

SUBJECT

INTRODUCTION TO INDUSTRIAL ORGANIZATIONAL PSYCHOLOGY

SESSION 4

Session 4

Performance appraisal/management

Main articles: Performance appraisal and Performance management

Performance appraisal or performance evaluation is the process of measuring an individual's or a group's work behaviors and outcomes against the expectations of the job.[34] Performance appraisal is frequently used in promotion and compensation decisions, to help design and validate personnel selection procedures, and for performance management. Performance management is the process of providing performance feedback relative to expectations and improvement information (e.g., coaching, mentoring). Performance management may also include documenting and tracking performance information for organization-level evaluation purposes.

An I-O psychologist would typically use information from the job analysis to determine a job's performance dimensions, and then construct a rating scale to describe each level of performance for the job. Often, the I-O psychologist would be responsible for training organizational personnel how to use the performance appraisal instrument, including ways to minimize bias when using the rating scale, and how to provide effective performance feedback. Additionally, the I-O psychologist may consult with the organization on ways to use the performance appraisal information for broader performance management initiatives.

Individual assessment and psychometrics[edit]

Main articles: Individual assessment and Psychometrics

Individual assessment involves the measurement of individual differences. I-O psychologists perform individual assessments in order to evaluate differences among candidates for employment as well as differences among employees.[35] The constructs measured pertain to job performance. With candidates for employment, individual assessment is often part of the personnel selection process. These assessments can include written tests, aptitude tests, physical tests, psycho-motor tests, personality tests, integrity and reliability tests, work samples, simulation and assessment centres.[35]

Psychometrics is the science of measuring psychological variables, such as knowledge, skills, and abilities. I–O psychologists are generally well-trained in psychometric psychology.

Occupational health and wellbeing[edit]

I/O psychologists and researchers are also concerned with occupational health and wellbeing. Researchers have examined the effect of physical exercise, and staying vigorous at work. Sonnentag and Niessen (2008) found that staying vigorous during working hours is important for work-related behaviour, subjective well-being, and for effective functioning in the family domain. Individuals high on their general level of vigour at work, benefited most from recovery experienced over the course of several days.[36] A 2010 study found positive relationships between job satisfaction and life satisfaction, happiness, positive affect, and the absence of negative affect and feelings of positive wellbeing. [37] Other researchers have looked at the negative health impacts of mature-aged unemployment. [38] Another recent study conducted by Potocnik & Sonnentag (2013) examined the impact of engaging in seven types of activities on depression and quality of life in older workers over a period of 2 years, using a sample from the Survey of Health, Ageing and Retirement in Europe. Results indicated that I/O psychologists should make attempts to reduce physical demands over older employees at work, to help improve their health and well-being. Practitioners should also design intervention programmes and preventive measures that focus on how to stimulate older employees' engagement in community activities. [39]I/O research has also examined effects of job mobility and negative health effects, including burnout in workers.[40]

Workplace bullying, aggression and violence[edit]

Main articles: Workplace bullying, Workplace aggression and Workplace violence

I/O psychology and I/O psychologists are also concerned with the related topics of workplace bullying, aggression and violence.[41] This 2010 study investigated the impact of the larger organizational context on bullying as well as the group-level processes that impact on the incidence, and maintenance of bullying behaviour.[42] The impact of engaging in certain thought patterns after exposure to workplace violence has also been examined.[43] This 2011 research examines the detrimental effect that interpersonal aggressive

behaviours may have on dimensions of team effectiveness particularly team performance and team viability.[44]

Remuneration and compensation[edit]

Main article: Remuneration

Compensation includes wages or salary, bonuses, pension/retirement contributions, and perquisites that can be converted to cash or replace living expenses. I–O psychologists may be asked to conduct a job evaluation for the purpose of determining compensation levels and ranges. I–O psychologists may also serve as expert witnesses in pay discrimination cases when disparities in pay for similar work are alleged.

Training and training evaluation[edit]

Main article: Training

Training is the systematic acquisition of skills, concepts, or attitudes that results in improved performance in another environment.[45] Most people hired for a job are not already versed in all the tasks required to perform the job effectively. Evidence indicates that training is effective and that these training expenditures are paying off in terms of higher net sales and gross profitability per employee.[46] Training can be beneficial for the organization and for employees in terms of increasing their value to their organization as well as their employability in the broader marketplace. Many organizations are using training and development as a way to attract and retain their most successful employees.

Similar to performance management (see above), an I–O psychologist would employ a job analysis in concert with principles of instructional design to create an effective training program. A training program is likely to include a summative evaluation at its conclusion in order to ensure that trainees have met the training objectives and can perform the target work tasks at an acceptable level. Training programs often include formative evaluations to assess the impact of the training as the training proceeds. Formative evaluations can be used to locate problems in training procedures and help I–O psychologists make corrective adjustments while the training is ongoing.

The basic foundation for training programs is learning. Learning outcomes can be organized into three broad categories: cognitive, skill-based, and affective

outcomes.[47] Cognitive is a type of learning outcome that includes declarative knowledge or the knowledge of rules, facts, and principles. An example is police officers acquire declarative knowledge about laws and court procedures. Skill-based is a learning outcome that concerns procedural knowledge and the development of motor and technical skills. An example is motor skills that involve the coordination of physical movements such as using a special tool or flying a certain aircraft, whereas technical skills might include understanding a certain software program, or exhibiting effective customer relations behaviors. Affective is a type of learning outcome that includes attitudes or beliefs that predispose a person to behave in a certain way. Attitudes can be developed or changed through training programs. Examples of these attitudes are organizational commitment and appreciation of diversity.[48]

Before training design issues are considered, a careful needs analysis is required to develop a systematic understanding of where training is needed, what needs to be taught or trained, and who will be trained.[45] Training needs analysis typically involves a three step process that includes organizational analysis, task analysis and person analysis.[49] Organizational analysis examines organizational goals, available resources, and the organizational environment to determine where training should be directed. This analysis identifies the training needs of different departments or subunits and systematically assessing manager, peer, and technological support for transfer of training. Organizational analysis also takes into account the climate of the organization and its subunits. For example, if a climate for safety is emphasized throughout the organization or in particular parts of the organization (e.g., production), then training needs will likely reflect this emphasis.[50] Task analysis uses the results from job analysis on determining what is needed for successful job performance and then determines what the content of training should be. Task analysis can consist of developing task statements, determining homogeneous task clusters, and identifying KSAOs (knowledge, skills, abilities, other characteristics) required for the job. With organizations increasingly trying to identify "core competencies" that are required for all jobs, task analysis can also include an assessment of competencies.[51] Person analysis identifies which individuals within an organization should receive training and what kind of instruction they need. Employee needs can be assessed using a variety of methods that identify weaknesses that training and development can address. The needs analysis makes it possible to identify the training program's objectives, which in turn,

represents the information for both the trainer and trainee about what is to be learned for the benefit of the organization.

Therefore with any training program it is key to establish specify training objectives. Schultz & Schultz (2010) states that need assessment is an analysis of corporate and individual goals undertaken before designing a training program. Examples of need assessment are based on organizational, task, and work analysis is conducted using job analysis critical incidents, performance appraisal, and self-assessment techniques.[52] (p164)

But with any training there are always challenges that one faces. Challenges which I-O psychologists face:[52] (p185)

- To identify the abilities required to perform increasingly complex jobs.
- To provide job opportunities for unskilled workers.
- To assist supervisors in the management of an ethnically diverse workforce.
- To retain workers displaced by changing economic, technological, and political forces.
- To help organizations remain competitive in the international marketplace.
- To conduct the necessary research to determine the effectiveness of training programs.

Motivation in the workplace[edit]

Main article: Work motivation

Work motivation "is a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior, and to determine its form, direction, intensity, and duration"[53] Understanding what motivates an organization's employees is central to the study of I-O psychology. Motivation is a person's internal disposition to be concerned with an approach positive incentives and avoid negative incentives. To further this, an incentive is the anticipated reward or aversive event available in the environment.[54] While motivation can often be used as a tool to help predict behavior, it varies greatly among individuals and must often be combined with ability and

environmental factors to actually influence behavior and performance. Because of motivation's role in influencing workplace behavior and performance, it is key for organizations to understand and to structure the work environment to encourage productive behaviors and discourage those that are unproductive.[55] [56]

There is general consensus that motivation involves three psychological processes: arousal, direction, and intensity. Arousal is what initiates action. It is fueled by a person's need or desire for something that is missing from their lives at a given moment, either totally or partially. Direction refers to the path employees take in accomplishing the goals they set for themselves. Finally, intensity is the vigor and amount of energy employees put into this goal-directed work performance. The level of intensity is based on the importance and difficulty of the goal. These psychological processes result in four outcomes. First, motivation serves to direct attention, focusing on particular issues, people, tasks, etc. It also serves to stimulate an employee to put forth effort. Next, motivation results in persistence, preventing one from deviating from the goal-seeking behavior. Finally, motivation results in task strategies, which as defined by Mitchell & Daniels, are "patterns of behavior produced to reach a particular goal." [56]

Occupational stress[edit]

Main article: Occupational stress

I/O psychologists are involved in the research and the practice of occupational stress and design of individual and organizational interventions to manage and reduce the stress levels and increase productivity, performance, health and wellbeing.[57][58][59] Occupational stress is concerned with physical and psychosocial working conditions (termed stressors) that can elicit negative responses (termed strains) from employees.[60][61] Occupational stress can have implications for organizational performance because of the emotions job stress evokes. For example, a job stressor such as conflict with a supervisor can precipitate anger that in turn motivates counterproductive workplace behaviors.[62] Job-related hindrance stressors are directly (and challenge stressors inversely) related to turnover and turnover intentions.[63] I/O research has examined the relations among work stressors and workplace aggression, withdrawal, theft, and substance abuse,[64] strategies that individuals use to cope with work stress and prevent occupational burnout,[65] and the relation of work stress to depressive symptoms.[66]

A number of models have been developed to explain the job stress process. Examples of models that have influenced research include the person-environment fit model[67] and the demand-control model.[68] Research has also examined the interaction among personality variables and stressors and their effects on employee strains.[69] I/O psychology is also concerned with the physical health outcomes caused by occupational stress. For instance, researchers at the institute of work psychology (IWP) examined the mediating role of psychological strain in relation to musculoskeletal disorders.[70]

Research has also examined occupational stress in specific occupations. For example, there has been research on job stress in police,[71] teachers,[72] general practitioners,[73] and dentists.[74] Another concern has been the relation of occupational stress to family life.[75][76] Other research has examined gender differences in leadership style and job stress and strain in the context of male- and female-dominated industries,[77] burnout in the human services and other occupations,[78] and unemployment-related distress.[79][80][81] I/O psychology is also concerned with the relation of occupational stress to career advancement.[82]

Occupational health and safety[edit]

Main article: Occupational health and safety

Occupational health and safety is concerned with how the work environment contributes to illness and injury of workers. Of particular importance are psychosocial hazards or risk factors that include fatigue, workplace violence, workplace bullying. Other factors important to employee health and well-being include work schedules (e.g., night shifts), work/family conflict, and burnout.[83][84] Tools have been developed by I/O researchers and psychologists to measure these psychosocial risk factors in the workplace and "stress audits" can be used to help organizations remain compliant with various occupational health and safety regulations around the world.[85]

Another area of concern is the high rate of occupational fatalities and injuries due to accidents.[86] There is also research interest in how psychosocial hazards affect physical ailments like musculoskeletal disorder.[87] A contributing psychosocial factor to accidents is safety climate, that concerns organizational policies and practices concerning safe behavior at work.[88] A related concept that has to do with psychological well-being as opposed to accidents is psychosocial safety climate (PSC). PSC refers to policies, practices, and

procedures for the protection of worker psychological health and safety.[89] Safety leadership is another area of occupational health and safety I/O psychology is concerned with, where specific leadership styles affect safety compliance and safety participation.[90][91]

Organizational culture[edit]

Main article: Organizational culture

Organizational culture can be described as a set of assumptions shared by the individuals in an organization that directs interpretation and action by defining appropriate behavior for various situations. There are three levels of organizational culture: artifacts, shared values, and basic beliefs and assumptions. Artifacts comprise the physical components of the organization that relay cultural meaning. Shared values are individuals' preferences regarding certain aspects of the organization's culture (e.g., loyalty, customer service). Basic beliefs and assumptions include individuals' impressions about the trustworthiness and supportiveness of an organization, and are often deeply ingrained within the organization's culture.

In addition to an overall culture, organizations also have subcultures. Examples of subcultures include corporate culture, departmental culture, local culture, and issue-related culture. While there is no single "type" of organizational culture, some researchers have developed models to describe different organizational cultures.

Organizational culture has been shown to have an impact on important organizational outcomes such as performance, attraction, recruitment, retention, employee satisfaction, and employee well-being. Also, organizations with an adaptive culture tend to perform better than organizations with an maladaptive culture.

Group behavior[edit]

Main article: Group behavior

Group behavior is the interaction between individuals of a collective and the processes such as opinions, attitudes, growth, feedback loops, and adaptations that occur and change as a result of this interaction.[92] The interactions serve to fulfill some need satisfaction of an individual who is part of the collective and

helps to provide a basis for his interaction with specific members of the group.[55]

A specific area of research in group behavior is the dynamics of teams. Team effectiveness refers to the system of getting people in a company or institution to work together effectively. The idea behind team effectiveness is that a group of people working together can achieve much more than if the individuals of the team were working on their own.

Team effectiveness[edit]

Main article: Team effectiveness

Organizations support the use of teams, because teams can accomplish a much greater amount of work in a short period of time than can be accomplished by an individual contributor, and because the collective results of a group of contributors can produce higher quality deliverables.[55] Five elements that are contributors to team effectiveness include:[55]

1. team composition
2. task design
3. organizational resources
4. team rewards
5. team goals.

I/O research has looked at the negative impacts of workplace aggression on team performance and particularly team effectiveness as was evidenced in a recent study by Aube and Rousseau.[93]

Team composition[edit]

The composition of teams is initially decided during the selection of individual contributors that are to be assigned to specific teams and has a direct bearing on the resulting effectiveness of those teams. Aspects of team composition that should be considered during the team selection process include team member: knowledge, skills and abilities (KSAs), personalities, and attitudes.[55]

As previously stated, one of the reasons organizations support the use of teams is the expectation of the delivery of higher quality results. To achieve these types

of results, highly skilled members are more effective than teams built around those with lesser skills, and teams that include a diversity of skills have improved team performance (Guzzo & Shea, 1992). Additionally, increased average cognitive ability of team members has been shown to consistently correlate to increased work group effectiveness (Sundstrom et al., 2000). Therefore, organizations should seek to assign teams with team members that have a mix of KSAs. Teams that are composed of members that have the same KSAs may prove to be ineffective in meeting the team goals, no matter how talented the individual members are.

The personalities and attitudes of the individuals that are selected as team members are other aspects that should be taken into consideration when composing teams, since these individual traits have been found to be good indicators of team effectiveness. For example, a positive relationship between the team-level traits of agreeableness and conscientiousness and the team performance has been shown to exist (Van Vianen & De Dreu, 2001). Differing personalities of individual team members can affect the team climate in a negative way as members may clash and reduce team performance (Barrick, et al., 1998).

Key terms and glossary

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.

360-degree feedback A method of performance appraisal whereby 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.

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

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

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

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

Downsizing A dramatic cutting of the workforce that is an increasingly popular business strategy to enhance profitability.

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.

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

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.

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

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

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

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.

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

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.

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

job stress The experience of stress on the job and in the workplace setting.

KSAOs (KSAs) Common elements in a person-oriented job analysis; an abbreviation for knowledge, skills, abilities, and other characteristics.

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.

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. p

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.

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.

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

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

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.

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.

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

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.

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.

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

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.

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

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.

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

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

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.

Strategic planning

a set of procedures for making decisions about the organizations long-term goals and strategies

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Operational planning

Day-to-day decisions and actions (tactics) to carry out Functional Plan

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Mission statement

A concise description of the goals or desired outcomes of a team

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Goal

Something you would like to accomplish.

□□□

Budget

amount of money that can be spend

□□□

Standards

values held by stakeholders that provide the basis on which to assess the merit or worth of the initiative

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Policies

written instructions designed to address a commonly occurring problem in an institutionally approved manner

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Authority

a government's legitimate use of power

□□□

Procedure

a set of steps that explains how to do something

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Organization chart

A visual representation of an organization that shows title and responsibility (in a box form)

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Responsibility

to accept the consequences of our marketing decisions and strategies

□□□

Accountability

Ability to track user activity on a system. This requires positive, unique ID and an effective audit trail

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Empowerment

enhancing the capabilities and influence of individuals and groups

□□□

Line authority

authority to make decisions and to direct the performance of subordinates in production, sales, or finance-related activities.

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Centralized organization

a structure in which authority is concentrated at the top, and very little decision-making authority is delegated to lower levels.

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Decentralized organization

An organization in which decision making authority is not confined to a few top executives but rather is spread throughout the organization.

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Departmentalization

The basis by which jobs are grouped together

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Top level managers

managers responsible for setting goals and planning the future for a company

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Middle managers

2nd lowest technical skills, high human skills, 2nd highest conceptual skills, 2nd highest motivation to manage

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Operational managers

managers who are responsible for daily operations of a business such as supervision and office managers

□□□

Planning

Goals, Interventions, and Individualization

□□□

Organizing

the process of arranging personnel and physical resources to carry out plans and accomplish goals and objectives

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Implementing

function of management that involves directing and leading people

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controlling

the management function that monitors and evaluates tasks.

