

SUBJECT

# INTRODUCTION TO INDUSTRIAL ORGANIZATIONAL PSYCHOLOGY

SESSION 7

## Session 7

### Industrial/organizational consultancy [

#### Definition

An industrial/organizational (I–O) consultant helps clients and organizations improve productivity and create an optimal working environment through human capital consulting and strategies. Areas of consulting include but are not limited to selection and recruiting, training, leadership, and development, compensation and benefits, employee relations, performance management, succession planning, and executive coaching.[132]

#### Types[edit]

Consultants can be categorized as internal or external to an organization. An internal consultant is someone who is working specifically for an organization that he or she is a part of whereas an external consultant can be either a sole proprietor or an employee of a consulting firm who is hired by another organization on a project basis or for a certain period of time. There are different types of I–O consultants:[133]

1. internal corporate consultant
2. independent external consultant
3. external consultant in a small firm
4. external consultant in a large firm
5. external consultant in a research group
6. internal consultant in a research unit within a large firm
7. internal consultant in a large government organization.

#### Services offered[edit]

Kurpius (1978; as cited in Hedge & Borman, 2009)[134] gave four general types of consultation:

1. services and products (e.g., selection tools)

2. collecting information and helping the organization identify and solve the problem
3. collaborating with the client to design and plan changes in the organization
4. helping the client implement the changes and incorporate them into the organizational culture.

Consultants offer these consulting services to all kinds of organizations, such as profit and nonprofit sectors, public and private sectors, and a government organization.

Pros and cons[edit]

Like any other careers, there are many benefits and downsides of consulting.[135] Some advantages are substantial material rewards, trust and respect from clients, and personal satisfaction. Some disadvantages are traveling (the number one complaint of all I/O consultants), uncertainty in business especially for external consultants, and marginality which is not belonging to any group or organization that the consultant works for.

Competencies [edit]

There are many different sets of competencies for different specializations within I-O psychology and I-O psychologists are versatile behavioral scientists. For example, an I-O psychologist specializing in selection and recruiting should have expertise in finding the best talent for the organization and getting everyone on board while he or she might not need to know much about executive coaching. Some consultants tend to specialize in specific areas of consulting whereas others tend to generalize their areas of expertise. However, Cummings and Worley (2009) claimed that there are basic skills and knowledge, which most consultants agree, needed to be effective consultants:[135]

1. intrapersonal skills, which include knowing consultants' own values and goals, integrity to work responsibly and ethically, and active as well as continuous learning.
2. interpersonal skills, which include listening skills, facilitating skills, and building and maintaining relationships. These interpersonal skills are especially important because regardless of how innovative the consultant's idea is, if the

client does not understand it or does not trust the consultant, the client is not going to accept that idea.

3. general consultation skills, those skills being able to execute different stages of consulting which will be discussed in the following section titled "Stages".

Stages[edit]

Block (2011)[136] identified the following five stages of consulting.

Entry and contracting

This stage is where the consultant makes the initial contact with the client about the project, and it includes setting up the first meeting, exploring more about the project and the client, roles, responsibilities, and expectations about the consultant, the client, and the project, and whether the consultant's expertise and experience fit with what the client wants out of the project. This is the most important part of the consulting, and most consultants agree that most mistakes in the project can essentially be traced back to the faulty contracting stage.[136]

Discovery and diagnosis

This stage is where the consultant makes his or her own judgment about the problem identified by the client and about the project. Sometimes, the problem presented by the client is not the actual problem but a symptom of a true cause. Then, the consultant collects more information about the situation.[136]

Analysis and planning

This stage is where the consultant analyzes the data and presents the results to the client. The consultant needs to reduce a large amount of data into a manageable size and present them to the client in a clear and simple way. After presenting the results, the consultant helps the client make plans and goals for actions to be taken as a next step to solve the identified problem.[136]

Engagement and implementation

This stage sometimes falls entirely on the client or the organization, and the consultant's job might be completed at the end of third stage. However, it is important for the consultant to be present at the fourth stage since without

implementing the changes suggested by the consultant, the problem is not likely to be solved. Moreover, despite how good the consultant's advice might be, employees are actually the ones who need to live the changes. So, in this fourth stage, the consultant needs to get everyone on board with the changes and help implement the changes.[136]

Extension or termination[edit]

This final stage is where the consultant and the client evaluate the project, and it is usually the most neglected yet important stage. Then, the project is completed or extended depending on the client's needs.[136]

Future trends [edit]

Teachout and Vequist (2008) identified driving forces affecting future trends in the business consulting:[137]

1. changes in the market conditions
2. competition for market share and talent
3. changes in customer demands
4. changes in technology and innovation
5. increase in costs, especially in energy and health sectors
6. globalization.

They also discussed three trends in the field as a result of these forces – people, process, and technology.

Human capital or people[edit]

In terms of human capital or people consulting, there are major forces for future trends:

1. lack of competencies in STEM and communication fields,
2. aging of workforce, resulting in the loss of experience and expertise in organizations,
3. increasing and aggressive competition for talent,

4. increase in project- or contract-based workforce instead of hiring permanent employees, and
5. globalization.

As a result, trends, such as major talent management, selection and recruiting, workplace education and training, and planning for next generation, have emerged. In addition, change management also becomes important in organizations in order to innovate and implement new technology, tools, and systems to cope with changes in the business.[137]

#### Process[edit]

In terms of process consulting, because of an increase in competition, it becomes important to identify and improve key processes that meet customer values and demands as well as that are faster and cheaper.[137]

#### Technology[edit]

In terms of technology consulting, there is an increased need to automate processes or data so that employees can focus on actually doing work and focusing on business rather than doing the manual labor. The consultant can add value to these technologies by providing training, communication plan, and change management as well as to incorporate these technologies into organizational culture. So, regardless of how advanced technology is, consultants are still needed in making sure that these advanced technologies have positive effects on employees and organizations in both technical and social aspects.[137]

### **What Is Industrial-Organizational Psychology?**

Industrial-organizational (I-O) psychology is concerned with the study of workplace behavior. People who work in this areas apply psychological principles to areas such as human resources, employee training, marketing and sales, and organizational development. I-O psychologists often apply research to increasing workplace productivity, selecting employees best suited for particular jobs, and product testing.