CHAPTER 13

INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY

Experiencing Psychology

WHAT WOULD YOU DO IF YOU WON THE LOTTERY?

Imagine that you won the lottery. Would you quit school? Leave your job? Fantasies of winning the lottery frequently involve thoughts of an endless vacation. Indeed, often the first question we ask when we hear about a jackpot winner is "Did she quit her job?"

It may surprise you to learn that most lottery winners in fact do not quit working. Richard Arvey and his colleagues (2004) studied 117 Ohio lottery winners over a 12-year period. Jackpots ranged from $20,000 to nearly $5 million. Most of those surveyed (over 60 percent) continued to work. A few quit only briefly, and some started their own businesses. Only 4 percent quit work altogether.

Why do people work when they do not "have to" to make money? The behavior of these lottery winners tells us that work is more than a way to earn money. It is an opportunity to use our skills and abilities and to feel successful and effective. It also provides a context in which to have meaningful relationships with other people. Indeed, work is a vital part of a good and satisfying life (Scollon & King, 2004). One way to think about the importance of work in our lives is to consider how much time we spend at work.

The work week is 5 days, and the weekend just 2. U.S. workers typically put in more hours at work than anyone else in the world. According to the United Nations International Labor Organization, U.S. workers work more hours and are more productive, but not necessarily more efficient, than their European counterparts (ILO, 2001). In 2000, the average American worked 1,978 hours—up from 1,942 hours in 1990. That represents an increase of almost 1 week of work. In Europe 6 weeks of vacation time is typical, but in the United States the average worker gets just 2 weeks off. Moving to Europe might be a nice complement to those lottery fantasies! Clearly, work is an important life domain deserving of the attention of scientists interested in human behavior (Blustein, 2006).

Industrial and organizational (I/O) psychology applies the science of psychology to work and the workplace. In I/O psychology, researchers are interested in a broad range of topics related to the work environment, including the selection of the right person for a particular

job, the influence of attitudes on job performance, and the ways people work together in groups (Ostroff & Judge, 2007; Thompson & Choi, 2006). Many of these topics are also the subject of psychological research in other areas, such as cognition, personality, motivation, emotion, and social psychology. I/O psychology is unique, however, in that it tests the theories of basic research in the important real-world context of work (Warr, 2007). ■

PREVIEW

In this chapter we first examine the origins of I/O psychology. We then investigate each of the two major domains of this approach—the "I" or industrial psychology side concerned with personnel matters, and the "O" or organizational psychology side, including the topics of management styles, workers' attitudes and behavior, and leadership. We pay special attention to one aspect of the "O" side, organizational culture. Finally, we complete our survey of the field of I/O psychology by exploring the crucial role of work in our health and well-being.

1 Origins of Industrial and Organizational Psychology

Discuss the roots and evolution of industrial and organizational psychology.

Industrial and organizational psychology is a relatively new idea. In fact, the notion that the principles of science should be applied to work settings has been around for less than 100 years. Contemporary I/O psychology has its roots in the history of industry, as well as the two world wars, during which eras psychologists were called upon to help address the crucial military concerns of recruitment, selection, and morale. Here we review three important influences on the development of I/O psychology: scientific management, ergonomics, and the human relations approach to management.

The Advent of Scientific Management

The pioneers in applying scientific methods to the workplace were not psychologists but engineers (Koppes & Pickren, 2007). They focused on **scientific management:** the managerial philosophy that emphasizes the worker as a well-oiled machine and the determination of the most efficient methods for performing any work-related task. Yet these engineers sounded like psychologists at times. Among them was Frederick Winslow Taylor, the mastermind of the idea of scientific management. Taylor (1911) suggested the following guidelines, which have continuing influence today:

- Jobs should be carefully analyzed to identify the optimal way to perform them.
- Employees should be hired according to the characteristics associated with success at a task. These characteristics should be identified by examining people who are already successful at a job.
- Employees should be trained at the job they will perform.
- Employees should be rewarded for productivity to encourage high levels of performance.

Taylor's approach was influential in American business, including clothing and furniture manufacturing and, most particularly, the automobile industry, where it dramatically boosted productivity and profits, especially in the years before World War I.

scientific management The managerial philosophy that emphasizes the worker as a well-oiled machine and the determination of the most efficient methods for performing any work-related task.

ergonomics (human factors) A field that combines engineering and psychology and that focuses on understanding and enhancing the safety and efficiency of the human–machine interaction.

Two other famous trailblazers in the scientific approach to work were Frank (an engineer) and Lillian (a psychologist) Gilbreth, a married couple best known for the *time and motion studies* they conducted in the early twentieth century. These studies involved examining the precise movements required to complete a task and identifying and removing unnecessary movements.

The advent of the assembly line perhaps best demonstrates the spirit of scientific management and its emphasis on time and motion. It may be hard to imagine, but before the twentieth century, an individual or a team of people created an entire single product. These individuals put each and every piece together from beginning to end, whether the product was a clock, a car, or a pair of shoes. Then came a revolution in industrial history, when Henry Ford, the founder of Ford Motor Company, invented the assembly line, in which the workers stayed in one place and an individual laborer assembled one (and only one) part of a car as it moved along on a mechanized conveyor belt. Ford brought in Frederick Taylor to conduct time and motion studies that would perfect the efficiency of his brainchild. In 1913, the first moving assembly line in history was complete, and no one

Engineer Frank Gilbreth and his wife Lillian, a psychologist, pioneered in time and motion studies—which must have come in handy in their busy household of twelve children, eleven of whom are pictured here with their famous parents.

could argue that it was not a boon to productivity and efficiency. Indeed, by 1916, Ford Motor Company was producing twice as many automobiles as all of its competitors combined.

With the outbreak of World War I in 1914, psychologists, too, played an increasingly large role in the application of science to the workplace. The influence of psychologists was felt first in the military, especially in the selection and training of recruits (Salas, DeRouin, & Gade, 2007). Between the two world wars, the field that would become known as I/O psychology expanded beyond the military into a variety of settings, including private industry, as it became ever more apparent that applying scientific research to the work environment would help employers improve efficiency (Katzell & Austin, 1992).

Ergonomics: Where Psychology Meets Engineering

Today, many occupations involve the interaction of human beings with tools. Whether these tools are computers or hand-press drills, vast numbers of people earn a living by working with the help of technological advances. Understanding and enhancing the safety and efficiency of the human–machine interaction is the central focus of **ergonomics,** also called **human factors,** a field that combines engineering and psychology (just like the Gilbreths' marriage). Desks, chairs, switches, buttons—all of the objects workers use every day are the product of design decisions aimed at promoting the efficiency of a person on the job.

Ergonomics was born during World War II, when the military became occupied with designing jets with controls that were both efficient and safe. The field of ergonomics is the origin of the term *applied psychology,* as those who conducted this work during the war were the first to apply the principles of psychological research to the workplace setting. Today, ergonomics specialists represent a range of expertise, from perception, attention, and cognition (individuals who might have good ideas about the placement of buttons on a control panel or the preferred coloring of those buttons), to learning (individuals who might design training programs for the use of machines), to social and environmental psychologists (individuals who might address issues such as living in a constrained environment like that of the space shuttle).

To appreciate the role of ergonomics in daily life, see Figure 13.1, which shows how designs of something as common as the computer mouse reflect expert attention to the human–machine relationship.

FIGURE 13.1

Building a Better Mouse The figure shows the evolution of the computer mouse from its wooden-box beginnings (*top*) to its sleek contemporary form (*bottom*). The mouse is a tool that many of us take for granted, but it is the product of design decisions that have improved its utility and efficiency.

His landmark Hawthorne studies led Elton Mayo (1880–1949) to challenge the conventional thinking that what was good for business was good for employees.

Both scientific management and ergonomics share a focus on efficiency and safety. However, between the two world wars and continuing beyond them, a very different approach to the workplace was taking shape. This third influence on the development of I/O psychology drew attention to the larger context of the workplace as a social environment, as well as to the worker as a human being with feelings, motivations, and attitudes: the historic Hawthorne studies.

The Hawthorne Studies and the Human Relations Approach to Management

The history of I/O psychology is indisputably tied to the two world wars, but a defining moment in that history occurred *between* the wars—a series of studies at the Western Electric Hawthorne Works, a plant outside Chicago, conducted from 1927 to 1932 under the leadership of psychologist and sociologist Elton Mayo. In what became known as the Hawthorne studies, Mayo and his colleagues were initially interested in examining how various work conditions (for example, room lighting, humidity, breaks, work hours, and management style) could influence productivity. In the first studies, they investigated the effects of room lighting on performance (Roethlisberger & Dickson, 1939). Workers were randomly assigned to one of two groups. In the control group, the lighting remained constant, but in the experimental group a variety of different lighting intensities was employed. The results were surprising. Both groups did better—and they performed increasingly better over time (Roethlisberger & Dickson, 1939). Indeed, the experimental group showed declines in performance only when the lighting was so dim that the workers could hardly see at all.

In a later study, a group of workers was selected to work without an official supervisor, answering only to the researchers themselves. These workers received a variety of special privileges so that the researchers could see whether these changes influenced productivity. As it happens, any change did affect productivity. The results of this work led to the coining of the term **Hawthorne effect,** which refers to the tendency of individuals to perform better simply because of being singled out and made to feel important. However, later analyses of the Hawthorne data have suggested that these effects might be better understood as the results of various larger, external factors (such as the beginning of the Great Depression) that caused individuals to work harder and value their jobs more, as well as changes in factory personnel (Franke & Kaul, 1978). Others have argued that the workers at the Hawthorne plant were given feedback about their performance and that their responses to such input might be seen as reflecting operant conditioning (Parsons, 1974).

Nevertheless, the Hawthorne studies are landmark. For one thing, they persuasively presented the case for the workplace as a social system populated by individuals who relate to one another and work in ways that are not always obvious. Moreover, the Hawthorne research demonstrated that although individual ability may be important, workers of any ability level exist in the social network of the workplace, and their performance is thus subject to social pressures and group norms (Sonnenfeld, 1985).

Mayo was especially critical of the effects of management's obsession with efficiency on the human side of business. He argued that when a business focuses on micro-level aspects of workers' activities and on initiatives such as creating the most efficient assembly lines, workers become alienated from both their product and their co-workers. Emphasizing the time-and-motion aspects of a job, Mayo said, takes away from both the experience of craftsmanship and the capacity of the worker to identify with the product he or she is creating. Traditional approaches to the science of work, he believed, erroneously assumed that what was good for business was good for the employee. Mayo's Hawthorne studies moved researchers away from scientific management and time-and-motion studies toward an emphasis on a human relations approach to management.

The **human relations approach** emphasizes the psychological characteristics of workers and managers, stressing the significance of factors such as morale, attitudes, values, and humane treatment of workers (Cameron, 2007; Cameron & others, 2006;

Hawthorne effect The tendency of individuals to perform better simply because of being singled out and made to feel important.

human relations approach A management approach emphasizing the psychological characteristics of workers and managers, stressing the importance of such factors as morale, attitudes, values, and humane treatment of workers.

Hess & Cameron, 2006). Although work traditionally has been seen primarily as a way to meet one's economic needs, human relations approaches focus on the workplace as a crucially important social system. Human relations approaches to management stress positive interpersonal relations among co-workers, teamwork, leadership, job attitudes, and the social skills of managers. These methods emphasize that fulfilling work meets other important human needs beyond purely economic considerations (Latham & Budworth, 2007).

Scientific management, ergonomics, and the human relations approach have a continuing influence on I/O psychology today. Although we discuss each side of I/O in separate sections below, the two areas overlap a great deal, and some topics, such as motivation, are a focal point in both areas. I/O psychologists have a central interest in what "works" at work: the factors that make a job really great. Although the emphasis of the two approaches may be different, with the "I" side more concerned with maximizing efficiency, safety, and cost effectiveness, and the "O" side more targeted at the human relations processes that contribute to feelings of fulfillment, both sides seek to apply scientific methods to understanding the complex processes associated with people at work.

One way to grapple with the questions addressed by I/O psychology is to focus on highly successful organizations. Each year, the Great Place to Work Institute conducts a survey to identify the best workplaces in the United States, which are then announced in *Fortune* magazine. Today, the best places to work are characterized as flexible, diverse, learning-oriented, and open in communication. In 2007, Google, the Internet search engine company, was voted the number 1 best place to work in the United States. Second place went to Genentech Corporation, a biotechnology company that specializes in developing treatments for cancer, and Wegmans Food Market was third (Moskowitz & Levering, 2007).

Figure 13.2 provides an overview of the best places to work in the United States in the last 7 years. What makes these firms so great? In the following sections, as we survey the topics of interest to I/O psychologists, let's see if we can answer that question, including how it applies to Google and other successful companies.

FIGURE 13.2

The #1 Best Places to Work in the United States, 2001–2007 These are the best places to work, according to *Fortune* magazine. Note the various locations and types of companies that are represented by these top-rated employers.

Year	Employer	Location	Type	Number of Employees*	Sampling of Perks and Benefits
2007	Google	California	Online Internet services	5,063 36% Women 31% Minorities	Tuition reimbursement; onsite doctors and dentists
2006	Genentech	California	Biotechnology, pharmaceuticals	8,121 50% Women 43% Minorities	3 weeks' vacation per year
2005	Wegmans Food Markets	New York	Food/grocery	30,128 54% Women 15% Minorities	Company motto: "Employees first. Customers second."
2004	J. M. Smucker Company	Ohio	Manufacturing (jam, jelly, and other food products)	2,585 42% Women 20% Minorities	Gimmick-free management, stressing integrity
2003 and 2002	Edward Jones	Missouri	Financial services, insurance	25,278 66% Women 9% Minorities	Management rated as honest by 97% of employees; early bonuses to stockbrokers in a difficult economic year
2001	Container Store	Texas	Retail	1,473 63% Women 30% Minorities	Emphasis on open communication and employee training; salaries 50% higher than industry average

*Number of employees in the year in which the firm was named the best place to work.

REVIEW AND SHARPEN YOUR THINKING

1 Discuss the roots and evolution of industrial and organizational psychology.

- Explain what scientific management is and list its guidelines that have continuing influence today.
- Define ergonomics and give examples of the contributions of ergonomics specialists to the workplace today.
- Discuss the Hawthorne studies and the Hawthorne effect and their influence in the development of the human relations approach to management.

Think about a job that you have had. Can you see principles of scientific management and human relations at work in that setting? If so, how?

2 Industrial Psychology

Describe the perspectives and emphases of industrial psychology.

Industrial psychology is the older of the two sides of I/O psychology. Industrial psychology takes a company-oriented perspective and focuses on increasing efficiency and productivity through the appropriate use of a firm's personnel, or employees—its human resources (Koppes, 2007; Spector, 2006). The field of industrial psychology has a four-pronged emphasis:

- *Job analysis and job evaluation:* Organizing and describing the tasks involved in a job and determining the position's monetary value.
- *Employee selection:* Matching the best person to each job.
- *Training*: Bringing new employees up to speed on the details of the position.
- *Performance appraisal:* Evaluating whether the person is doing a good job.

In this section we explore each of these dimensions of the field.

Job Analysis and Job Evaluation

Job analysis is the process of generating a description of what a job involves, including the knowledge and skills that are necessary to carry out the job's functions (Wilson, 2007). An effective job analysis includes three essential elements (Brannick & Levine, 2002). First, the analysis must follow a systematic procedure that is set up in advance. Second, it must break the job down into small units so that each aspect of the job can be easily understood. Breaking a job down may lead to the discovery that, for example, a skill that previously was not considered important actually is. For instance, the responsibilities of a managerial position may include informing employees of termination. Social skills that might not have seemed important to the day-to-day function of the job may come to the fore in this case. Third, the analysis should lead to an employee manual that accurately characterizes the job.

A job analysis can focus on the job itself or on the characteristics of the person who is suited for the job (Peterson & Jeanneret, 2007). A job-oriented description outlines what the job entails (say, analyzing scientific data) and what it requires (say, expertise with both basic computer programs and statistics software). A person-oriented job analysis involves what are sometimes called **KSAOs** (or **KSAs**). These abbreviations stand for *knowledge, skills, abilities,* and *other characteristics.* Knowledge, of course, refers to what the person needs to know to function in the job. Skills are what the individual must be able to do. Abilities include the person's capacity to learn the job and to gain new skills. Other characteristics may also be important. For the job of professional landscaper, enjoying outside work may be an essential "O," and for a child-care worker the ability to handle frequent diaper changes and to chase energetic toddlers may be required. Patagonia, the
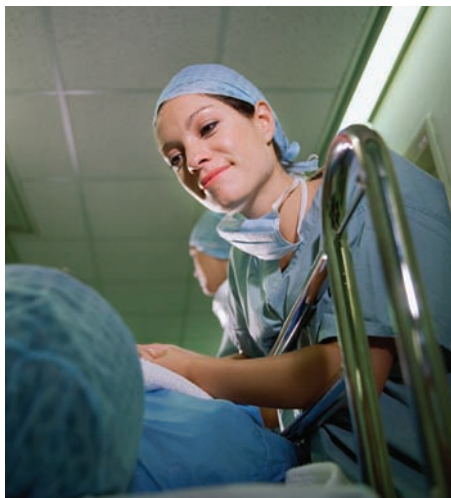
What different kinds of KSAOs (knowledge, skills, abilities, and other characteristics) do the jobs of doctor and construction worker require?

TITLE: Actor
Portrays role in dramatic production to inter-pret character or present characterization to audience: Rehearses part to learn lines and cues as directed. Interprets serious or comic role by speech, gesture, and body movement to entertain or inform audience for stage, mo-tion picture, television, radio, or other media production. May write or adapt own material. May dance and sing. May direct self and others in production. May read from script or book, utilizing minimum number of stage properties and relying mainly on changes of voice and inflection to hold audience's atten-tion and be designated Dramatic Reader.

TITLE: Predatory-Animal Hunter
Hunts, traps, and kills predatory animals to collect bounty: Hunts quarry using dogs, and shoots animals. Traps or poisons animals depending on environs and habits of animals sought. Removes designated parts, such as ears or tail from slain animals, using knife, to present as evidence of kill for bounty. May skin animals and treat pelts for marketing. May train dogs for hunting. May be desig-nated according to animal hunted as Cougar Hunter; Coyote Hunter; Wolf Hunter.

TITLE: Personal Shopper
Selects and purchases merchandise for department store customers, according to mail or telephone requests. Visits wholesale establishments or other department stores to purchase merchandise which is out-of-stock or which store does not carry. Records and pro-cesses mail orders and merchandise returned for exchange. May escort customer through store.

FIGURE 13.3

Sample Job Descriptions Do you aspire to a career as an actor, a predatory-animal hunter, or a personal shopper? If so, the description reproduced here from the U.S. Department of Labor's *Dictionary of Occupational Titles* will give you a distinct flavor of the job and its day-to-day responsibilities.

maker of outdoor gear, prefers to hire only individuals who are passionate about climbing and hiking.

Creating a job analysis typically involves collecting information from a variety of informants, including job analysts, individuals who already have the job, supervisors, and trained observers (Harvey & others, 2007). These individuals can be asked to complete a questionnaire about the importance of various skills to a job, or they might be directed to describe the essential elements of the job in an interview (Fine & Wiley, 1971).

The U.S. Department of Labor (1992) has produced an enormous volume, the *Dictionary of Occupational Titles,* that compiles job descriptions for more than 20,000 occupations. The descriptions are based on expert ratings and interviews with experts in the various occupations. Figure 13.3 presents the descriptions given for the jobs of actor, predatory-animal hunter, and personal shopper.

Job descriptions can be valuable for a variety of reasons. First, they allow a person to evaluate his or her interest in a particular occupation. Are you good at memorization? Does "removing designated parts" of an animal sound interesting to you? How about "escorting a customer through a store"? Job descriptions may be a first step for a job hunter who is interested in finding a good match to his or her interests and skills.

One element missing from these descriptions is a sense of the demand for these occupations—does the world need another predatory-animal hunter? According to the Depart-ment of Labor Center for Labor Statistics' *Occupational Outlook Handbook* (2006–2007),

job analysis The process of generating a description of what a job involves, including the knowledge and skills that are necessary to carry out the job's functions.

KSAOs (KSAs) Common elements in a person-oriented job analysis; an abbreviation for **k**nowledge, **s**kills, **a**bilities, and **o**ther characteristics.

Home health aides

Network systems and data communications analysts

Medical assistants

Physician assistants

Computer software engineers, applications

Physical therapist assistants

Dental hygienists

Computer software engineers, systems software

Dental assistants

Personal and home care aides

Network and computer systems administrators

Database administrators

Physical therapists

Forensic science technicians
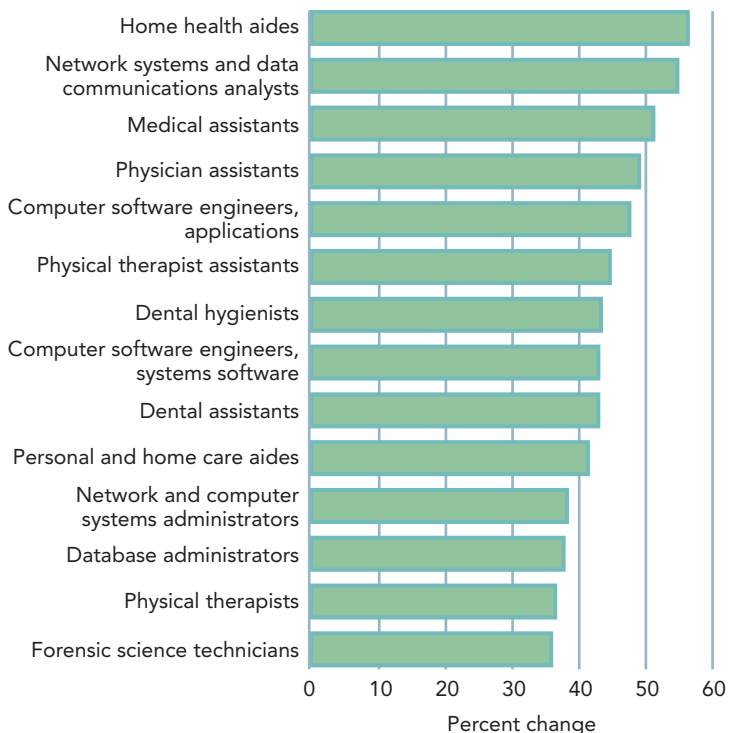
0 10 20 30 40 50 60

Percent change

FIGURE 13.4

Percent Change in Employment in Occupations Projected to Grow Fastest, 2004–2014 Are you, or will you soon be, looking for a job? If so, you might note the fastest-growing occupations.

the occupations in the United States that are expected to grow fastest through 2014 are home health aides, network system and data communication system analysts, medical assistants, and physician assistants. According to projections, the number of new jobs in these occupations will increase by at least 50 percent by 2014. Figure 13.4 shows the relevant data and the percentage increase in other fast-growing jobs. It is interesting to note that these occupations vary in terms of educational requirements, from on-the-job training (for home health aides and medical assistants) to at least a bachelor's degree (for network system analysts and physician assistants). They also differ with respect to wages: The positions requiring less training pay quite a bit less (up to $20,000 for the home health aide), and those requiring a degree offer considerably more (over $42,000 for the network system analyst).

In addition to serving a useful function for job seekers, job analyses also establish a foundation for other aspects of personnel decision making. A thorough job analysis, for example, can provide information that directs hiring decisions and performance evaluations. Quite simply, a manager cannot select the right person for the job or evaluate job performance without knowing what the job formally requires. In addition, job analyses can guide training plans and provide information to I/O researchers who are interested in examining how aspects of jobs relate to other variables, such as productivity, absenteeism, and work stress.

A final area where job analysis is important is the legal realm. The KSAOs mentioned in a job description must be clearly job relevant. Some job attributes have caused controversy in this regard—for example, should height and physical fitness be considered job-relevant characteristics for police officers? The requirement of such attributes historically has excluded some women and others of shorter stature from police duty, and many such requirements have been struck down by the courts.

Also related to legal concerns, a thorough job analysis should accurately assess the essential and nonessential functions of a job. *Essential functions* are the fundamental, necessary tasks and duties of a job as defined by the employer, usually in writing. For example, a day-care worker must be capable of being physically active, and a data analyst must be able to utilize and apply advanced statistical techniques. *Nonessential functions* are aspects of the job that may not be necessary, although they are desirable. For example, a pizza delivery person must be able to drive and must have a valid driver's license, but for a kitchen worker at the pizza shop or the health inspector who evaluates the restaurant for health hazards, driving may be a nonessential function.

The Americans with Disabilities Act (ADA) of 1990, whose provisions are shown in Figure 13.5, made it illegal to refuse employment or a promotion to someone with a disability that prevents the person from performing *only nonessential* functions (Cleveland, Barnes-Farrell, & Ratz, 1997). The ADA defines a person with a disability as "qualified" for a position if he or she is able to perform the essential job functions—with or without reasonable accommodations. Accommodations may include changes in facilities, equipment, or policies that permit an otherwise qualified disabled individual to perform the essential functions of a job. An accommodation is considered reasonable—and is required—if it effectively allows the person to perform the essential job tasks while not placing an undue hardship on the employer. Although at times such regulations may seem to impose an undue burden on employers, they do promote fairness and humanity (Peterson & Seligman, 2003).

Information from a job analysis increases the likelihood that individuals will feel that they have been treated fairly in hiring and promotion decisions (Mitchell, Alliger, & Morfopoulos, 1997). If a job analysis is done well, it can make the reasons for such

No (employer) shall discriminate against a qualified individual with a disability because of the disability of such individual in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment.

. . . [T]he term "discriminate" includes

1. limiting, segregating, or classifying a job applicant or employee in a way that adversely affects the opportunities or status of such applicant or employee because of (his or her) disability . . . ;

2. utilizing standards, criteria, or methods of administration that have the effect of discrimination on the basis of disability; or that perpetuate the discrimination of others . . . ;

3. excluding or otherwise denying equal jobs or benefits to a qualified individual because of the known disability of an individual with whom the qualified individual is known to have a relationship or association;

4. not making reasonable accommodations to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, unless such (employer) can demonstrate that the accommodation would impose an undue hardship . . . ;

5. using qualification standards, employment tests or other selection criteria that screen out or tend to screen out an individual with a disability . . . unless the standard, test or other selection criteria, as used by the covered entity, is shown to be job-related for the position in question and is consistent with business necessity; and

6. failing to select and administer tests concerning employment in the most effective manner to ensure that, when such test is administered to a job applicant or employee who has a disability that impairs sensory, manual, or speaking skills, such test results accurately reflect the skills, aptitude, or whatever other factor of such applicant or employee that such test purports to measure, rather than reflecting the impaired sensory, manual, or speaking skills of (the individual). . . .

The term "qualified individual with a disability" means an individual with a disability who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires. . . . [I]f an employer has prepared a written description before advertising or interviewing applicants for the job, this description shall be considered evidence of the essential functions of the job.

FIGURE 13.5

Excerpts from the Americans with Disabilities Act of 1990, Title I Passed in 1990, the Americans with Disabilities Act forbids discrimination in the workplace based on disability or illness.

decisions very clear. For example, an employee who is very shy may better understand being turned down for a promotion if the job description for the new position clearly indicates that it requires an active leadership style.

As businesses increasingly have relied on teams to complete tasks, job analyses for team-oriented job functions have become necessary (Levi, 2007). Michael Brannick and Edward Levine (2002) maintain that procedures similar to those used for individuals can be adapted for team-oriented occupations. However, if a job involves teamwork, the KSAOs might change accordingly, with social abilities and communication skills coming to the fore (Morgeson, Reider, & Campion, 2005).

Our examination of job analyses has not explicitly considered pay rates. The reason is that pay is typically the subject not of a job analysis but rather of a job evaluation. **Job evaluation** involves scientifically determining the monetary value of a particular occupation (Morgeson, Campion, & Maertz, 2001; Noe & others, 2007). A job evaluation relies on experts' decisions as to the standing of an occupation in terms of *compensable factors.* These factors might include the consequences of error on the job, the amount of education required, and the level of responsibility and skill required. Each occupation is assigned a number of points depending on its compensable factors. Total points are then compared with salaries. From the perspective of compensable factors, it is clear why neurosurgeons and passenger jet pilots should be well paid. However, the relatively low wages of elementary school teachers, in light of their level of responsibility and education, as well as the potentially disastrous consequences for mistakes, show that the determination of the market wage is not always logical.

job evaluation Scientific determination of the monetary value of a particular occupation, which relies on experts' decisions as to the standing of an occupation in terms of compensable factors.

FIGURE 13.6

Job Ad on Monster.com Employers increasingly are identifying potential job candidates from online ads.

Personnel Selection

Once a position is defined, the task for hiring managers is to select the best from among the pool of recruits. That pool can be huge. Google gets 472,771 job applicants a year—that amounts to over 1,300 a day, including weekends.

Where do qualified applicants come from? Increasingly, the answer is the Internet. Many companies now advertise positions on their own websites or use other sites geared toward recruiting, including Monster.com (Chapman & Webster, 2003); see Figure 13.6 for an example. Where employees come from makes a difference. Researchers have found that individuals who applied on the basis of referrals from insiders performed better on the job than those who came in "cold" (McManus & Ferguson, 2003). However, the World Wide Web may be a great equalizer. Although those with connections perform best, individuals who apply through the Internet turn out to be better-quality candidates than those who apply in response to a newspaper advertisement or other sources (McManus & Ferguson, 2003).

Industrial psychologists have played a significant role in developing techniques for selecting individuals and placing them in positions that match their strengths (Bernardin, 2007; Guion & Highhouse, 2006). Based on a job analysis, the KSAOs necessary for a particular job should be clear. The next step is to measure the knowledge, skills, and abilities (as well as other characteristics) of the recruits in order to evaluate their appropriateness for a position. These measures include testing and interviews, as well as work samples and exercises.

Testing Managers or human resource personnel may administer tests to prospective candidates to ascertain whether they are a good match for the position. Some organizations use psychological tests that assess such factors as personality traits and motivation. Other firms employ cognitive ability tests, such as intelligence tests (see Chapter 9); despite some controversy, these tests are related to later performance (Brody, 2006; Gregory, 2007; Ree & Carretta, 2007). According to one survey, most I/O psychologists consider such tests reliable, fair, and valid (Murphy, Cronin, & Tam, 2003).

An **integrity test** is another type of examination sometimes used in personnel screening. An integrity test is designed to assess whether the candidate is likely to be dishonest on the job. What are called overt integrity tests contain items that ask the individual to give his or her attitude about lying. A sample item might be "It's okay to lie if you know you won't get caught." Alternatively, some organizations rely on measures of personality traits associated with being honest. Generally, responses of individuals on integrity tests are related to counterproductive behavior as well as job performance, although not necessarily literal lying—which is difficult to detect (Ones & Viswesvaran, 1998; Ones, Viswesvaran, & Schmidt, 1993).

Another type of job-screening test is the **biographical inventory,** which involves asking the candidate about life experiences that seem verifiable. The thinking behind this kind of test is that the respondent is unlikely to lie about questions that are part of a "permanent record" (Stricker, 2005). Thus, a biographical inventory might ask a job candidate questions such as "What was your college GPA?" "Did you enjoy your schoolwork?" "Did you get into a lot of trouble in college?" Responses of candidates on such inventories are linked to how competently they later perform on the job (Dean & Russell, 2005; Stokes & Cooper, 2001). However, a problem with biographical inventories is that it is not always clear why the questions that are asked predict performance. If a candidate replies "yes" to the question "Did you attend your high school prom?" and "no" to "Were you picked on in grade school?" is the measure simply one of physical attractiveness? Because not all of the questions tap into the particular KSAOs for the job, a candidate's responses may result in a biased assessment on the part of the hiring agent.

Interviews Perhaps the most common way that job candidates are evaluated is through an interview (Huffcutt & Youngcourt, 2007). As soon as a candidate enters the room, the interviewer probably has a sense of how outgoing, warm, and friendly the person is. Indeed, research by Nalini Ambady and her colleagues (2000) suggests that we can make

integrity test A type of job-screening examination that is designed to assess whether a candidate will likely be dishonest on the job.

biographical inventory A type of job-screening test that involves asking the candidate about life experiences that seem verifiable.

It shall be an unlawful employment practice for an employer:

1. to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin;

or

2. to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin.

It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his race, color, religion, sex, or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, sex, or national origin.

It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs, to discriminate against any individual because of his race, color, religion, sex, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.

FIGURE 13.7

Excerpts from the Civil Rights Act of 1964, Title VII (revised, 1991) The Civil Rights Act forbids discrimination based on race, national origin, sex, or religious affiliation.

a fairly accurate impression of someone on the basis of observing "thin slices"—mere seconds—of behavior. This immediate first impression may predict whether a salesperson makes a sale (Ambady, Krabbenhoft, & Hogan, 2006), but it may have nothing to do with a person's ability, for example, to program a computer or to develop a new drug. For interviews to serve their purpose, they must be about more than simply whether the interviewer likes the candidate. First impressions can be subject to gender and ethnic biases, and since the Civil Rights Act of 1964 (revised in 1991), it has been illegal in the United States to deny someone employment on the basis of gender or ethnicity (Parker, 2006). Figure 13.7 lists the provisions of the Civil Rights Act that set the standards for just personnel decisions in the United States.

A particular challenge that the interviewer faces is the job seeker's strong desire to make a good impression. Imagine interviewing for your dream job—to be a high school English teacher. During the interview, the school principal asks if you might also be able to teach history or coach the school volleyball team. If you really want the job, it might not seem like such a stretch to say "Yes, I *might* be able to do those things" (if only you had taken even a single college history class or paid better attention to last summer's Olympic Games).

Interviewer illusion is a term referring to interviewers' mistaken tendency to believe in their own ability to discern the truth from an interview (Nisbett, 1987). Of course, any objective observer might note that job candidates try to make a good impression, put their best foot forward, and hold back from being completely revealing in discussing their failings (Tsai, Chen, & Chiu, 2005; Weiss & Feldman, 2006). This is not to say that job candidates are necessarily lying, but simply that they are, understandably, trying to get hired.

Interviewers can improve the quality of information they obtain through interviews by asking the same specific questions of *all* candidates. In a **structured interview,** candidates are asked specific questions that methodically seek to get truly useful information for the interviewer. Rather than posing the question "Do you get along with others?" the interviewer might ask the candidate, "Can you tell me about a time when you had a conflict with someone and how you worked it out?" When conducting a structured interview, interviewers must take notes or record the interviews in order to avoid memory biases. Structured interviews have been shown to be a reliable and valid predictor of job performance, superior to unstructured interviews (Moscoso, 2000; Schmidt & Zimmerman, 2004).

structured interview A kind of interview in which candidates are asked specific questions that methodically seek to get truly useful information for the interviewer.

"Your resume says that you were previously a waiter. Can I assume that you're comfortable taking orders?"
© CartoonStock.com

Although interviewers may sometimes be influenced by their own biases, there is probably no substitute for face-to-face interaction. In the selection process, Google looks for "Googleyness": the ability to work well in an organization without a strict hierarchy, in teams, and in a fast-paced and ever-changing environment. The firm seeks to hire brainy, creative, and hardworking people who work well in a context that is relatively free of structure (Moskowitz & Levering, 2007). At Genentech, recruits may be interviewed by as many as 20 people over 6 to 7 visits so that the company can find the person who is energetic, smart, and motivated and who is likely to "fit in" with respect to the workplace environment and the company's corporate philosophy (Morris, 2006).

Work Samples and Exercises In addition to testing and interviewing, I/O psychologists have developed various other techniques for pinpointing the best-suited candidate for a particular job. One such technique is the requirement that a job seeker must submit work samples. For the position of photographer, copywriter, or graphic designer, for example, the candidate typically must present such samples.

Another evaluation method devised by I/O psychologists is to require candidates to complete mock job-related tasks that allow the direct assessment of their skills. These activities might include an "in-basket" exercise in which candidates must organize and prioritize a pile of potential assignments and a "leaderless group" exercise in which each prospective employee is observed in a group problem-solving task.

Training

You got the job! Now, what was that job again? Once a new employee is hired, the challenge facing the organization (and the new recruit) is to learn all that is necessary to carry out the job effectively. Three key phases of training are orientation, formal training, and mentoring.

Orientation Learning the ropes of a new job and workplace can be difficult for new hires (Noe & others, 2007). To help them overcome the hurdles, most firms have a program of **orientation,** which generally involves introducing newly hired employees to the organization's goals, familiarizing them with its rules and regulations, and letting them know how to get things done in the organization. Studies suggest that orientation programs do work, especially with regard to instilling an understanding of organizational values and philosophies and socializing the new employee (Kraiger & Ford, 2007).

Some organizations have turned to computer-based orientation programs in order to cut expenses and personnel expenditures. One recent study examined the implications of using computer-based versus in-person orientation programs (Wesson & Gogus, 2005). Although both methods provided new employees with information, the computer-based orientation fell short on social factors. Employees who received a computer-based orientation might have learned how to work the copy machine and get a computer repaired, but they might not have come away with a list of their new acquaintances from their orientation or a good sense of the social culture of their new workplace.

Formal Training **Training** involves teaching the new employee the essential requirements to do the job well. Training needs vary by occupation. The engineers who join Google probably need only an orientation and a sign pointing to the computers (and perhaps another directing them to the free cappuccino). The position of home health aide requires only basic on-the-job training. In contrast, other jobs, such the position of an airline pilot, are far more technical and require extensive training.

The foundation of any training program is to establish the objectives: What are the goals of training, and when will the trainer know that the person is "ready"? An assumption of training is that whatever the employee learns in training will generalize to the real world when he or she starts work. Training in the workplace follows the same principles we examined in Chapter 7 with respect to learning. A key goal for training is **overlearning,** which involves giving trainees practice after they have achieved a level of acceptable skill at some task so that the skill has become automatic (Ford & Kraiger, 1995).

Applying for a job in fields such as graphic design and photography often requires showing a portfolio of work samples.

orientation A program by which an organization introduces newly hired employees to the organization's goals, familiarizes them with its rules and regulations, and lets them know how to get things done.

training Teaching a new employee the essential requirements to do the job well.

overlearning A key goal of training by which trainees practice after they have achieved a level of acceptable skill at some task so that the skill has become automatic.

Organizations vary with respect to the value they place on training. This variation is evidenced, for example, by the differing degree of training observed from company to company for similar jobs. Consider that trainees at the Container Store get 241 hours of training, as compared with the 7 hours of training that is the retail industry average. Moreover, although we have considered training primarily as it relates to beginning a new job, employee learning and the expansion of employee skills (what is called *employee development*) are important throughout a career, for employees and firms alike. Even individuals with a great deal of expertise can benefit from development programs. At Google, the average worker gets 100 hours of training per year. I/O psychologists may serve as consultants who develop managerial training programs for organizations.

Mentoring   **Mentoring** is a relationship between an experienced employee and a novice in which the more experienced employee serves as an advisor, a sounding board, and a source of support for the newer employee (Day & Allen, 2004). Mentors guide newer employees through the ups and downs of the beginning of their career. Mentoring may benefit both the employee and the organization, as mentors help new employees achieve their goals within the organization and provide a strong interpersonal bond.

Some organizations assign individuals to mentors (Raabe & Beehr, 2003). Assigned mentors may not be as effective as those that emerge naturally—and an incompetent mentor may be worse than having no mentor at all (Ragins, Cotton, & Miller, 2000). "Natural" mentoring relationships, however, may be based on common interests and other similarities and as such may be less likely to develop for women and for members of ethnic minorities in White-male-dominated fields. In such situations, assigned mentors who are sensitive and open and have time to devote to new protégés may be all the more important. At minimum, co-workers who differ in every other way share one common bond: the organization. Indeed, as you may remember from Chapter 12, the lesson of the Robbers Cave study and the jigsaw classroom is that when very different people work together on shared goals and enjoy their managers' approval, prejudicial attitudes change.

Performance Appraisal

Also of interest to industrial psychologists is **performance appraisal,** the evaluation of a person's success at his or her job. Performance appraisal is important for a variety of reasons. It allows employees to get feedback and make appropriate changes in their work habits. It also helps guide decisions about promotions and raises, as well as terminations and firings (Bennett, Lance, & Woehr, 2006). Within the U.S. government, for example, firing must be performance based. This requirement means that before a government employer can terminate someone, there must be documented evidence of poor performance. In Canada, this regulation applies to private businesses as well. Regular performance appraisals provide a paper trail that serves to justify decisions such as promotion and termination.

In some occupations, objective measures are available that help to gauge performance. These might include measurable factors such as the number of products a factory worker is able to make per hour, the dollar amount of sales by a sales representative, the number of on-the-job accidents per year, the number of days late to work, the number of legal cases won, and the number of surgical operations performed. Of course, not all jobs provide such measurable output (Tannenbaum, 2006). In addition, there is no guide as to what exactly a high number means—or how high the number would have to be to be "good." Simple counts, taken out of context, may not be informative. For example, consider a sales agent with a very challenging territory who sets a selling record even though her sales fall below the average of other sales representatives who are assigned to less difficult areas. Finally, focusing on objective counts may miss the quality of the person's work. For these reasons, many performance evaluations, while including an assessment of objective numbers, also entail subjective ratings made by a supervisor or panel of experts. These ratings typically involve multiple items that are meant to assess different aspects of performance, such as work quality and efficiency.

Sources of Bias in Performance Ratings   Performance ratings are subjective judgments, and as such they may be prone to biases and errors (Austin & Crespin, 2006). One

Training varies greatly from job to job. Whereas a home health aide requires only basic on-the-job training, a newly recruited airline pilot must receive far more technical and extensive training (with overlearning as the ultimate goal).

mentoring A relationship between an experienced employee and a novice in which the more experienced employee serves as an advisor, a sounding board, and a source of support for the newer employee.

performance appraisal The evaluation of a person's success at his or her job.
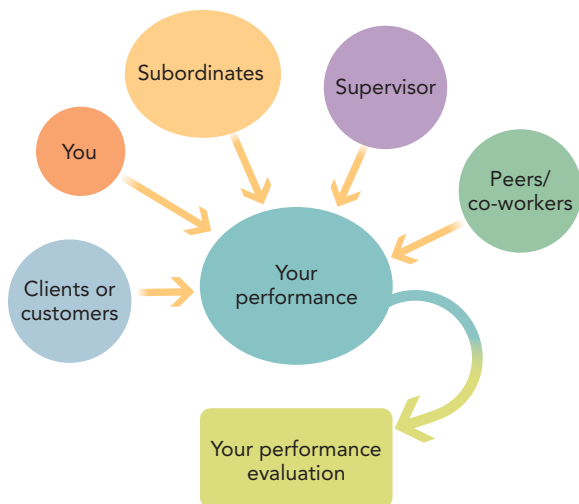
FIGURE 13.8

360-Degree Feedback 360-degree feedback means that everyone who is affected by your work has some input in evaluating your performance.

common error in such ratings is the **halo effect.** The halo effect means that the rater gives the person the same rating on overall items, even though there is actual variability. In making halo errors, the rater allows his or her general impression of the person to guide the ratings. So, for example, the supervisor might give someone a 9 on a 1 to 10 scale for all assessment items, even though, say, the employee's work quality was a 9, but his efficiency was more like a 5. An interesting finding with regard to the halo effect is that efforts to reduce the effect may actually detract from the overall accuracy of the ratings. Raters who are guided by the halo effect may do at least one thing right: They are not overly reactive to specific incidents.

Another category of errors is the **distributional error,** so called because it refers to ratings that fail to use the entire rating scale. Distributional errors include *leniency errors* (the rater goes easy on everyone), *severity errors* (the rater goes hard on everyone), and *central tendency errors* (the rater sees everyone as average). These errors can be reduced by making the ratings as specific as possible and by improving the training of raters (Hedge & Cavanaugh, 1988). You might think of these issues as technical or mundane, but imagine that you work in an organization in which two or three different managers rate you and your co-workers, and their ratings directly affect your pay raise. If the ratings say more about the raters than the people being rated, fairness may become a serious issue.

Factors other than work quality can also influence a performance evaluation. If your supervisor likes you, for example, you are more likely to get positive ratings (Ferris & others, 1994). However, it is important to realize that the main factor in your boss's affection may well be your outstanding performance (Robbins & DeNisi, 1994). The effect of rater liking on performance appraisals suggests that it is important for new workers to make an excellent first impression. Supervisors are human, and in evaluating the work of others, they are engaged in a social process. They have expectancies and look for confirming information. Winning the early respect of a supervisor may be an important part of obtaining positive performance evaluations later (Lefkowitz, 2000).

360-Degree Feedback   One way to improve the quality of the information used in a performance evaluation is to collect feedback from a variety of sources. To this end, a method called 360-degree feedback has been developed (Baldwin & Padgett, 1993). In **360-degree feedback,** an employee's performance is rated by a variety of individuals, including himself or herself, a peer, a supervisor, a subordinate, and perhaps a customer or client (Furnham & Stringfield, 1994). Interestingly, although there is some agreement among the different raters using the 360-degree feedback process, there is also more likely to be some variability, suggesting that ratings are indeed about the person's performance and not a general impression (Brett & Atwater, 2001; Maurer, Mitchell, & Barbeite, 2002). In addition, although liking does influence ratings, these effects may average out, because not all raters are likely to be affected by liking in the same way (Antonioni & Park, 2001). Web-based evaluation systems have simplified the logistics of the 360-degree feedback approach and made the process much more convenient than in the past. Figure 13.8 illustrates the process of 360-degree feedback.

The Importance of Fairness   A performance appraisal can be stressful for both the evaluator(s) and the evaluated employee. Few people relish delivering the news to someone that her work has been rated poorly, and the temptation might be to send the evaluation off in an e-mail. Yet talking about the evaluation face-to-face can be enormously powerful in ensuring that the employee feels that her treatment has been fair. Letting an employee self-evaluate improves work attitudes, and allowing the individual to sit down with the supervisor and openly discuss the evaluation enhances feelings of fairness in the process, even when the ratings are negative (Taylor & others, 1995).

Just as hiring decisions cannot be based on ethnicity or gender, performance evaluation systems must not discriminate. Research has suggested that in order to enhance the legal defensibility of a termination decision, a job analysis should define the dimensions that will be used in the performance appraisal; the raters should be trained; employees should

halo effect A common error in performance ratings that occurs when the rater gives the person the same rating on overall items, even though there is actual variability.

distributional error A common error in performance ratings, so called because it refers to ratings that fail to use the entire rating scale.

360-degree feedback A method of performance appraisal whereby an employee's performance is rated by a variety of individuals, including himself or herself, a peer, a supervisor, a subordinate, and perhaps a customer or client.

have an opportunity to appeal the ratings; and the organization should meticulously document performance (Barrett & Kernan, 1987). Organizations might also offer counseling or developmental opportunities to poorly performing employees. The experience of being fired from a job can be both economically and emotionally devastating, and people who feel they have been treated unfairly may take legal action. The use of multiple raters in performance evaluations is associated with greater success in defending firing decisions in the courtroom (Werner & Bolino, 1997).

Other Performance Measures: Thinking Outside the Box and Organizational Citizenship Behavior   As noted, a specific objective measure of performance may be available for a job appraisal. In the case of a teacher, that measure might be student test scores on standardized tests. But is that objective measure a true indicator of high-quality teaching? Instead, an organization might encourage creativity and **thinking outside the box**—exploring new ways of approaching tasks and challenges and finding solutions—even though employees might make mistakes along the way.

Another type of behavior that may find its way into a performance evaluation is **organizational citizenship behavior (OCB)**—discretionary actions on the part of an employee that promote organizational effectiveness but are not part of the person's formal responsibilities (Hanson & Borman, 2006). Sometimes called *contextual performance,* OCB can include behaviors such as coming in early, staying late, and helping out a colleague with an assignment. OCB is thought to have an impact in two ways. First, it may directly influence an organization's productivity and economic success (MacKenzie, Podsakoff, & Ahearne, 1998; MacKenzie, Podsakoff, & Fetter, 1998). Second, OCB may have a more general influence on the social system of the workplace, making fellow employees have more positive attitudes and experiences (Meyer & Allen, 1997; Turnipseed, 2002). As such, OCB occupies the middle ground in I/O psychology, influencing both the efficiency and the profitability of business (that is, the "I" side) and the wider social climate of the organization (the "O" side).

Taking the idea of OCB further, it is possible that the very meaning of OCB cannot be fully understood outside of the wider social context of the organization. Is showing up for work early every day an example of OCB, or is it simply "kissing up" (Eastman, 1994) or playing office politics (Snell & Wong, 2007)? Did your co-worker send you that reminder e-mail or leave you that voice message at 5 A.M. to be helpful or to point out that she was at her desk working while you were still asleep?

Research by Bennett Tepper and his colleagues (2004) revealed that OCB was positively related to fellow employees' satisfaction and loyalty but only when supervisor abusiveness was low. Abusive supervisors engage in a variety of hostile actions, including emotional outbursts, public criticism, sarcastic comments, and interpersonally deviant acts (Duffy, Ganster, & Pagon, 2002). When the supervisor was perceived as abusive, OCB was negatively related to job satisfaction for co-workers. When an employee engages in OCB in the presence of an abusive supervisor, co-workers might reasonably wonder whose side this person is on. Thus, the very meaning of a behavior may differ depending on the overall organizational context of that behavior. That social context is the domain of organizational psychology, our next point of focus.

thinking outside the box Exploring new ways of approaching tasks and challenges and finding solutions.

organizational citizenship behavior (OCB) Discretionary actions on the part of an employee that promote organizational effectiveness but are not part of the person's formal responsibilities.

REVIEW AND SHARPEN YOUR THINKING

2 Describe the perspectives and emphases of industrial psychology.

- Define job analysis, and describe three types of tests used to evaluate job applicants.
- Discuss various sources of job candidates and the use of testing, interviews, and work samples and exercises in personnel selection.
- Describe the roles of orientation, formal training, and mentoring in job training.
- Summarize some key ideas regarding performance appraisal.

Have you ever had a mentor? If so, what was the experience of being mentored like?

So great were the contributions of American statistician W. Edwards Deming (1900–1993) in the recovery of the Japanese economy after World War II that the prime minister of Japan, on behalf of Emperor Hirohito, honored him with the Order of the Sacred Treasures, second class, in 1960.

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WHEN IT COMES TO MOTIVATION, I RECOMMEND A THREE-PRONGED APPROACH...

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3 Organizational Psychology

Identify the main focus of organizational psychology and describe some important business factors that organizational researchers have studied.

As we have seen, industrial psychology, the "I" in I/O, introduced the idea of human resources. We turn now to its "O" counterpart, organizational psychology, in which the main interest is research and practice involving human relations (Cawsey & Deszca, 2007; Spector, 2006). Organizational psychology emphasizes the psychological experience of the worker, examining how the relationships among people at work influence their job satisfaction and commitment, as well as their efficiency and productivity. Although it may seem reasonable that companies should concentrate on "the bottom line," focusing exclusively on the economic results of work may not always be the best way to do business. As the following discussion reveals, other important factors that have been the subject of organizational research also matter, including management approaches, job satisfaction, employee commitment, the meaning of work, and leadership styles (Greenwald, 2007; Kreitner & Kinicki, 2007).

Approaches to Management

Managers are in a position of power in an organization. They make decisions about personnel, direct activities, and ensure that the staff does the work correctly and on time. A manager's approach to this role can have a widespread impact on organizational success as well as employees' lives (Gomez-Mejia, Balkin, & Cardy, 2008; McShane & von Glinow, 2007). So it is appropriate that we examine how and why management styles matter to organizations and employees. To appreciate the importance of management styles to business, we begin by considering the historical contrast between American and Japanese automakers.

The "Japanese" Management Style   In the 1980s, as the American automobile industry took note of the emerging dominance of Japanese car brands in the U.S. market, Japanese management principles became all the rage. At this time, U.S. automakers also adopted the so-called Japanese principles of quality control and worker participation in organizational decision making. Interestingly, these principles are actually American principles, originally suggested by the American engineer and statistician W. Edwards Deming.

In the 1940s, Deming developed ideas about management that focused on quality; indeed, he has been called the Father of the Quality Revolution. His philosophy of management was not well received in the United States, however, as U.S. industry was wedded to the notions of efficiency, scientific management, and the bottom line. After World War II, Deming played a large role in the successful rebuilding of the Japanese economy, particularly the Japanese automobile industry. Deming's ideas have been recognized as directly related to Japan's eventual domination of the U.S. auto market. His impact on Japanese manufacturing was enormous.

Although Deming had a lot to say about management, one of his key points was that industry must embrace innovation and plan for the future, not remain narrowly focused on economic results. He compared the results-oriented management of the typical U.S. factory to driving a car with your eyes fixed on the rearview mirror (Deming, 1986). Results, he stressed, tell us about *past* performance—how we did—but the question that burned in his mind was, What are we going to do *next*? Deming called upon industry to make a long-term commitment to new learning, to having an eye always trained on the future. He emphasized innovation and a managerial style that takes risks, makes decisions based on quality, and fosters strong relationships with suppliers, employees, and customers. Deming's philosophy continues to influence Japanese success to this day. In 2006, the *Consumer Reports* top-10 picks for new cars included, for the first time, only Japanese cars.

The contrast between Frederick Taylor's approach to scientific management and Deming's innovation-oriented thinking can also be seen in other psychological approaches to management styles, as we now consider.

Theory X and Theory Y   In his book *The Human Side of Enterprise,* Douglas McGregor (1960) suggested that there are two general approaches to management, which he termed Theory X and Theory Y. **Theory X managers** assume that work is innately unpleasant and that people have a strong desire to avoid it. Such managers believe that employees need direction, dislike responsibility, and must be "kept in line." Theory X managers motivate performance by exerting control and threatening punishment.

In contrast, **Theory Y managers,** those with the outlook that McGregor advocates, assume that engaging in effortful behavior is natural to human beings—that even at play, people often work hard. According to the Theory Y view, control and punishment are not the only way to motivate workers. Rather, Theory Y managers recognize that people seek out responsibility and that motivation can come from allowing them to suggest creative and meaningful solutions to problems. These managers assume that people have untapped creative and intellectual potential that can benefit the organization.

The *waigawa* policy of the Japanese carmaker Honda Motors exemplifies this aspect of Theory Y management style. Under the ***waigawa* system,** when the corporation faces a difficult problem, all rank-related concerns are temporarily set aside so that anyone from any level of the organization can have input. Factory-line workers can present their insights to the highest-level executives in the company. The U.S. corporation Harley-Davidson Motor Company has a similar "open door" policy. Because many Harley-Davidson employees are themselves motorcycle enthusiasts, their ideas are welcome at any time.

Under the waigawa *policy in effect at Japan's Honda Motors and the U.S. corporation Harley-Davidson Motor Company, workers from any level of the organization can present top executives with ideas for improving a system and solving company problems.*

McGregor's book is now nearly 50 years old, but his distinctions between the two managerial styles remain a source of inspiration, particularly for practitioners in I/O psychology who seek to consult with organizations to enhance managerial effectiveness.

Strengths-Based Management   In keeping with the focus of Theory Y managers on the potential abilities of employees, survey scientist Donald Clifton, who before his death in 2003 was the CEO of the Gallup polling organization, emphasized the importance for managers to uncover and exploit the strengths of their employees. In 2002, Clifton was recognized as the Founder of Strengths-Based Psychology in a citation by the American Psychological Association. As a businessman, Clifton applied the findings of the emerging field of positive psychology to his work at the Gallup organization. His **strengths-based management** stressed that maximizing an employee's existing strengths is a much easier proposition than trying to build such attributes from the ground up. By *strength* Clifton meant the ability to attain a near-perfect performance on a given task consistently (Clifton & Nelson, 1992; Hodges & Clifton, 2004). To develop worker strengths, a manager must recognize that each person has unique talents and that the individual's discovering these and putting them to use is crucial not only to an effective organization but also to a fulfilling life (Bateman & Snell, 2007).

Researchers have found that few people give a good deal of thought to their personal strengths. In a large Gallup poll conducted in several countries, those who focused on

Theory X managers Managers who assume that work is innately unpleasant and that people have a strong desire to avoid it; such managers believe that employees need direction, dislike responsibility, and must be "kept in line."

Theory Y managers Managers who assume that engaging in effortful behavior is natural to human beings, and who recognize that people seek out responsibility and that motivation can come from allowing them to suggest creative and meaningful solutions.

***waigawa* system** A management system dedicated to the idea that when the corporation faces a difficult problem, all rank-related concerns are temporarily set aside so that anyone from any level of the organization can have input.

strengths-based management A management style emphasizing that maximizing an employee's existing strengths is much easier than trying to build such attributes from the ground up.

Approach	Theorist	Manager's Mission	Manager's Problem-Solving Strategy	Manager's Focus When Things Are Going Well
"Japanese style"	Deming	Focus on the future, always seeking innovation and high quality. Forge strong relationships with people in every aspect of the organization.	Take risks, think about the future, and try something new.	Keep looking to the future, to potential innovation, and to risks.
Theory X	McGregor	Control employees, enforce rules, and make sure everyone is working hard. Keep the ship afloat.	Punish employees who fail.	Reward employees who succeed, and don't rock the boat.
Theory Y	McGregor	Challenge employees with responsibility; let them apply their talents, insights, and abilities.	Look to employees for input; harness their wisdom and insight to solve the problem.	Talk to employees about their insights into success and what to do next.
Strengths-based	Clifton	Identify employee strengths and match employees with jobs that will maximize these.	Reexamine the fit between employee strengths and assigned tasks.	Continue to build on employee strengths.

FIGURE 13.9

Approaches to Management Different approaches to management can have different consequences for employees and companies. Managers vary not only in general philosophy but also in problem-solving strategies and responses to success.

identifying their own strengths were in the minority (Hodges & Clifton, 2004). Even in the United States, where respondents scored higher than their counterparts in the other nations, just 41 percent said they had tried to identify their strengths.

Using one's strengths can be an important part of work fulfillment. In an analysis of a variety of past studies, researchers examined how responses to the item "I have the opportunity to do what I do best" related to work outcomes (Harter & Schmidt, 2002). Organizations in which employees answered "yes" to this item had a 38 percent increased probability of success in productivity and a 44 percent higher probability of success in customer loyalty and employee retention. In another analysis, researchers evaluated the effectiveness of interventions intended to improve organizations (Clifton & Harter, 2003). Of the 65 organizations studied, 4 had taken a strengths-based approach. Compared to the other 61, those 4 showed an increase in productivity equal to $1,000 per employee. What does that translate into in real terms? For the average company in the study, that would be $5.4 million. The various management styles are summarized in Figure 13.9.

One reason managers are important is that they have profound influence on how people feel while at work. Someone might find her dream job ruined by a really lousy manager. Or a great manager might be able to make a boring job seem important and worthwhile. The way people feel about their occupations is another topic that has interested I/O psychologists.

Job Satisfaction

I/O psychologists are keenly interested in work attitudes, that is, how people feel about their jobs. **Job satisfaction** is the extent to which a person is content in his or her job. *Job satisfaction* is a relatively recent term, because in the past, the choice of occupation was not so much up to the individual. Instead, many people simply did whatever their parents did to earn a living. In addition, as economic conditions and social changes have allowed more individuals access to education and employment, the question has become not only whether a job puts money in the bank and food on the table but also whether an individual feels fulfilled by his or her occupation. The happier that individuals are in their jobs, the more satisfied they are said to be.

The most common way to measure job satisfaction is to ask employees to report their reactions to their jobs using rating scales. Job satisfaction can be assessed globally, as with an item such as "How happy are you with your job, overall?" or in terms of more specific factors such as pay, work responsibilities, variety of tasks, promotional opportunities, the work itself, and co-workers.

job satisfaction The extent to which a person is content in his or her job.

One cross-country comparative study examined job satisfaction in 24 different nations (Spector & others, 2001). Workers in Canada were the most satisfied with their jobs; workers in England, the least satisfied. U.S. respondents fell in the upper third with respect to job satisfaction. Predictors of job satisfaction may vary for different jobs and different cultures. For example, in a study of 1,814 healthcare workers in Norway, the job satisfaction of all of the respondents was related to their feelings about the local leadership of their organizations (Krogstad & others, 2006). But differences emerged for the various occupational groups in the study. For example, physicians' job satisfaction depended more on professional development opportunities, and nurses' job satisfaction depended more on social support at work and feedback from supervisors.

One factor that is not as strongly related to job satisfaction as might be expected is pay (Brasher & Chen, 1999). Among those who are making the minimum wage, some individuals are quite satisfied with their jobs. And among those who are earning a six-figure salary, some are dissatisfied. One study found that job satisfaction did not depend on the amount of money per se but rather on the person's perception that his or her pay was fair (Cohen-Charash & Spector, 2001).

"Here are the results of the latest employee satisfaction study."

© Carol Simpson Productions.

Possibly it is the person, not the job, that matters most for job satisfaction. Certainly there is evidence that job satisfaction is relatively stable over time. A 50-year longitudinal study revealed that a worker's emotional disposition was linked to job satisfaction 50 years later (Staw, Bell, & Clausen, 1986). Some individuals may simply be predisposed to be satisfied. Of course, any group has its malcontents and complainers. Even in the Hawthorne studies, researchers identified individuals called "chronic kickers" who complained no matter what the researchers did (Roethlisberger, 1941). There may not be one perfect job, but rather a very good but different job for each of us. Research that summarized the results of 21 studies indicated that the fit between the person and the job is the most important aspect of job satisfaction (Verquer, Beehr, & Wagner, 2003).

In a study that explored the worst things about their jobs, clerical employees in India and the United States described the most stressful aspects of their work (Narayanan, Menon, & Spector, 1999). Among the U.S. workers, lack of control was the second-greatest stressor, nominated by 25 percent of the participants. The Indian workers expressed the most stress about a lack of structure (again, about 25 percent described this issue). Interestingly, not a single American participant mentioned structure, and not a single Indian participant mentioned control. When individuals are asked "What makes a job satisfying?" the answer may very well be "It depends," and the factors might include the person, the job, and the cultural context.

I/O psychologists also have been interested in the question of whether job satisfaction relates to other aspects of one's job, such as absenteeism, organizational citizenship, and performance. Job satisfaction is related to lower job turnover and absenteeism (Crampton & Wagner, 1994), an increase in organizational citizenship (Organ & Ryan, 1995), and performance (Judge & others, 2001). However, whether happy workers are more productive workers has been the source of some debate, as the Critical Controversy explores.

Job satisfaction is just one of the attitudes that I/O psychologists have probed. Another fertile area of research focuses on worker commitment, as we now consider.

Employee Commitment

By the time an employee has completed training, the organization has already dedicated a great deal of resources to the person. Clearly, it becomes important to keep the employee around. Especially during times of organizational change, understanding the factors that might maintain employee commitment has become important to industry and psychologists (Amiot & others, 2006). I/O psychologists have examined work commitment as an important determinant of work-related outcomes (Cooper-Hakim & Viswesvaran, 2005). A highly influential framework emphasizes three types of commitment—affective, continuance, and normative—that are essential to understanding an employee's level of dedication

Critical Controversy

Is a Happy Worker a More Productive Worker?

You have probably seen those TV ads that show dot-com workers playing ping-pong on the job or a warehouse manager cruising around on a Segway. We regularly hear about companies' adoption of policies to enhance positive feelings at work. At Google, for example, lunch is free, the dress code is jeans and sweatshirts—and pets are allowed! In addition to its many perks (which include onsite day care, a keg party every Friday night, and made-to-order sushi), Genentech strives for an atmosphere of "casual intensity" that seeks to promote employees' enjoyment and investment in their work. After one particularly successful run of FDA approvals for its drugs, Genentech even held a celebratory rock concert featuring Elton John, Mary J. Blige, and Matchbox 20.

Google corporate policies aim to make employees' work experience as positive as possible.

It sounds like a lot of fun, but Google and Genentech are businesses that keep a close eye on the bottom line. To what extent are such policies and practices good for business? Are happy workers more productive? Or does the company break room, featuring free-flowing cappuccino, merely provide workers with a new and better way to goof off?

Since the seminal Hawthorne studies, the notion that happy workers are more productive workers has held a fascination for I/O psychologists. There would seem to be good reason to expect that happy workers should have a higher productivity than unhappy workers. Chapter 10 described research showing that positive emotions can have a positive impact on creativity and decision making. Yet mixed results have been found regarding the relationship of happiness to productivity. A key clarification must be made about the kind of happiness we are talking about. Researchers have found that short-lived positive moods do not have a strong link to productivity but that longer-term happiness, or well-being, does relate to a number of indicators of work success (Lyubomirsky, King, & Diener, 2005).

Even before entering the workforce, individuals with high levels of well-being are more successful. They are more likely to graduate from college and to receive an interview for a job or a callback for a second interview than their counterparts with low levels of well-being (Burger & Caldwell, 2000; Frisch & others, 2004). Further, happy individuals appear to secure "better" jobs. In one study, employees with happier personalities had jobs that were rated by trained observers as having more autonomy, meaning, and variety (Staw, Sutton, & Pelled, 1994). Another study found that happiness at age 18 was related to financial independence, occupational attainment, and work autonomy at age 26 (Roberts, Caspi, & Moffitt, 2003).

Once happy individuals obtain a job, they are more likely to succeed than unhappy individuals. Happy employees receive relatively more favorable evaluations from supervisors and others (Wright & Staw, 1999). In one study, managers in three midwestern organizations gave higher evaluations to happy employees than to unhappy employees, based on work quality, productivity, dependability, and creativity (Staw, Sutton, & Pelled, 1994). Work performance is more strongly predicted by well-being than by job satisfaction. For example, in two studies, job performance (as judged by supervisors) was significantly related to well-being but not job satisfaction (Wright & Cropanzano, 2000).

A number of studies have found that happiness and positive affect are important aspects of the workplace. In one study, happy individuals performed objectively better on a task for their assessing managerial potential (including "leadership" and "mastery of information," as rated by objective observers) (Staw & Barsade, 1993). In other research, dormitory resident advisors were described by residents as being more effective if they were also rated as high on positive affect (DeLuga & Mason, 2000). In yet another study, service departments with happy leaders were more likely to receive high ratings from customers, and the positive affective tone of the sales force was an independent predictor of customer satisfaction (George, 1995). Optimistic life insurance agents appear to sell more insurance (Seligman & Schulman, 1986). Finally, optimistic CEOs receive higher performance ratings from the chairpersons of their boards and lead companies with greater returns on investment (Pritzker, 2002).

One reason that happy workers are more likely to be high performers is that they are less likely to show *job withdrawal*—namely, absenteeism, turnover (that is, leaving a job), job burnout, and retaliatory behaviors (Donovan, 2000; Thoresen & others, 2003). Indeed, positive moods at work are linked to lower withdrawal and organizational retaliation and higher organizational citizenship behavior (Thoresen & others, 2003), as well as lower job burnout (Wright & Cropanzano, 1998). Also, those who experience calmer types of positive emotions on the job, such as serenity and contentment, are less likely to want to quit and to be in conflict with other workers (Van Katwyk & others, 2000).

Moreover, habitual positive feelings at work are pivotal in understanding so-called *organizational spontaneity,* which includes helping co-workers, protecting the organization, making constructive suggestions, and developing one's own abilities within the organization (George & Brief, 1992). Positive emotions are associated with taking an active approach to problem solving. When we are in a good mood, we are more likely to engage actively in tasks. Research
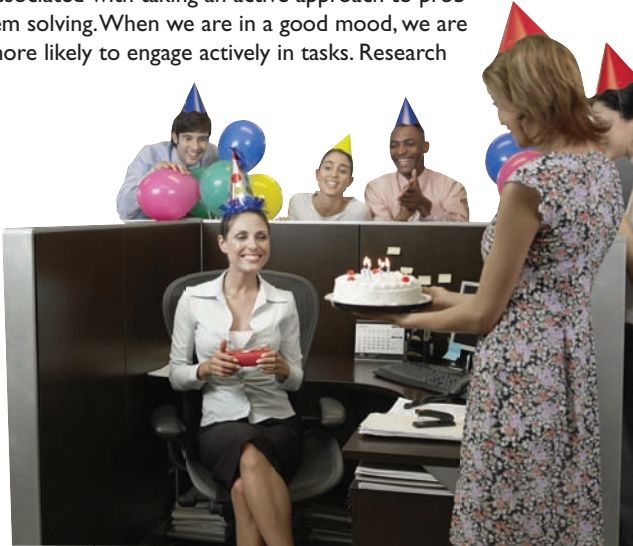
has shown that businesses with engaged workers are more likely to show higher productivity and profit and less job turnover and to have more loyal customers (Harter, 2000; Harter, Schmidt, & Hayes, 2002).

Of course, success on the job also can contribute to overall well-being (Roberts, Caspi, & Moffitt, 2003). Indeed, the relationship between well-being and productivity runs both ways— happier workers are more productive, and being productive enhances happiness (Coté, 1999).

Are happy workers productive workers? The research reviewed above suggests that the answer is "yes," especially when the worker's overall sense of well-being is at issue. Although momentary positive moods may not lead to enhanced performance, investing in workers' overall well-being makes great business sense.

What Do You Think?

- Are perks such as free lunches and relaxed dress codes good business or simply gimmicks? Why?
- If you were a manager, how would you use the research discussed above?
- Why might mood be less important to productivity than a more stable characteristic such as well-being?

to the workplace (see also Meyer & Allen, 1997; Meyer, Becker, & Vandenberghe, 2004; Van Dick, Becker, & Meyer, 2006):

- **Affective commitment** refers to the person's emotional attachment to the workplace. A person with a strong affective commitment identifies closely with the goals of the organization and wants to be a part of it. Affective commitment is associated with feelings of "we-ness," of identifying with the group that is one's workplace (Johnson & Chang, 2006). The individual with strong affective commitment commits to the organization because he or she wants to. Affective commitment is thought to result in more favorable job performance because those high in affective commitment are likely to work harder (Riketta, 2002).
- **Continuance commitment** derives from the employee's perception that leaving the organization would be too costly, both economically and socially. The person may dread the notion of relocation or the thought of the effort that a new job search would require. Such an individual might remain with an organization because of the feeling that he or she "has to." For example, a police officer may remain on the job longer than she genuinely wants because of concerns about keeping her pension or because of her deep relationship with her professional partner. Continuance commitment has been shown to be either unrelated or negatively related to job performance or citizenship behaviors (Meyer & others, 2002). In contrast to affective commitment, continuance commitment is related to a more individualistic sense, rather than a group sense, of identity (Johnson & Chang, 2006).
- **Normative commitment** is the sense of obligation an employee feels toward the organization because of the investment the organization has made in the person's personal and professional development. If an organization has subsidized a person's education, for example, the employee might feel that she owes it to her boss to stick around. Normative commitment means being committed because one feels one "ought to."

Theoretically, individuals are thought to have a commitment profile that captures their level of commitment on all three of these dimensions at any given point in time (Meyer & Herscovitch, 2001).

affective commitment The employee's emotional attachment to his or her place of work.

continuance commitment A kind of job commitment that derives from the employee's perception that leaving the organization would be too costly, both economically and socially.

normative commitment The sense of obligation an employee feels toward the organization because of the investment the organization has made in the person's personal and professional development.

The Meaning of Work

Occupations define people in fundamental ways (Osipow, 2000). People identify with their work, and the work shapes many aspects of their lives. Work is an important influence on their financial standing, leisure activities, home location, friendships, and health. One of the strongest predictors of job satisfaction is feeling that one is engaging in something meaningful or important. When asked about the meaning associated with their work, respondents nominated contributing to the economic maintenance of one's family, having a job that allowed one to have a positive impact on the organization, and work as self-expression (Wrzesniewski, Dutton, & Debebe, 2003). Genentech declares the meaning-fulness of its mission in straightforward terms on its website: "To cure cancer."

The way people think about their work and its place in their lives can have an impact on their work performance, their workplace, and their lives in general (Bartel, Blader, & Wrzesniewski, 2007; Jones & George, 2007). I/O psychologist Amy Wrzesniewski and her colleagues (1997) studied 300 workers and found that their perceptions of their occupation had a substantial impact on important aspects of their work and well-being. Some described the occupation as a "job," one that involved no training and allowed no personal control and little freedom. These individuals tended to focus on the material benefits of work. Another group of participants identified their occupation as a "career." They saw their occupation as a stepping-stone to greater advancement and accordingly focused on the attainment of better pay, promotions, and moving up the organizational ladder. A final group of participants viewed their occupation in terms of a "calling." They perceived the occupation as requiring a great deal of training and as involving personal control and freedom. For these individuals, work was not a means to financial ends but rather a valuable endeavor in and of itself. Indeed, some saw their occupation as their "mission in life." Importantly, all of these individuals were describing the same job—that of hospital maintenance worker. Other research has uncovered similar results for administrative assistants, with about equal numbers having each work orientation (Wrzesniewski, 2003).

Individuals who view their occupation as a calling are more likely to experience work as wholly meaningful and fulfilling. They show higher levels of life satisfaction and job satisfaction. These individuals are more likely to engage in citizenship behaviors, to devote more time to work, and to miss work less often (Bartel, Wrzesniewski, & Wiesenfeld, 2007; Wrzesniewski, 2003). Those with a calling orientation also derive more satisfaction from the work domain than from hobbies or leisure activities. Perhaps not surprisingly, a predictor of taking a calling orientation to work is preexisting psychological well-being.

You might think that those who view their work as a calling must have just gotten lucky and found the right job for themselves. But Wrzesniewski (2003) argues that the ability to view one's occupation as a calling is a "portable" resource that a person can take from one context to another. She uses the term **job crafting** to refer to the physical and cognitive changes individuals can make within the constraints of a task to make the work "their own." For example, one hospital maintenance worker took it upon himself to start rotating the artwork on the walls of the hospital rooms as he cleaned them. Doing so was not part of his written job description—it was his own idea for improving the quality of life for patients who faced long hospital stays. Job crafting means taking advantage of the freedom one has to bring fulfillment to an occupation, whatever it may be. Job crafting opens up new avenues for meaning on the job by allowing the individual to reshape the task and relational boundaries of a job.

Leadership

Just about every organization has a leader. In a business it may be a CEO, on a jury it is the foreperson, and on a team it is the captain (or the coach). I/O psychologists are especially interested in understanding what makes an effective leader and what effect leadership characteristics have on organizations (Mumford, 2006).

job crafting The physical and cognitive changes individuals can make within the constraints of a task to make the work "their own."

Leaders are not necessarily the same as managers (Bridgman, 2007; Yukl & Lepsinger, 2005). Even in informal groups at work, someone may be perceived as a leader regardless of his or her formal title. Furthermore, not all managers are effective leaders. A leader is a person who influences others, motivates them, and enables them to succeed (House, 2004). Research has shown that what leaders do, for better or worse, matters a great deal to organizational outcomes (Dutton & others, 2002; Hess & Cameron, 2006). After the September 11 terrorist attacks, the effective leadership of New York City mayor Rudolph Giuliani was widely praised. Leadership may be especially important during a crisis.

I/O psychology has taken a variety of approaches to studying leadership. Two major types of leadership are transactional leadership and transformational leadership.

Transactional Leadership   Sometimes a leader is simply "the person in charge." That is, as a leader she sees herself as responsible for running things but not changing things. A **transactional leader** is an individual who emphasizes the exchange relationship between the worker and the leader (Bass, 1985), applying the principle "You do a good job and I will reward you." Like a Theory X manager, a transactional leader believes that people are motivated by the rewards (or punishment) they receive for their work. A transactional leader provides clarity and structure to followers. Such a leader works within the goals of the existing organizational system ("that's how we do it around here") and may exhibit *management by exception*—stepping in only when a problem arises.

Transformational Leadership   While a transactional leader concentrates most on keeping the ship sailing, a different type of leader focuses on defining the direction of the ship. An individual with this leadership style dedicates thought to the meaning of leadership itself and to the impact she might have in improving an organization. Such a **transformational leader** is concerned not with enforcing the rules but with changing them. A transformational leader is a dynamic individual who brings charisma, passion, and, perhaps most importantly, vision to the position (Mumford, Scott, & Hunter, 2006).

Four elements of transformational leadership have been described (Sivanathan & others, 2004). First, transformational leaders exert what has been referred to as idealized influence. This quality means that transformational leaders act as they do because they believe it is the *right* thing to do. The leaders of Google, for instance, have a motto, "Don't be evil!" that has guided them in creatively implementing their idea of what a great place to work ought to be. This commitment to integrity is likely to instill trust in followers. Second, transformational leaders motivate by inspiring others to do their very best. Niro Sivanathan and his colleagues stress that transformational leaders need not have natural charm or charisma but rather a talent for bolstering employees' self-efficacy (their confidence in their abilities) and for convincing them to do their best. Third, transformational leaders are devoted to intellectually stimulating their employees. They make it clear that they need input from employees because they themselves do not have all the answers. Fourth, transformational leaders provide individualized consideration to their employees, showing a concern for each person's well-being.

A great deal of research supports the idea that transformational leadership is associated with positive organizational outcomes in a wide variety of settings, from sports teams (Charbonneau, Barling, & Kelloway, 2001) to profit-oriented businesses (Barling, Weber, & Kelloway, 1996) to the military (Bass, 1998). The positive impact of transformational leaders (relative to transactional leaders) is based on the capacity of the leader to foster trust in the organization, to persuade employees about the meaningfulness of their work, and finally to strengthen employees' **organizational identity**—their feelings of oneness with the organization and its goals (Sivanathan & others, 2004).

What factors lead one to become a leader? Are leaders born or made? The Intersection addresses this intriguing question.

One notable difference between transactional and transformational leaders lies in their concern for the culture of the workplace. Transactional leaders work within the

Just about every organization and group has a leader. In the corporate world, it may be a CEO such as Meg Whitman of eBay. In sports, a manager such as Terry Francona of the Boston Red Sox takes charge. On a jury, the foreperson delivers the verdict.

transactional leader An individual in a leadership capacity who emphasizes the exchange relationship between the worker and the leader and who applies the principle that a good job should be rewarded.

transformational leader An individual in a leadership capacity who is concerned not with enforcing the rules but with changing them.

organizational identity Employees' feelings of oneness with the organization and its goals.

I/O Psychology and Personality: Who's in Charge?

At the beginning of a group project, as you meet with your co-workers for the first time, there is that moment of tension over the question "Who's going to be in charge?" Even if you have tried to organize a group of friends to go out to dinner or hosted a potluck, you know that someone just has to take charge. What characteristics do you think are important in being an effective leader? Intelligence, trustworthiness, responsibility, and assertiveness probably come to mind. Are these, in fact, the traits of good leaders? What factors best predict who shall lead? I/O and personality psychologists have examined the various ways that individuals' characteristics are related to whether they emerge as a leader.

Some aspects of leadership may be genetic, and these genetic influences may underlie the personality traits we think of as part of a "good leader" (Ilies, Arvey, & Bouchard, 2006). Consider a longitudinal study of twins that focused on the contribution of genetics to the attainment of leadership positions (Arvey & others, 2006). In this study, 331 identical twins and 315 fraternal twins provided biographical information about all of the leadership positions they had ever occupied, including leadership in groups such as high school clubs, college organizations, professional organizations, and work groups. In addition, the twins completed self-report measures of two traits: "social potency" (essentially, extraversion) and achievement motivation. In comparing the overlap in leadership experience between identical and fraternal twins, the researchers found more overlap among the identical twins, a result suggesting that a closer genetic linkage made them more similar in this behavior. Indeed, the researchers concluded that genetic factors accounted for 30 percent of variance in leadership positions held. These data add to research indicating that both transactional and transformational leadership styles are influenced by genetics, especially transformational leadership (Arvey & others, 2007; Johnson & others, 2004). So, perhaps transformational leaders really are, at least to some degree, "born leaders."

Of course, leadership is not the same thing as eye color—genes do not simply "turn leadership on." More likely, genes influence other psychological characteristics that in turn enhance the chances for a person to become a leader. Indeed, in

the study described above, the genetic influence was partially explained by differences in the personality traits measured (Arvey & others, 2006). Genes may provide a person with traits such as extraversion and achievement motivation, which in turn lead to the phenomenon we call leadership (W. Johnson & others, 2004).

Studies have shown that personality traits relate to leadership ability in ways you might expect. In terms of the big five personality traits, high extraversion, high conscientiousness, and low neuroticism are associated with being a leader (Judge & others, 1999, 2001). Members of sororities and fraternities at the University of Illinois participated in a study of personality traits and leadership (Harms, Roberts, & Woods, 2007). Each participant completed a measure of personality traits and was then rated by others in their organization for status and leadership. Extraversion and conscientiousness were both related to others' perceiving the person as having status and making a difference—in short, being a leader.

> *A good leader may not be the person who knows the most but rather the person whose temperamental endowments predispose him or her to flourish as the "top dog."*

It might strike you as odd that so much research has considered the personality qualities of leaders without examining the type of group the persons are going to lead. Yet the results of these studies seem to indicate that leadership is not the same as expertise or intelligence or even being the best at whatever the group does. (If you think about the captain of your favorite sports team, it is rarely the case that that person is the best player on the team.) Rather, leadership is a social process, and it likely emerges out of an individual's disposition to get noticed, to assert himself or herself, and to demonstrate responsibility. A good leader may not be the person who knows the most but rather the person whose temperamental endowments predispose him or her to flourish as the "top dog."

context of that culture, whereas transformational leaders seek to define and redefine that culture. Indeed, industry analysts widely consider the cultures of organizations such as Google and Genentech to be their biggest selling point. But what does it mean to talk about organizational culture? In the next section we examine this fascinating topic in greater detail.

3 Identify the main focus of organizational psychology and describe some important business factors that organizational researchers have studied.

- Identify and discuss three approaches to management.
- Describe how job satisfaction relates to job performance.
- Characterize what is involved in employee commitment.
- Summarize the meaning of work.
- Identify and contrast two types of leadership.

If you were the CEO of a company, what personal philosophy would you bring to the job? Would you be a transformational leader? Why or why not?

4 Organizational Culture

Define organizational culture and describe factors relating to positive and negative workplace environments.

Creating a positive organizational culture is clearly an important aspect of great leadership. **Organizational culture** refers to an organization's shared values, beliefs, norms, and customs. How do people dress? Do they socialize? Are decorated cubicles acceptable? Can the employees talk to the CEO? These are the kinds of questions a new employee might ask, and the answers can reveal how formal, warm, and status conscious the workplace culture is. Organizational culture describes the "flavor" of an organization—the "way we get things done around here" (Deal & Kennedy, 1982).

Although sometimes implicit, aspects of organizational culture can influence the everyday behavior of individuals within an organization (Hill & Jones, 2001). You may recall the phenomenon of groupthink from Chapter 12. Groupthink is the dysfunctional side of organizational culture, and it occurs when individuals in a group squelch dissent and seek consensus above all else. A more open climate may produce greater conflict—but conflict over important matters may be a good thing.

Types of Organizational Culture

Researchers have proposed a variety of theoretical approaches to organizational culture (Schein, 2005). One approach describes four types of organizational culture (Handy, 1985):

- *Power culture:* Power is centralized to only a few people. Control is enforced from the center of the organization outward. A power culture typically has few rules and little bureaucracy and is characterized by quick decision making.
- *Role culture:* Structure is clearly defined and authority is delegated. Typically such a culture is hierarchical in structure, with authority flowing from the top down.
- *Task culture:* Teams are used to solve particular problems, with expertise driving the status of members. The person who knows the most about the problem at hand takes charge until some other problem comes along.
- *Person culture:* Everyone believes that he or she is above the organization itself. An organization with this type of culture has difficulty surviving because the members have not "bought into" a shared mission.

The type of culture that is best depends on the fit between the mission of an organization and the people involved. For example, Google's corporate culture has been described as "flat," meaning that there are no strong boundaries between the top management and employees at other levels. Everyone can talk to everyone else all the time, and this openness is clearly valued because the company's success relies so heavily on creativity and innovation.

organizational culture An organization's shared values, beliefs, norms, and customs.

It is not just high-tech firms where open communication is important. J. M. Smucker's, the company that makes jams and jellies from a small factory in rural Ohio, has been praised for its emphasis on face-to-face communication (Moskowitz & Levering, 2007). Such openness reveals a strong level of respect for the contributions that individuals at all levels of the organization can make.

Factors Contributing to Positive Organizational Culture

Positive organizational culture stems from a variety of factors, including active leadership, explicit policies, and less tangible aspects such as the "feel" of an organization. Creating a positive organizational culture can be as simple as giving employees positive reinforcement for good work (Weigand & Geller, 2004). Leaders who reward outstanding performance and acknowledge the contributions that employees make to an organization may foster achievement motivation and promote success. Similarly, a positive climate can be nurtured by leaders who incorporate fairness and safety into the cultural climate as part of a well-functioning workplace, rather than treating these concerns as hassles that must be endured (Geller, 2005, 2006).

Another aspect of positive organizational culture that has recently become a focal point for researchers and businesspeople alike is compassion (Kanov & others, 2006). *Compassion* means empathizing with the suffering of another and doing something to alleviate that suffering. Does compassion have a place in the dog-eat-dog world of business? Consider the case of Home-Banc Mortgage Co in Atlanta (Culp, 2005). A salesman in the company (who worked on a commission basis) was diagnosed with non-Hodgkin's lymphoma, a type of cancer. In order to fight the disease, the man learned that he would have to be out of commission (literally and figuratively) for months. The company CEO responded with a compassionate gesture: The man would have his usual commission paid as a salary ($10,000 per month) indefinitely so that he could focus on fighting his cancer, not on worrying about making ends meet (Culp, 2005). Does such an act of compassion make business sense? In this case, the salesman returned to work earlier than expected and became a top performer. Moreover, HomeBanc Mortgage's financial returns exceeded industry expectations by $6.2 million in 2004 (Culp, 2005).

Compassion can also be demonstrated in the realm of pay. Costco pays its workers a minimum of $17 per hour (compared to the minimum wage of $5.15 per hour offered at competitors such as Wal-Mart) and gives full benefits even to part-time workers. Costco CEO Jim Senegal has held his own salary in the six-figure range, in contrast to his counterparts at competing firms and many other large corporations. In 2004, Costco sales reached $49 billion, an increase of 14 percent from the previous year, and the company's stock value rose 10 percent, in comparison with a 5 percent decline in the value of Wal-Mart's stock.

Compassion is also expressed in creative and humane corporate policies. Starbucks, the corporation behind the ubiquitous coffee shops, was number 16 in the 100 best places to work for 2007. Even though 85 percent of Starbucks employees (or "partners") are part-time, they still qualify for full benefits if they work 240 hours per quarter. The Container Store (the number 4 best place to work in 2007) not only pays its sales staff 50 to 100 percent above industry average, but also offers a "family friendly" shift—9 A.M. to 2 P.M.—that allows parents to drop off their children at school in the morning and pick them up in the afternoon. Similarly, Google has created a $500 take-out meal fund for employees to use as they negotiate the transition to parenthood.

Related to compassion is *virtuousness,* or moral goodness. As a vice president for Home-Banc commented, "People win just by being human." Doing the right thing can have a broad array of benefits. Employees who believe that their organization is committed to doing the right thing may be able to cope with difficult times and circumstances—even downsizing.

An increasingly popular strategy used by U.S. companies to enhance profitability, **downsizing** refers to dramatically cutting the workforce. By downsizing, companies often intend to send the message to stockholders that they are taking profit seriously. Certainly downsizing has human costs, including feelings of injustice, life disruption, and personal harm (Bright, Cameron, &
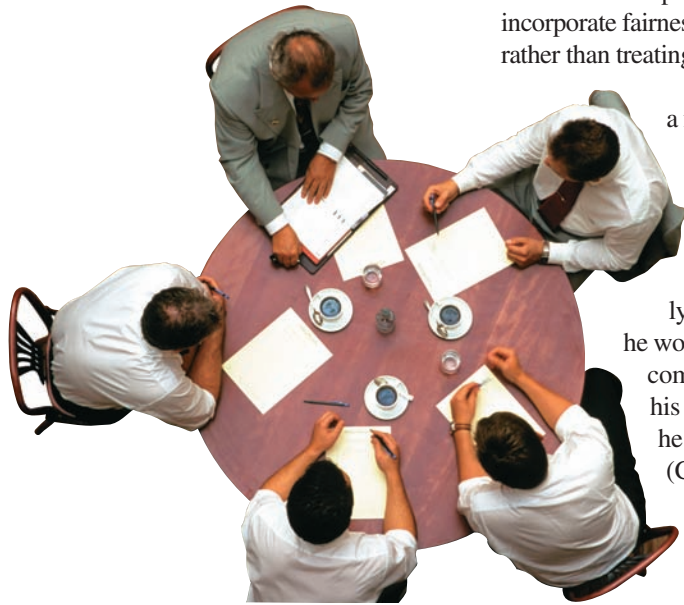
downsizing A dramatic cutting of the workforce that is an increasingly popular business strategy to enhance profitability.

Caza, 2006; Cameron, 2003, 2005). Do these sacrifices of staff members pay off for the firm? The answer is "perhaps not" according to research by I/O psychologist Kim Cameron (2003). His analysis of companies that downsized revealed that less than 10 percent reported improvements in product quality, innovation, and organizational climate. Further, among companies with similar growth rates, those that did not downsize consistently outperformed those that downsized during the economic recession of 2001. A majority of firms that downsized lagged behind in stock value even 3 years after downsizing (Cameron, 2003). It may be that downsizing not only shows a lack of compassion but also is economically ill advised.

Cameron (2003) also examined the role of organizational virtue in response to firms' downsizing. In eight recently downsized companies, he found that organizational virtue was associated with the firms' better ability to weather the storm of downsizing. Specifically, organizations in which the top leaders were perceived as fostering a culture of virtuousness showed higher productivity and higher-quality output, as well as less turnover, after downsizing. Thus, virtue may help to buffer the firm against the negative effects of downsizing.

"I got downsized after the king subscribed to that online joke service!"
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Toxic Factors in the Workplace

Unfortunately, not all work settings are warm, happy environments. In some contexts, individuals engage in behaviors that demean co-workers. *Workplace incivility* refers to rude or disrespectful behaviors that reveal a lack of regard for others, such as spreading rumors, sending inflammatory e-mails, and sabotaging the work of fellow employees. Such incivility can spiral into a variety of other negative behaviors (Pearson, Andersson, & Porath, 2005). Researchers in I/O psychology have identified and studied a number of "bad behaviors" that are associated with negative workplace factors (Griffin & Lopez, 2005). Not surprisingly, incivility and workplace conflict negatively relate to job satisfaction (Penney & Spector, 2005). Here we focus on two extreme aspects of such incivility: sexual harassment and workplace violence.

Sexual Harassment   **Sexual harassment** is unwelcome behavior or conduct of a sexual nature that offends, humiliates, or intimidates another person. In the workplace, sexual harassment includes unwanted sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature against an employee's wishes.

In the United States, sexual harassment is an illegal form of sexual discrimination that violates Title VII of the Civil Rights Act of 1964. The victim of sexual harassment can be a man or woman and need not be the opposite sex of the perpetrator. The victim does not necessarily have to be the person harassed; it can be anyone affected by the offensive conduct. For example, a man who works in a setting in which women are routinely demeaned may experience the environment as a toxic place to work. A woman who is offended by sexual comments made to other women or among men at her workplace may also be the victim of sexual harassment. The harasser can be a co-worker, supervisor, and even a non-employee.

Many people meet their romantic partners at work, of course. Sexual conduct is unlawful only when it is unwelcome. Roughly 14,000 cases of sexual harassment per year have been reported to the Equal Employment Opportunity Commission (EEOC) since 2000, with 12,025 cases reported in 2006 (EEOC, 2007). Women file approximately 85 percent of the complaints.

Sexual harassment is related both to reduced job satisfaction and to heightened intentions to leave a job (Antecol & Cobb-Clark, 2006; Sims, Drasgow, & Fitzgerald, 2005). Experiences of harassment are also linked to symptoms of post-traumatic stress disorder, which we consider in Chapter 14 (Palmieri & Fitzgerald, 2005). Beyond its negative effects on individual workers, sexual harassment costs organizations money: Monetary benefits (not including those awarded from litigation) paid out for sexual harassment cases amount to about $50 million per year (EEOC, 2007).

Sexual harassment has two related forms: quid pro quo sexual harassment and hostile work environment sexual harassment. *Quid pro quo sexual harassment* refers to unwelcome sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature in which submission is made either explicitly or implicitly a condition of the victim's employment. That is, the harassed individual is expected to tolerate the behavior or submit to sexual demands in order to be hired or to keep her job. Quid pro quo sexual

sexual harassment Unwelcome behavior or conduct of a sexual nature that offends, humiliates, or intimidates another person.
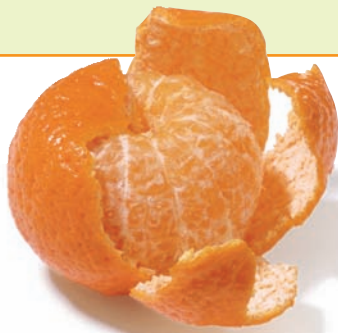
PSYCHOLOGY AND LIFE

Coping with Sexual Harassment

A serious problem on college campuses, sexual harassment can crop up in relations between students, students and their professors, and members of the university staff. According to the largest representative survey of its kind, conducted by the American Association of University Women (AAUW), as many as two-thirds of college students report experiencing sexual harassment on U.S. college campuses (AAUW, 2006). Most of those who have experienced harassment report it as causing distress, anger, and fear.

If you feel that you are being or have been sexually harassed, what can you do? First, you should keep in mind that someone can sexually harass you without meaning to; that is, sexual harassment can be unintentional. Sometimes the solution can be as simple as talking to the person to let the individual know that his or her behavior makes you uncomfortable. If talking to the person alone is uncomfortable, take someone with you for moral support. Many people will stop offensive behavior once they are specifically informed that it is a problem. However, if you feel that confronting the person might be at all dangerous, there are other steps to take:

1. Keep careful records. Write down times, dates, places, and names of individuals who have witnessed the behavior.

2. Build a paper trail related to the harassment. If someone has sent you offensive or troubling e-mails, letters, or answering machine messages, keep them. Information that is documented may be helpful in pursuing a complaint.

3. Find support. Talk to a trusted friend, counselor, or therapist who will keep the information confidential. An objective third party may have suggestions for resolving the problem. If the harassment is occurring at work, consult with the human resources department. If it is taking place at school, talk to someone at your college's counseling center.

4. Write a letter to the individual you believe is harassing you. If you feel uncomfortable talking to the harasser in person, writing a letter may be a good alternative. The letter should include not only a description of specific examples of the behavior and your feelings about it, but also a statement of what you would like to happen next. Be sure to keep a copy of the letter for yourself.

5. If you have concerns about your safety or have been assaulted, immediately call the police.

Most students do not report sexual harassment but wish they could (AAUW, 2006). Reporting sexual harassment can be a challenge, but it is important. Sexual harassment is likely to be repeated if the perpetrator does not get feedback about the problem behavior. Everyone has the right to work and go to school without the dark cloud of being harassed.

harassment can also occur if rejection of the inappropriate conduct becomes the basis for employment decisions affecting the victim. For example, a woman who rejects her boss's advances may be denied a promotion or may receive a negative performance evaluation.

Hostile work environment sexual harassment refers to unwelcome sexual behavior when this conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating or offensive work environment. Behaviors that might produce a hostile environment include sexually graphic humor, suggestive remarks, making fun of someone's body, or touching individuals inappropriately.

Reporting sexual harassment can itself be difficult and painful (Bergman & others, 2002; Fitzgerald, 2003). Indeed, research has shown that an individual's job satisfaction, psychological well-being, and physical health can suffer following the reporting of sexual harassment (Bergman & others, 2002). However, these negative effects are not likely to be due to the reporting itself. Rather, they can be understood as rooted in the failure of organizations to respond effectively to sexual harassment claims. Indeed, research examining over 6,000 sexual harassment victims in the U.S. military demonstrates that an organization's tendency to minimize the negative effects of harassment, to retaliate against the victim, and to seek to remedy the situation in unsatisfactory ways is a strong predictor of distress for victims (Bergman & others, 2002).

Sexual harassment is a serious problem. No one has to tolerate inappropriate sexual conduct at work. For information on how to cope with a personal experience of sexual harassment, see the Psychology and Life box.

Workplace Violence   Another severe negative aspect of the work environment is workplace violence. Violence in the workplace may range from verbal abusiveness to intimidating behavior to physical aggression and even homicide. While sexual harassment is recognized as a form of sex-based discrimination, workplace violence falls within the realm of workplace safety. According to the Occupational Safety and Health Act, an employer is required to "furnish each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees" (OSHA, 2002).

E. Lynne Jenkins, Larry Layne, and Suzanne Kisner (1992) analyzed information about workplace injuries from 1980 to1988 and found that homicide was the third-leading cause of occupational injury. Even more shocking, 40 percent of all occupational injury-related deaths among women were homicide. Some 2 million Americans are victims of workplace violence each year (OSHA, 2002). Violence in the workplace is a growing concern for both employers and psychologists interested in I/O psychology (Kelley & Mullen, 2006; Kelloway, Barling, & Hurrell, 2006). According to the U.S. Bureau of Labor Statistics (2006), as many as half of U.S. employers with more than 1,000 employees reported at least 1 incident of workplace violence in 2005. Importantly, over 70 percent of U.S. workplaces have no formal policy addressing workplace violence.

Workplace violence may occur between co-workers, but it also includes violence perpetrated by outsiders such as customers, clients, or patients (LeBlanc, Dupre, & Barling, 2006). Consider a store clerk confronted by a robber, a teacher faced with a hostile high school student in the classroom, or a nurse dealing with a physically abusive patient—all are in a position in which they might become a victim of violence. Employers in these settings are expected to anticipate and take action to prevent victimization in such circumstances.

High-profile cases of workplace violence often grab the headlines. For example, on Christmas night in 2000, Michael McDermott, a software tester for Edgewater Technology in Wakefield, Massachusetts, went to his workplace and stashed two dozen boxes of ammunition, two rifles, a shotgun, a pistol, and a bayonet. On the day after Christmas, after a morning spent at work and chatting with co-workers about video games, he strode into the human resources department and, in about 10 minutes, killed 7 people. McDermott was convicted of seven counts of murder in 2002 (Blades, 2006). Such horrible incidents underscore the crucial need to understand how violent attacks can be prevented.

Although no organization can identify every potential problem, companies can take steps to prevent workplace violence. These include creating an open, humane environment in which employees feel they are being treated fairly. Individuals who perceive that they have been treated unfairly are more likely to aggress, verbally and physically, against supervisors (Dupre & Barling, 2006). Organizations can also strive for an open approach to resolving conflicts. In addition, commitment to solving problems head-on can defuse potentially difficult situations before they progress to violence.

Organizations must also take seriously any threatening remarks and significant changes in behavior or performance on the part of an employee. Consider the case of Doug Williams, a White employee at a Lockheed Martin plant in Meridian, Mississippi. Beginning in 2001, Williams had created a hostile work environment for African American workers at the plant, making racially demeaning comments as well as threatening to kill African American co-workers. The hostilities culminated in 2003 when Williams shot 14 co-workers (12 of them African American), killing 6 people, among whom 4 were African American.

Less extreme forms of workplace violence can also have negative effects on workers. Longitudinal research has found that individuals who have experienced mean-spirited teasing from co-workers show increases in psychological health problems (Hogh, Henriksson, & Burr, 2005). Verbal abuse from outsiders (such as customers) is more likely to occur in occupations in which individuals are expected to interact with the public regularly, and such experiences are strongly associated with emotional exhaustion (Grandey, Kern, & Frone, 2007). Nonsexual aggression shares a strong negative relationship with job satisfaction (Lapierre, Spector, & Leck, 2005).

Workplace violence might be viewed as the most extreme expression of toxic aspects of the workplace. Understanding and preventing such violence is a crucial goal for I/O psychology.

REVIEW AND SHARPEN YOUR THINKING

4 **Define organizational culture and describe factors relating to positive and negative workplace environments.**

- Define four types of workplace culture.
- Describe factors that contribute to a positive organizational culture.
- Describe two types of behavior that reflect a toxic work environment.

What can the leader of an organization do to decrease instances of sexual harassment and workplace violence? Do you think that the typical workplace is relatively safe or not? Why?

5 I/O Psychology and Health and Wellness

Name some common sources of job-related stress, and cite strategies for coping with stress in the workplace.

Given the significant place of work in human life, it is no surprise that work is important to health and wellness (Hahn, Payne, & Lucas, 2007; Insel & Roth, 2008). Indeed, job satisfaction is strongly related to life satisfaction overall, and work can be a source of fulfillment and meaning. Work can also be a source of considerable stress and conflict, however, as we now consider.

Stress at Work

Job stress refers to the experience of stress (as we have discussed it throughout this book) on the job (Bliese & Jex, 2002). A key source of job stress is role conflict. **Role conflict** may occur when a person tries to meet the demands of more than one important life role, such as worker and mother. Workload can also be a source of stress.

Four characteristics of work settings are linked with employee stress and health problems (Moos, 1986): (1) high job demands such as having a heavy workload and time pressure; (2) inadequate opportunities to participate in decision making; (3) a high level of supervisor control; and (4) a lack of clarity about the criteria for competent performance.

Nowhere is the importance of work in our lives more apparent than when individuals lose their jobs. Unemployment is related to physical problems (such as heart attack, stroke, obesity, and diabetes), mental problems (such as anxiety and depression), marital and family problems, homicide, and other crimes (Gallo & others, 2006a; Kilicarslan, & others, 2006; Patten & others, 2006). A 15-year longitudinal study of more than 24,000 adults revealed a significant drop in life satisfaction following unemployment and a substantial increase in life satisfaction following reemployment. However, in this study, reemployed persons did not experience life satisfaction at the level previous to being unemployed (Lucas & others, 2004).

For some individuals in the work world, it is not unemployment that creates stress but rather **burnout,** an extremely distressed psychological state in which a person experiences emotional exhaustion and little motivation for work. Burnout may include feelings of being overworked and underappreciated and can feature depersonalization, confusion, worry, and resentment (Ahola & others, 2006; Becker, Milad, & Klock, 2006). Symptoms of burnout can be physical (exhaustion, headaches, gastrointestinal problems, suppressed immune function, sleep disturbance), behavioral (increased use of alcohol, drugs, caffeine; absenteeism, and social withdrawal), and emotional (increased cynicism and negativity, hopelessness, irritability, emotional distancing, depression, and anxiety). Burnout may result from chronic stress at work.

Managing Job Stress

Stress at work does not always lead to burnout, especially if individuals develop enjoyable leisure activities. Indeed, an important aspect of life, beyond being competent at and

"Stress can kill, but it takes too long."
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job stress The experience of stress on the job and in the workplace setting.

role conflict The kind of stress that arises when a person tries to meet the demands of more than one important life role, such as worker and mother.

burnout An extremely distressed psychological state in which a person experiences emotional exhaustion and little motivation for work.

enjoying one's work, is to relax and enjoy leisure (Ahmed & others, 2005; Stebbins, 2005). **Leisure** refers to the pleasant times before or after work when individuals are free to pursue activities and interests of their own choosing—hobbies, sports, and reading, for example. A recent analysis of research on what U.S. adults regret the most revealed that not engaging in more leisure activities was one of the top six regrets (Roese & Summerville, 2005).

Might taking regular vacations also help individuals to combat work stress? A recent study found that in the days and weeks at work just after a vacation, individuals reported that they were less exhausted, had fewer health complaints, and were putting forth more efficient effort than in the week at work prior to the vacation (Fritz & Sonnentag, 2006) (Figure 13.10). In a longitudinal study, 12,338 men 35 to 57 years of age were assessed each year for 5 years regarding whether they took vacations or not (Gump & Matthews, 2000). Then the researchers examined the medical and death records over 9 years for men who lived for at least a year after the last vacation survey. Compared with those who never took vacations, men who went on annual vacations were 21 percent less likely to die over the 9 years and 32 percent less likely to die of coronary heart disease. The same concerns that lead men to skip a vacation—such as not trusting anyone to fill in for them and fearing that they will get behind in their work and someone will replace them—tend to promote heart disease. Such apprehensions are characteristic of the Type A behavioral pattern we examined in Chapter 11.

In addition to developing enjoyable leisure activities and taking regular vacations, what else can you do to cope with work stress? Dealing with job stress in a healthy way involves taking care of your body as well as your mind (Marine & others, 2006). Physical needs must be met by eating right, exercising, and getting enough sleep (Fahey, Insel, & Roth, 2007; Robbins, Powers, & Burgess, 2008). Because work stress, like all stress, is about our perception of experience, it makes sense to hone your coping skills and monitor your patterns of behavior and well-being periodically (Blonna, 2007; Greenberg, 2008). Have you set realistic goals at work? Are you taking work-related issues too personally? It may be helpful to remind yourself of the goals of Donald Clifton's strengths-based approach to management, described earlier in the chapter. What are your strengths, and how can you use them to do what you do best?

We might at times think of work as a four-letter word. We might look upon the effort that work entails as something to be avoided, and we might view working hard as just that—hard. But it is important to keep in mind that work is an essential part of living a fulfilling life. Indeed, Mihalyi Csikszentmihalyi (1990) found that while working, we are 10 times more likely to experience **flow**—the optimal experience of a match between our skills and the challenge of a task—even though, ironically, we are also 6 times more likely to wish we were somewhere else when on the job. Work provides us an unequaled opportunity to use our skills and abilities.

When we think of work as a calling, we might find ourselves listening for that call with an open mind and heart. But remember that a calling orientation to work is not just about hearing a call. It is about the active way we craft any job to our skills and abilities, finding a way to place a personal stamp on the workplace. Transforming a job into a calling is a decision that we make about our work situation.

At the beginning of this chapter, you considered the question "What would you do if you won the lottery?" Given the vital role of work in human life, perhaps it would have been better to frame this question as "Imagine you won the lottery. What kind of job would you want then?"
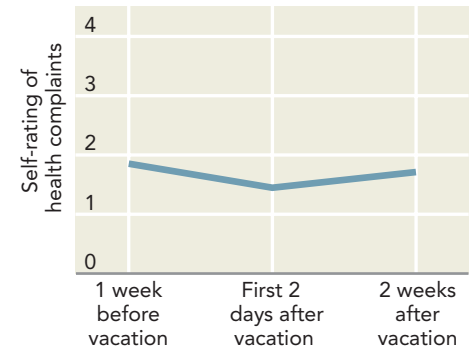

FIGURE 13.10

Health Complaints Before and After a Vacation from Work Employees rated their health complaints on 12 items (for example, "Have you slept less because of worries?"). The 4-point scale ranged from 1 (not at all) to 4 (much more than normal). As indicated in the graph, employees' highest level of health complaints occurred in the week prior to their vacation, and their lowest level of complaints was in the first 2 days after their vacation. Two weeks after their vacation, their health complaints were still lower than prior to their vacation.

leisure The pleasant times before or after work when individuals are free to pursue activities and interests of their own choosing, such as hobbies, sports, and reading.

flow The optimal experience of a match between our skills and the challenge of a task.

REVIEW AND SHARPEN YOUR THINKING

5 Name some common sources of job-related stress, and cite strategies for coping with stress in the workplace.
- Describe the role of work factors and unemployment in stress.
- Discuss the contribution of leisure activities to helping one to manage work stress.

Think about your ideal job for a moment. Now, what do you think would be the most stressful aspects of even your ideal job? How would you manage stress in that situation?

1 ORIGINS OF INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY

Discuss the roots and evolution of industrial and organizational psychology.

The Advent of Scientific Management

Taylor introduced the notion that scientific principles should be applied to work settings. Scientific management promoted the ideas that jobs should be analyzed to determine their requirements, that people should be hired on the basis of characteristics matching these requirements, that employees should be trained, and that productivity should be rewarded.

Ergonomics: Where Psychology Meets Engineering

Ergonomics, or human factors, is a field of study concerned with the relationship between human beings and the tools or machines they use in their work. Ergonomics is focused on promoting safety and efficiency.

The Hawthorne Studies and the Human Relations Approach to Management

The Hawthorne studies are a landmark series of studies conducted by Mayo and his colleagues at a factory outside Chicago. Although the results are controversial, the studies demonstrated the importance of acknowledging that workers are human beings operating in a social setting. This work gave rise to the human relations approach to management that stresses the importance of the psychological characteristics of workers and managers.

2 INDUSTRIAL PSYCHOLOGY

Describe the perspectives and emphases of industrial psychology.

Job Analysis and Job Evaluation

Job analysis involves the systematic description of the knowledge and skills necessary to carry out a job. Job evaluation is the scientific assessment of the monetary value of a particular occupation.

Personnel Selection

Some procedures involved in personnel selection include testing, interviews, work samples, and other exercises.

Training

Training individuals for their jobs is a key goal for industrial psychologists. Dimensions of training include orientation, formal training, and mentoring, as well as ongoing employee development.

Performance Appraisal

Performance appraisal is an important source of feedback for employees and guides decisions about promotions, raises, and termination. Sources of bias in ratings include the halo effect (in which a rater gives a favored job candidate all positive ratings) and distributional errors (in which a rater fails to use the entire rating scale). One way to avoid these biases is 360-degree feedback, a technique that involves rating a worker through the input of a range of individuals, including co-workers, managers, and customers. Organizational citizenship behavior may also factor into performance. This term refers to discretionary behaviors that a person engages in that are not part of the specific job description.

3 ORGANIZATIONAL PSYCHOLOGY

Identify the main focus of organizational psychology and describe some important business factors that organizational researchers have studied.

Approaches to Management

The way managers approach their jobs is an important focus of research in organizational psychology. The Japanese management style, which stresses innovation, future orientation, and quality, was actually developed by Deming, an American. Theory X and Theory Y management styles were introduced by McGregor. Theory X describes managers who assume that work is unpleasant to workers and who believe that a manager's main role is to keep workers in line. Theory Y managers, in contrast, assume that workers crave and value responsibility and represent important sources of creativity. Strengths-based management, developed by Clifton, asserts that the best approach to management is one that matches individuals' strengths with their jobs.

Job Satisfaction

Job satisfaction is a person's attitude toward his or her occupation. Generally, job satisfaction has been shown to relate to low turnover, absenteeism, and burnout. Job satisfaction is not strongly associated with wages and may relate in important ways to the personality characteristics of the worker, as well as the culture in which the person lives.

Employee Commitment

Employee commitment is an individual's feeling of loyalty to his or her workplace. Three types of commitment are affective commitment (a person's emotional attachment to a job), continuance commitment (a person's perception that leaving a job would be too costly or difficult), and normative commitment (a person's feeling that she should stick with a job because she is obligated to do so).

The Meaning of Work

Because our jobs define us in many ways, the way we think about work influences our lives more generally. Research has shown that people can perceive the same position as a job, an occupation, or a calling. Those who perceive their work as a calling show numerous positive benefits.

Leadership

The leaders in an organization can play an important role in shaping the work experience of employees. A transactional leader is one who emphasizes the exchange relationship between the boss and employees. This leader is likely to take action only in response to events. A transformational leader is one who actively shapes an organization's culture and who takes a dynamic and creative approach to management.

4 ORGANIZATIONAL CULTURE

Define organizational culture and describe factors relating to positive and negative workplace environments.

Types of Organizational Culture

Organizational culture refers to an organization's shared beliefs, values, customs, and norms. One study describes four types of

organizational culture: power culture, role culture, task culture, and person culture.

Factors Contributing to Positive Organizational Culture

Positive organizational culture can be nurtured through positive reinforcement, as well as genuine concern for the safety of workers. Compassion and humane policies also promote positive organizational culture.

Toxic Factors in the Workplace

Factors such as sexual harassment and workplace violence represent the negative side of organizational culture. Sexual harassment is illegal and may take the form of either quid pro quo sexual harassment (the demand for sexual favors in return for employment or continued employment) or hostile workplace environment sexual harassment. Workplace violence is a growing concern for employers and I/O psychologists. Employers are obligated to create a safe environment for workers, including doing all that they can to foresee and prevent possible violence.

5 I/O PSYCHOLOGY AND HEALTH AND WELLNESS

Name some common sources of job-related stress, and cite strategies for coping with stress in the workplace.

Stress at Work

Job stress is stress experienced at the workplace. Role conflict, a key source of such stress, results from trying to meet multiple demands in a limited amount of time. Four sources of work stress include high demands, inadequate opportunity to participate in decision making, high levels of supervisor control, and unclear criteria for performance. At the extreme, work stress can lead to burnout.

Managing Job Stress

One way to manage job stress is to enrich one's life while not at work. Engaging in satisfying leisure activities can promote workplace wellness. Enjoying time off can have benefits for the person when he or she is back on the job.

Key Terms

scientific management, p. 488

ergonomics (human factors), p. 489

Hawthorne effect, p. 490

human relations approach, p. 490

job analysis, p. 492

KSAOs (KSAs), p. 492

job evaluation, p. 495

integrity test, p. 496

biographical inventory, p. 496

structured interview, p. 497

orientation, p. 498

training, p. 498

overlearning, p. 498

mentoring, p. 499

performance appraisal, p. 499

halo effect, p. 500

distributional error, p. 500

360-degree feedback, p. 500

thinking outside the box, p. 501

organizational citizenship behavior (OCB), p. 501

Theory X managers, p. 503

Theory Y managers, p. 503

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job satisfaction, p. 504

affective commitment, p. 507

continuance commitment, p. 507

normative commitment, p. 507

job crafting, p. 508

transactional leader, p. 509

transformational leader, p. 509

organizational identity, p. 509

organizational culture, p. 511

downsizing, p. 512

sexual harassment, p. 513

job stress, p. 516

role conflict, p. 516

burnout, p. 516

leisure, p. 517

flow, p. 517

Apply Your Knowledge

1. You might be interested in discovering your personal strengths so that you can identify the occupations that might be best for you. A variety of measures have been developed to assess vocational abilities, and you can visit your campus career center to check these out. In addition, there is a new assessment tool, developed by positive psychology scholars, that measures strengths of character such as achievement motivation, loyalty, sense of humor, capacity to love and be loved, and integrity. To determine your character strengths, visit the Values in Action website at **http://www.viastrengths.org.**

2. Pick up a copy of the *Wall Street Journal* and read the latest news about the corporate world. Can you detect principles of scientific management or human relations approaches in the corporations documented in the stories? What types of corporate leadership do the articles describe?

3. Ask some friends and family members to describe their jobs to you. Where do the descriptions fall with respect to the job/career/calling distinctions discussed in this chapter? In light of what you know about your respondents, how much do you think this distinction reflects the job itself and how much reflects the person?

4. Pick someone you know who you believe shows the ability to be a good leader. Interview the individual about times he or she has been in a leadership role. How did the individual manage challenges? How did the person view the people he or she led? What perspective did the person bring to the position of leader? Do you think your candidate fits the Theory X or Theory Y management profile? Is the individual a transactional or transformational leader? Explain your conclusions.