ABSTRACT
MARKETING EDUCATION AND THE HUMAN SIDE OF MARKETING MANAGEMENT
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Typically, managerial marketing courses are taught exclusively from a system-structural point of view, which depicts management as an engineering-like endeavor and managers as exceedingly rational decision makers who strive to maximize profits. Such idealizations, unfortunately, divert attention from the processes whereby managerial decisions actually are made and executed and the psychosocial factors that impinge on the fortunes of business enterprises as much, if not more, than rational economic analysis (March and Shapiro 1987; Walker, Ruckert, and Roering 1987). Organizational and personal goals (which may be incongruent) as well as perceptions of past events, current circumstances, and visions of the future (which may be highly distorted) come into play during both the decision formulation and the implementation phases. Accordingly, by integrating insights from the field of organizational behavior, marketing educators should make students more aware of how psychosocial factors affect the formulation and the implementation of managerial decisions.

The demise of Boise Cascade's Building Materials Distribution Division (BMD) exemplifies the critical impact psychosocial factors can have on decisions. BMD failed mainly because management did not understand consumer marketing, overestimated the economies obtainable from serving contractors and consumers from each store, and grossly underestimated the importance of location convenience, promotion, centralized purchasing, standardized merchandising, and market penetration (Valentin 1989).

From a traditional marketing management perspective, such mistakes comprise the root causes of BMD's misfortunes. Moreover, they appear idiosyncratic and, therefore, unlikely to afflict other firms. But at this level of analysis, the most germane question — Why did BMD err? — is given no consideration. Exploring this question from a psychosocial perspective reveals, for instance, that cognitive biases evoked illusory parallels between serving familiar and newly targeted customer groups, and parochial interests, organizational culture, and group dynamics impeded sound decision making. Such gremolita are pervasive, not idiosyncratic.

Cognitive biases can readily distort perceptions such that false premises seem factual, potentially fatal decisions seem optimal, or technically sound proposals seem undesirable. Because human rationality is bounded by innate cognitive limitations that tend to distort and repress complexity, decisions often are products of heuristics. Heuristics simplify the decision making process, but not without biasing results. "In general," Tversky and Kahneman (1974, p. 1,125) observed, "heuristics are quite useful, but sometimes they lead to severe and systematic errors."

Parochial interests reflect individual motives or the common goals of a group within the organization. Such interests often are incongruent with the firm's goals and, hence, may create costly conflicts. For instance, because it can be far more convenient and less costly in financial, political, social, and psychic terms for executives who have vested interests in the current order to maintain it rather than change it, fundamental strategies, structures, and operating modes may prevail even after they have become a threat to the organization's viability.

Organizational culture consists of the shared values, visions, and beliefs that lie at the root of behavioral norms and customary modes of problem solving in organizations. It reflects what has worked in the past and, therefore, appears valid and worth passing on. Organizational culture can seldom, if ever, be changed dramatically overnight; consequently, it may hinder the firm's ability to develop and implement timely strategies. On the other hand, some rigidity may be desirable insofar as it precludes reacting reflexively and disruptively to countless insignificant events. In addition to a corporate "background" culture, subcultures that clash from time to time often exist within firms.

Group dynamics, according to some researchers, produce solutions that are better than those offered by individual members. Yet, others have found groups prone to making monumental mistakes. Group pressures and processes, seemingly, often cause groups to adopt more extreme and risky views than those held on the average by members before engaging in group discussions.

References