

CHAPTER TWO

REVIEW OF LITERATURE

2.1 CONCEPT OF ADJUSTMENT

Adjustment can be defined as a process of altering one's behavior to reach a harmonious relationship with their environment. This is typically a response brought about by some type of change that has taken place. The stress of this change causes one to try to reach a new type of balance or homeostasis between the individual, both inwardly and outwardly, and with their environment. Adjustment occurs over time – in common speech, this is often referred to this as an adjustment period. The length and depth of the adjustment required is dependent upon the complexity of the change that catalyzed it, and the underlying resilience of both the person and their environment. The more profound the stress is the more profound the adjustment the person will be required to make in order to reach a new level of harmony.

2.2 CONCEPT OF MOTIVATION

Motivation refers to the inner state that moves or causes us to behave the way we do. (Atwater,1983). Basically, we infer motives from our observations of behaviors. The way motives affect us has been explained through *homeostatic principles*. *Homeostatic Principles* is the process by which our bodies maintain sufficiently steady state to ensure our survival. Motives can be classified into primary and secondary drives or motives. *Primary drives* are considered to be innate, while *secondary drives* are acquired largely through learning. For example, hunger would be a primary motive, an achievement a secondary one.

2.3 MASLOW HIERARCHY OF NEEDS

The basis of Maslow's theory is that human beings are motivated by unsatisfied needs, and that certain lower needs need to be satisfied before higher needs can be satisfied. Per the teaching's of Abraham Maslow, there are general needs: physiological, safety, love, and esteem which have to be fulfilled before a person is able to act unselfishly. These needs were dubbed *deficiency needs*. While a person is

motivated to fulfill these basic desires, they continue to move toward growth, and eventually self-actualization. The satisfactions of needs is quite healthy while preventing their gratification makes us ill or act evilly.

Abraham Maslow's model indicates that basic, low-level needs such as physiological requirements and safety must be satisfied before higher-level needs such as self-fulfillment are pursued. As depicted in this hierarchical diagram, sometimes called 'Maslow's Needs Pyramid' or 'Maslow's Needs Triangle', when a need is satisfied it no longer motivates and the next higher need takes its place.

Figure 1 Maslow Hierachy of Needs



Physiological Needs

Physiological needs are those required to sustain life, such as:

- Air
- Water
- Food
- Sleep

According to Maslow's theory, if these fundamental needs are not satisfied then one will surely be motivated to satisfy them. Higher needs such as social needs and esteem are not recognized until one satisfies the needs basic to existence.

Safety Needs

Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by:

- Living in a safe area
- Medical insurance
- Job security
- Financial reserves

According to the Maslow hierarchy, if a person feels threatened, needs further up the pyramid will not receive attention until that need has been resolved.

Social Needs

Once a person has met the lower level physiological and safety needs, higher level needs awaken. The first level of higher level needs are social needs. Social needs are those related to interaction with others and may include:

- Friendship
- Belonging to a group
- Giving and receiving love

Esteem Needs

Once a person feels a sense of "belonging", the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self respect and achievement. External esteem needs are those such as social status and recognition. Some esteem needs are:

- Self-respect
- Achievement
- Attention
- Recognition
- Reputation

Maslow later refined his model to include a level between esteem needs and self-actualization: the need for knowledge and aesthetics.

Self-Actualization

Self-actualization is the summit of Maslow's hierarchy of needs. It is the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow.

Self-actualized people tend to have needs such as:

- Truth
- Justice
- Wisdom
- Meaning

Self-actualized persons have frequent occurrences of *peak experiences*, which are energized moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

2.4 CONCEPT OF ATTITUDE

Definition of Attitude

Though attitude has been defined in a variety of ways, most definitions contain some reference to a persisting tendency to prefer a particular aspect of one's environment. This tendency can be reflected in the way one thinks, feels and behaves with respect to that point of view (McDoughall & Munro, 1987).

Triandis (1971) also defined a definition of attitude which included many of the central ideas used by attitude theorists as following:

“ An attitude is an idea charge with emotion which predisposes a class of actions to a particular class of social situations” (p.2).

Three-Concept Model of Attitude

According to Ajzen and Fishbein (1980) in their book, *Understanding Attitudes And Predicting Social Behavior*, one's attitude towards the six package relief

would be expressed in one's belief, feelings and behavioral orientations with respect to the six package relief; consequently, attitudes are structured along three components:

(1) Cognitive Component (beliefs, knowledge, and perceptions) consists of the individual's beliefs and knowledge about a particular object, or manner in which the object is perceived.

(2) Effective Component (likes and dislikes) is an individual's feeling of like or dislike for a particular object or place constitutes the affective component of an attitude.

(3) Behavioral Component of an attitude reflects the action taken or the expressed intent to act with respect to a particular object or place or referring to action taken or expresses, instinct to act with respect to a particular object or place.

It is likely that these three components will be related in a consistent manner, especially if measurement is directed towards a specific attraction rather than towards the relief package in general. The cognitive effective behavior relationship is unpredictable and the strength of the relationship seems to be influenced by a number of factors including situation factors, the manner in which attitudes are formed, and the relevance or importance of an attitude (Ajzen & Fishbein, 1980)

Attitude Measurement Scales

L.L. Thurstone (1967) proposed that attitude can be measured as expressed through the acceptance or rejection of opinion-the verbal expression, which takes into the account that an opinion symbolizes an attitude. Although the attitude scale is counted to measure the needed attitude, it is assumed that people's attitude can change and the subject may be consciously hiding their true attitude while the social pressure of the situation makes the person believe what he/she express.

According to McDoughall & Munro (1987) in their scaling and attitude measurement research, "a primary reason for measuring attitude is to gain an understanding of the reason why people behave the way they do " (p.115). Moreover, they noted in selecting a particular scale that each scale has strengths and weaknesses, and most techniques can be adapted to the measurement of the attitude components. For this reason, researchers could select an appropriate scale and attitude measurement

for each particular research. In deciding on a particular scale, three criteria should be taken into consideration;

- 1.) the properties of the scale
- 2.) the number of items/statement to be used in the scales
- 3.) the importance of reliability and validity

In addition, they point out that there are three basic approaches to constructing an attitude scale. The first, the easiest, is to select a scale that has been previously developed and tested by others. The second is to develop a scale by either modifying an existing scale or introducing a new set of items, and the third approach is to develop a new scale that is valid and reliable.

In this research, Likert scale will be mainly used as an attitude and behavior adjustment measurement.

The Likert Scale, also referred to as the “summated ratings” scale, requires respondents to indicate a degree of agreement or disagreement with a set of statements (items) concerning a particular attitude and behavior adjustment object. Frequently, respondents are asked to check the extent to which they agree or disagree with each item in terms of a five-point scale that is defined by the labels strongly agree, agree, undecided, disagree, strongly disagree. Likert scales, or variation of scales, is popular for measuring attitude because it is relatively easy to establish and administer. However, there are some drawbacks concerning the fact that the scale does not have interval properties (Likert, 1970)

2.5 CONCEPT OF POPULISM

Populism is the political doctrine that supports the rights and powers of the common people in their struggle with the privileged elite. In politics, populism is often connoted with policies that support the common man and are popular, but not always rational (in the economic sense) or in the best interest of the country or state. In terms of economic theory, the J-Curve, or Phillips Curve is the perfect model for this. It shows how certain economic policy decisions can make the people worse off initially but then eventually be much better off. At the same time, it also shows the tempting nature of politicians to follow policies that might end up looking like an upside-down J-Curve.

2.6 THE J-CURVE

Figure 2 the J-Curve

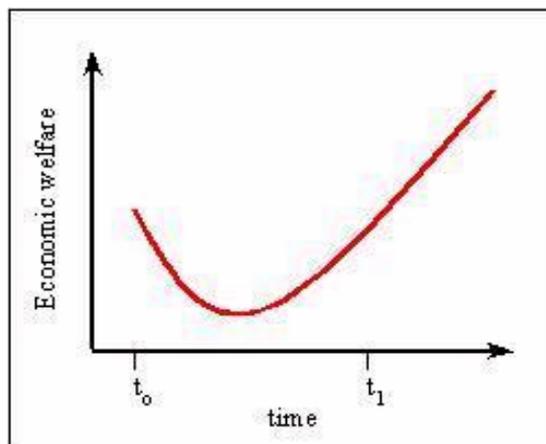


Figure 2 the curve shows the Valley of Sacrifice

Economists have shown that the model of economic reform resembles a J-Curve such as the one shown in Figure 2. According to this model, after reforms (at time t_0), economic welfare of the state goes down and the country enters the "Valley of Sacrifice". The government is willing to enter this valley because it realizes that after a certain time, the reforms are going to pay off and the people as a whole will be better off. So after time t_1 , the economy gets out of the valley and starts climbing the mountain. This model holds in the assumption that the government is implementing the six-month relief package of free water, free electricity and free buses policies as it will be beneficial to the country in the end. The government is willing to enter the Valley of Sacrifice by offering six measures at a cost of 47.4 billion Baht in order to help low-income people reduce their household expense up to 1,000 baht per month. The government realizes that after a certain time, the measures are going to pay off and the people as a whole will be better off. The government's six-relief package is designed to relieve the plight of the poor, who are finding it harder by the day to make ends meet. The measures hit the ongoing problem on target, correctly recognizing that this is a cost-push inflation resulting from rising energy prices, and will reduce the day-to-day expenses of the general public, urban and rural alike. Although it can not solve the problems at the root, it will give people some breathing space.

2.7 PREVIOUS STUDIES

2.7.1 According to Kasikorn Research Center (KRC,2008), *Thailand: Six relief measures will ease impact of rising inflation*, the government's new package of six relief measures designed to benefit the poor and low-income earners will help alleviate the impacts of rising inflation to a certain extent, according to the Kasikorn Research Center. The leading think tank forecast that Thailand's inflation rate in August might be lower than 10 percent and the average rate for the whole year might stay at 7.3 percent against the 7.8 percent projected earlier. However, the alleviation of impacts of surging inflation might lead to an increase in the fiscal deficit to Bt220 billion from Bt172 billion at present. Amid surging oil prices at present, KRC advised that the government focus on encouraging all parties to conserve energy, to reduce their overall consumption, because it was proven that the tax cut measure would fuel the fiscal cost. It said the government should implement the measures (only) for a limited timeframe. Should the 6-month period of the measures' implementation end and global oil prices begin a slowdown, the measures must be terminated, KRC advised. (TNA)

2.7.2 According to Suan Dusit Poll (2008), the survey among Thais in July 2008 found 66% of surveyed Thais approved the government's new economic stimulus measures that were to come into effect. It found that more than half of the respondents approved the new stimulus package particularly the excise tax cuts on diesel and the LPG price rise suspension. In addition, half of them believed that their livelihood would be better after the implementation of the new measures in August 2008. However a similar number stated that their opinions about the current government remain the same as the new package is only for temporary uses and does not show its determination to solve the problems they are facing. Meanwhile Federation of Thai Industries Chairman, Santi Vilassakdanon, agreed that all the new policies would at least help low-income household save 400 - 500 baht per month and boost cash circulation in the local economy over the short term.