioral economics shows that actual human beings do not act that way. People have restricted psychological feature skills and an excellent deal of bother sweat self-control. People often make choices that bear a mixed relationship to their own preferences (happiness). They tend to choose the option that has the greatest immediate appeal at the cost of long-term happiness, such as taking drugs or overeating.

They are profoundly influenced by context, and often have little idea of what they will prefer next year or even tomorrow. As Daniel Kahneman (2011, p5) put this, "It seems that traditional economics and behavioral economics are describing two different species." The latter shows that we are exceptionally inconsistent and fallible human beings. We choose a goal and then frequently act against it because self-control prevents us from implementing our goals.

Behavioral economics traces these decision errors to the design of the human mind. Neuroscientists argue that the mind consists of many different parts (mental processes), each operating by its own logic (Kurzban, 2011). Brocas and Carrillo (2013) note that the brain is best represented by an organization of systems that interact with each other. A key insight is that the brain is a democracy (Tononi, 2012). That is, there is no dominant decision-maker. Although the behavioral goal of an individual can be stated as maximizing happiness, reaching that goal requires contributions from several brain regions.

Behavioral social science attempts to integrate psychologists' understanding of human behavior into economic analysis. In this respect, behavioral economics parallels cognitive psychology, which attempts to guide individuals toward more healthy behaviours by correcting cognitive and emotional barriers to the pursuit of genuine self-interest (Lowenstein, and Haisley, 2008).

CRITICAL EVALUATION

An obvious advantage of experimental psychology is its ability to outline behavior clearly and to live changes in behavior. According to the law of parsimony, the fewer assumptions a theory makes, the higher and therefore the additional credible it's. Behaviorism, therefore, is appearance for straightforward explanations of human behavior from a scientific position.

However, experimental psychology solely provides a partial account of human behavior, that which may be objectively viewed. Important factors like emotions, expectations, higher-level motivation aren't thought of or explained. Accepting a behaviourist explanation could prevent further research from other perspectives that could uncover important factors.

In addition, humanism (e.g., Carl Rogers) rejects the methodology of mistreatment experiments to live and a management variable because of it creates a synthetic surrounding and has low ecological validity. Humanistic science additionally assumes that humans have power (personal agency) to create their own selections in life and do not follow the settled laws of science. Humanism additionally rejects the nomothetic approach of experimental psychology as they read humans as being distinctive and believe humans cannot be compared with animals (who are not vulnerable to demand characteristics). This is known as an idiographic approach.

The psychodynamic approach (Freud) criticizes experimental psychology because it does not take into consideration the unconscious mind's influence on behavior, and instead focuses on outwardly noticeable behavior. Freud additionally rejects the thought that individuals are born a blank slate (tabula rasa) and states that individuals are born with instincts. Cognitive psychology states that meditational processes occur between stimulation and response, like memory, thinking, problem solving, etc.

CONCLUSION

The contribution of experimental psychology is seen in a number of its sensible applications. Behavior therapy and psychotherapy represent one amongst the foremost approaches to the treatment of abnormal behavior and are quickly employed in psychotherapeutics.

Finally, behavioral economics suggests ways how policymakers might restructure environments to facilitate better choices (Sunstein, 2014). The focus on errors suggests ways that policymakers might restructure environments to facilitate better choices. For example, simply rearranging items that are currently offered within the school encourages children to buy items that are more nutritious.

In sum, the basic message of behavioral economics is that humans are hard-wired to make judgment errors and they need a nudge to make decisions that are in their own best interest. The understanding of where people go wrong can help people go right. This approach complements and enhances the rational choice model.

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