SUBJECT

INTRODUCTION TO INDUSTRIAL ORGANIZATIONAL PSYCHOLOGY

SESSION 6

Session 6

Innovation

Main article: Innovation

Industrial and Organizational Psychologists consider innovation, more often than not, a variable of less importance and often a counter-productive one to include in conducting job performance appraisals when irrelevant to the major job functions for which a given job exists. Nonetheless, Industrial and Organizational Psychologists see the value of that variable where its consideration would, were its reliability and validity questioned, achieve a statistically significant probability that its results are not due to chance, and that it can be replicated reliably with a statistically significant ratio of reliability, and that were a court to raise a question on its reliability and validity testing, the Industrial and Organizational Psychologist behind its use would be able to defend it before a court of justice with the belief that it will stand before such a court as reliable, and valid.

With the above in mind, innovation is often considered a form of productive behavior that employees exhibit when they come up with novel ideas that further the goals of the organization.[55] This section will discuss three topics of interest: research on innovation; characteristics of an individual that may predict innovation; and how organizations may be structured to promote innovation. According to Jex & Britt, individual and organization research can be divided into four unique research focuses.[55]

- Focus One: The examination of the process by which an employee develops innovations and the unique characteristics of an individuals which enables them to be highly innovative.[55] This stream of thought focuses primarily on the employee or the individual contributor.

- Focus Two: The macro perspective which focuses upon the process that innovation is diffused within a specific organization. In short, this is the process of communicating an innovation to members of an organization.[113]

- Focus Three: The process by which an organization adopts an innovation.[55]

- Focus Four: A shared perspective of the role of the individual and the organization's culture which contribute to innovation.[55]

As indicated above, the first focus looks specifically to find certain attributes of an individual that may lead to innovation, therefore, one must ask, "Are there quantifiable predictors that an individual will be innovative?" Research indicates if various skills, knowledge, and abilities are present then an individual will be more apt to innovation. These qualities are generally linked to creativity.[55] A brief overview of these characteristics are listed below.

- Task-relevant skills (general mental ability and job specific knowledge). Task specific and subject specific knowledge is most often gained through higher education; however, it may also be gained by mentoring and experience in a given field.[55]

- Creativity-relevant skills (ability to concentrate on a problem for long periods of time, to abandon unproductive searches, and to temporarily put aside stubborn problems). The ability to put aside stubborn problems is referred to by Jex & Britt as productive forgetting.[55] Creativity-relevant skills also require the individual contributor to evaluate a problem from multiple vantage points. One must be able to take on the perspective of various users. For example, an Operation Manager analyzing a reporting issue and developing an innovative solution would consider the perspective of a sales person, assistant, finance, compensation, and compliance officer.

- Task motivation (internal desire to perform task and level of enjoyment).[55]

In addition to the role and characteristics of the individual, one must consider what it is that may be done on an organizational level to develop and reward innovation. A study by Damanpour identified four specific characteristics that may predict innovation within an organization.[114] They are the following ones:

1. A population with high levels of technical knowledge

2. The organization's level of specialization

3. The level an organization communicates externally

4. Functional Differentiation.[55]

Additionally, organizations could use and institutionalize many participatory system-processes, which could breed innovation in the workplace. Some of these items include providing creativity training, having leaders encourage and model innovation, allowing employees to question current procedures and rules, seeing that the implementation of innovations had real consequences, documenting innovations in a professional manner, allowing employees to have autonomy and freedom in their job roles, reducing the number of obstacles that may be in the way of innovation, and giving employees access to resources (whether these are monetary, informational, or access to key people inside or outside of the organization).[55]

According to the American Productivity & Quality Center ("APQC") there are basic principles an organization can develop to encourage and reward innovation.

- The creation of a design team.
- Acknowledging those who contribute time, effort, and ideas. This recognition may come from senior leaders or through peer recognition.
- Provide special recognition to innovators while keeping names associated with contributors.
- Disseminate success stories concerning invention.
- Make innovation self-rewarding, such as the perception of being a subject matter expert.
- Linking innovation to the cultural values of the organization.
- Creating a committee of business leaders from various lines of business and human resources focused on developing guidelines and suggestions to encourage

innovation.[115]

In discussing innovation for a Best-Practice report, APQC Knowledge Management expert, Kimberly Lopez, stated, "It requires a blending of creativity within business processes to ensure good ideas become of value to the company ... Supporting a creative environment requires innovation to be recognized, nurtured, and rewarded."[115]

Counterproductive work behavior[edit]

Main article: Counterproductive work behavior

Counterproductive work behavior (CWB) can be defined as employee behavior that goes against the goals of an organization. These behaviors can be intentional or unintentional and result from a wide range of underlying causes and motivations. Some CWBs have instrumental motivations (e.g., theft).[62] It has been proposed that a person-by-environment interaction can be utilized to explain a variety of counterproductive behaviors (Fox and Spector, 1999). For instance, an employee who sabotages another employee's work may do so because of lax supervision (environment) and underlying psychopathology (person) that work in concert to result in the counterproductive behavior. There is evidence that an emotional response (e.g., anger) to job stress (e.g., unfair treatment) can motivate CWBs.[62]

The forms of counterproductive behavior with the most empirical examination are ineffective job performance, absenteeism, job turnover, and accidents. Less common but potentially more detrimental forms of counterproductive behavior have also been investigated including violence and sexual harassment.

Leadership[edit]

Main article: Leadership

In I–O psychology, leadership can be defined as a process of influencing others to agree on a shared purpose, and to work towards shared objectives.[116] A distinction should be made between leadership and management. Managers process administrative tasks and organize work environments. Although leaders may be required to undertake managerial duties as well, leaders typically focus on inspiring followers and creating a shared organizational culture and values. Managers deal with complexity, while leaders deal with initiating and adapting to change. Managers undertake the tasks of planning, budgeting, organizing, staffing, controlling and problem solving. In contrast, leaders undertake the tasks of setting a direction or vision, aligning people to shared goals, communicating, and motivating.[117]

Approaches to studying leadership in I–O psychology can be broadly classified into three categories: Leader-focused approaches, Contingency-focused approaches, and Follower-focused approaches.

Leader-focused approaches[edit]

Leader-focused approaches look to organizational leaders to determine the characteristics of effective leadership. According to the trait approach, more effective leaders possess certain traits that less effective leaders lack. More recently, this approach is being used to predict leader emergence. The following traits have been identified as those that predict leader emergence when there is no formal leader: high intelligence, high needs for dominance, high self-motivation, and socially perceptive.[118] Another leader-focused approached is the behavioral approach which focuses on the behaviors that distinguish effective from ineffective leaders. There are two categories of leadership behaviors: (1) consideration; and (2) initiating structure. Behaviors associated with the category of consideration include showing subordinates they are valued and that the leader cares about them. An example of a consideration behavior is showing compassion when problems arise in or out of the office. Behaviors associated with the category of initiating structure include facilitating the task performance of groups. One example of an initiating structure behavior is meeting one-on-one with subordinates to explain expectations and goals. The final leader-focused approach is power and influence. To be most effective a leader should be able to influence others to behave in ways that are in line with the organization's mission and goals. How influential a leader can be depends on their social power or their potential to influence their subordinates. There are six bases of power: coercive power, reward power, legitimate power, expert power, referent power, and informational power. A leader can use several different tactics to influence others within an organization. These common tactics include: rational persuasion, inspirational appeal, consultation, ingratiation, exchange, personal appeal, coalition, legitimating, and pressure.[119]

Contingency-focused approaches[edit]

Of the 3 approaches to leadership, contingency-focused approaches have been the most prevalent over the past 30 years. Contingency-focused theories base a leader's effectiveness on their ability to assess a situation and adapt their behavior accordingly.[119] These theories assume that an effective leader can accurately "read" a situation and skillfully employ a leadership style that meets the needs of the individuals involved and the task at hand. A brief introduction to the most prominent contingency-focused theories will follow.

Fiedler's Contingency Theory holds that a leader's effectiveness depends on the interaction between their characteristics and the characteristics of the situation. Path–Goal Theoryasserts that the role of the leader is to help his or her subordinates achieve their goals. To effectively do this, leaders must skillfully select from four different leadership styles to meet the situational factors. The situational factors are a product of the characteristics of subordinates and the characteristics of the environment. The Leader-Member Exchange (LMX) Model focuses on how leader–subordinate relationships develop. Generally speaking, when a subordinate performs well or when there are positive exchanges between a leader and a subordinate, their relationship is strengthened, performance and job satisfaction are enhanced, and the subordinate will feel more commitment to the leader and the organization as a whole.[120] Vroom-Yetton-Jago Model focuses on decision making with respect to a feasibility set[119] which is composed of the situational attributes.

In addition to the contingency-focused approaches mentioned, there has been a high degree of interest paid to three novel approaches that have recently emerged. The first istransformational leadership, which posits that there are certain leadership traits that inspire subordinates to perform beyond their capabilities. The second is transactional leadership, which is most concerned with keeping subordinates in-line with deadlines and organizational policy. This type of leader fills more of a managerial role and lacks qualities necessary to inspire subordinates and induce meaningful change. And the third is authentic leadership which is centered around empathy and a leader's values or character. If the leader understands their followers, they can inspire subordinates by cultivating a personal connection and leading them to share in the vision and goals of the team. Although there has been a limited amount of research conducted on these theories, they are sure to receive continued attention as the field of I–O psychology matures.

Follower-focused approaches[edit]

Follower-focused approaches look at the processes by which leaders motivate followers, and lead teams to achieve shared goals. Understandably, the area of leadership motivation draws heavily from the abundant research literature in the domain of motivation in I–O psychology. Because leaders are held responsible for their followers' ability to achieve the organization's goals, their ability to motivate their followers is a critical factor of leadership effectiveness. Similarly, the area of team leadership draws heavily from the research inteams and team effectiveness in I–O psychology. Because organizational employees are frequently structured in the form of teams, leaders need to be aware of the potential benefits and pitfalls of working in teams, how teams develop, how to satisfy team members' needs, and ultimately how to bring about team effectiveness and performance. An emerging area of research in the area of team leadership is in leading virtual teams, where people in the team are geographically-distributed across various distances and sometimes even countries. While technological advances have enabled the leadership process to take place in such virtual contexts, they present new challenges for leaders as well, such as the need to use technology to build relationships with followers, and influencing followers when faced with limited (or no) face-to-face interaction.

Organizational change/development[edit]

Organizational development[edit]

Main article: Organization development

Industrial-organizational psychologists have displayed a great deal of consideration for the problems of total organizational change and systematic ways to bring about planned change. This effort, called organizational development (OD), involves techniques such as:

- sensitivity training
- role playing
- group discussion
- job enrichment
- survey feedback
- team building[52]

Within the survey feedback technique, surveys after being answered by employees periodically, are assessed for their emotions and attitudes which are then communicated to various members within the organization. The team building technique was created due to realization that most tasks within the organization are completed by small groups and/or teams. In order to further enhance a team's or group's morale and problem-solving skills, OD consultants (called change agents) help the groups to build their self-confidence, group cohesiveness, and working effectiveness. A change agent's impartiality, gives the managers within the organization a new outlook of the organization's structure, functions, and culture. A change agent's first task is diagnosis, where questionnaires and interviews are used to assess the problems and needs of the organization. Once analyzed, the strengths and weaknesses of the organization are presented and used to create strategies for solving problems and coping with future changes.[52](pp216–217)

Flexibility and adaptability are some strengths of the OD process, as it possesses the ability to conform to the needs of the situation. Regardless of the specific techniques applied, the OD process helps to free the typical bureaucratic organization from its rigidity and formality, hereby allowing more responsiveness and open participation. Public and private organizations both have employed OD techniques, despite their varied results in research conducted. However, the use of the techniques are justified by the significant increases in productivity that was proven by various studies.[52](p217)

Relation to organizational behavior[edit]

The i/o psychology and organizational behavior have manifested some overlap.[121] The overlap has led to some confusion regarding how the two disciplines differ.[122]

Training and outlook[edit]

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The examples and perspective in this section deal primarily with the United States and do not represent a worldwide view of the subject. Please improve this article and discuss the issue on the talk page. (May 2014)

Graduate programs[edit]

Schultz and Schultz (2010) states that modern I–O Psychology is a complex and intricate position. It requires intense university training, and hands on experience. Individuals who choose I–O psychology as a profession should also be aware that they will be constantly studying to learn about new developments that may emerge. The minimum requirement for working as an I–O psychologist is a Master's Degree. Normally, this degree requires 42 semester hours and takes about 2–3 years to complete. Most Master's Degree students work, either fulltime or part-time, while studying to become an I–O psychologist. Of all the degrees granted in I–O psychology, each year approximately two thirds are at the master's level.[52](p18)

A comprehensive list of US and Canadian master's and doctoral programs can be found at the web site of the Society for Industrial and Organizational Psychology (SIOP).[123] Some helpful ways to learn about graduate programs include visiting the web sites on the SIOP list and speaking to I–O faculty at the institutions listed. Admission into I–O psychology PhD programs is highly competitive given that many programs accept a small number of applicants every year.

There are graduate degree programs in I–O psychology outside of the US and Canada. The SIOP web site[123] also provides a comprehensive list of I–O programs in many other countries.

Job outlook[edit]

According to the United States Department of Labor's Bureau of Labor Statistics, I-O psychology is the fastest growing occupation in the United States, based on projections between 2012 and 2022.[124][125]

According to recent salary and employment surveys conducted by SIOP,[126] the median salary for a PhD in I–O psychology was $98,000; for a master's level I–O psychologist was $72,000. The highest paid PhD I–O psychologists in private industry worked in pharmaceuticals and averaged approximately $151,000 per year; the median salary for self-employed consultants was $150,000; those employed in retail, energy, and manufacturing followed closely behind, averaging approximately $133,000. The lowest earners were found in state and local government positions, averaging approximately $77,000. I–O psychologists whose primary responsibility is teaching at private and public colleges and universities often earn additional income from consulting with government and industry.[127]

Pros and cons of an industrial and organizational psychology career[edit]

Pros of a Career in I–O Psychology:

- Many career opportunities with a Master’s-level degree.
- Diverse career paths (i.e. private sector, consulting, government, education.)

- Opportunities for self-employment.

Cons of a Career in I–O Psychology:

- Clients and projects change often.
- Research can often be tedious and burnout can occur.
- Many positions require doctoral degrees.[128]

Ethics[edit]

In the consulting field, it is important for the consultant to maintain high ethical standards in all aspects of relationships: consultant to client, consultant to consultant, and client to consultant.[129] After all, all decisions made and actions taken by the consultant will reflect what kind of consultant he or she is. Although ethical situations can be more intricate in the business world, American Psychology Association (APA)'s Ethical Principles of Psychologists and Code of Conduct can be applied to I–O consultants as well. For example, the consultant should only accept projects for which he or she is qualified; the consultant should also avoid all conflicts of interest and being in multiple relationships with those he or she is working with. On the other hand, some might disagree that it is the consultant's responsibility to actively promote the application of moral and ethical standards in the consultation and examine ethical issues in organizational decisions and policies. It is an ongoing controversial issue in the consulting field.[130] In addition, as more and more organizations are becoming global, it is imperative for consultants working abroad to quickly become aware of rules, regulations, and cultures of the organizations and countries they are in as well as not to ignore ethical standards and codes just because they are abroad.[131]