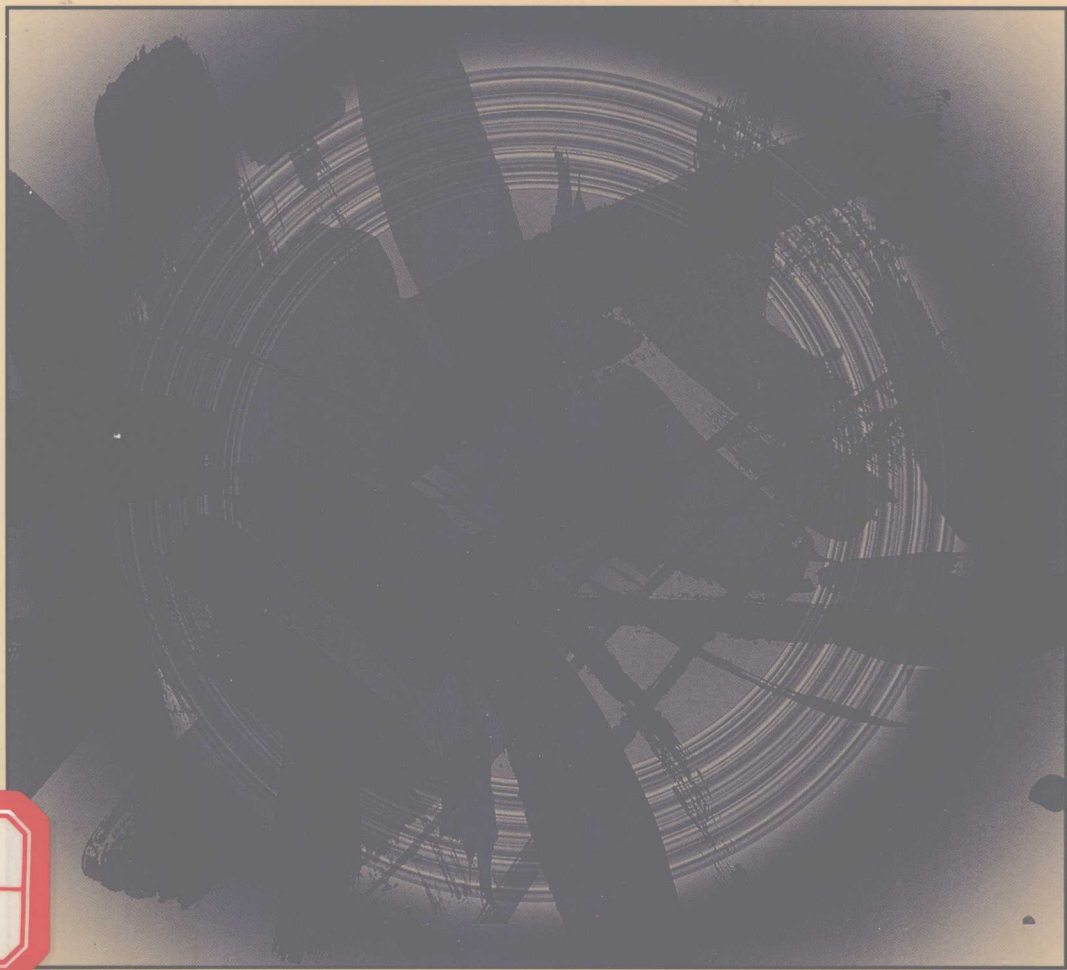# *Basic* ORGANIZATIONAL PSYCHOLOGY

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BASIC ORGANIZATIONAL PSYCHOLOGY

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With love, to Dana, Matthew, and Alison

PREFACE

Organizational psychology, like any discipline, can be described in many different ways. One way is to consider the values that seem to be inherent in the discipline. Although organizational psychologists might try to be objective and discover objective reality about organizations, they do not and cannot seriously consider all aspects of an organization in their work. Neither, for that matter, do professionals from any other disciplinary perspective. Thus, we find economists and accountants focusing on monetary variables, marketing experts on product image and customer reactions, engineers on the physical production processes, and so forth. Even within the social sciences there are different emphases: Personnel psychologists focus on matches between peoples' characteristics and job characteristics, organizational sociologists on various aspects of organizational structure, and vocational counselors on the nature of individuals' careers. Each organizationally oriented discipline attempts to integrate what it knows about the topic of its primary focus or interest with other organizational topics, but there are usually themes in what and how they study in organizations and implement applied programs.

I argue here that these themes, which the repetition of similar models, theories, variables, and methods have represented over a course of decades, provide clues about what people of a discipline tend to value and believe is important. If we did not think something were important, we would not keep talking about, studying, and working on it. Chapter 1 identifies four such themes or values in organizational psychology, and subsequent chapters illustrate the manner in which these values are inherent in our work as organizational psychologists.

Organizational psychologists have frequently divided the field into three so-called levels of thought, inquiry, and action. The individual level,

the group level, and the organizational level progress from "micro" to "macro" concepts in organizational psychology. Although these three levels sometimes make somewhat arbitrary distinctions, there seems to be a tendency for each organizational psychologist to find a preferred level at which to think and work. I use these levels to divide the book into sections, but similar themes and values sometimes cross the boundaries from one level to another, binding the parts of the field together. While I explicitly indicate this in many places, I urge the reader to accept the challenge of finding these bindings. Doing so should help the reader to understand the psychology of organizations over all.

In addition to the workspace, colleagues, and library resources at Central Michigan University, my summer appointments at the Lincoln Research Institute in Lincoln, Michigan, notably aided me in the completion of this book. The relative time, peace, and quiet were instrumental to getting this work done, in spite of the occasional distractions of looking out the window at the lake and of my membership in our little five-person organization (and assorted pets).

I would also like to acknowledge the helpful comments of the following reviewers: Clayton Alderfer, Rutgers University; Robert Baron, Rensselaer Polytechnic Institute; Jerry Greenberg, Ohio State University; Ira Kaplan, Hofstra University; Jason Shaw, University of Arkansas; and Robert Vecchio, University of Notre Dame.

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INTRODUCTION TO AND HISTORY OF ORGANIZATIONAL PSYCHOLOGY

Social organizations are fascinating for their diversity and unpredictability, yet they are the epitome of stability and conformity. How can this be? First, one must recognize that social organizations do not refer to organizations with social goals but to any organizations composed of people or social groupings. What are they made of? They are composed, not actually of whole people, but rather of people's activities and patterns of relationships that are aimed at achieving some goals or purposes. While the activities and patterns of relationships in the organization seem aimed at a common set of goals, all the members of the organization may not share the same aim. In other words, what appear to be an organization's goals may not be commonly shared by all of the organization's members.

Contrary to some traditional definitions of organizations, not everyone who is a member of the organization shares the goals toward which the organization seems to strive. The slave ship of a former time, for example, may have been a very tight organization, but the slaves were not likely to share the goals of the masters. They may even have harbored goals that would almost have destroyed the organization. Similarly, but on a much less obvious scale, all members in a large business organization today are unlikely to share many goals completely and with the same passion. The owners' primary goal might be profits, the production workers might favor high wages and benefits, some professionals in the organization might wish to maximize the use of their valued skills to feel a sense of accomplishment, some managers might want to work on one flashy project for a few years to get a better job at another company, and so forth. The possible goals of

people in the organization are almost endless. Why then do the members seem to cohere and work together, making up a single organization? Only by studying the various subtopics within organizational psychology can one begin to glimpse some of the complex answers to this question.

The goals of any company are typically those of the members of the organization who have the power to bend the organization's actions and employ its resources in the direction of their own goals for the organization. This dominant coalition of powerful people can change over time, but for a while they rule and get their way. While the actions of and patterns of relationships among people in the organization may be highly organized, not everyone shares in deciding how such organized behavior comes about.

Organized behavior is necessarily limited behavior. That is, the organizationally relevant behavior of each individual member is constrained. It is certainly not random behavior; instead, people's behavior in organizations is restricted within boundaries so that, if the restriction is successful, the behaviors of all the different members of the organization will mesh to accomplish some goal, for example, the production of a hamburger (or billions of hamburgers). A simple example of this restriction of behavior is work schedules. Employers typically require their employees to be present and working during certain hours of the day. If large numbers of them are absent because they have not constrained their behaviors to the one acceptable behavior (coming to work), the dominant group's goals will not be met.

A set of people develop the constraints on organized behavior, as well as the goals of the organization. Employees comply with the constraints, regardless of whether these people are present. This is the essence of social psychology, that is, the influence of people, whether present or not, on each other (e.g., Allport, 1985). Because of this, one can consider organizational psychology to be the social psychology of organizations. Social psychologists have typically been interested in topics such as attitudes and beliefs, motivation and emotion, people's attributions about causality, personality, conformity, and groups. Organizational psychologists are also interested in these subjects, but the difference is that organizational psychologists are interested in these things in the context of organizations. Sometimes the context can change things.

THREE LEVELS OF
ORGANIZATIONAL PSYCHOLOGY

Other than to say that organizational psychology is the social psychology of organizations, it is probably easier to describe organizational psychology and list the topics that it includes than it is to define it in a single sentence. One approach to organizing these descriptions is to categorize the topics

into three "levels," as this book is. The three levels are the individual, the group, and the organizational levels.

Organizational psychology at the individual level, sometimes labeled the micro level, concerns differences in individual members of organizations and in individual jobs in organizations. Individual differences can be relatively stable, such as personality differences, or they can be differences that work situations more readily influence, such as attitudes toward one's job or employer. These will differ from one person to another.

Organizational psychology at the group level focuses on the behaviors and attitudes of people in groups within organizations. Such a group consists of more than one person, but fewer than all people in the organization, who have systematic interactions with each other over a period of time. The groups can be formal ones that might even appear on an organization chart (e.g., the psychology department of a university), or they can be informal ones. Of course, all sorts of social influences abound in these groups.

At the organizational or macro level, organizational psychology focuses on the broadest elements of the organization and their impact on the behaviors and feelings of people in the organization. Examples include the structure of the whole organization, the technology it uses, and even the size of the organization. In addition, one can consider the interactions between two or more of the organization's groups as organization-level phenomena.

The field of organizational psychology examines these three levels, but a quick study of the literature quickly shows that all levels are not equal. Organizational psychologists have studied some much more than others. One might guess, as psychologists they seem to have a penchant for the individual, and they have studied and worked at the individual level much more than at the other two levels. As one result of this, one may surmise that this book's descriptions of theories and phenomena at the individual level rest on more voluminous research, and therefore, on more solid ground than the information regarding the other two levels.

OTHER RELATED FIELDS

It would be a mistake to think that organizational psychology knowledge, research, theories, and practice all come from and are limited to psychology. Instead, the field is interdisciplinary. Some of what we know comes from psychologists, some from sociologists, some from political scientists, some from business experts, some from experts in communications fields, and so forth. Of course, to ignore information that is relevant to organizational psychology just because organizational psychologists did not discover it would be folly. Instead, the field freely adopts information as its own, regardless

of source. To make things a little more confusing, there are many experts, educated as psychologists, who are working in locations that are not psychology locations—business schools being probably the most frequent location. The same is true of people trained in sociology and other disciplines. Perhaps these are among the truest interdisciplinary people, and they have contributed heavily to the knowledge base of organizational psychology. We cannot really understand the behaviors and feelings of people in organizations without considering many viewpoints.

There are a few fields that are especially closely related to and even overlap with, to varying degrees, organizational psychology. As Figure 1.1 indicates, these include personnel psychology, organization development, organization theory, organizational behavior, and organizational behavior management. At the risk of oversimplifying, I describe these only briefly here with an eye toward showing their most obvious relationships to organizational psychology.

Personnel psychology is related to organizational psychology more due to its combination with organizational psychology in formal college courses and graduate programs than to its overlap in concepts and topics. For example, colleges commonly offer a single course in industrial and organizational psychology, and such courses include both organizational psychology and personnel psychology—usually covered quite separately in different sections of the book. There are also many graduate programs in industrial and organizational psychology, and there is a division (Division 14) of the American Psychological Association titled Industrial and Organizational Psychology. Personnel and organizational psychology are the two largest segments of this field of "I/O" psychology.
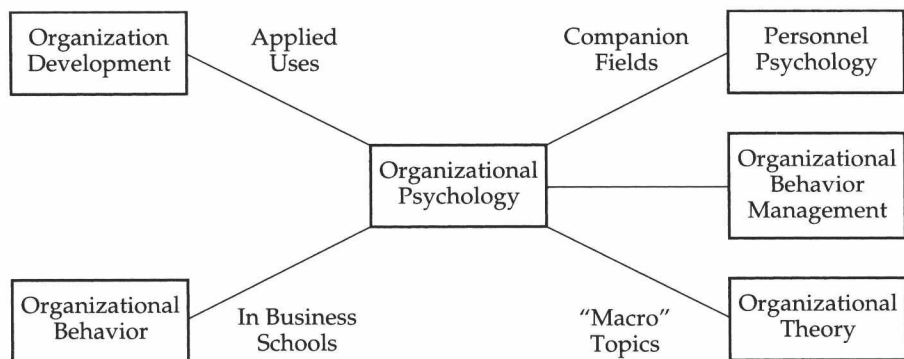

FIGURE 1.1   Relationships between Organizational Psychology and Other Fields

Although personnel and organizational psychology seem to mix frequently, they rarely blend well. The mixture is similar to an unusual dish, called peas and peanuts, which restaurants frequently serve in my hometown. They are mixed together with a small amount of sauce. Regardless of how well the chef stirs the combination, it doesn't take a culinary expert to see which are the peas and which are the peanuts. Mixtures of personnel and organizational psychology don't actually blend them but simply put them in the same bowl. The personnel peas are still usually quite distinguishable from the organizational peanuts.

If one can consider organizational psychology the social psychology of organizations, then one might label personnel psychology the measurement psychology of personnel departments. It usually relies heavily on psychological measurement technologies and concepts such as reliability, validity, and the many siblings and cousins of these two concepts. Personnel psychology then applies these measurement technologies to personnel problems, most notably job analysis, employee selection, performance appraisal, and training.

Organization development, on the other hand, can have overlapping content with organizational psychology. It consists of changing organizations for the purpose of improvement of the organization's functioning as well as for the betterment of the individuals within the organization. Such changes are planned. It is usually recommended that they occur organization-wide, and the changes have a basis in behavioral science knowledge, theories, and technology.

Organizational psychology is one of the behavioral sciences that provides a basis for these changes, and therefore sometimes one can see organization development as applied organizational psychology. Some examples of this are in the applications section of this volume.

Organizational theory is concerned with macro-level issues such as organization structures, processes, and outcomes (Gerloff, 1985). It is more focused on organizations as entities than organizational psychology is. When organizational psychologists examine such organization-level variables, they are more often interested in how those variables affect the individuals or groups inside the organization. Even so, these differences between macro organizational psychology and organization theory are only in degree and not absolute boundaries, never to be crossed by researchers, practitioners, and theorists in each discipline. One of the landmark books in organizational psychology, *The Social Psychology of Organizations* (Katz & Kahn, 1966, 1978) clearly shows this. That book covered a substantial amount of macro organizational psychology that overlapped with organization theory. Macro level organizational psychology can "learn" much from organizational theory, and at times it unhesitatingly borrows from it.

The field of *organizational behavior* has virtually no clear differences from organizational psychology. It is the term that usually describes the same field in management departments of universities rather than in psychology departments. The term *organizational behavior* occurs in psychology settings many times. For example, when the *Annual Review of Psychology*, obviously a psychology-oriented publication, publishes chapters on organizational psychology, it titles them "Organizational Behavior" (e.g., Cummings, 1982; Ilgen & Klein, 1989; O'Reilly, 1991; Schneider, 1985). In another telling example, the American Psychological Society, in its annual convention, lists organizational behavior as one of its categories for presentations. Psychology seems to be adopting the title of "organizational behavior" in some settings.

One of the reasons for the small difference is that some of the people who teach and conduct research in organizational behavior learned their craft in psychology departments, and, of course, they teach what they know—organizational psychology. Of the people with whom I attended graduate school in organizational psychology and who later obtained jobs in academia, about 90 percent of them are in management departments rather than in psychology departments. Of course, what they teach as organizational behavior and what I teach as organizational psychology is not much different, because we learned the same things in graduate school.

I find interesting that organizational behavior seems to have developed a larger following in business schools than organizational psychology has found in psychology departments. Because the market for books is therefore larger in management departments, most authors have chosen the title more familiar in that setting. Textbooks in organizational behavior frequently include chapters on learning and motivation, perception, group dynamics, and many other psychological-sounding topics. As management departments teach these topics over a number of decades, it will be interesting to see how the two fields that are now so close, organizational psychology and organizational behavior, might eventually diverge.

One of the differences now often seems to include style of teaching. It is difficult to say why, but, for example, organizational behavior classes seem to use more fully experiential approaches to teaching than organizational psychology courses do. This could give it a stronger skill-development orientation. Organizational psychology courses, on the other hand, seem to focus more on research methods than organizational behavior courses do and seem more willing to settle for teaching theory and research than management skills. When all is said and done, however, these two disciplines are more different in name than in material. Perhaps like twins, they spring from very similar beginnings, but their experiences and environments will make them more different over time.

The final related area is *organizational behavior management*. Organizational behavior management's root is the psychological school called

behaviorism. It is the study and application of behavior modification principles to management problems (O'Hara, Johnson, & Beehr, 1985). Operant conditioning principles including the use of antecedant and reinforcing stimuli are the focus in efforts to alter job-relevant behavior in organizations.

All of these fields—personnel psychology, organization theory, organization development, organizational behavior, and organizational behavior management—are related to organizational psychology. Furthermore, organizational psychology unabashedly borrows from each when there is something valuable to be learned. In fact, it would be odd to do otherwise. How could organizational psychology pretend to know about employees' motivation to perform their jobs if it ignored the fact that systematic reinforcement can alter job behavior? If organization theory were to show that organizations' cultures affect employees' attitudes, how could anyone pretend to know about organizational commitment without knowing about culture? These fields necessarily overlap, sometimes greatly and sometimes only a little. Occasionally people refer to them globally as the organizational sciences.

THE VALUES OF
ORGANIZATIONAL PSYCHOLOGY

Sometimes one can infer people's values by observing what they do. In the case of a discipline such as organizational psychology, one can make inferences about the basic values of the field based on the nature of the research over many decades. If organizational psychologists study the same thing over and over again, then they probably have a basic belief that this thing is important in some way. By observing what they have done, said, and written the most about, the following seem to be four common values of the field (Table 1.1): (1) the person is as important as the organization, (2) people have high abilities and are trustworthy, (3) interpersonal activities are important, and (4) research and theory have value. This might seem to contrast with a common view of science that scientists should be objective to the point of even being valueless and not let their values influence their work. While scientists must be objective in conducting research so that its results will be accurate rather than biased, the interests, beliefs, and values of the researcher often influence the choice of topics to study.

TABLE 1.1   Basic Values of Organizational Psychology

The person is as important as the organization.
People have high abilities and can be trusted.
Interpersonal activities are important.
Empirical research and theory have value.

The Person Is as Important as the Organization

Personnel psychology is an older, longer established field than organizational psychology, and it is more oriented toward enhancing the welfare of the organization. Organizational psychology, by contrast, is more concerned with the individual than personnel psychology is. The history of the study of job satisfaction in organizational psychology is instructive in this issue. Personnel psychologists are much more likely to show interest in performance appraisal and in validating employee selection programs using job performance as a criterion. These are organizationally relevant criteria, that is, outcomes that are more directly of interest to the organization than to the person. In organizational psychology, on the other hand, job satisfaction has been one of the more frequently studied variables. Locke estimated that there were easily thousands of studies already in 1976. Satisfaction is more directly important to the individual than to the organization.

This does not mean that organizational psychologists ignore the welfare of organization. To do so would be to miss important variables in the work place, to risk employment by business organizations, and to appear irrelevant to many people in the workplace. Business owners and managers often tend to be suspicious that psychologists would like to simply make all employees happy and ignore productivity. While this is not actually true of organizational psychology, the field does tend to value *both* the individual's welfare and the organization's welfare about equally—and this is not what organizational representatives are usually looking for when they hire someone. Instead, because the organization does the hiring, it wants the organization's welfare to be first and foremost. While the organizational psychologist may work on the organization's criteria as part of the job, the theories and research in the field show that there is at least an equivalent interest in the welfare of the person. For this reason, managers sometimes may not entirely trust the organizational psychologist, characterizing him or her as too soft-hearted (or soft-headed). In general, however, a basic value of organizational psychology seems to be that the person and the organization are both important.

People Have High Abilities and Can Be Trusted

A second value that one can infer from studying organizational psychology is that the person has high ability and is trustworthy. These are really two separate beliefs about the nature of people. The first is based on the observation that organizational psychology seems to assume that the person has a greater ability than the typical organization allows on the job. The theories and research are replete with recommendations that the person have