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A hypothesis on rationalising decisions by constructing personal realities

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Abstract: In this paper, we propose a hypothetical model to show how people construct their realities, and how they subjectively rationalise their decisions and actions. We hypothesise that when making individual decisions, what matters is the reality as perceived by individual decision makers, regardless of the objective or subjective approach to reality. The paper attempts to study the link between perceived reality (subjective reality), and how people rationalise their decisions and actions. The paper sheds light on how people know what they know, and how that might affect their sense of rationality when making decisions. The paper explains that people come across knowledge in a daily basis, and that they decide to accept, reject, or adjust that knowledge, using their subjective validation process that is guided by their experiences, biases, and beliefs.

Keywords: perceived reality; subjective validation; construction of personal reality.

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1 Introduction

Understanding how people rationalise their actions and why they do what they do could be facilitated by understanding how people build knowledge, and how they deal with different realities. The question of how do we know what we know is a key question in the study of epistemology (theory of knowledge), and many questions can be driven from that question, especially, when knowledge is discussed at the personal level. Thus, one would wonder if individuals adopt and accept objective knowledge and apply this knowledge whenever needed in their daily lives, or could there be some adjustments, modifications, or even rejection of some of that knowledge? Should people accept knowledge as is, even if that knowledge is irrelevant to their different cases? What about their own experience of things that could falsify or contradict some of the widely accepted realities? Do individuals make decisions based on their own beliefs about things, or based on someone else's accepted realities and beliefs? Does objective reality even matter if people subjectively rationalise their economic and social decisions? How do people formulate their knowledge of different goods or services? Should business organisations even worry about people's mechanism of knowledge creation of different products? Certainly, many questions could be raised when studying personal epistemology, and attempting to shed light on some potential answers can help one understand social and economic phenomena.

Discussing how people absorb objective realities, how they deal with socially constructed realities, or how they construct their own realities is driven by the need to understand how people make decisions for economic and social purposes. For this reason, the intention of this paper is not to discuss the general acceptance of different realities, or if knowledge should be taken objectively or subjectively. Rather, the intention is to develop further understanding of how individual decision makers rationalise their actions based on different objective and subjective beliefs. It is arguable that when it comes to making individual decisions, what matters is the reality as perceived by individual decision makers, regardless of the objective or subjective approach to reality. Thus, people come across knowledge in a daily basis, and they decide to accept, reject, or adjust that knowledge based on their experience and beliefs. Consequently, when they make decisions, their decisions could be affected by their perceived and accepted realities, even if their perceived realities are not objectively validated, or do not match the general consensus or the socially constructed realities.

2 Literature review

Knowledge is believed to impact the decisions and actions of individuals (Mishra and Kumar, 2011). In literature, knowledge is referred to as objective and independent of one's conscious, socially constructed by social members, or subjective and dependent on one's perception. It is noticeable in literature that there are "two related dichotomies, the fact-value divide and the objective-subjective divide" [Karp, (2009), p.155]. According to Karb, a fact is linked to objectivism, while a value is linked to subjectivism, and that objective knowledge is generated by 'social scientists' and not social philosophers. In objectivism, according to Crotty (1998), reality exists as an independent object without the interference of one's perception and experience. Crotty added that there is a

difference between scientific knowledge, and one's own assumptions and beliefs, and that the major difference is the objectivity of scientific knowledge. Positivism, the theoretical perspective of objectivism, is referred to in literature as "a perspective that defines knowledge as something that exists independently in the world and that can be discovered through careful observation; [and] since it exists independently, knowledge is verifiable and stable" [Hinchey, (2008), p.20]. Easterby-Smith et al. (2004) also stated that objective realities exist externally and can be objectively measured without subjective interference of the individual. Hengstmengel (2012) highlighted Dooyeweerd view of reality who believed that "reality is not the product of chance but a divine creation [and that] man does not ascribe meaning to reality" (p.416).

Many in the academic community also believe that reality is socially constructed. Berger and Luckmann (1966) explained how knowledge for the common man is built, and how the concern of sociologists when addressing knowledge is on the everyday knowledge in a society, regardless of the actual validity of that knowledge. In other words, Berger and Luckmann analysed the "reality of everyday life, more precisely, … knowledge that guides conduct in everyday life" (p.33). They further explained that people accept their everyday realities without needing to verify these realities beyond their natural existence and presence because they exist in their daily lives. Weenink and Bridgman (2017) noted that social construction of reality questions the basic supposition of reality, the human 'hands off' approach in objectivism, and the ignorance of the human role in knowledge generation.

According to the well-known John Searle book, *The Construction of Social Reality*, "there are portions of the real world, objective facts in the world, that are only facts by human agreement. In a sense there are things that exist only because we believe them to exist" [Searle, (1995), p.1]. According to Morgan and Dennehy (2004), objective reality is seen by people "through the lens of their own background, attitudes, values, beliefs, biases, heuristics, and stereotypes" (p.376). Collin (1997) also stated that "social reality is somehow generated by the way we think or talk about it, by our consensus about its nature, by the way we explain it to each other, and by the concepts we use to grasp it" (pp.2–3). Both Searle (1995) and Collin (1997) use money as an example to illustrate how banknotes have no value in themselves, but people collectively believe that they have value. In other words, the value of money is driven by a socially constructed reality. According to Philosophy of Economics (2012), many scholars believe that the economy itself is socially constructed. The socially constructed reality, according to Collin, is the work of social members, and not the work of single persons. In other words, social realities are socially constructed and not personally created.

Literature, on the other hand, is full of support for subjective reality. Subjectivity, according to Gillett (2008) is "the source of the value that guides our actions and the meaning we invest in each other and in what is around us" (p.2). According to Popper (1947), in an open society, a person has to make personal decisions utilising his beliefs about the proper course of action, and can criticise existing truths. According to Pintrich (2002), an individual's epistemology is the individual's beliefs about knowing. It was highlighted by Brownlee et al. (2009) that "personal epistemological beliefs, or beliefs which are held by individuals about the nature of knowing and knowledge, are pivotal in the development of … knowledge processes" (p.600). Karp (2009) referred to Feyerabend (1975) and Rorty (1979) who argued that one's beliefs are the basis of knowledge, and that "all knowledge is subjective" [Karp, (2009), p.157]. According to Weick (1979), individuals selectively perceive reality, cognitively arrange it, and

interpersonally negotiate it. Morgan and Dennehy (2004) also explained that perception is reality:

> The concept that perception is reality is critical to the effective functioning of today's organizations. In today's leaner, globally focused, more diverse organizations, the pressure for greater productivity, the stress of downsizing, the growth of virtual teams, and a larger number of cultures represented in the workplace combine to make it less likely there will be common verbal and visual cues to help workers understand meanings. There is less trust now in management leaders who have become embroiled in ethical scandals. How can we come to common understandings within today's workplace. (p.374)

In a study to understand the influence of subjective and objective knowledge on the consumption of organic food, Aertsens et al. (2011) found that "attitude is significantly and positively influenced by subjective knowledge, … whilst objective knowledge … have no significant influence on the likelihood of actually consuming organic vegetables" (p.1353). They also referred to Chryssochoidis (2000) and Gracia and De Magistris (2007) who have stated that subjective knowledge has a great effect on consumers' intention to purchase goods. Subjective knowledge of future prices was also found to affect purchasing decisions in a study conducted by Krishna (1994). Eberhardt et al. (2021) also "showed how fair trade consumption behaviour is mainly influenced by subjective knowledge about fair trade products" (p.58). This is also consistent with Hochstein et al. (2021) who divided consumers into three groups:

1 traditional

2 well-calibrated

3 poorly-calibrated based on their subjective knowledge before interacting with a frontline employee of a retail store.

Subjective knowledge was highlighted by Lambert et al. (2021) as a factor in franchisees search of information regarding a franchise agreement. Li and Sunhee (2020) have also highlighted subjective knowledge as a factor that positively influence the intention to purchase Korean functional foods. Subjective knowledge of the relationship between sugar consumption and child obesity was highlighted by Liu et al. (2021) as a tool to address the problem of overweight and obese children in Mongolia. As well, Ta-Ching et al. (2020) also found that "consumers with high subjective knowledge have high willingness to purchase packaged tea products with carbon labels" (p.1).

Mishra and Kumar (2011), on the other hand, found that both objective and subjective knowledge affect the processing of information of mutual fund buyers. Lehberger and Becker (2020) also found that objective and subjective knowledge can affect the preferences of German consumers when it comes to plant protection practices. As well, Lind et al. (2020) concluded that both objective and subjective financial knowledge can influence the engagement of Swedish adults in financial practices. Consumer's objective and subjective knowledge was found by Pucci et al. (2019) to affect online wine purchasing. Also, Rihn et al. (2021) concluded that subjective and objective knowledge impacted the perceived value of genetically modified food.

3 Rationality and the theory of knowledge

Ideas that have their roots in philosophy could be beneficial to both business and economics. The concept of economic rationality, according to Davis (2014), is one example where economics and philosophy interact. It is also arguable that the theory of knowledge and its role in the rationality of individuals has also much to say in understanding economic and social phenomena, and this paper attempts to link these concepts together. In this paper, I propose that social and market agents are processers of different kinds of information, and that they rationalise their decisions and actions by constructing their personal realities. People are so different in their choices, and are making all kinds of different decisions. This diversity of decisions is a clear sign of people's subjectivity which works as a mechanism to construct people's perception of reality.

Social and market agents' perceptions of reality guide their social and market decisions. These perceptions of reality could be good enough to rationalise decisions if perception is seen as reality in the eyes of social and market agents. So for example, if it is generally accepted and believed that X Brand is the best laundry detergent, and a certain individual has a different perception about X Brand due to her experience with the brand and with other brands, that individual's decision to buy laundry detergent could be affected by her perception, regardless of the general consensus about the quality of X Brand. A persons own experience of things would lead to formulating subjective realities that are so real to that individual. And while the perception of others could or could not match an individual's perception of a certain issue, that individual might not need the validation of others to continue believing in what he has personally experienced. Each individual is a separate case, a separate entity, or even a separate world.

4 A model for personal construction of reality

- What is the mechanism of personal construction of reality?
- In other words, how does subjectivity work?
- What is the process that guides one's construction of individual reality?

Understanding the mechanism of personal construction of reality would help one understand how people know what they know, and how they rationalise what they do. A deeper understanding of this process could also help one understanding the behaviour of social and market agents. The intense interaction of social and market agents with all sources of information due to the extreme utilisation of technology and the social media is, I argue, powerful enough to affect public opinion, election results, or consumers' preferences. It is widely believed that the social media was behind the start of many revolutions in the Middle East, or what has been called the 'Arab Spring' in 2011 [B. and T., (2011), January 01]. It is also believed that Facebook was behind the election of president Donald Trump in 2016. According to a Chicago Tribune article by Margaret Sullivan, The Washington Post's media columnist:

> The news, reported Wednesday by The Washington Post, fits right in with the findings of a fascinating recent study by Harvard's Berkman Klein Center for Internet and Society. Analysing reams of data, it documented the huge role that propaganda, in various forms, played in the 2016 campaign. "Attempts by the (Hillary) Clinton campaign to define her campaign on competence, experience, and policy positions were drowned out by coverage of alleged improprieties associated with the Clinton Foundation and emails", the study said. The Trump campaign masterfully manipulated these messages. Truth was not a requirement. And Facebook was the indispensable messenger. [Sullivan, (2017), September 07].

To explain the process that people go through to construct personal reality, I propose the following model in (Figure 1) that was developed by providing answers the following questions:

- How do I process the information that I receive from different sources?
- How do I analyse and interpret interactions with objects and subjects?
- Do I accept it as is and behave according to it?
- Do I analyse it first to make it easy to absorb?
- Does information stay as is after absorption?
- What about the previous information that I possess?
- What about my previous experience with similar interactions?
- What about my own preferences, biases, and beliefs?
- Why should I believe information that contradicts with my previous experience and personal preferences and beliefs?
- What about the credibility of the source of information?

I propose the model in Figure 1 to show the mechanism of personal construction of reality. The following section of the paper provides explanation of the five stages in the construction of personal reality. This section is followed by a discussion of the applicability of this hypothetical model.

There are five stages in the above personal construction of reality model:

1 the interaction stage.

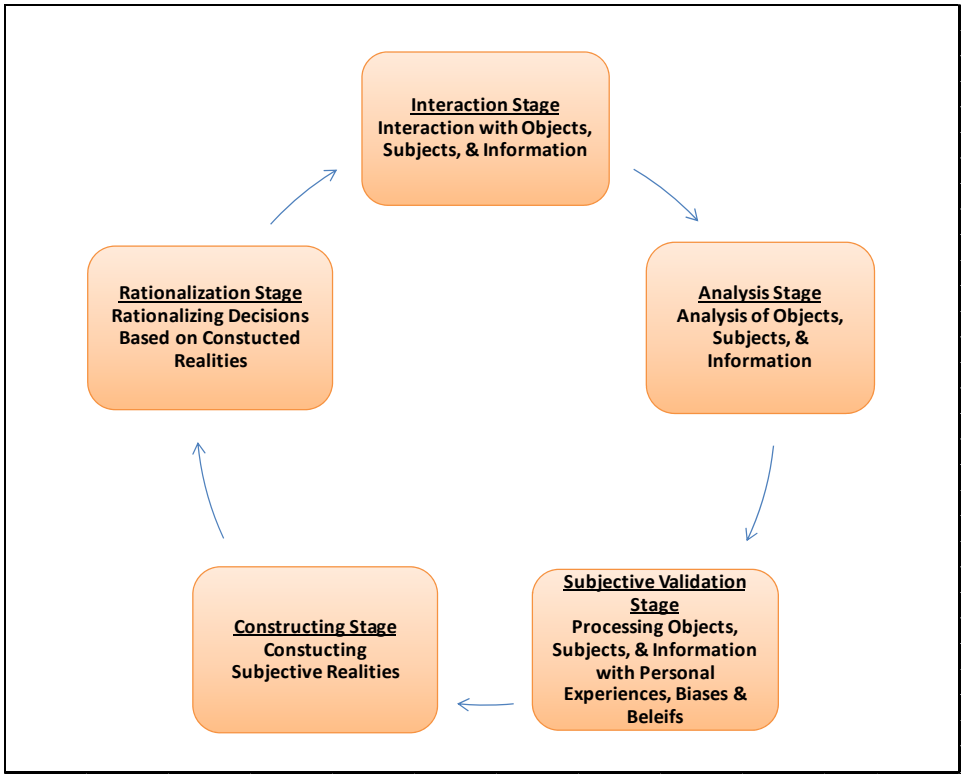
2 the analysis stage.

3 the subjective validation stage.

4 the construction stage.

5 the rationalising stage.

Figure 1 The five stages of personal construction of reality model (see online version for colours)



Source: Author

4.1 The interaction stage

The interaction stage is the first stage individuals go through to construct personal realities. In this stage, an individual interacts with different objects, subjects, information, things, issues, thoughts, ideas, people, organisations, nations, beliefs, products, services, brands, and news of all kinds. This interaction could take place through many ways and in different formats. Among the ways individuals interacts with objects, subjects, and information are attending lectures and seminars; watching TV; reading a magazine or a newspaper; browsing the internet; talking to people; driving a car or a boat; riding a bicycle; traveling to other countries; tasting food, juices, fruits, and vegetables; buying groceries; renting an apartment; buying a house; smelling perfumes; touching objects; swimming in a lake; riding a horse; listening to music; walking in the forest; fishing; skating; skiing; taking an exam; writing a thesis; getting married; raising children; and any other thing an individual does or interacts with in a daily basis.

The stage of interaction with objects, subjects, and information, as well as the other four stages, are ongoing stages that start early in life, or soon after birth, and continue all the way to the end of an individual's life. Babies start interacting through their senses by touching and tasting different objects, and by watching things and listening to different sounds. Through these early interactions, babies start building their knowledge of things,

and the learning process continues throughout life. This interaction process is taking place throughout the day, and goes on even when the individual is sleeping. Spending the night in a hotel, at home, or sleeping in a sleeping bag while camping in a forest are interactions in these different scenarios. Waking up in the morning, having breakfast, driving to work during rush hours, spending eight hours at work, returning home in the afternoon, having diner, helping children with their homework, and going to bed at night are examples of daily interactions of working parents. This process of interaction is repeated throughout working days and interrupted during weekends and holidays when weekends and holidays interactions take place. The idea here is that interactions with objects, subjects, and information is happening 24 hours a day, and 7 days a week.

4.2 The analysis stage

Soon after the interaction stage takes place, the analysis process starts. This mental process could simultaneously start as the individual is interacting with objects, subjects, and information. For example, as an individual is listening to news, the analysis process works as an organiser of the received thoughts, ideas, and information from the reported news. At this stage, this process allows the individual to objectively evaluate the received information, without applying any subjectivity, and with a hands-off approach. In other words, information in the analysis stage is organised and kept as is. The speed of this analysis process could vary in time, depending on the interaction case itself. It could take someone few seconds, minutes, hours, days or longer time to organise, analyse, and objectively absorb information from a certain interaction. Important interactions could take longer time to be analysed, and less important interactions would pass quickly through the stages. Meeting an ordinary man in the street might not even activate any stage in the personal construction of reality. On the other hand, having dinner with the Prime Minister would, I assume, lead to a longer analysis stage.

Also, the length of the interaction stage could be a factor in determining the length of the analysis time. Quick interactions have little information to be analysed. Passing by someone you know in the shopping mall might not lead to any analysis, while spending the summer vacation with family and friends would lead to a longer analysis of information stage. Thus, the longer the interaction stage is, the longer the analysis stage would be. Similarly, routine interactions might not lead to any analysis in the analysis stage. Driving to work every day using the same road might not lead to any analysis because the individual is interacting with the same objects every day. Any abnormal interactions in the daily trip to work would lead to further analysis in the analysis stage because of the new abnormal issues that the individual has encountered in that trip.

4.3 The subjective validation stage

In the subjective validation stage, objects, subjects, and information that were objectively analysed enter the processing stage to get evaluated and subjectively validated according to the individual's experiences, biases, and beliefs. In this stage, the individual's subjectivity, which is affected by personal factors related to that specific interaction, will guide the process. In other words, the analysed information that was received from the interaction will be subjectively validated in this stage. The result of this subjective validation could be one of the following scenarios:

- *Scenario 1:* The received information is new to the individual, and no previous experiences, biases, or beliefs exist to compare with. In this case, the individual could decide to accept, reject, or adjust the received information based on the perceived credibility of the source of information or based on any other personal factor. Also, while the credibility of the source of information is subjectively decided by the individual, the individual could decide to accept, reject, or modify the information regardless of the source credibility. Thus, the decision to transmit the information to the construction stage is subjectively decided.
- *Scenario 2:* There are previous experiences, biases, and beliefs related to the interaction. In this case, the received information could be accepted, rejected, or modified according to the experiences, biases, and beliefs of the individual. If the analysed information was found consistent with experiences, biases, and beliefs, the information could pass to the construction stage as is. If not, modification or rejection could take place before passing to the construction stage. The perceived credibility of the source could always be a factor in the process.

4.4 The construction stage

The construction stage receives the subjectively validated information to be constructed as personal realities. In this stage, previous personal realities could be maintained, modified, or replaced with new personal realities based on the results from the subjective validation stage. This stage is equivalent to the making, finishing, and packaging stages in a factory production line. Personal realities are constructed, and are ready to be utilised in future rationalisation of decisions.

4.5 The rationalising stage

In the rationalising stage, the most up to date constructed personal realities are utilised to provide rationale for decisions to be made by the individual. Personally constructed realities are consulted when decisions are to be made. These personal realities work as a reference that guides the decision making process. This rationalisation stage would lead to taking actions when needed, and these actions are the beginning of another interaction stage, and another cycle to reconstruct personal realities. This is why the personal construction of reality model is presented as a cycle of stages that would lead to each other.

5 The application of personal construction of reality model

The five personal construction of reality stages are ongoing stages that continue throughout an individual's life. Individuals interact in a daily basis with objects, subjects, and information, and reconstruct their personal realities. Theoretically, individuals would only stop constructing their personal realities when they are totally isolated from life and no new interactions are taking place. Thus, it could be assumed that the interaction stage is the most important stage in affecting the construction of personal realities. It is the only external stage of the five stages, and the only stage that externals can use to affect the other four internal stages. Interaction with objects, subjects, and information is the initial

stage of learning about things. It is the stage that justifies the existence of schools, colleges, and universities where students interact with teachers, professors, books, and other sources of information. It is the stage that can shape public opinion, and the stage that can affect customers' demand of different products. It is the stage that justifies election campaigns of politicians, and marketing campaigns of goods and services. Decisions to vote for candidates and decisions to buy products and services are examples of subjectively validated decisions.

Based on the above explained model of personal construction of reality, I propose new definitions of some social and economic phenomena as examples:

- total votes for a candidate in an election is the sum of subjectively rationalised decisions to vote for that candidate in a certain election
- total demand for a certain product is the sum of subjectively rationalised decisions to buy that product at a certain price, and in a certain time period.

The subjective rationalisation of decisions to elect a candidate is an example of the application of personal construction of reality model. Voters interact with information about candidates, and build knowledge through the process of constructing personal realities to rationalise their voting decisions. Candidates can utilise the interaction stage of personal construction to win votes and get elected, and their ability to perform effective interactions with voters could be a key factor in shaping voters' opinion. Face to face interactions with voters, traditional and social media interactions, supporters' word of mouth interactions, and interactions through street signs and posters are typically used forms of interactions to shape voters' opinion. Recently, the social media has become very important in shaping opinions, and the 2016 presidential election in the USA was highlighted earlier as an example. Young voters can now be reached through social media, and their participation in the election process could now be counted on. What has changed in the participation of young voters is the media of interaction that is now capable of reaching the majority of young voters.

Demand for products also would go through the above explained stages after every new interaction with products or information about products. In other words, it is an ongoing process that provides rationale to purchase goods and services. In this process, individuals rationalise where to buy, what to buy, when to buy, and how much to buy. They also rationalise if they would buy a certain brand or switch to a different brand. Building opinions about different goods and services is similar to that of rationalising the election of a candidate. Businesses have their chance to affect customers' preferences by using the interaction stage. The tools of interaction with customers to affect their constructed realities are similar to those highlighted earlier in the previous paragraph, but this paper is not intended to discuss how to promote goods and services. Rather, the intention is to discuss how individuals build their social and economic personal realities to rationalise their decisions. As highlighted earlier, the interaction stage is the only external stage of personal construction of reality. It is the stage that can be utilised by business organisations to affect the rationalisation of buying decisions.

The above two examples are only used for illustration purposes and are not meant to be the only examples. All things that individuals learn in life go through the personal construction of knowledge stages, and all personal decisions are rationalised by personally constructed realities. Social, economic, and religious beliefs are adopted through this knowledge validation and construction process. Religious actions (e.g.,

giving to charities, the adoption of orphans …) are rationalised by personally constructed religious realities. Religious beliefs are subjectively validated and constructed, and provide rationale for religious behaviour. Similar to other kinds of beliefs, the number of believers in the existence of God, which could be Billions of people around the world, is not leading to an objective acceptance of the existence of God by non-believers. In other words, the huge number of believers is not a substitute for the subjective validation process by each individual. Religious beliefs have to be subjectively validated and constructed by individuals, and individuals are, therefore, responsible for their beliefs. Interactions with religious objects, subjects, and information through Holly books and religious messages from family, friends, the media, or from worship places represent the first stage in the construction of religious realities. Individuals analyse these messages, subjectively validate them through the validation process, construct religious realities after the validation process, and use these constructed religious realities to rationalise religious behaviour.

Beliefs of all kinds are subjectively validated and constructed, including beliefs that could be of a harmful nature. Harmful beliefs could rationalise committing crimes and terrorism acts. Preventing harmful acts in a society can be facilitated by understanding how people build their beliefs and how they construct their realities. Authorities in a given society can manage the interaction stage which initiates the acceptance of harmful beliefs by attempting to limit the spread of hate and radical messages. The interaction stage is the stage that can be used by externals to affect personal realities as highlighted earlier. Proper management of this stage could lead to safer societies, less crimes, and control over extremism and terrorism. Societal rules and regulations need to be in place to prevent the spread of hate messages through traditional and social media. As well, K-12 school curriculum should be free of messages that could be wrongly interpreted and understood by students, and might lead to hate beliefs. Parental control could also be very important in managing children's interaction with objects, subjects, and information leading to harmful beliefs of all kinds. Similarly, managing the spread of rumours and false news at the organisational level is a good management practice. Communicating the right organisational messages through appropriate organisational communication channels is the proper practice to build organisational members' knowledge about organisational products, services, policies, and plans.

The credibility of the source of information in the eyes of the targeted individuals is important for a successful interaction stage. Trusting the source of information could be considered a prerequisite for effective interactions. Thus, it is important to build and maintain the credibility of information sources to maintain acceptance of the source by the targeted individuals. The perceived credibility of the source can justify the use of trusted public figures, social superstars, and people with charisma in commercial, political, or social advertisements. People trust their beloved celebrities and could be affected by their approval of certain candidates or certain goods and services. Messages coming from a media outlet could be affected by the credibility of that media outlet as well. It should also be noted that the perceived credibility of the source is subjectively validated by individuals. Some might see Fox News as a trusted source of information, others might trust CNN News or Al Jazeera, while teenagers might put their trust in news from the social media. Parents could be seen as a trusted source of information, and their interaction with their children could contribute to children's construction of realities. Teachers and professors could also be seen as trusted and legitimate sources of information.

6 The role of artificial intelligence in decisions

With the advancement in technology, the role of artificial intelligence (AI) in making decisions became part of the decision making process in organisations, as well as in governments. The massive quantity of secondary data (big data) that is produced in transactions of daily processes of organisations has become the 'new gold mine' that can help decision makers in making data-informed decisions. In the retail industry as an example, data is instantly created due to the scan of items at the cash machine, and the amount of data that is generated in a chain retailor like Wal-Mart, Target, Carrefour, or any other similar chain retailer can be really huge. This data that is stored in the software of retailers waiting for further analysis is actively being used now, and with the help of AI, it become very useful for management decision making. According to Bradlow et Al. (2017), "Walmart collects around 2.5 petabytes (1 petabyte = 1,000,000 gigabytes) of information every hour about transactions, customer behavior, location, and devices" (p.79). Certainly, AI helped in the ability to analyse and generate meaning from data, and this is why big data analytics is defined as "the process of extracting and analyzing this big data for business insight" [Parise, (2016), p.186].

One could argue that the type of knowledge that is generated by AI through the analysis of organisational big data is, indeed, objective knowledge, but with a private nature, and can help the organisation in making proper private organisational decisions. At the same time, and while this knowledge is objective, it is also limited to the use of the organisation, and might not be useful to other organisations due to the private nature of organisational data. This data is the product of the organisation itself, and is heavily affected by the policies, practices and beliefs of the organisation, and therefore, it could be referred to as private objective data that has a 'subjective organisational nature'. Thus, in the eyes of external users, the organisation can be seen as equivalent to a normal individual, and its generated knowledge is, arguably, subjective knowledge.

7 The free will to construct personal realities

People are free to construct their own realities, and they are free to customise, modify, or abandon their beliefs. They are accountable for their actions, and their free will to rationalise any course of action should be preserved and respected. People can freely believe that X product is the best product ever, and they can decide to buy it, regardless of the consensus of the majority. They are free to select their friends, build social relationships, and are free to adopt different social values. People are free to rationalise the use of different services, the purchase of different products, or the election of a certain candidate. They are free to choose their social, economic, and religious beliefs. The construction of personal realities is justified by the free will of people to choose what reality is to them. It is them who could decide if the Golden Gate Bridge is the best bridge ever, or if Niagara Falls are worth visiting even in the cold month of December. Thus, reality is freely determined and constructed by individuals, and this is evident in their ability to rationalise their actions that could be so different from the majority.

However, there are cases where government control over the free will to construct personal realities is needed for the preservation of societal safety and security, and this was highlighted in previous paragraphs. It is the obligation of governments to do all they

can to protect the general public from harm that could arise from the interaction of social members with misleading information, or information that could lead to extremism, terrorism, or crime. Governments' interference with the interaction stage in these cases should not be seen as interference with the belief system, or a limitation to the free will of individuals. Rather, it should be seen as an action to preserve the general public's right to safety and security.

8 Conclusions

Rationalising decisions to take actions is the product of a subjective process that includes interaction with subjects, objects, and information; analysis of the received information; subjective validation of the analysed information; and construction of personal realities. This personal process of learning is an ongoing process that starts early in life, and continues throughout the individual's lifetime. With this subjective process, individuals construct, modify, or maintain their beliefs, and use these beliefs to rationalise their decisions. It is the process that guides the creation of value of tangible and intangible things in the eyes of the decision maker. Understanding the stages of personal construction of reality, and attempting to manage the interaction stage can help governments fight crimes, extremism, and terrorism. Utilising the interaction stage can help schools in managing the teaching and learning process, and can help parents in raising their children by overseeing children's interaction with objects, subjects, and information. The interaction stage is the stage that could be used by businesses to promote their goods and services. Proper management of the interaction stage could lead to desired social and economic actions by the targeted individuals.

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