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EDGAR H. SCHEIN

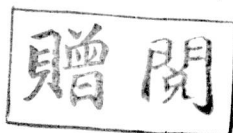
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second edition

Organizational Psychology



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Organizational Psychology

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Foundations of Modern Psychology Series

The tremendous growth and vitality of psychology and its increasing fusion with the social and biological sciences demand the search for new approaches to teaching at the introductory level. We can no longer feel content with the traditional basic course, geared as it usually is to a single text that tries to skim everything, that sacrifices depth for breadth. Psychology has become too diverse for any one man, or few men, to write about with complete authority. The alternative, a book that ignores many essential areas in order to present more comprehensively and effectively a particular aspect or view of psychology, is also insufficient, for in this solution many key areas are simply not communicated to the student at all.

The Foundations of Modern Psychology Series was the first in what has become a growing trend in psychology toward groups of short texts dealing with various basic subjects, each written by an active authority. It was conceived with the idea of providing greater flexibility for instructors teaching general courses than was ordinarily available in the large, encyclopedic textbooks, and greater depth of presentation for individual topics not typically given much space in introductory textbooks.

The earliest volumes appeared in 1963; the latest, not until 1972. Well over one and a quarter million copies, collectively, have been sold, attesting to the widespread use of these books in the teaching of psychology. Individual volumes have been used as supplementary texts, or as *the* text, in various undergraduate courses in psychology, education, public health, and sociology; and clusters of

volumes have served as the text in beginning undergraduate courses in general psychology. Groups of volumes have been translated into eight languages, including Dutch, Hebrew, Italian, Japanese, Polish, Portuguese, Spanish, and Swedish.

With wide variation in publication date and type of content, some of the volumes need revision, while others do not. We have left this decision to the individual author who best knows his book in relation to the state of the field. Some will remain unchanged, some will be modestly changed, and still others completely rewritten. In the new series edition, we have also opted for some variation in the length and style of individual books, to reflect the different ways in which they have been used as texts.

There has never been stronger interest in good teaching in our colleges and universities than there is now; and for this the availability of high quality, well-written, and stimulating text materials highlighting the exciting and continuing search for knowledge is a prime prerequisite. This is especially the case in undergraduate courses where large numbers of students must have access to suitable readings. The Foundations of Modern Psychology Series represents our ongoing attempt to provide college teachers with the best textbook materials we can create.

Preface

The field of organizational psychology is still in the process of formation. In writing the first edition in 1965, my motivation was to help define the field and to write a book at a level that would be useful to the practitioner as well as the researcher. I wanted members of organizations to be able to gain some insight into the dynamics of the systems of which they were a part. It has been most gratifying to note that research and conceptual development in organizational psychology has proceeded at a brisk pace over the past six years. It is even more gratifying to note that books in this field have been widely used in organizations and have proved to have educational value not only to the student specializing in the area, but to the layman seeking greater understanding of organizational dynamics.

It is the wide acceptance by the student and the layman that has guided me most in planning the revision of this material. As in the original edition, I have consciously and deliberately selected only certain concepts and reported only certain research studies to illustrate these concepts. Much good research and many recently developed theories either have had to be omitted from this revision or have been referred to only in a cursory way. I have also reluctantly left out a discussion of theory building and research methodology. In this field, there are unique problems of how to do valid research which, unfortunately, have only been alluded to in the text. There-

fore, the student should not expect to find a final picture of the field from reading this book.

One area of organizational psychology has had a particularly rapid development in the last five years—the area which has come to be tagged “organization development.” The needs of organizations to improve their functioning have been a tremendous stimulant to psychologists, sociologists, and other applied behavioral scientists to develop techniques of planned change that would permit more rapid individual and organizational growth toward concepts of individual and organizational health. The body of research, theory, cases, and descriptions of programs of change has now reached a level where it deserves fuller coverage than I was able to provide in the first edition. Concepts of organizational health and methods for achieving it have become especially important now that we have seen massive unrest on our university campuses. We have had to define new organizational goals for universities and have had to develop strategies and techniques for dealing with the disintegrative forces in our university community. Hopefully, I can provide a few insights into this special problem by highlighting university examples throughout this revision.

I am grateful to my late colleague Douglas McGregor and to my current colleague Richard Beckhard for many of the ideas underlying this book. I would like to acknowledge the tremendous help I have received from my colleagues and students in developing these areas. Their feedback on what was good and what was bad about the first edition of *Organizational Psychology* helped greatly in the present revision. My wife Mary deserves thanks, as always, for her support. Anne Parker worked valiantly on re-typing under tight deadlines.

EDGAR H. SCHEIN

Organizational Psychology

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The Field of Organizational Psychology

chapter one

An area of psychology typically develops around some questions that involve human beings. The questions may be primarily of concern to the practitioner such as teacher, parent, or manager who is trying to resolve some pressing problem; or they may reflect some area of interest which the scientist has developed. The field does not develop, however, until conceptual models, theories, and research methods for gathering and analyzing relevant data have been invented. When we have *both* a focus of interest and a way of studying it, we have the beginnings of a new "field."

The Development of the Field

The effective utilization of people in organized human effort has always been a pressing problem. The pharaoh building a pyramid faced problems fundamentally similar to those faced by the corporation executive or university president of today. Each must figure out (1) how to organize work and allocate it to workers; (2) how to recruit, train, and effectively manage the people available to do the work; (3) how to create work conditions and reward and punishment systems which will enable the workers to maintain high effectiveness and sufficient morale to remain effective over

long periods of time; (4) how to adjust their organization to changing environmental conditions and technological innovations; and (5) how to cope with competition or harassment from other organizations or groups within their own organization. These and many other questions, which lie at the heart of any "organization," have had to be faced and resolved by politicians, managers, and bureaucrats throughout history.

Psychologists became interested in such organizational questions only as their theories and methods enabled them to think constructively about them and to test their thinking with empirical research. They started with questions which deal with the *assessment and selection of individual workers* and ignored those questions which involve the organization as a whole. Thus, the earliest successful efforts of industrial psychologists involved the testing of recruits in order to enable organizations such as the Army or a large industrial concern to improve their selection methods. Selection was made more scientific by *measuring* in individuals those characteristics which the organization required of its new members. The organization itself, however, was merely a source of information and of questions to be answered. It supplied the goals to be achieved; the psychologist worked to help fulfill them.

With this more scientific and systematic approach, psychologists soon found themselves moving closer to organizational problems in a growing attempt to put order into the process of *designing and organizing work itself*. Industrial psychologists found themselves working closely with engineers to analyze the basic characteristics of work in order to give each individual worker a job which maximized (1) his human capabilities and limits, (2) coordination and teamwork among employees, and (3) overall efficiency. Thus, "time-and-motion" studies were carried out to determine how competent workers actually perform a given job; "job analyses" were carried out to standardize the work and to enable managers better to select and train workers; physical surroundings, noise levels, fatigue, monotony, and other accompaniments of work were studied to determine their effect on the quantity and quality of work. Still, however, the organization served only as the environment; it defined the ultimate products or services to be obtained and enlisted psychologists to help them study human performance with the aim of making it more effective.

As psychologists studied workers, it became clear to them that the *systems of rewards and punishments created by organizations* have a major impact on the effectiveness of workers. Psychologists became increasingly interested in rewards such as pay and promotion, and punishments such as reprimands as motivators and as conditioners of learning. The long tradition of studying human and animal learning made it possible to re-define and test within the organizational context many of the hypotheses which had been worked on in learning experiments. The kinds of incentive

schemes used by management thus became still another major focus of industrial psychologists.

In delving into the motivations of workers, the psychologists also found that a worker's relationships to other workers make more of a difference than they had assumed. For example, how hard a man works may depend much or more on how hard his co-worker works than on how much money he will make or how hard his boss drives him. It became clear that *an organization has within it many groups which generate their own norms of what is right and proper behavior, and that such norms extend to the amount and type of work to be performed.* In looking at management more closely, psychologists also found groupings within a particular organization based on the managers' functions, ranks, or geographical locations. In some cases, groups, such as the sales department and the production department, were competing with each other to the point of reducing their own ultimate effectiveness and that of the organization as a whole.

It was in the study of worker motivation, incentive systems, personnel policies, and intergroup relations that the organization as a total system first began to come into focus. Psychologists recognized that for an individual member, whether worker or manager, an organization as a whole exists as a psychological entity to which he reacts. The quality and quantity of his work are related to his image of the organization as a whole, not just to the immediate characteristics of the work or his immediate monetary incentives. Furthermore, it was recognized that the individual does not stand alone in relation to the organization but is integrated into various groupings which themselves have patterns of cooperative, competitive, or indifferent relations to one another. In other words, the deeper psychologists delved into the behavior of individuals within organizations, the more they discovered that *the organization is a complex social system which must be studied as a total system if individual behavior within it is to be truly understood.* It was this discovery which created organizational psychology as a discipline in its own right.

Let me repeat this point because, in a sense, it is the keynote to this entire text. Organizational psychology as a field is intimately tied to the recognition that organizations are complex social systems, and that almost any questions one may raise about the determinants of human behavior within organizations have to be viewed from the perspective of the entire social system. The difference between the industrial psychologist of the 1920s, 1930s, and 1940s, and the organizational psychologist of today is thus twofold: (1) Traditional questions—such as those of recruitment, testing, selection, training, job analysis, incentives, work conditions, and so on—are treated by the organizational psychologist as being interrelated and intimately tied to the social system of the organization as a whole. (2) The organizational psychologist has begun to concern himself with a

new series of questions which derive from the recognition of the system characteristics of organizations. These questions deal not so much with the behavior of individuals as with the behavior of groups, subsystems, and even the total organization in response to internal and external stimuli. The traditional industrial psychologist either would not have considered questions such as these or he could not have dealt with them scientifically because he lacked the necessary theoretical and research tools.

Two examples will highlight the difference between the traditional concerns and the "new" questions which organizational psychology is raising. First, given a rapidly changing technology which requires a great adaptive capacity on the part of organizations, how can an internal environment be created for the members of the organization which will enable them to grow in their own unique capacities? The underlying assumption is that unless such personal growth takes place, the organization will not be prepared to cope effectively with an unpredictably changing external environment. Second, how can organizations be designed to create optimum relationships between the various subgroups which tend to develop within them? For example, how can intergroup competition be converted to intergroup collaboration? The underlying assumption is that intergroup collaboration will be related both to overall organizational effectiveness and to individual productivity and morale. Questions such as these recognize that the psychological forces operating on an individual are intimately bound up with what happens to the group or the total organization within which he operates.

FORCES TOWARD THE SYSTEMS POINT OF VIEW

In the above discussion, we have considered in very rough terms the development from individual-oriented industrial psychology to systems-oriented organizational psychology. Before concluding this introductory section, however, it would be well to mention some of the forces that stimulated and aided this development.

1. The penetration of sociological and anthropological conceptions into psychology and the growth of social psychology exposed psychologists to a whole range of new concepts and research methods. Although concepts like social role, status, social class, reference group, culture, and social system were developed outside of traditional psychology, they have become increasingly important in psychological analysis. New research methods—such as surveys by large-scale questionnaire or interview, the use of participant observation, and field experiments—have stimulated psychologists to go beyond introspection and laboratory experiments. It is these concepts and these methods which made it possible to tackle organizational problems, and which have shifted the focus of analysis away from the individual per se to the individual as a member of a group or to larger units like groups and organizations.