THIRD EDITION

ROUTLEDGE

WORK AND ORGANIZATIONAL PSYCHOLOGY

SEBASTIAAN ROTHMANN AND CARY L. COOPER

TOPICS IN APPLIED PSYCHOLOGY

WORK AND ORGANIZATIONAL PSYCHOLOGY

Providing a complete and contemporary overview of the evolving and fascinating world of work, this new edition of *Work and Organizational Psychology* is the perfect textbook, outlining not only key theoretical ideas, but how they relate to the role of psychologists advising today's organizations.

Integrating the fields of human resource management and organizational behaviour, the text begins with a chapter to give the reader an insight into the domain of work and organizational psychology, the development of the field of work and organizational psychology, tasks and competencies of organizational and work psychologists, and careers in work and organizational psychology. The remainder of the book is divided into thirteen chapters which address the core areas of work and organizational psychology.

The book is supported by a range of pedagogical features, spotlighting issues of theoretical, ethical, or contemporary interest, whilst also enabling students to engage in active learning.

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WORK AND ORGANIZATIONAL PSYCHOLOGY

Third Edition

Sebastiaan Rothmann
and Cary L. Cooper

Routledge
Taylor & Francis Group
LONDON AND NEW YORK

Cover image: © Getty Images

Third edition published 2022
by Routledge
4 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN

and by Routledge
605 Third Avenue, New York, NY 10158

Routledge is an imprint of the Taylor & Francis Group, an informa business

First edition published by Routledge 2008
Second edition published by Routledge 2015

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
Names: Rothmann, S. (Sebastiaan), 1959– author. | Cooper, Cary L., author. |
Rothmann, S. (Sebastiaan), 1959– Organizational and work psychology.
Title: Work and organizational psychology / Sebastiaan Rothmann and Cary L. Cooper.
Description: Third edition. | Milton Park, Abingdon, Oxon ; New York, NY :
Routledge, 2022. | Series: Topics in applied psychology |
Includes bibliographical references and index.
Identifiers: LCCN 2021046562 (print) | LCCN 2021046563 (ebook) |
ISBN 9781032221397 (hardback) | ISBN 9781032064918 (paperback) |
ISBN 9781003271307 (ebook)
Subjects: LCSH: Psychology, Industrial. | Organizational behavior.
Classification: LCC HF5548.8 .R67 2022 (print) | LCC HF5548.8 (ebook) |
DDC 158.7—dc23
LC record available at https://lccn.loc.gov/2021046562
LC ebook record available at https://lccn.loc.gov/2021046563

ISBN: 978-1-032-22139-7 (hbk)
ISBN: 978-1-032-06491-8 (pbk)
ISBN: 978-1-003-27130-7 (ebk)

DOI: 10.4324/b22796

Typeset in Times New Roman
by Apex CoVantage, LLC

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SERIES FOREWORD

Psychology is still one of the most popular subjects for study at undergraduate degree level. As well as providing the student with a range of academic and applied skills that are valued by a broad range of employers, a psychology degree also serves as the basis for subsequent training and a career in professional psychology. A substantial proportion of students entering a degree programme in Psychology do so with a subsequent career in applied psychology firmly in mind, and as a result the number of applied psychology courses available at undergraduate level has significantly increased over recent years. In some cases these courses supplement core academic areas and in others they provide the student with a flavour of what they might experience as a professional psychologist.

The original series of *Texts in Applied Psychology* consisted of six textbooks designed to provide a comprehensive academic and professional insight into specific areas of professional psychology. The texts covered the areas of *Clinical Psychology*, *Criminal and Investigative Psychology*, *Educational Psychology*, *Health Psychology*, *Sports and Exercise Psychology*, and *Work and Organizational Psychology*, and each text was written and edited by the foremost professional and academic figures in each of these areas.

These texts were so successful that we are now able to provide you with a third edition of this series. All texts have been updated with details of recent professional developments as well as relevant research, and we have responded to the requests of teachers and reviewers to include new material, and new approaches to this material. Perhaps most significantly, all texts in the series will now have back-up web resources.

Just as in the first series, each textbook is based on a similar academic formula that combines a comprehensive review of cutting-edge research and professional knowledge with accessible teaching and learning features. The books are also structured so they can be used as an integrated teaching support for a one-term or one-semester course in each of their relevant area of applied psychology. Given the increasing importance of applying psychological knowledge across a growing range of areas of practice, we feel this series is timely and comprehensive. We hope you find each book in the series readable, enlightening, accessible and instructive.

Graham Davey
University of Sussex, Brighton, UK

PREFACE

Individuals and organizations find themselves in a rapidly changing environment. Social tension has grown in modern societies due to the worsening strain on the natural ecosystem, rising discontent with capitalism, and resulting inequality. Furthermore, rising economic nationalism and technological advancements are transforming individuals and institutions. In addition, globalization is impacting humanity in a hyper-connected world that is prone to global emergencies. Work and organizational psychology is an academic subject that focuses on human behaviour related to organizations, work, and productivity. It applies psychological principles to the workplace. This book introduces undergraduate psychology students to both academic and professional aspects of work and organizational psychology.

The book begins with a chapter to give the reader an insight into the domain of work and organizational psychology, the development of the field of work and organizational psychology, tasks and competencies of organizational and work psychologists, and careers in work and organizational psychology. The rest of the book is divided into thirteen chapters that address subfields of work and organizational psychology. Organizational psychology includes individual differences and inclusion (Chapter 2), motivation (Chapter 3), group behaviour (Chapter 4), communication (Chapter 5), leadership (Chapter 6), well-being and dysfunctional behaviour at work (Chapter 13), and organizational design, development, and culture (Chapter 14). Work psychology includes human resource planning and job analysis (Chapter 7), recruitment and selection (Chapter 8), induction, training, and development (Chapter 9), compensation management (Chapter 10), performance management (Chapter 11) and career development (Chapter 12).

In the book's third edition, we have updated the topics to consider the roles and identity of work and organizational psychologists in a changing and precarious environment. Work and organizational psychology should apply psychological theories, methods, facts, and principles to people in the workplace and people who want to work but lack the capabilities to do so. In addition, they play a critical role in tackling wicked and ill-defined problems, which requires multidisciplinary research and phenomenon-based learning. Therefore, the revised edition of the book considers how work and organizational psychologists could retain breadth, diversity, and multidisciplinary thinking in an increasingly specialized world.

As with all the books in the Topics in Applied Psychology series, this text is written as a support for a one-term or one-semester course in work and organizational psychology. It contains all the teaching and learning features appropriate to the series, including focus boxes on research methods in work and organizational psychology and issues of theoretical, ethical, or contemporary interest, and activity boxes that allow the student to engage in active learning. Each chapter also ends with extensive support for further reading, including relevant journal articles, books, websites, and videos.

We considered developments in disciplines that inform work and organizational psychology (e.g., psychology and the social sciences) when revising this book. First, the revised edition includes findings concerning the progress that has been made in work and organizational psychology over the past decades. Second, given the importance of work-related well-being for work and organizational psychologists, studies in occupational health psychology have contributed to new scientific knowledge. Notably, a tilt in research regarding occupational health psychology emphasized enabling workers to see themselves as builders of flourishing societies and lives. This shift recognizes how social conditions and work contexts can enable individuals and institutions to build flourishing lives and societies, essential for sustainable work. Third, developments in cross-cultural psychology have informed and challenged work and organizational psychology as a field of study. Western concerns may influence questions we ask and the theories we develop. The need to pose new questions that reflect other societal values and assumptions and socio-political realities necessitated research on dealing with precarity and insecurity in the labour market and unemployment. Fourth, positive psychology and positive organizational scholarship developments also impacted work and organizational psychology, which we considered in the new edition of this book. Fifth, the revised edition of the book integrates research findings concerning wrong interpretations of the historical foundations of work and organizational psychology.

Sebastiaan Rothmann
Cary Cooper
September 2021

1 Introduction to work and organizational psychology

This first chapter introduces the reader to the field and history of *work and organizational psychology* and the tasks and competencies of work and organizational psychologists. The first section describes work and organizational psychology in terms of two subfields: *work psychology* (often referred to as 'human resource management') and organizational psychology (often referred to as 'organizational behaviour'). We then look at how the various schools of thought about human behaviour in work and organizational context developed since the early 1900s, including *scientific management*, *classical organizational theory*, the Hawthorne studies, the human relations approach, the *sociotechnical systems approach*, contingency theories, theories about *organizational transformation*, *organizational culture*, the learning organization, teamwork, *total quality management,* the *capability approach*, and *positive psychology*. The chapter then proceeds to the tasks of work and organizational psychologists. Finally, we look at the challenges for and competencies of work and organizational psychologists.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define work and organizational psychology.
2 Describe the tasks of a work and organizational psychologist.
3 Review the development of the field of work and organizational psychology.
4 Summarize the activities of a work and organizational psychologist.
5 Explain the progress and challenges for work and organizational psychologists.
6 Discuss the competencies of a work and organizational psychologist.
7 Identify the attractions and drawbacks of careers in work and organizational psychology.

Definition of work and organizational psychology

Work and organizational psychology is defined as an applied division of psychology concerned with studying human behaviour related to work, organizations, efficiency, and effectiveness (Cascio, 2001).

DOI: 10.4324/b22796-1

In work and organizational psychology, psychological theories, methods, facts, and principles are applied to people in the workplace and to people who want to work but lack the capabilities to do so (Bulger *et al*., 2020; Provenzano-Hass, 2017).

Work and organizational psychologists help individuals and organizations to fulfil their potential and to produce outputs efficiently and at a high level of quality in the following ways:

- Develop, validate, and apply methods to recruit and select *individuals* who will match their jobs; orientate, train, and develop them and equip them with the knowledge, skills, and attitudes required by jobs; monitor and evaluate their performance; motivate, lead, and reward them; maintain and promote their health, safety, and well-being; and assist them with their career development.
- Apply work and organizational psychology knowledge to benefit organizations by promoting efficiency, improving morale, and increasing organizational profits. For example, work and organizational psychologists save costs for organizations by reducing absenteeism, voluntary turnover, work slowdowns, faulty products, poor service, and accidents.

The discipline 'Work and organizational psychology' comprises two branches: *work psychology* (also referred to as 'human resource management') and *organizational psychology* (also called 'organizational behaviour'). Human resource management is a philosophy about how people should be managed. It is a strategic, integrated, and coherent approach to the employment, development, and well-being of people working in organizations (Armstrong and Taylor, 2014). Organizational behaviour studies what people do in organizations and how their behaviours affect organizations' functioning and performance (Robbins and Judge, 2021).

Organizational psychology focuses on the behaviour of individuals, groups and organizations in the work situation. It focuses on the following topics (see Figure 1.1 for the chapters in which these subfields are listed):

- *Individual differences and inclusion*. Individual differences refer to differences between people regarding any characteristic, such as a personality trait, through which an individual could be distinguished from others. Inclusion entails how individuals from diverse backgrounds are treated and how they feel.
- *Motivation*. The term motivation refers to the factors which determine or regulate behaviour.
- *Communication*. Communication refers to how a person, group, or organization communicates information to another person and deals with the interaction.
- *Leadership*. Leadership is the process whereby one individual influences other group members towards attaining defined group or organizational goals.
- *Group dynamics*. Group dynamics refers to the dynamics of interaction in social groups.
- *Health and well-being*. A healthy work environment is one in which no diseases occur. Well-being is a state in which individuals feel and function well in different life domains.
- *Organizational design, development, and culture*. Organizational design is the formal system of communication, authority, and responsibility adopted by an organization that constitutes its internal structure. Organizational development is defined as a long-range effort to improve an organization's ability to cope with change and its problem solving and renewal processes through effective organizational culture management.

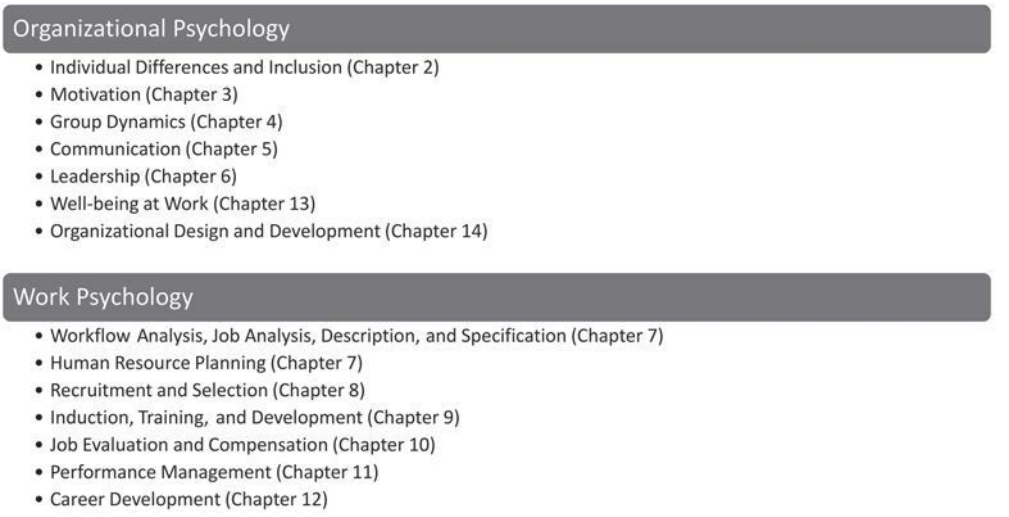

Figure 1.1 Fields of work and organizational psychology

Figure 1.1 shows that work psychology focuses on topics that are typically covered in textbooks on human resource management, including:

1 *Human resource planning*. Human resource planning is a planned analysis of an organization's present and future human resource needs and the implementation of action plans to ensure the adequate supply of human resources.
2 *Workflow analysis, job analysis, job description, and job specifications*. Workflow analysis assigns tasks to specific jobs and positions. Job analysis is defined as gathering job information by breaking the job down into its components. A job description is a written summary of the key performance areas of a specific job. A job specification is a written explanation of the minimum requirements needed for effective performance on a given job.
3 *Recruitment and selection*. Recruitment is defined as attracting suitable candidates to apply for vacancies that exist in an organization. Selection involves the sorting out of applicants for a vacant job. It entails eliminating those applicants who do not fit the requirements of the job and the organization.
4 *Induction, training, and development*. Induction is defined as the introduction of new employees to the organization, work unit and job. Training is the systematic application of formal processes to help people acquire and develop knowledge, skills, behaviours, and attitudes. Development is defined as the growth of a person's ability and potential through learning and educational experiences.
5 *Career development*. Career development is the process of guiding the placement, movement, and growth of employees through assessment, planned training activities and planned job assignments. It includes personal career planning and organizational career management.
6 *Job evaluation and compensation*. Job evaluation involves rating jobs using a job evaluation plan and conversion of relative job values to a definite wage rate. The total remuneration employees

receive from work is called compensation. Compensation means the provision of a suitable return for services.

7 *Performance management*. Performance management is a planned, systematic management system consisting of a few integrated subsystems directed at improving individual, group, and organizational effectiveness.

The development of the field of work and organizational psychology

Various approaches and theories contributed to work and organizational psychology and its identity (Bulger *et al*., 2020). Early contributions (including the scientific management approach) stressed efficient performance according to economic principles. *Classical organization theory* was concerned with the effective organization of people. The Hawthorne studies (led by Elton Mayo) have been presented as evidence for the vital role of the social nature of human beings. The *human relations movement* paid attention to human needs, attitudes, motives, and relationships.

In contrast to emphasizing the structure or the human side of organizations, organizational thought has emphasized integrating these two perspectives in the past few decades. More recently, developments in organization development (including the *systems approach* and *contingency theory*) also contributed to work and organizational psychology. Lastly, the developments in *positive psychology, positive organizational scholarship,* and the capability approach also impacted work and organizational psychology. Next, these developments will be reviewed in more detail.

Early contributions

Since the Industrial Revolution of the nineteenth century, relatively large numbers of people started working together voluntarily in manager-subordinate relationships. The Industrial Revolution brought much technological change to the workplace. During this era, the emphasis was on the job being performed, not on the person performing the job. Engineers focused on the development of efficient machines. They argued that if the machines used to produce goods could be improved, greater efficiency would follow. Efficiency problems led engineers to start considering the people who were operating the machines. This, in turn, led to the implementation of time and motion studies. These studies attempted to design jobs to perform them in the most efficient manner (Bulger *et al*., 2020).

Scientific management

Scientific management is the name of the approach to work and organizational psychology initiated by Frederick Winslow Taylor. Scientific management was concerned with maximizing efficiency and getting the highest possible production out of employees (Armstrong and Taylor, 2014). Taylor, an industrial engineer, was concerned with inefficiencies in manual labour jobs. He believed that a more rational, objective, and effective job performance could be determined by scientifically studying the specific motions of the total job. This approach emphasized the design of jobs to ensure that work tasks were planned systematically. Employees were carefully selected and trained for their jobs. Taylor also realized that motivation in work settings was critical. During this period, managers saw their job as increasing efficiency and were less interested in the well-being of workers (Bulger *et al*., 2020).

Taylor's ideas profoundly influenced his time's management practices and business thinking because they facilitated job specialization and mass production (Cummings *et al*., 2017). However, labour unions opposed his ideas because the goal of scientific management was to get more output from employees. Moreover, some government members thought that implementing his ideas would lead to the dehumanization of the workplace and workers becoming robots.

Classical organization theory

Classical organization theory was concerned with the question as to how large numbers of workers and managers could be effectively organized into an overall organizational structure. Max Weber was one of the most prominent contributors to the thinking concerning classical organization theory. Weber weighed the pros and cons of bureaucracy. A fundamental lesson of classical organization theory is that there is no one right way to do things: often, the best course of action depends on examining the context and the pros and cons of available options. Bureaucracy's impersonality is one of its significant strengths, as it assures fairness and prevents discrimination. Based on Weber's work, the way institutions and their management had developed over time and the socio-political cultures in which they lived would help understand those institutions and their management (Cummings *et al*., 2017).

Early in the 1900s, Hugo Munsterberg, a German psychologist who subsequently emigrated to the USA and who is regarded by some as one of the 'founding fathers' of work and organizational psychology, argued that the field of psychology could provide important insights into areas such as the selection and motivation of employees. At the same time, a vocational guidance expert named Mary Parker Follett argued that organizations should strive harder to meet their employees' needs and that management should become more democratic in its dealings with employees (Bulger *et al*., 2020).

The Hawthorne studies

The Hawthorne studies were carried out between 1924 and 1932 at Western Electric's Hawthorne plant in Chicago, USA. Two staff members of Harvard University, namely Elton Mayo and Fritz Roethlisberger, were, from 1927, involved in the Hawthorne studies. The Hawthorne studies took work and organizational psychology beyond selection and placement to complex problems of motivation, interpersonal relations, and organizational dynamics (Hsueh, 2002). The Hawthorne studies have been criticized for lack of scientific rigour; there is no denying that they had a significant impact on the field of work and organizational psychology. Furthermore, the research of Elton Mayo shows shortcomings to the extent that it set back the field of work and organizational psychology (Cummings *et al*., 2017).

The human relations movement

The human relations movement paid attention to aspects such as human needs, attitudes, motives and relationships. According to this approach, people respond primarily to their social environment, motivation depends more on social needs than economic needs, and satisfied employees work harder than dissatisfied workers. The values of the human relations movement are best mirrored by Theory Y of Douglas McGregor (1960), which he set out in his book *The Human Side of Enterprise*. In this book, he identified two opposing perspectives, which he believed typified managerial views of employees. Theory Y represents an optimistic view of human nature. On the other hand, McGregor also refers to

Theory X, which represents a much more pessimistic view of human nature. Important to note is that McGregor never claimed to have empirical evidence to prove his theory. Theory X and Y are merely heuristics to stimulate critical reflection (Cummings *et al*., 2017).

The sociotechnical systems approach

Trist and Bamforth (1951) described a change in technology in a British coal mine. In the mine, workers were used to working independently in small, self-contained units in which they organized the work themselves. However, the technology for mining coal improved to require management to increase job specialization and decrease the workers' participation in job assignments. The coal miners hated the specialization because they preferred working closely with each other and performing various tasks. The sociotechnical systems researchers concluded that neither technology nor human relations could be excluded when trying to understand a work system (Armstrong and Taylor, 2014).

Systems theory

Systems theory offers an integrated and comprehensive view of organizational functioning. The general systems model (Katz and Kahn, 1978) represents an organization as an open system interacting with environmental forces and factors (Armstrong and Taylor, 2014). A system has four characteristics, namely (Clegg *et al*., 2005):

1 It comprises several interdependent and interrelated subsystems (e.g., individual employees, work teams, departments).
2 It is open and dynamic. The organization continually receives new energy in the form of new resources (people, materials, and money) or information (concerning strategy, environment, and history) from the environment. These inputs are then transformed into outputs. The transformation of inputs changes individual, group, and organization behaviour and attitudes (e.g., performance, morale, satisfaction, turnover, and absenteeism).
3 It strives for equilibrium. When organizations become unbalanced or experience disequilibrium, such as when changes in the environment make current staffing inadequate, organizations attempt to return to a steady state, which may differ from the original state of equilibrium.
4 It has multiple purposes, objectives, and functions, some of which are in conflict. Organizations that survive adapt to a particular situation. They respond to changes in the environment with appropriate changes in the system.

Contingency theory

In organizations, contingency theory emphasizes the fit between organizational processes and the characteristics of the situation. Therefore, there is *no best way* to manage people or situations. The best way to manage people or situations depends on the situation in which the organization finds itself (Armstrong and Taylor, 2014). Early contingency research looked at the fit between an organization's structure and its environment. Burns and Stalker (1961) described two different types of management systems: mechanistic and organic. Mechanistic systems have characteristics such as those described in the scientific and classical management traditions. Organic systems are much more flexible and loosely

structured and allow more employee influence over decisions than mechanistic systems. Mechanistic systems are appropriate to stable environmental conditions, while organic systems are appropriate to changing organizations. Mintzberg (1983) emphasized the importance of fitting organization structure to various contingencies. Thus, contingency theory has also extended to leadership, group dynamics, power relations and work design. Fiedler (1967) developed a contingency theory of leadership, which states that leadership effectiveness depends on the situation in which the leader finds himself or herself (including the characteristics of followers).

Research methods 1.1 Misrepresentation of theories in handbooks

When reading handbooks, have you ever wondered whether what is written is correct? Cummings *et al*. (2017) claim that management handbooks explain the history of management theory and practice on the assumption that this will help place current management theories and practices into perspective. However, unfortunately, management textbooks present history in a way that prevents innovation. As a result, this approach justifies current practices as part of an evolutionary process, making substantive change less likely to occur.

Cummings *et al*. (2017) point out that wrong interpretations have been added to the work of Adam Smith, F.W. Taylor, Kurt Lewin, Max Weber, the Harvard Case method, Elton Mayo (Hawthorne Studies), Abraham Maslow, and Douglas McGregor.

Questions:

Why is it important to understand the historical foundations of a field?
Why is it vital to take a critical-historical approach to both research and teaching?

Read the following article before you respond:

Cummings, S. and Bridgman, T. (2011). The relevant past: Why the history of management should be critical for our future. *Academy of Management Learning & Education, 10*(1): 77–93.

Developments in the field of organizational development

Various developments in the field of organizational development contributed to the field of work and organizational psychology. These developments include an interest in organizational transformation, organizational culture, the earning organization, teams, and total quality management (Anderson, 2020).

The organization development literature distinguishes between first-order and second-order change. First-order change refers to incremental modifications within an established framework or operating method (e.g., implementing a computer system that automates existing work processes). Second-order change concerns transformational changes that modify established frameworks or operating methods (Anderson, 2020). Organizational transformation entails second-order change and is multidimensional, multilevel, discontinuous and concerns radical organizational change. For example, rethinking how the organization uses a computer system, including redefining roles, processes, objectives, and values, would be considered second-order change.

Efforts to define, measure, and change organizational culture have become more sophisticated. Schein (1985) has done much work on organizational culture and has devised interventions to help leaders and employees identify those cultural conventions and assumptions which will assist the organization in attaining its goals. An organization's strategy and culture should be in alignment to succeed (Anderson, 2020).

Stimulated by the works of Argyris *et al*. (1985), Argyris and Schön (1978) and Senge (1990), there has been considerable interest in the conditions under which individuals, teams, and organizations learn. Some organizations learn better than others (Anderson, 2020). A learning organization is an organization that has developed the continuous capacity to adapt and change. Argyris (1990) has focused on the defensive routes of organization members. Senge (1990) writes about the learning disabilities which plague organizations. One learning disability exclusively focuses on one's job with little sense of responsibility for the collective product. Another is to do much blaming of 'the enemy out there' for wrong things.

Although the study of teams was always crucial in work and organizational psychology, there is currently a deepened interest in self-managed or self-directed teams. This interest was caused by the pressure on organizations to improve quality, become more flexible, reduce layers of management, and enhance employee morale (Anderson, 2020). Laboratory training methods have been useful in training team members in effective membership and leadership behaviour and training supervisors and managers in delegation and empowerment.

Total quality management is a company-wide effort seeking to install and make permanent a climate where employees continuously improve their ability to provide products and services, which customers will find of value – on demand. Total quality management programmes involve personal and organizational culture change, and work and organizational psychologists help to facilitate this change.

Occupational health psychology

Occupational health psychology (OHP) is an area of study and practice that uses behavioural science concepts to improve worker health, safety, and well-being (Cunningham and Black, 2021, p. 3). Raymond *et al*. (1990) used the OHP label in an article that focused on the design and conduct of doctoral-level training in occupational health psychology. OHP emerged from the convergence of public health and preventive medicine with health and clinical psychology. Factors that contributed to the development of the field include interest in and research on the following (Schonfeld and Chang, 2017): a) the effects of industrialization on the physical and spiritual well-being of employees; b) the effects of changes in the business cycle on suicide risk; c) the psychological hardships of unemployment; d) work and psychological well-being; e) worker autonomy and workload; f) stress, coping, and burnout; g) the job demands-resources model; and h) work engagement.

A *tilt in thinking about OHP* occurred recently when the capability approach for work was developed (Van der Klink *et al*., 2016). Two challenges make this shift imperative. First, OHP faced a conceptual problem – ethical values were not adequately reflected in the constructs and models in use. Traditionally, prevention in OHP has been aimed at its financial and economic consequences. However, the prevention of harm and promoting flourishing at work are valuable to do in themselves. Second, the economic value of work will decrease over time (Piketty, 2014). Mechanization, robotics, and computerization will accelerate and reinforce this development. The demand for cheap labour will increase

as mechanization, robotics, and computerization become prevalent. This will marginalize and reduce the economic value of human work. According to Van der Klink (2019), the value of work can only be preserved if managers and leaders realize that employees value their work and look for work that fit their preferences and make them feel good. In OHP, the emphasis shifts to enabling workers to see themselves as builders of flourishing societies and lives. This shift recognizes how social conditions and work contexts can enable them to build flourishing lives and societies, essential for sustainable work (Van der Klink *et al*., 2016).

Models and theories of OHP do not sufficiently recognize the importance of values for individuals and organizations. Additionally, contextual factors that influence an individual's ability to work are not sufficiently recognized (Van der Klink, 2019). The capability approach (CA) offers a framework for understanding the capabilities and functioning of people in different contexts (Sen, 1985a, 1985b; Nussbaum, 2011, 2019). In the CA, three key elements are distinguished: capabilities, functions, and agency (Sen, 1985a). The concept of capabilities refers to the combination of functionings that a person is enabled and able to achieve considering relevant personal characteristics and external factors (Robeyns, 2017). A person's functioning refers to his or her beings and doings (e.g., actions). Agency is the ability to shape one's life and context to achieve desired outcomes (Sen, 1985a). Rather than focusing on resources that individual people hold, the CA suggests we should pay attention to the freedoms they enjoy and have reason to value (Robeyns, 2017).

The CA is a framework of social justice that focuses on supporting all individuals' capabilities (freedoms or real opportunities) to conceive, pursue, and revise their life plans (Sen, 1999). In the context of work, the CA allows workers to identify value-related characteristics of their work (Abma *et al*., 2016; Van der Klink *et al*., 2016) and understand how these qualities are enabled and achieved.

Positive psychology

The movement towards positive psychology has resulted in a more considerable awareness of the flourishing of people in work and organizational contexts (Gruman and Saks, 2019; Rothmann, 2013; Rothmann *et al*., 2019). Positive psychology is defined as the scientific study of what enables individuals and institutions to flourish by focusing on the optimal expression of potential through positive well-being, positive traits, and positive institutions (Seligman and Csikszentmihalyi, 2000). It is a movement in psychology that emphasizes what is right with people rather than what is wrong with them (Nelson and Cooper, 2007). At the subjective level, positive psychology is about valued subjective experiences: well-being, contentment, and satisfaction, hope and optimism, and flow and happiness (Seligman and Csikszentmihalyi, 2000).

In line with the development of positive psychology, various disciplines have developed which take a proactive approach to work and organizational psychology research. These disciplines include positive organizational scholarship (POS; Cameron and Spreitzer, 2012), positive organizational behaviour (POB; Luthans, 2002a), and positive organizational psychology (Donaldson and Ko, 2010). Luthans (2002b: 59) defines POB as 'the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed and effectively managed for performance improvement'. POS emphasizes the positive characteristics of the organization that facilitates its ability to function. Focus 1.1 shows some findings of positive work and organizational psychology studies.

Figure 1.2 Positive psychology studies the factors that contribute to human flourishing
Source: © bilderpool/Shutterstock.com

Focus 1.1 Some findings from positive work and organizational psychology studies

- Research findings regarding the best of human nature show that individuals' personalities have 'light' dimensions. Kaufman *et al.* (2019) developed a measure of a loving and beneficent orientation toward others that consists of three facets, namely Kantianism (treating people as ends unto themselves), Humanism (valuing the dignity and worth of each individual), and Faith in Humanity (believing in the fundamental goodness of humans). The measure demonstrated excellent reliability and validity, predicting life satisfaction and self-transcendent and growth-oriented outcomes.
- Passivity and avoidance are unlearned default responses to prolonged aversive events, which inhibit escape. It is not helplessness that is learned, but control and mastery. Thus, interventions for stress and depression should be directed at developing strategies to learn control, rather than unlearning what has already taken place. To reduce distress and depression, individuals must learn the perception that they can control and harness the unpredictability in their environment (Maier and Seligman, 2016; Tomasulo, 2020).

The tasks of work and organizational psychologists

The primary task of work and organizational psychologists is to apply psychological principles and research to workplace phenomena by using a scientific approach. Science is defined by its methods and

procedures, not by its subject matter (Bulger *et al*., 2020). When work and organizational psychologists deal with the behaviour of people at work, they do so objectively and systematically. They use qualitative observation and quantitative measurement and statistics to conduct research and intervene in the workplace (Brewerton and Millward, 2004). Furthermore, they are concerned about the effectiveness of the organization and the well-being of individuals. Lastly, work and organizational psychologists operate with an implicit multilevel model, i.e., they recognize that in addition to individual influences on individual behaviour and attitudes, higher-order units such as teams and the organizational context have influence (Ryan, 2003). The tasks of work and organizational psychologists are shown in Focus 1.2.

Focus 1.2 Tasks of a work and organizational psychologist

Four broad tasks of the work and organizational psychologists are distinguished, namely:

1 Explaining individual, group, and organizational behaviour.
2 Measuring behaviour and predicting potential.
3 Contributing to individual, group, and organization development.
4 Translating research findings and empowering potential users thereof.

Explaining individual, group, and organizational behaviour

The first task of a work and organizational psychologist is to explain individual, group and organizational functioning based on theories and models. For example, the work and organizational psychologist can:

- meet with clients or managers to discuss the nature of a problem (e.g., the turnover rate among employees is too high);
- conduct interviews or send out questionnaires to employees to determine the nature of their job tasks;
- conduct a study to determine what training is needed;
- survey employees to determine how they feel about their jobs and identify solutions to an organization's problem (e.g. too much employee absence).

Measuring behaviour and predicting potential

Work and organizational psychologists observe and record the behaviour of employees under well-controlled and systematic conditions. Over the years, psychological measures have become essential tools for implementing change. The term 'test' refers to group and individually administered standardized measures of aptitudes, achievement, intelligence, personality, social, language, perception, and motor skills (Oakland, 2004). Strong evidence exists to support the merit of tests for providing policy-makers with information for decision-making, aiding psychologists in the individual screening and diagnostic process, credentialing and licensing candidates in professions and specialities, and providing organizations with data for employee selection, promotion and evaluation of training (Salas *et al*., 2017). Work and organizational psychologists should ensure that assessment materials and measures are reliable, valid, equivalent, and unbiased (Berry *et al*., 2011). Assessment materials and measures could be inequivalent or biased due to culture and other differences.

Contributing to individual, group, and organizational development

Work and organizational psychologists must deal with worker resistance to new ideas and support employees and their supervisors or managers (Bulger *et al*., 2020). They have to plan and implement interventions that will contribute to individual, group and organization development. To contribute to organizational development, work and organizational psychologists need to conceptualize organizational effectiveness and develop measures thereof. Characteristics of effective organizations include profitability, return on investment, market share, growth, adaptability, and innovation, and perhaps the ultimate objective: survival. An organization is effective when it offers its consumers the desired services and products with reasonable prices, quality, and delivery dates.

From a POS perspective, work and organizational psychologists should contribute to building and maintaining positive institutions. According to Cameron and Spreitzer (2012), positive organizations:

- have a purpose and a shared vision (of the moral goal of the organization);
- provide safety (protection against threat, danger, and exploitation), and
- ensure fairness (equitable rules governing reward and punishment), humanity (care and concern), and dignity (treatment of all as individuals regardless of their position).

Translating research findings and empowering potential users thereof

Although a large body of research findings exists, potential users often do not act on them. This may be attributed to a lack of knowledge and understanding of research findings, implementation skills, motivation, and limitations created by the prevailing organizational culture. Many industrial leaders uphold dysfunctional paradigms, which may profoundly diminish the effectiveness of work and organizational psychology teaching, practice, and research (Watkins, 2001). Reacting to the opinions of industrial leaders, without at least considering work and organizational success factors to support their reasoning, may potentially be devastating to the subject. Work and organizational psychologists must present their contributions so that users of their services understand (Bulger *et al*., 2020).

Progress in work and organizational psychology research

Salas *et al*. (2017) summarised the progress in work and organizational psychology research in terms of four themes: building the workforce, managing the workforce, managing differences within and between organizations, and exiting work. Building the workforce includes recruiting, selecting, training and developing, and socializing to create the human capital needed for organizational effectiveness.

Focus 1.3 Progress in work and organizational psychology research

Some accomplishments of work and organizational psychology research:

Building the workforce

Theoretical frameworks and taxonomies (e.g., the five-factor model of personality) have been developed to organize and synthesize constructs, measures, and approaches.

A wide range of rigorous methods and effective measures of psychological constructs have been developed and implemented.

Recruitment and selection. Conceptualizing individual differences that can predict job behaviours, developing methods to measure them, and designing applications to utilize them have matured significantly. Recruiting and selecting professionals in the modern-day have become more difficult because of globalization, Internet and mobile technologies, demographic shifts, economic uncertainty, and the pace of change.

The focus shifted from training methods to learning processes and mechanisms. Skills-building and developmental interventions can be influenced not only by the nature of the experience but also by aspects of the organizational context, design, structured reflection), and the characteristics of the individual.

Through organizational socialization and mentoring, we understood employee development, career transitions, and adjustment better.

Managing the workforce

Research has shown that motivation is a dynamic process with many determinants. Goal-setting and goal-striving behaviours represent two core process-based motivational foci. Additionally, research showed that the work context and social setting influence motivation in many ways.

Research demonstrated that attitudes refer to the utility of broader attitudes (e.g., overall job satisfaction rather than satisfaction with specific aspects of one's job) in predicting behaviours of interest.

Safety is of concern to all organizations, but it is of particular concern to those organizations where human performance reliability is crucial. There is a clear correlation between safety climate and safety performance.

Employee well-being has emerged as a key topic for modern organizations.

Job design characteristics, such as autonomy, play an integral role in enabling psychological states to enhance personal and work outcomes.

Differences in performance ratings can be attributed to cognitive processes and rater training.

Managing differences within and between organizations

Research on diversity has increased due to a shift in the understanding of employee differences.

Research has become more nuanced and focused on overt and subtler, interpersonal, and implicit forms of discrimination.

There is evidence that organizational culture influences behaviour, but more research is needed.

Exiting work

Job attitudes such as job satisfaction and organizational commitment are strongly correlated with turnover.

Unemployment negatively impacts well-being.

Challenges for work and organizational psychologists

The environment in which individuals and organizations find themselves is rapidly changing. Factors transforming businesses and societies include a) social tension because of worsening of the strain on the natural ecosystem, a rising discontent with capitalism and the resulting inequality; b) rising economic nationalism, and c) technological growth of global data and digital technologies (Bhattacharya *et al*., 2020). These factors imply various demands and responsibilities for work and organizational psychologists (Bulger *et al*., 2020).

Multidisciplinary collaboration

Science is becoming increasingly multidisciplinary, and our science must move beyond its presently exclusive nature. Therefore, we need to build, support, and welcome multidisciplinary theories, methods, and interventions into our science and practice (Salas *et al*., 2017).

Work and organizational psychologists have an essential role in tackling wicked and ill-defined problems. In the real world, problems are more complex than in the classroom. Multidisciplinary research and phenomenon-based learning are essential for solving wicked and ill-defined problems. However, it is imperative for work and organizational psychologists to determine how they can retain breadth, diversity, multidisciplinary thinking, and delayed concentration in an increasingly specialized world (Epstein, 2019).

Science often occurs in silos, which creates a distorted picture of reality (Lonka, 2018). For example, there may not always be a connection between what we learn in Biology and Psychology, History, or Statistics. The result is that academic domains are separated into different disciplines. Nonetheless, societies today are changing so rapidly that a wide range of expertise is called for. Building bridges across disciplines by using phenomenon-based learning is one way to prevent the problems associated with disciplinary thinking. Phenomenon-based learning is a holistic, learner-driven approach to learning where 'phenomena' are studied as complete entities in the actual context.

Virtual workplaces and employees

In many respects, we are facing a technological revolution because of fast advances in several fields of human society (Ghislieri *et al*., 2018). Technological advances are changing how organizations create value, people do their work, and humans interact and communicate. Automation and other artificial intelligence-based technologies are changing the nature of work in many industries and can profoundly change work. Due to technological developments, large numbers of employees work offsite. Mobile phones and computers can be used to telecommute from home offices, and employees can communicate by phone and send text messages and emails from cars, hotel rooms, even when they are on vacation. In addition, many jobs can be performed within the electronic reach of the office. Online material can be downloaded and printed, databases can be accessed, and employees and their work assignments can be tracked at any time. The downside of these technological developments is that employers often expect employees to be available beyond working hours. Therefore, employees might find it difficult to escape from job demands.

Employees are less likely to have full-time contracts, and organizations no longer guarantee life-long job security. As a result, more employees are likely to be contingent workers, freelancers, independent

contractors, or part-time seasonal labourers. Many workers prefer contingent work because it provides independence, challenges, and opportunities to acquire new knowledge and skills.

Employee identity, values, and commitment

Identity should be based on values rather than beliefs. People who base their identity on values rather than beliefs can remain open-minded about ways to advance themselves (Grant, 2021). For example, it is best to have a doctor whose identity is to protect health, or a teacher whose identity is to help students learn.

Furthermore, today's employees want empowerment, involvement, and participation. Employees must master the tasks of a specific job, but they also need personal and interpersonal competence, which they can transfer from one job to another. They must upgrade their skills and participate in multidisciplinary teams constantly. These changes have implications for how supervisors and managers perform their roles. Research showed that supervisors and managers spend almost 85 per cent of their time telling people what to do (Daniels, 2000). However, telling people what to do is not sufficient: support and trust demand other behaviours from supervisors and managers. When employees participate in making decisions, they are more satisfied with their jobs, experience their autonomy needs, are more engaged in their work and are less inclined to quit (Rothmann *et al*., 2013). Thus, a challenge for work and organizational psychologists is preparing and supporting supervisors and managers to empower and involve employees.

New skills

Computers, faxes, mobile phones, electronic notebooks, emails, and the Internet have changed the nature and functions of many jobs and resulted in new types of jobs. Modern jobs require computer literacy and well-educated employees. However, many industrialized and developing countries are functionally illiterate and lack reading, writing, and mathematics skills. The shortage of individuals who have acquired knowledge and skills presents a challenge for work and organizational psychologists to ensure employees can perform high-tech jobs. In addition to dealing with changing needs and expectations, institutions must also deal with skills shortages, especially for people who can work in agile environments

Globalization

Human activities that cross national borders constitute globalization (Goldin and Muggah, 2020). Economics, social, cultural, political, or ideological flows are all possible. Humanity faces many and severe threats, including inequality, corruption, climate change, and tensions between countries. In a globalized world, people face interconnected challenges due to the exponential growth of diseases (e.g., pandemics). Every city, organization, and community relies on each other to share ideas and provide for their basic needs. Therefore, strengthening institutions aimed at collective action is in everyone's self-interest. People must work together more efficiently, effectively, and sustainably than before. However, it seems that the opposite is occurring: national governments and polarised societies are moving in opposite directions. Countries' fate is shaped more by human actions than by unstoppable forces. Civil

disobedience and nonviolent protests are becoming increasingly popular. Globalization is causing people to be vulnerable because of growing inequalities. Therefore, globalization challenges work and organizational psychologists to solve problems that might threaten individual and organizational efficiency and effectiveness.

Precariousness, and sustainable employability, and well-being

People and institutions are facing precarious conditions because of global processes of change. Poverty and inequality are widespread. People who are vulnerable face economic uncertainty and natural disasters. How will it affect a country's citizens if economic growth leaves them behind? It is critical to acknowledge that humans desire dignity, self-respect, and autonomy (Banerjee and Duflo, 2019). Work environments are stressful and might harm people's well-being. Sustainable employability can be viewed as individuals' possibilities and capabilities to work while staying healthy and well (Semeijn *et al*., 2019).

The work environment has historically been shaped in many ways by pandemics. However, in the wake of COVID-19, a global pandemic affecting employees and organizations worldwide, many consider what this may mean for organizations. With the COVID-19 pandemic, significant changes occurred in human resource development in organizations, such as remote learning, online learning, mobile learning, and virtualization of human resource development processes. Rudolph *et al*. (2021) identified the most relevant research and practice topics in the field of work and organizational psychology that COVID-19 will strongly influence: occupational health and safety, work-family issues, telecommuting, virtual teamwork, job insecurity, precarious work, leadership, human resources policy, the ageing workforce, and careers.

Video 1.1 How mindfulness changes the emotional life of our brains

Watch the following video and answer the questions that follow:

https://www.youtube.com/watch?v=7CBfCW67xT8
Question 1: What are four challenges facing societies?
Question 2: What are the four pillars of the healthy mind?

Workplace diversity and inclusion

Globalization and developments in information technology, mass media, and transport have led to more exposure from people in one culture to people's way of life in other cultures. Research by Gallup has shown that approximately 700 million adults would want to migrate to another country in the world permanently if they were afforded the opportunity (www.gallup.com/poll/124048/700-Million-Worldwide-Desire-Migrate-Permanently.aspx). More than 150 million adults worldwide reported that they would like the United States as their future residence, while 7 per cent of respondents chose the United Kingdom. Other desired destination countries included Canada, France, Saudi Arabia, Australia, Germany, and Spain. Furthermore, major shifts in the composition of workforces in terms

of gender and ethnicity in organizations are taking place. Therefore, organizations must become more sensitive to differences in cultures, languages, backgrounds, and expectations. The challenges for work and organizational psychologists are selecting and training employees, redesigning jobs, optimizing management practices, and dealing with morale. Social justice and inclusive practices to get, keep, and grow talent are essential.

Another aspect of diversity concerns the value of employees. Three generations with different values, namely Baby Boomers (born between 1946 and 1964), Generation X (born between 1965 and 1979), and Generation Y (born after 1980), are distinguished (Bulger *et al*., 2020). Therefore, work and organizational psychologists should understand the expectations of employees of different generations. However, it might be essential to categorize generations differently, given the differences among contexts in different countries (Kaplan *et al*., 2017).

Developing cross-cultural work and organizational psychology

Developing cross-cultural approaches poses a challenge to work and organizational psychologists (Gelfand *et al*., 2017). They should realize that Western concerns may influence the theories they develop and the questions they ask. Therefore, they need to pose new questions that reflect other societal values and assumptions and socio-political realities. Cross-cultural work and organizational psychology theories and research questions are rooted mainly in a culture that emphasizes personal differences, freedom of choice, and the pursuit of happiness. However, the reality is that millions of people outside developed countries face daily conflicts, terrorism, corruption, and poverty. It would then seem more pertinent to research questions related to insecurity in the labour market and unemployment.

Second, work and organizational psychologists should develop a deep, critical, and multidisciplinary understanding of culture and how it can best be captured. Third, the literature needs to move beyond national culture studies: dynamic perspectives on culture should be commonplace, not unusual. Fourth, a greater focus should be placed on the specific conditions and types of criteria under which cross-cultural differences matter most. Another challenge is exploring both ‘universal’ constructs (i.e., etics) and culturally based, unique constructs (i.e., emics). Finally, due to the complexity of culture, work and organizational psychologists should strive for diversity in terms of their methodology. To expand theoretical and methodological diversity, they must partner with scholars from other disciplines, such as computer science, linguistics, neuroscience, biology, and history.

Research methods 1.2 Capturing trends in work and organizational psychology: Using a Shiny web application

Capture work and organizational psychology trends with the open-source Shiny web application. Using Scopus, Elsevier’s citation database, users can view and search abstracts of over 150,000 peer-reviewed articles published between 1950 and thereafter in 85 academic journals. You will find the application at the following link:

https://j-rigby.com/apps/trends_in_io/

Questions:

Which major trends did you observe?
What are the implications of these trends for work and organizational psychologists?

Read the following article before you respond:

Rigby, J. and Traylor, Z. (2020). Capturing trends in industrial-organizational psychology: A Shiny web application. *Human Performance, 33*(4), 302–306. doi:10.1080/08959285.2020.1751165

The competency profile of work and organizational psychologists

The competency profile of work and organizational psychologists is addressed on the websites of various psychological associations, including the American Psychological Association (www.apa.org) and the Canadian Society for Industrial and Organizational Psychology (http://psychology.uwo.ca/csiop). A competency profile refers to a list of competencies required in a specific job or profession. Competencies are the work-related knowledge, skills, attitudes, and behaviour needed to perform in a role effectively. Knowledge is the awareness and understanding of facts, truths, or information gained through learning, experience, and introspection. A skill is the ability to perform a work-related activity that contributes to effective work performance. An attitude involves beliefs, feelings, values, and dispositions to act in specific ways. Behaviour is the manner of acting or controlling yourself.

The education and training of work and organizational psychologists (see Gibson *et al*., 2018) are rooted in the various foundations, namely: a) psychological science (including biological bases of behaviour, cognitive-affective bases of behaviour, social bases of behaviour and individual differences); b) research methods; c) theory and methods of psychological and behavioural measurement; and d) advanced statistical theory. Based on these foundations, the competency areas of work and organizational psychologists are reported in Focus 1.4.

Focus 1.4 Competencies of work and organizational psychologists

- *Knowledge of work and organizational psychology theory and research*. The work and organizational psychologist should understand psychological theories and research and demonstrate the ability to assimilate new psychological knowledge and knowledge of ethical considerations. This competency includes the following aspects: individual differences and assessment; work motivation; attitude theory measurement and change; human resource planning, recruitment, selection and placement; career development; job analysis, description and evaluation; health, safety and well-being in organizations; human factors and performance in work; individual, group and organizational assessment methods; decision theory; training and development; performance management; group and team behaviour; leadership and management; compensation and benefits; organizational theory; organizational development; ethical, legal, diversity, and international issues; fields of psychology; history and systems of psychology.

- *Research and statistical skills*. The work and organizational psychologist should demonstrate the ability to use research methods and statistics, understand published research and show the ability to think critically. This competency includes research methodology and statistical analysis.
- *Professional skills*. The work and organizational psychologist should demonstrate the ability to apply knowledge to real-life situations, demonstrate effective oral and written communication skills, and to be aware of career options. This competency includes communication, business/research proposal development, consulting, and project management skills, knowledge of careers, and oral and written communication skills.

In Figure 1.3, the competencies of work and organizational psychologists are classified based on three areas, namely, knowledge of work and organizational psychology theory, research and statistical skills, and professional skills.

Figure 1.3 Competencies of work and organizational psychologists

Knowledge of work and organizational psychology includes understanding theory and research (as described in Focus 1.4), the ability to assimilate new psychological knowledge, and knowledge of ethical considerations. Research and statistical skills include using research methods and statistics, understanding published research, and critical thinking. Finally, professional skills include effective oral and written communication skills, an awareness of career options, and applying knowledge to real-life situations.

Video 1.2 Think again

Watch the following video and answer the questions that follow:

https://youtu.be/CIlgTBmiov0
Question 1: Is thinking again relevant for work and organizational psychologists?
Question 2: What knowledge and skills are essential to rethink?

Careers in work and organizational psychology

Careers in work and organizational psychology are rewarding and frustrating (www.wcupa.edu): The attractions of careers in work and organizational psychology include the following:

- There are many career opportunities in work and organizational psychology. One can work in a human resource department in various types of private and public organizations, work in management, or work for consulting companies.
- Careers in work and organizational psychology are challenging because it is a new field and presents opportunities for learning, variety, and autonomy.
- Work and organizational psychologists are in demand because organizations realize that human potential management is the key to business success.
- Work and organizational psychologists could work for organizations or become entrepreneurs and initiate their businesses.

The drawbacks of careers in work and organizational psychology include the following:

- Many work and organizational psychology jobs require a master's degree or a doctorate in work and organizational psychology.
- Work and organizational psychologists are at risk for developing burnout because of the nature of their work.
- Work and organizational psychologists often become intensely involved with people, and those who do not like dealing with people might find the careers in the field frustrating.
- Organizations and employees often depend on work and organizational psychologists to help them, and they might experience intense frustration if people do not want to change.

Organizations are rapidly adopting new approaches and tools in specialization fields of work and organizational psychology, such as performance management, employee attitudes, recruiting, testing and assessment, and career development (Rotolo *et al*., 2018). The issue is that many of these new

approaches have little (or no) research behind them, and they do not tend to be the focus of work and organizational psychology research and theory. Thus, according to Rotolo *et al*. (2018), the challenge for work and organizational psychologists is to identify practices that may have merit but lack research support versus those that are ineffective.

There has been an ongoing dialogue about the 'science–practice' gap on how work and organizational psychology have lost relevancy and impact. In essence, this debate is about academics having lost contact with the needs of practitioners and practitioners losing their science foundation (Ryan and Ford, 2010). According to Ones *et al*. (2017), work and organizational psychology have overemphasized theory and lost touch with business needs. It is important for work and organizational psychologists to focus on research concepts and methods before human resource managers implement them. In addition, they should create a coherent set of theories, research, and guidelines for emerging topics (Rotolo *et al*., 2018).

Activity 1.1 Challenges for and competencies of work and organizational psychologists

Identify the major challenges for work and organizational psychologists in the next ten years. List the competencies needed by work and organizational psychologists. Compare your competencies with those required of work and organizational psychologists and identify the most important gaps between your competency profile and the profile as specified.

Ethics 1.1 Ethical conduct

Ethics are the basic rules or first principles that have been proposed to ensure a 'good' society, i.e., one in which people are willing to co-operate for the benefit of all. Ethical behaviour conforms to accepted standards of conduct. Ethical reasoning involves the sorting out of principles that help determine what is right in the face of a human dilemma. An ethical dilemma is a situation or problem facing an individual where complex and often conflicting principles of behaviour are in play.

Minimum ethical guidelines for work and organizational psychologists

A professional must always:

- Support, promote and apply the principles of human rights, equity, dignity and respect in the workplace, i.e. must respect people as individuals and inherently of equal worth regardless of race, origin, gender, sexual orientation or any of the grounds enunciated under the relevant human rights code.
- Hold in strict confidence all confidential information acquired during their duties and not divulge confidential information unless required by law and where serious harm is imminent.
- Strive to balance organizational and employee needs and interests in the practice of their profession, i.e., a professional must support and represent the best interests of their employer or client (employee) and acknowledge and respect their fiduciary duty in this relationship with the highest standards of honesty and integrity.

- Question pending individual, group and organizational actions when necessary to ensure that decisions are ethical. The implementation of decisions should also take place in an ethical way.
- Either avoid or disclose a potential conflict of interest that might influence or might be perceived to influence personal actions or judgements. For example, a professional is in a conflict-of-interest situation when he or she tends to favour, for reasons that are extraneous to the interests of the organization, a client (employee) whom he or she is currently representing, or a course of action not in the best interests of the organization or the client.

Summary

- Work and organizational psychology is an applied discipline of psychology concerned with studying human behaviour related to work, organizations, and productivity.
- Work and organizational psychology comprises two branches, namely organizational psychology and work psychology. Organizational psychology focuses on individual differences and diversity management, motivation, communication, leadership, group behaviour, health and well-being, organizational design, and organization development. Work psychology focuses on human resource management, including work and job analysis, description and job specifications, human resource planning, recruitment and selection, induction and training, career development, job evaluation and compensation, and performance appraisal.
- Various approaches and theories contributed to the field of work and organizational psychology. Early contributions stressed efficient performance according to economic principles. Furthermore, classical organization theory was concerned with the effective organization of people. The Hawthorne studies, in turn, stressed the social nature of human beings. The human relations movement, which followed, paid attention to human needs, attitudes, motives, and relationships. In contrast to an emphasis primarily on the structure or the human side of organizations, organizational thought has emphasized integrating these two perspectives in the past few decades. More recently, organizational development, occupational psychology, positive psychology, and multidisciplinary approaches (e.g., the capability approach) contributed to work and organizational psychology.
- Work and organizational psychologists have four tasks: explaining individual, group and organizational behaviour, measuring behaviour and predicting potential, contributing to organization development, and translating research findings and empowering potential users thereof.
- The competencies of work and organizational psychologists are classified based on three areas, namely knowledge of work and organizational psychology theory, research and statistical skills, and professional skills.
- Careers in work and organizational psychology are characterized by both rewarding and frustrating aspects.

Key concepts and terms

- Attitude
- Bias
- Behaviour

- Capability approach
- Competency
- Contingency theory
- Culture
- Diversity
- Effectiveness
- Efficiency
- Equity
- Human relations movement
- Human resource management
- Knowledge
- Learning organization
- Meta-analysis
- Organizational behaviour
- Organizational culture
- Organizational psychology
- Organizational transformation
- Positive organizational behaviour
- Positive psychology
- Scientific management
- Skill
- Sociotechnical systems approach
- System
- Total quality management
- Work psychology

Sample essay titles

- What is the relevance of positive psychology for work and organizational psychologists?
- What are the main tasks and competencies of work and organizational psychologists?
- Evaluate the relevance of the capability approach for research and practice in work and organizational psychology.
- Explain what is meant by precarity. What are the implications of precarity for employees and organizations?

Further reading

Books

Goldin, I. and Muggah, R. (2020). *Terra Incognita: 100 Maps to Survive the Next 100 Years.* London: Penguin Random House.

Johannessen, J. (2019). *The Workplace of the Future: The Fourth Industrial Revolution, the Precariat and the Death of Hierarchies.* New York: Routledge.

McKenna, E. (2020). *Business Psychology and Organizational Behaviour* (6th edn.). Oxon: Routledge.

Journal articles

Martín-del-Río, B., Neipp, M.-C., García-Selva, A. and Solanes-Puchol, A. (2021). Positive organizational psychology: A bibliometric review and science mapping analysis. *International Journal of Environmental Research and Public Health*, *18*, Article 5222. doi:10.3390/ijerph18105222

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PART I

Organizational psychology

2 Individual differences and inclusion

This chapter focuses on individual-level variables that may affect individuals, groups, and organizations. The first section describes personality, considering a cross-cultural perspective. Section two focuses on values and the implications thereof for organizations. The chapter then proceeds to attitudes and how they can be measured and managed in organizations, followed by a discussion of mental abilities. Finally, we focus on diversity and inclusion in the workplace.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Explain what is meant by 'personality' and evaluate the elements of the most accepted model of personality – the five-factor model.
2 Describe how personality affects job performance and other work-related outcomes.
3 Understand the relationship between attitudes and behaviour, especially regarding performance on the job.
4 Understand how work and organizational psychologists are helping companies to assess and manage job attitudes and their impact on organizational performance.
5 Explain what job attitudes are and be familiar with the assumptions that underlie them.
6 Motivate why diversity in the workplace matters, know the different types of diversity, and identify how work and organizational psychologists could help organizations to manage diversity.

Personality

Definition of personality

The word 'personality' is derived from the word *persona*, which has Greek and Latin roots and refers to the theatrical masks worn by Greek actors (Pervin and John, 2001). In the broadest sense, the term 'personality' refers to individuals' enduring, inner characteristics that distinguish them from other people

DOI: 10.4324/b22796-3

and form the basis of predictions of their behaviour (Derlega *et al*., 2005). Most uses of the term can be summarized in terms of two major themes:

1 The first meaning of the term originates from the perspective of an observer and involves an individual's public presence and social reputation.
2 The second meaning refers to the inner self or being of an individual: one's private, vital, and essential nature. With time, personality in this sense has come to mean the deep and enduring structures of an individual that form the central core of the self (Derlega *et al*., 2005).

Personality measurement becomes complicated because these two perspectives are not easily integrated and require different measurement strategies: one emphasizes the outer visible aspects, whilst the other focuses on the inner dynamic whole for the outer perspective on personality.

According to McAdams (2015), 'personality is a developing configuration of psychological individuality that expresses a person's recognizable uniqueness, wherein life stories are layered over salient goals and values, which are layered over dispositional traits'. Thus, it consists of three layers, namely actor (dispositional traits), agent (goals and values), and author (life stories).

- *Social actor.* Every individual is born with the capability to be a social actor, which is also displayed in a unique style called temperament. Temperament is shaped into dispositional traits such as extraversion, neuroticism, and conscientiousness. From the standpoint of the social actor, personality comprises the dispositional traits that give performances their recognizable brand.
- *Agent.* The agent consists of evolving goals, motives, strivings, values, plans, programs, and projects that a person aims to accomplish in life. As an agent, you have to decide where you want your life to go and what type of identity you want to have.
- *Author.* It is during the emerging adulthood years that the author develops. To create a life story, the individual selectively reconstructs the past and imagines the future.

Conceptualizing personality

Various personality theories and models have been developed over the years. These theories and models include idiographic and nomothetic approaches, the psychoanalytical perspective, the trait perspective (Arnold *et al*., 1995; McKenna, 2020).

- *Idiographic and nomothetic approaches.* The idiographic approach emphasizes individual emotions and insights. In order to gain an in-depth understanding of individuals, it collects qualitative data to achieve this goal. The nomothetic approach analyses large groups of people to generate universal and general explanations of behaviour. Criticism of idiographic approaches focuses on their global approach and lack of scientific features. In analysing individual components, nomothetic approaches are criticized for leading to distortions.
- *The psychoanalytical perspective.* Psychoanalysis (Freud, 1938) suggests that individuals' unconscious minds drive their behaviour. There are three aspects of a person's personality – id, ego, and superego – that produce constant strife. Unfortunately, psychoanalysis lacks a scientific foundation and does not measure variables systematically.
- *Interpersonal perspective.* An interpersonal approach focuses on how individuals perceive themselves and their environment. In Rogers' (1951) theory of the self, for example, the self-concept is crucial. Part of this theory is the concept of the real self versus the ideal self. The theory is

criticized for relying too much on self-reports. Furthermore, individuals may not have insight into their behaviour.

- *Transactional analysis.* Transactional analysis (Berne, 1964) is a psychoanalytic theory and therapy method that examines social transactions to determine the ego state of the communicator (parent, child, or adult) as a basis for understanding their behaviour. Despite its intuitive appeal, transactional analysis lacks empirical evidence.
- *The trait perspective.* Trait theorists are concerned with measuring psychological characteristics. This approach forms the basis of the psychometric approach to personality analysis, as portrayed using factor analysis, where the factors are conceptualized as measurements of traits.

Trait theories

Within the framework of the trait theories, human behaviour is characterized by consistent patterns of behaviour known as traits, factors, dimensions, or types. The trait approach can be divided into two paradigms, namely ideographic and nomothetic. Ideographic theorists (e.g., Allport, 1961) believe that every human being has their own unique set of traits that are fundamental to their personality. On the other hand, nomothetic theorists (e.g., Cattell, 1965) believe that the same set of traits exists within everyone. However, they differ from each other in the way and intensity to which each trait is manifested.

Cattell (1965) considered language a valuable tool to gather information regarding personality. Therefore, he used a lexical approach to generate an original list of trait names. Then, using factor analysis, he identified 16 core personality traits and developed the well-known personality assessment questionnaire, the Sixteen Personality Questionnaire (16PF). The development of the 16PF has played a critical role in developing the Big Five factor model.

An etic, emic, or combined etic–emic approach to conceptualizing personality may be employed (Cheung *et al*., 2011). The *etic* approach emphasizes 'universals' or 'core similarities' in all human beings. The *emic* approach, on the other hand, supposes a culture-specific orientation (Berry, 1989). Therefore, unique cultural behaviour can be detected when an emic approach is used.

The cross-cultural generalizability of personality characteristics has often been investigated using an imposed etic approach, implying that assessment instruments developed in Western countries were adopted in other cultural contexts, assuming that the underlying theories and constructs are universal. According to Church and Lonner (1998: 36), an etic strategy may increase the chances of finding cross-cultural comparability and exclude culture-specific dimensions. However, an imposed etic strategy may be biased towards discovering universals and miss personality dimensions specific to cultures. Moreover, the specific values and tendencies of the Western culture may unknowingly lead to the de-emphasis or omission of some universal constructs. The emic approach seeks to identify an optimal way of structuring personality variables reflecting the indigenous patterns of each culture (Saucier, 2003).

Regarding personality measurement, Cheung *et al*. (2011) suggest that a combined etic and emic approach be used, which combines methodological rigour and cultural sensitivity. Such an approach helps delineate the universal and culture-specific aspects of constructs.

The Big Five personality model

Since the mid-1980s, research has focused on using the five-factor model (FFM) to classify personality (Barrick *et al*., 2001). The FFM of personality represents a structure of traits developed and elaborated

over the last five decades (McCrae and Costa, 1995). Researchers agree that most personality measures could be categorized according to the FFM of personality (referred to as the 'Big Five' personality dimensions) (Goldberg, 1990). In addition, research showed that the five personality factors have a genetic basis (Digman, 1989) and are probably inherited (Jang *et al*., 1996).

According to the FFM, five basic personality dimensions underlie all others (see Focus 2.1).

Theory and research show that Big Five factors impact motivation, which in turn affects performance. Personality is something that is expressed in attitudes and behaviours. A conscientious person does not perform highly because of the property of conscientiousness. Usually, personality is assumed to be a *distal* predictor of performance, operating through the more *proximal* motivation processes. Self-efficacy (Bandura, 1977) and goals (Locke and Latham, 2002) are critical motivational constructs in work and organizational psychology. Self-efficacy impacts both goals and performance. Research shows the effects of both conscientiousness and emotional stability on self-efficacy and goals (Judge and Ilies, 2002).

It is necessary to acknowledge that the FFM is not unanimously accepted. According to Block (1995), factor analysis (a statistical technique used to uncover relationships among personality descriptive terms) is not an appropriate and adequate base to decide the theoretical constructs of personality. Other researchers have criticized the model based on the number of factors (Eysenck, 1992; Tellegen and Waller, 1995). For example, are there three, five, sixteen or more factors? However, McCrae and Costa (1995) and Barrick *et al*. (2001) state that the Big Five has been reproduced a significant number of times, through different factor analysis methods, by different researchers, with different instruments and in different languages.

Focus 2.1 The Big Five personality dimensions

- *Extraversion*: a personality dimension describing someone who is sociable, talkative, and assertive.
- *Agreeableness*: a personality dimension describing someone who is good-natured, co-operative and trusting.
- *Conscientiousness*: a personality dimension describing someone who is responsible, dependable, persistent and achievement-oriented.
- *Emotional stability*: a personality dimension that characterizes someone who is calm, enthusiastic, secure (positive) to tense, nervous, depressed, and insecure (negative).
- *Openness to experience*: a personality characteristic that characterizes someone who is imaginative, sensitive, and intellectual.

A fundamental question for work and organizational psychologists interested in measuring personality and culture is whether personality traits are universal or *culture-specific*. Several studies indicated that the Big Five structure is less universal than supposed at the beginning of the 1990s (Digman, 1997; Goldberg, 1993). Some researchers found quite different personality structures in different cultures (Caprara *et al*., 2001). For example, in a South African study, personality traits can be classified into nine

clusters: conscientiousness, emotional stability, extraversion, facilitating, integrity, intellect, openness, relationship harmony, and soft-heartedness (Nel *et al*., 2012).

Research methods 2.1 Disentangling nature and nurture

Psychological traits were believed to be the result of environmental factors for most of the 20th century. Because these factors originated in the family, they were called nurture factors. Thus, it was reasonable to assume that traits emerge in families because their environment influences them. Genetics, however, runs in families as well. According to Plomin (2019), the determinants of personality traits in families may come from nature (genetics) or nurture (environment). A person cannot see, hear, or feel DNA, while they can see, hear, and feel the nurture of a family. Heritability is an estimate of genetic influence; it estimates how much of the differences can be explained by inherited DNA variations. Plomin (2019) believes the polygenic score is a psychological test that can reveal our genetic fate.

Question 1: What are the implications of heritability for measuring and optimizing human potential in organizations?

Question 2: What are the criticisms against the ideas of Plomin (2019)?

Read the following article before you respond:

Comfort, N. (2018). Genetic determinism rides again. *Nature*, *561*, 461–463. doi:10.1038/d41586-018-06784-5

Personality assessment as a tool in decision-making

Personality predicts aspects of job performance that may not be strongly related to knowledge, skills or abilities. Personality traits predict what a person will do, as opposed to what he or she can do. Borman and Motowidlo (1997) distinguish between two types of performance: task performance and contextual performance.

- *Task performance* refers to 'the effectiveness with which job incumbents perform activities that contribute to the organization's technical core' (Borman and Motowidlo, 1997: 100). For example, task performance will include product knowledge, time management, and task knowledge for a salesperson.
- *Contextual performance* includes 'volunteering to carry out task activities that are not formally part of the job and helping and co-operating with others in the organization to get tasks accomplished' (Borman and Motowidlo, 1997: 100). Thus, contextual performance includes the following aspects: a) persisting with enthusiasm and extra effort as necessary to complete own task activities; b) volunteering to carry out activities that are not formally part of the job; c) helping and co-operating with others; d) following organizational rules and procedures, and e) endorsing, supporting, and defending organizational objectives. Organizational citizenship behaviours, which indicate contextual performance, are defined as the willingness to 'go above and beyond' the call of duty. Unlike other selection tools, little or no evidence of adverse impact (different selection ratios between demographic groups) has been shown when personality traits are used to predict organizational citizenship behaviour.

There are various reasons why personality matters in the workplace (Barrick and Mount, 2005: 359):

- Managers care about personality; few managers will be willing to appoint an anxious, unstable, or irresponsible person.
- Meta-analytic techniques assisted researchers to develop an understanding of the relationship between personality and performance.
- Personality contributes incremental validity in the prediction of job performance beyond that accounted for by other predictors.
- Meta-analytic derived estimates of the relation between a specific personality trait and performance are an underestimation.
- Small differences exist between racial and ethnic groups.
- Longitudinal data showed that personality traits predicted multiple facets of career success over 50 years.
- Personality traits are significant predictors of organizational citizenship behaviour, turnover, absenteeism, safety, and leadership effectiveness.

Research methods 2.2 Meta-analytical studies of the relationship between personality and work outcomes

Early researchers believed the personality–job performance relationship was weak. The reasons for weak relationships were that weak analytic techniques and inappropriate personality measures were used. Moreover, no theoretical framework existed on which research findings could be based. Furthermore, some people have argued that situations drive behaviour. However, psychologists now agree that behaviour is best understood by considering both the person and the situation. It seems that personality has a much more significant effect on performance than previously supposed.

The results of various studies showed that various Big Five personality dimensions are related to job performance. Barrick and Mount (1991) found that conscientiousness is a valid predictor across occupations and criteria. The other personality factors only generalize their validity for some occupations and some criteria. Extraversion predicted the performance of managers, while emotional stability predicted the performance of police officers. Also, agreeableness was a valid predictor for police and managers. Openness to experience did not show validity for any occupational group. Extraversion is a valid predictor of training proficiency, as are emotional stability, agreeableness, and openness to experience. The relative non-validity of Emotional Stability may have been due to a range restriction based on a 'selecting-out' process in the applicant pool, where the applicants low in emotional stability were already excluded from the applicant pool (Barrick and Mount, 1991).

Tett *et al*. (1991) found that all personality dimensions are valid predictors of job performance. However, extraversion and conscientiousness have low validity coefficients. Neuroticism, openness to experience, and agreeableness have high validities. Salgado (1997) conducted a *meta-analysis* of the Big Five dimensions concerning performance for three criteria (i.e. supervisory

ratings, training ratings, and personnel data) and five occupational groups using 36 validity studies conducted in Europe. Results indicated that conscientiousness and emotional stability were valid predictors for all performance criteria and most occupational groups. Openness to experience and agreeableness showed validity for training criterion. Extraversion showed generalized validity for managers and police, although the validity for managers was low.

Barrick *et al*. (2001) summarized the results of 15 meta-analytic studies. They found that the validity of conscientiousness in predicting job performance was the highest (of the personality traits studied) and that it generalized across all criterion types and all occupations studied. The validity of emotional stability was distinguishable from zero. However, its overall relationship with performance was smaller than the effect for conscientiousness. Barrick *et al*. suggested that a reason for the relatively low validity of emotional stability might be a considerably broader construct than previously considered. It should include aspects such as self-esteem, self-efficacy, and locus of control. In addition, extraversion, agreeableness, and openness to experience predicted some aspects of performance in some occupations.

Values

Definition of values

Values refer to what is important to us in life. We all hold various values (e.g., achievement, security, benevolence) with varying importance. For one person, a particular value might be significant, while it may be irrelevant for another. Values are among the most stable and enduring characteristics of individuals. They are the basis on which attitudes and personal preferences are formed. An organization, too, has a value system, usually called its organizational culture.

Values are types of *beliefs*, centrally located within one's total belief system, about how one ought or ought not to behave, or about some end-state of existence worth attaining (Rokeach, 1973). Values are general beliefs about desirable or undesirable ways of behaving and about desirable or undesirable goals or end states (Lonner and Malpass, 1994). Schwartz (1994) defines values as constructs that determine what people will strive for in their lives and what they are prepared to sacrifice. Thus, values are transsituational criteria or goals ordered by importance as guiding principles in life.

According to the value theory (Schwartz, 2012), values have six main components: a) Values are beliefs tied to affect. Activated values are infused with feelings. b) Values are desirable goals that motivate us to act. For example, those who value social order, justice, and helpfulness are motivated to pursue these goals. c) Values transcend specific actions and circumstances. For example, values of obedience and honesty may be relevant at work, in business, and with friends or strangers. Norms and attitudes, by contrast, usually describe specific actions and objects. d) Values are a basis for standards and criteria. People decide what is good or bad, legit, or illegitimate, worth doing or avoiding, based on how they might affect their values. The influence of values on everyday decisions, however, is rarely conscious. e) Values are ordered based on their relative importance. f) The relative importance of multiple values guides action. A value influences action when it is relevant in the context and significant to the actor.

Values and culture

Values can be seen as culturally bound (Dobewall and Rudnev, 2014). This becomes clear when one looks at the different values of different cultural groups. Recent studies have shown that values and value priorities are not displayed only by people, but that nations, countries and other social categories also display distinct value profiles or patterns (Inglehart, 2018; Schwartz, 2012). Individuals who find themselves in a specific culture are also bound in a specific social environment (Smith and Bond, 1993). This social environment is home to unique norms, language, systems, and values, resulting in similar cultural groups sharing cultural and social values. However, individuals also form values based on their personal experiences (Schwartz, 1999). Therefore, individuals within a particular cultural group may have different and unique values and value priorities. Cultural dimensions of values reflect the primary issues or problems societies must face to regulate human activities (Hofstede, 2001; Schwartz, 1999). Values are the foundation of cultural norms and set the standard for appropriate behaviour in specific situations (Schwartz, 1999).

Models of values

Various researchers have developed different value models, and all these models are evidence that values are part of culture. Kluckhohn and Strodtbeck (1961) were the first to develop a model on values. According to their model, there are different value systems within different cultural groups. They identified five main problems that can be found across all cultural groups, namely: a) What is the essence of being human? b) What is the relationship between humans, nature and the super-natural? c) What should the time focus of humans be? d) What is acceptable for human activity? e) What is the essence of human interpersonal relations? According to Kluckhohn and Strodtbeck (1961), these five problems are present within all cultures. Priorities may, however, vary within different groups.

Rokeach (1973) placed values in hierarchical order within every individual. He distinguished between two main sets of values, namely terminal values, and instrumental values. Terminal values are values that people find important in order to live a meaningful life. In order to achieve one's terminal values, instrumental values must be applied. Instrumental values are the values individuals use to achieve the end state of their objectives. In all culture groups a total of 36 terminal and instrumental values are present, but the hierarchal order may vary (Hoag and Cooper, 2006).

According to the model of Shalom Schwartz (2012), there are ten human values at an individual level and seven at the country level. Across many cultures worldwide, values exist in stable relationships and are categorized into two bipolar dimensions according to how individuals differ. One dimension opposes conservation (tradition, conformity, and security) and openness to change (hedonism, stimulation, and self-direction). The other dimension opposes self-enhancement (power and acievement0 and self-transcendence (universalism and benevolence).

Based on the belief that values reflect how organizations respond to three critical social problems, Schwartz (2012) identifies seven values organized into three higher-order dimensions. The first issue is the relationship between individuals and groups (embeddedness versus autonomy). The second issue relates to the ways societies are constituted so that people are responsible, preserving the social fabric

(hierarchy versus egalitarianism). Finally, the third issue concerns how humankind interacts with the natural and social worlds (mastery versus harmony).

Activity 2.1 A theory of individual and cultural values

Access the following link and study the information:

http://usdkexpats.org/theory/schwartzs-culture-model

Question:

1. What are the implications of these values for work contexts?

Based on the disciplinary grounds of political science, Inglehart (2018) proposed a set of cultural values. Inglehart distinguished between traditional values versus secular-rational values and survival values versus self-expression values.

- *Traditional values* emphasize the importance of religion, parent-child ties, deference to authority and traditional family values. Divorce, abortion, euthanasia, suicide, and all other acts of cruelty are rejected by those who hold these values. National pride and nationalism are high in these societies. *Secular-rational values* have the opposite preferences to traditional values. Religion, traditional family values, and authority are less important in these societies. Divorce, abortion, euthanasia, and suicide are seen as relatively acceptable.
- *Survival values* emphasize economic and physical security. In addition to ethnic centric views, low levels of trust and tolerance accompany these values. On the other hand, *self-expression values* tend to place a high value on environmental protection, tolerance of foreigners, gays, and lesbians, and gender equality, as well as greater demands for participation in economic and political decision-making.

Activity 2.2 The World Values Survey

Access the following link and study the information:

https://www.worldvaluessurvey.org/WVSContents.jsp

Question:

1. How do values (as measured by the World Values Survey) differ between different countries?
2. What are the implications of cultural values as distinguished by Inglehart (2018) and measured in the World Values Survey for work and organizational psychologists.

Over the years, various frameworks for identifying the work values of individuals have been developed. For example, Arendt (1958) identified three work values: livelihood, creativity, and participation. Jahoda (1982) states that income is a central work value and personal identity, self-esteem, and social contacts. According to Abma *et al*. (2016), the capability set for work comprises seven work values. The work values are a) using knowledge and skills; b) developing skills; c) participating in important decisions; d) creating meaningful connections at work; e) setting goals; f) obtaining a good income, and g) contributing to something useful.

Video 2.1 Truly sustainable economic development

Watch the following video and answer the question that follows:

https://youtu.be/SpIxZiBpGU0
Question 1: Are values important for cross-cultural communication?
Question 2: Which lessons regarding cross-cultural interaction did you learn from the presenter?

Outcomes of values in organizations

Employees who hold values that are congruent with their organization's values are more productive and satisfied. Conversely, holding values that are inconsistent with company values is a significant source of conflict, frustration, and non-productivity. People sometimes lose touch with their values, behaving in ways that are inconsistent with those values. Not being aware of one's own value priorities can lead to misdirected decisions and frustration in the long term. Because values are seldom challenged, people forget value priorities and behave in ways that do not fit the values. Until people encounter a threat to their values, they seldom seek to clarify them. Becoming mature in value development requires that individuals develop a set of internalized principles by which they can govern their behaviour. The development of those principles is enhanced, and value maturity increases as value-based issues are thought about, discussed, and confronted.

Attitudes

Definition of attitudes

An attitude represents a predisposition to respond favourably or unfavourably to persons or objects in one's environment (Fishbein and Ajzen, 1975). Thus, we express an attitude towards the person or object when we say we 'like' something or 'dislike' something. Fishbein (1967) defines an attitude as a learned implicit response that varies in intensity and tends to guide (mediate) an individual's overt responses to an object. In Fishbein's conceptualization, an attitude refers only to evaluating a concept. Moreover, there is a mediating evaluative response to every stimulus. Consequently, people have attitudes towards all objects that may be positive, negative, or neutral.

Research has shown that employees' job attitudes were remarkably stable over five years (Staw and Ross, 1985). Employees with negative job attitudes tended to remain negative, even those who changed jobs or occupations. In contrast, employees with positive job attitudes remained positive after five years.

Attitudes should not be confused with values. Values represent global beliefs that influence behaviour across situations, while attitudes relate only to specific objects, persons, or situations. Values and attitudes are generally but not always in harmony. Three assumptions underlie the concept of attitudes, namely:

1 An attitude is a hypothetical construct. We cannot see attitudes, although we can often see their consequences. Therefore, the existence of attitudes must be inferred from people's statements and behaviours.
2 An attitude is a unidimensional construct. It can be measured along a continuum that ranges from very positive to very negative.
3 Attitudes are believed to be somewhat related to subsequent behaviour.

Attitudes and behavioural intentions

An attitude is defined as an evaluation of a psychological object (Ajzen, 2001). The work of Ajzen and Fishbein (1977, 1980) is frequently cited as a theoretical framework concerned with attitude formation, behavioural intentions, and the prediction of overt behaviours. According to this work, beliefs about aspects of a job (e.g., 'I do not have sufficient advancement opportunities in my job') lead to an attitude (e.g., 'I am dissatisfied with my job'), which in turn results in behavioural intentions (e.g. 'I intend to quit my job'). Behavioural intentions are then often translated into actual behaviour, such as leaving the organization, assuming that the person can carry out the intention. The model of behavioural intention is given in Figure 2.1.

Figure 2.1 shows that behavioural intentions are influenced by one's attitude towards the behaviour and the perceived norms about exhibiting the behaviour. Personal beliefs influence attitudes and subjective norms.

- *Beliefs influence attitudes*. Beliefs are the result of direct observation and inferences from previous learned relationships. Attitudes are based on salient or important beliefs that may change as relevant information is received. Figure 2.1 shows that an individual will have positive attitudes towards performing a behaviour when he or she believes that the behaviour is associated with positive outcomes. For example, if the employee believes that quitting a job will lead to positive outcomes (e.g., better advancement opportunities), he or she will be more likely to quit.
- *Beliefs influence subjective norms*. Subjective norms are an outcome of beliefs that specific individuals or groups think that the individual should (or should not) perform the behaviour. Subjective norms can exert a powerful influence on the behavioural intentions of individuals who are sensitive to the opinions of role models.

According to Breckler (1984), who presented an alternative model of attitudes, attitudes have three components: affective, behavioural, and cognitive. The affective component consists of the feelings that a particular topic arouses. The behavioural component consists of a tendency to act in a particular way concerning a particular topic. The cognitive component consists of beliefs about a topic – beliefs that can be expressed in words. The affective components of attitudes can be strong and pervasive. Like other emotional reactions, these feelings can be strongly influenced by direct or vicarious classical conditioning. The affective component of attitudes tends to be relatively resistant to change. Furthermore, the cognitive component of attitudes can be acquired quite directly by reading a fact or opinion or reinforcement

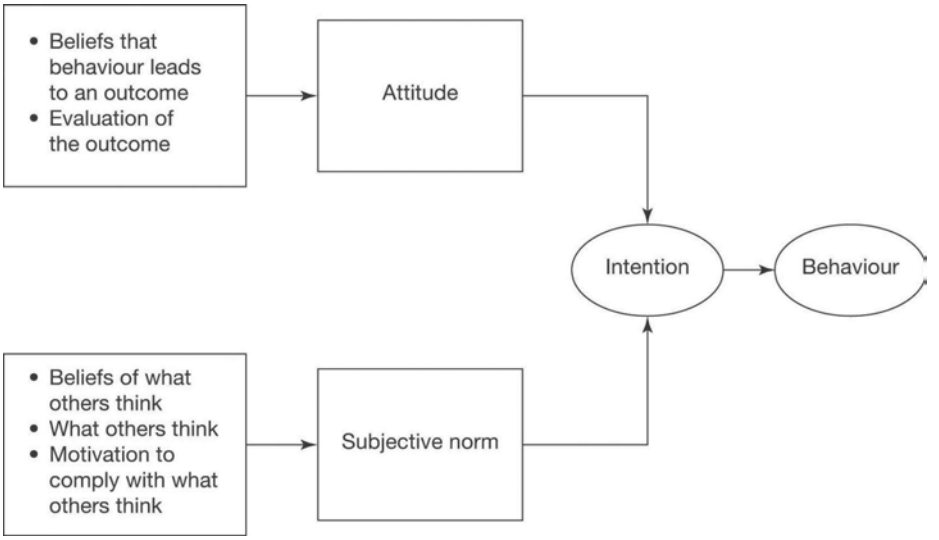

Figure 2.1 A model of behavioural intention
Source: Based on Ajzen and Fishbein, 1980

by other people. However, the behavioural component of attitudes is not as clear cut as once believed. People do not always behave as their expressed attitudes and beliefs would lead us to expect.

Attitude change

Although one can regard attitudes as causes of behaviour, behaviour may also affect attitudes. Festinger's (1957) theory of cognitive dissonance attempts to explain the impact of behaviour on attitude formation and change. When individuals perceive a discrepancy between their attitudes and behaviour, behaviour and self-image, or one attitude and another, an unpleasant state of dissonance results; when they experience dissonance, they become motivated to eliminate the dissonance. A person can achieve dissonance reduction by a) reducing the importance of one of the dissonant elements; b) adding consonant elements, or c) changing one of the dissonant elements. For example, an employee believes that they are a good performer, but receives poor performance ratings. Because the obvious prediction is that good performers get good ratings, the discrepancy causes the employee to experience dissonance. To reduce dissonance, the employee may decide that performance ratings are unimportant and that performance is not closely related to ratings. Thus, they are using strategy 1, reducing the importance of one of the dissonant elements. Alternatively, the employee may believe that their supervisor was unfair or have had difficult circumstances at home that affected their performance. In this case, they are using strategy 2, reducing dissonance by adding consonant elements. Finally, the employee can use strategy 3 to change one of the dissonant elements (by performing better or by revising their opinion of their performance).

Assessing and managing attitudes

Work and organizational psychologists can assist managers to appreciate the dynamic relationships between beliefs, attitudes, subjective norms, and behavioural intentions when attempting to foster

productive behaviour (Conner and Clawson, 2004). For example, although attitudes are often resistant to change, they might rest on incorrect beliefs, indirectly influenced by education and training experiences. Subjective norms can also be redirected through clear and credible communication and role models.

Work and organizational psychologists can play the following roles in assessing and managing attitudes in organizations:

- *Attitude surveys*. Work and organizational psychologists' most obvious attitude-related activity is developing, administering, analysing, and reporting on attitude surveys. Organizations use surveys to learn about employees' attitudes on employment issues such as compensation, quality of supervision, work/non-work balance. However, a weakness of attitude surveys is that the management of organizations often fails to use the data and implement recommended changes.
- *Job design*. Work and organizational psychologists assist organizations in designing jobs so that positive attitudes could be built.
- *Personnel selection*. Work and organizational psychologists are instrumental in developing reliable and valid prediction tools that incorporate attitudinal components.
- *Change management*. Work and organizational psychologists assist with change management in organizations by using attitude surveys to assess how employees view changes and their attitudes.

Abilities

Definition of an ability

An ability is a broad and stable characteristic responsible for a person's maximum rather than typical performance on mental and physical tasks. Thus, ability refers to the capacity to perform a physical or mental function.

Intelligence and cognitive abilities

According to Sternberg (2021), researchers traditionally believed that intelligence consists of a single general ability. The idea was that fluid ability (thinking flexibly and in novel ways), and crystallized ability (accumulative knowledge) are arranged in hierarchical order under the general ability. For example, Wechsler (1944) defined intelligence as the aggregate or global capacity of the individual to act purposefully, reason, and deal effectively with his environment. Thus, it refers to the general ability to perform cognitive tasks. Unfortunately, intelligence is measured the same way it was at the beginning of the 20th century when intelligence tests were developed. Evaluating and retrieving information are far more crucial today than they were just a century ago. Intelligence should not be about problem-solving on a standardized test; it should be about problem-solving in the real world (Sternberg, 2021). Sternberg (2021: 12) wrote: 'We need to stop using scores on old tests of general intelligence and their proxies, as the ultimate criteria for new tests. Instead, we need to use adaptive behaviour as the ultimate criteria.'

However, what is wrong with the traditional notion of intelligence (Sternberg, 2021)? The Western cultural milieu is frequently highly individualistic. As a result, individualistic definitions of intelligence have developed. Individualistic definitions have created a hierarchy based on cognitive ability as measured by existing standardized tests in society. Individualistic conceptualizations of intelligence and their testing are a mistake for three reasons. First, there can be collective outcomes from individual

actions. More intelligent people are likely to maximize their self-interest more effectively than those who are less intelligent, which may harm society. Second, much of the work people do takes place in collective settings. Since adaptive intelligence optimizes individual interests and collective goods, it is more important than all other types of intelligence. In third place, we reinforced the importance of individual achievement through testing (because people solve problems for themselves rather than for others).

Video 2.2 Augmented theory of intelligence

'We need a notion of intelligence that makes the world a better place.' Words of Robert Sternberg when interviewed by Scott Barry Kaufman.

Watch the following video and answer the question that follows:

https://www.youtube.com/watch?v=hpQqngsqDy8

Question 1: How would you summarize the main ideas of Prof. Sternberg?

Question 2: What are the implications of the ideas expressed in the video for the measurement of intelligence?

The augmented theory of successful intelligence (Sternberg, 2021) defines successful intelligence as the ability to make meaningful life choices and achieve them, given one's cultural background. The key to achieving these goals is identifying one's strengths and weaknesses, then capitalizing on the strengths and compensating for the weaknesses. The four types of skills that determine strengths and weaknesses are: creative (to generate novel and useful ideas), analytical (to ensure that the ideas he/she generates are good), practical (to put those ideas into practice and convince others of their value), and wisdom-based (to ensure that implementation of the ideas will help ensure a common good).

Abilities and performance

Ability tests are valid predictors of job performance and can be used for employee selection (Schmidt and Hunter, 1981). In a later study, general mental ability is one of the best predictors of job performance (Schmidt and Hunter, 1998). Dunette (1976) distinguished seven mental abilities that underlie the performance of employees: verbal comprehension (i.e. the ability to understand the meaning of words and to comprehend verbal material), word fluency (i.e. the ability to produce specific words that fulfil certain requirements), numerical ability (i.e. the ability to make quick and accurate arithmetic computations), spatial ability (i.e. the ability to visualize how geometric shapes would look if transformed), memory (having a good memory for symbols and words), perceptual speed (i.e. the ability to perceive similarities and differences), and inductive reasoning (i.e. the ability to reason from specifics to general conclusions).

Diversity and inclusion

Diversity refers to the multitude of individual differences and similarities among people within a group or organization. Inclusion entails how individuals are treated and how they feel (Puritty *et al*., 2017). It is

not enough to emphasize diversity alone to eliminate gender, race, ethnicity, disability, and other biases that reflect widespread cultural stereotypes. A skilled individual's self-worth can be undermined by implicit biases that may be unintentional. Diversity can grow without creating an equitable organization where all employees are comfortable and valued. This can only be achieved by focussing on inclusion and changing organizational culture.

With inclusion practices, women, people of colour, and members of other marginalized groups acquire capabilities to participate in decision-making, access resources, and explore opportunities (Shore *et al*., 2020). Diversity management has mainly focused on bringing women, people of colour, and individuals from marginalized groups to the workforce. Diversity and inclusion researchers and practitioners have also sought to highlight people's unique skills and abilities from diverse backgrounds.

Dimensions of diversity

Diversity has primary and secondary dimensions (Loden, 1996). These dimensions are described in Focus 2.2.

There is also a difference between valuing diversity and managing diversity. Valuing diversity refers to the awareness, recognition, understanding and appreciation of human differences (Thomas, 1996). It takes place through training and development of workers to improve interpersonal relationships among diverse groups (Nemetz and Christensen, 1996). In contrast, managing diversity entails enabling people to perform to their maximum potential by changing an organization's culture and infrastructure to allow people to be productive.

Focus 2.2 Primary and secondary dimensions of diversity

Primary dimensions of diversity refer to human differences that affect individuals' early socialization and have a powerful and sustained impact throughout their lives. Primary dimensions of diversity include gender, ethnicity, race, mental and physical abilities, sexual orientation, and age.

Secondary dimensions of diversity refer to personal characteristics that include an element of personal choice. These dimensions are less visible to others, and their power to influence individuals' lives is less constant and more individualized. Secondary dimensions of diversity include education, language, religion, income, experience, geographic location, organizational role, and communication style.

Managing diversity is different from affirmative action. Managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals. Affirmative action focuses on specific groups because of historical discrimination, such as people of colour and women. Affirmative action is an artificial intervention that aims at giving organizations a chance to correct injustices, imbalances, and mistakes of the past. Affirmative action emphasizes legal necessity and social responsibility; managing diversity emphasizes business necessity. While managing diversity is also concerned with the underrepresentation of women and people of colour in the workforce, it is more inclusive and acknowledges that diversity must work for everyone.

Figure 2.2 The workforce of organizations is increasingly becoming diverse
Source: © Konstantin Chagrin/Shutterstock.com

Importance of inclusion and diversity management

Diversity management is vital because it enables organizations to grow and be sustainable in an increasingly competitive marketplace (Agars and Kotke, 2005; Shore *et al*., 2018). The most important reasons for the management of diversity at work include the following.

- *A diverse workforce*. More women are entering the workforce, people of colour represent a growing share of the workforce, there is a mismatch between the educational attainment and occupational requirements of occupations, the workforce is ageing, more people with disabilities are entering the labour market, and sexual orientation and political views can also create tensions in the workplace.
- *The service economy*. In the USA, it is estimated that 75 per cent of employees work in the service industry (Janoski *et al*., 2014). The interpersonal nature of service transactions makes similarities between employee and customer more critical. In addition, as the population becomes diverse, employees who can communicate most efficiently with those clients become a business advantage.
- *Globalization*. Globalization has increased contact with clients and co-workers from other countries. Therefore, an understanding of cultural differences can facilitate communication and avoid potentially embarrassing or even insulting situations.
- *The changing labour market*. Employers are developing new recruiting strategies to target older employees, minorities, and immigrants to deal with the changing labour market. In addition, they are developing more flexible benefits packages (more flexible hours, working from home, leaves of absence) to accommodate the new diversity they must manage.

In racially diverse settings, a psychologically safe work environment where employees feel confident expressing their true selves without fear of being judged as inferior or incompetent is important (Singh *et al*., 2013). Psychological safety is a principal motivator of employee performance behaviours in a racially diverse work setting. Positive organizational contexts (such as diversity climate and psychological safety) hold a greater significance for minorities and are more effective in shaping their performance behaviours (Edmondson, 2019).

The role of work and organizational psychologists in creating inclusive workplaces

It is essential to consider the concept of social identification to build inclusive workplaces. Social identification occurs when people become attached to one another by a common connection (Tajfel and Turner, 1986). The concept of identity includes both a social component and a personal component that involves defining oneself as an individual. Because social identities incorporate aspects of group life into the perception of self, they contribute to less individuation. Social identification is achieved by balancing the two needs, namely belongingness and uniqueness (Chung *et al*., 2020; Shore *et al*., 2011). Having a sense of belonging is vital to forming and maintaining strong, stable relationships with others. For a human being to feel a sense of belongingness, he or she needs frequent positive interactions with others and to belong to a stable group. On the other hand, having a sense of one's uniqueness is essential for individual development.

The most common intervention used by work and organizational psychologists to help organizations manage diversity is *diversity training*. Training for managers will focus on how to recruit and hire a more diverse workforce. This training often entails raising awareness of new sources or outlets that allow employers to find a larger pool of applicants. Manager training will also focus on how to manage the diversity of the newly hired workers. Specifically, training will focus on integrating the new employees into the existing workforce and raising the awareness of the current employees as to the benefits of greater diversity. This often requires a shift in the style of management. Given the differences that each employee brings to the job, the focus of management shifted from treating everyone equally to treating everyone equitably. Training for all employees goes through several steps. The first step entails raising awareness that differences do exist. The second step focuses on how these differences influence working together to get the job done. The third step focuses on how these differences can be used to enhance productivity without treating people unfairly.

Developing an inclusive workplace requires an understanding that structural bias and social justice affect employees as individuals and their work. Diversity programs and recruitment into organizations do not erase these impacts. Instead, they remain relevant to life in organizations as well (Puritty *et al*., 2017).

Activity 2.3 Individual differences and diversity management

Individual differences will influence a person's experience of the workplace. For example, introverts and extraverts might experience workplace challenges very differently.

1 Identify a person who functions in a team in a medium to large organization and who is regarded as an introvert. Schedule an interview with the person. What you want to learn from

this interview is how the individual experiences their work environment. Several issues should be explored:

- How does the individual prefer to interact with others in the team?
- How does the individual prefer others to interact with him or her?
- Does he or she feel appreciated by others in the workplace? Elaborate.
- What challenges does he or she experience in the workplace because of his or her introversion?
- What strategies does he or she apply to overcome these challenges?

2 Identify a person who functions in a team in a medium to large organization and who is regarded as an extravert. Schedule an interview with the person. What you want to learn from this interview is how the individual experiences their work environment. Explore the following issues:

- How does the individual prefer to interact with others in the team?
- How does the individual prefer others to interact with him or her?
- Does he or she feel appreciated by others in the workplace? Elaborate.
- What challenges does he or she experience in the workplace because of his or her extraversion?
- What strategies does he or she apply to overcome these challenges?

Present your findings to the class.

Summary

- Personality has been defined as the enduring, inner characteristics of individuals who organize their behaviour. An etic or emic approach to the conceptualization of personality may be employed. The five-factor model of personality represents a structure of traits, including extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience. Personality predicts aspects of job performance that may not be strongly related to knowledge, skills, or abilities. There are various reasons why personality matters in the workplace. The results of several studies showed that various Big Five personality dimensions are related to job performance.
- Values are constructs that determine what people will strive for in their lives and what they are prepared to sacrifice. Values can be seen as culturally bound. Values and value priorities are not displayed only by people; nations, countries and other social categories also display distinct value profiles or patterns. Cultural values manifest in two main areas, namely collectivism and individualism. Various researchers have developed different value models, and all these models are evidence that values are part of culture. Employees who hold values that are congruent with their organization's values are more productive and satisfied.
- An attitude represents a predisposition to respond favourably or unfavourably to persons or objects in one's environment. Research has shown that job attitudes of employees were very stable over years. Beliefs about aspects of a job lead to an attitude, which in turn results in behavioural intentions. Behavioural intentions are often translated into actual behaviour. Although attitudes are

often resistant to change, they might rest on incorrect beliefs, indirectly influenced by education and training experiences.

- An ability is a broad and stable characteristic responsible for a person's maximum rather than typical performance on mental and physical tasks. Intelligence is regarded as a cognitive ability. Seven abilities underlie the performance of employees, namely verbal comprehension, word fluency, numerical ability, spatial ability, memory, perceptual speed, and inductive reasoning. Ability tests are valid predictors of job performance.
- Diversity refers to the multitude of individual differences and similarities that exist among people. With inclusion practices, women, people of colour, and members of other marginalized groups are given capabilities to participate in decision-making, access resources, and explore opportunities. Diversity management has mainly focused on bringing women, people of colour, and individuals from marginalized groups to the workforce. Diversity and inclusion researchers and practitioners have also sought to highlight people's unique skills and abilities from diverse backgrounds. Diversity has primary and secondary dimensions. Inclusion and diversity management is essential because it enables organizations to grow and be sustainable in an increasingly competitive marketplace.

Key concepts and terms

- Ability
- Agreeableness
- Attitude
- Attitude change
- Attitude survey
- Behavioural intention
- Beliefs
- 'Big Five' personality model
- Conscientiousness
- Contextual performance
- Diversity
- Emic approach
- Emotional stability
- Etic approach
- Extraversion
- Inclusion
- Intelligence
- Meta-analysis
- Openness to experience
- Organizational citizenship behaviour
- Personality
- Psychological safety
- Task performance
- Value

Sample essay titles

- Is personality a predictor of work-related outcomes? Motivate your answer.
- What are the contents and methodology of a diversity training programme?

Further reading

Books

Inglehart, R.F. (2018). *Cultural Evolution: People's Motivations are Changing and Reshaping the World.* Cambridge: Cambridge University Press.

McAdams, D.P. (2015). *The Art and Science of Personality Development.* New York: Guilford Press.

Sternberg, R.J. (2021). *Adaptive Intelligence: Surviving and Thriving in Times of Uncertainty*. Cambridge: Cambridge University Press.

Journal articles

Barrick, M.R., Mount, M.K. and Li, N. (2013). The theory of purposeful work behavior: The role of personality, higher-order goals, and job characteristics. *Academy of Management Review, 38*(1), 132–154.

Chung, B.G., Ehrhart, K.H., Shore, L.M., Randel, A.E., Dean, M.A. and Kedharnath, U. (2020). Work group inclusion: Test of a scale and model. *Group & Organization Management, 45*(1), 75–102.

Shore, L.M., Cleveland, J.N. and Sanchez, D. (2018). Inclusive workplaces: A review and model. *Human Resource Management Review*, *28*, 176–189.

3 Motivation and satisfaction

This chapter focuses on motivation and job satisfaction. The first section describes motivation and theories thereof. Next, early theories of motivation are introduced, followed by contemporary theories. Early theories include Maslow's needs theory, Herzberg's two-factor theory, McGregor's Theory X and Y, and McClelland's needs theory. These theories tried to explain what motivates people. Contemporary theories include equity theory, expectancy theory, goal-setting theory, self-determination theory, engagement theory, self-efficacy theory and reinforcement theory. The chapter then proceeds to motivation principles and the application thereof in organizations. Finally, we focus on job satisfaction.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define motivation.
2 Compare and evaluate the different theories of motivation.
3 Explain how the different theories of motivation can be used to influence the behaviour of people in organizations.
4 Define job satisfaction and explain the factors which influence job satisfaction.
5 Describe the consequences of job satisfaction.
6 Explain the relationship between job satisfaction, motivation, and performance.

Definition of motivation

Work consumes 30 to 50 per cent of a person's waking hours, often for more than 40 years. It may cause health and well-being issues, affect their family and social lives, and adversely affect the organization's performance if they do not feel motivated and are frustrated, dissatisfied, and disengaged at work.

Motivation is about why people behave in a certain way. It refers to a set of energetic forces originating within and outside an individual to initiate work-related behaviour and determine the direction, intensity, and duration (Latham and Pinder, 2005). Individuals' work motivation influences the skills they develop, the jobs and careers they pursue, and how they allocate their resources to affect their work activities' intensity, direction, and persistence (Kanfer *et al*., 2017). *Intensity* describes how hard a

DOI: 10.4324/b22796-4

person tries; *direction* entails whether the effort is channelled in areas that benefit the organization, while *persistence* refers to how long a person can maintain effort (Robbins and Judge, 2021).

Theories of motivation

A variety of theories has explained motivation at work. While some theories focus on workplace effects, others focus on individual factors (Bulger *et al*., 2020). We will focus on work motivation theories by distinguishing between early and contemporary theories (Robbins and Judge, 2021).

Early theories

The hierarchy of needs theory of Maslow

Abraham Maslow (1943) developed the hierarchy of needs theory of human motivation. Although he developed a hierarchy of needs, it did not imply that one reaches one level and then proceeds to the next, never returning to the lower levels. Instead, he made it clear that we constantly go back and forth in the hierarchy and that multiple needs can be met simultaneously. The following needs are distinguished (Kaufman, 2020; Maslow, 1943):

1 *Physiological needs*. Physiological needs (e.g., hunger, thirst, and sleep) are the most basic needs.
2 *Safety/security needs*. Safety/security needs involve protection from physical danger and economic instability. The appropriate encouragement in this field is stable working conditions, the prospect of increasing cost of living being covered by an increase in salary, that provision shall be made for illness, disability, and old age by contributing towards medical, insurance, and pension schemes.
3 *Social needs*. Social needs refer to the need to affiliate with other people. They refer to the need to have friends, be loved by others, and be accepted by other people. The group of which the individual is a member plays a critical role in satisfying these needs.
4 *Esteem/ego needs*. These needs can be divided into two groups, namely self-esteem needs and needs concerning (receiving) esteem from others. The first group is concerned with needs related to a person's self-value and self-respect (e.g., achievement, independence, and freedom). The second group is concerned with needs related to reputation or prestige that others ascribe to the person (e.g., status, recognition, and respect).
5 *Self-actualization needs*. Self-actualization needs are found at the top of the hierarchy of needs. Self-actualization needs are associated with the desire to become all that one is capable of being.

Several management textbooks misrepresent Maslow's (1943) motivation theory. The concept that human needs exist in hierarchical order with extrinsic needs at the bottom and that individuals are motivated to satisfy each level of need as they progress until they realize their true potential is regarded as fundamental to motivating people. Management books often illustrate the theory with a pyramid or triangle. Maslow (1943), however, did not create a pyramid or triangle to represent the hierarchy of needs. Essentially, he claimed, human development is a two-step-forward, one-step-back process (Kaufman, 2020). In other words, it is not about reaching a level, and then other things become unimportant.

Furthermore, Maslow did not use the term 'social needs'. Instead, he used the labels 'belonging' and 'love'. Maslow's emphasis was less on a rigid hierarchy of needs and more on the notion that self-actualized individuals are motivated by health, growth, wholeness, integration, humanitarian purpose, and real-life problems (Bridgman *et al*., 2019).

Work and organizational psychologists should note the following implications of Maslow's theory (Kaufman, 2020): People need to meet their most basic needs to achieve their full potential. First, safety (certainty, coherence, trust, and predictability) provides the foundation for people to fulfil other needs. A lack of safety can lead to people becoming overly dependent on love, affection, and esteem from others. Uncertainty causes fear, anxiety, and poor health, which negatively affect learning and behaviour. Whilst is essential that organizations create a work environment that limits uncertainty, individuals should also learn to reduce, manage, and embrace uncertainty. The lack of a reliable food source results in food insecurity. In response, individuals may show impulsivity, hyperactivity, irritability, aggression, or anxiety. For people whose safety needs are unmet, regaining a sense of coherence and hope is valuable. Second, quality connections with other people (rather than the number of connections) matter for the experiences of loneliness. Respect, mutuality, and positive interpersonal processes are essential to building high-quality connections. Third, having healthy self-esteem promotes growth and may prevent depression. Fostering accomplishments, intimate connections, and development will help build healthy self-esteem. Fourth, different behavioural and cognitive exploration forms (e.g., social exploration, adventure-seeking, posttraumatic growth, openness to experience, and intellect) may promote self-actualization.

Figure 3.1 Money can be used to satisfy various needs
Source: © Edler von Rabenstein/Shutterstock.com

The two-factor theory of Herzberg

Frederick Herzberg proposed this theory, also known as the motivation-hygiene theory (Herzberg *et al*., 1959). Herzberg wanted to know the answer to the following question: What do people want from their jobs? Herzberg and his colleagues interviewed about 200 engineers and accountants. The participants were asked to describe occasions when they felt good about their jobs and described occasions when they felt bad about their jobs. Job factors that tended to be consistently related to job satisfaction were achievement, recognition, the work itself, responsibility, advancement, and growth. Conversely, job factors that tended to be consistently related to job dissatisfaction were company policy and administration, supervision, interpersonal relations with supervisor, work conditions, salary, factors in personal life, status, and job security.

Herzberg and his colleagues made a distinction between motivators and hygiene factors because the factors which lead to satisfaction and thus to motivated behaviour (the motivators – if they are present) are distinct from those that lead to dissatisfaction (the hygiene factors – if they are absent). Also, based on the above findings, the researchers were led to believe that the opposite of satisfaction (when the motivators are present) is not dissatisfaction, but rather 'no satisfaction' (when the motivators are absent) and that the opposite of dissatisfaction (when the hygiene factors are absent) is not satisfaction but rather 'no dissatisfaction' (when the hygiene factors are present). Once the hygiene factors are in order, they form a base or platform to build the motivators.

Although the motivators appear to be distinct from the hygiene factors (81 per cent of the factors which contributed to job satisfaction were motivators and 69 per cent of the factors which contributed to dissatisfaction were hygiene factors), hygiene factors sometimes lead to satisfaction (19 per cent of the factors which contributed to job satisfaction were hygiene factors). On the other hand, motivators sometimes lead to dissatisfaction (31 per cent of the factors which contributed to dissatisfaction were motivators). Aspects such as good remuneration, good supervision, and a pleasant work environment are essential factors to prevent employees from becoming dissatisfied. If employees become dissatisfied, they will tend to become demotivated. On the other hand, employee motivation results from factors such as a) the nature of the work they do; b) the recognition they receive for tasks well done; c) their responsibilities; d) their opportunity to achieve and the promotion they receive. In practice, then, one should attend to both the motivators and the hygiene factors.

Herzberg placed much emphasis on personal growth as a motivating factor. However, there are limits to what can be achieved in organizations regarding motivators (e.g., changing the nature of employees' jobs). There might be employees who do not wish to have their jobs enriched or changed. Some employees do not have the skills needed to handle these enriched or changed jobs. Criticism directed at the theory is that its methodology limits the procedure Herzberg used (Robbins and Judge, 2021). When things are going well, people tend to take credit themselves. Contrarily, they blame failure on the external environment.

Theory X and Theory Y

Douglas McGregor (1960) proposed two distinct views of human beings, namely Theory X and Theory Y. Theory X represents a pessimistic view of human nature, which in many ways is consistent with the assumptions of scientific management. Theory Y represents an optimistic view of human nature.

Under Theory X, managers assume that:

- people do not like work and try to avoid it;
- managers have to control, direct, coerce, and threaten employees to get them to work towards organizational goals;
- people prefer to be directed, avoid responsibility, and want security – they have little ambition.

On the other hand, under Theory Y, managers assume that people:

- do not naturally dislike work – work is a natural part of their lives;
- are internally motivated to reach objectives to which they are committed;
- are committed to goals to the degree that they receive personal rewards when they reach their objectives;
- will both seek and accept responsibility under favourable conditions;
- can be innovative in solving organizational problems;
- are bright, but under most organizational conditions, their potentials are underutilized.

McGregor (1960) believed that Theory Y assumptions are more valid than Theory X assumptions. He proposed practices such as participative decision-making, good relations, and a challenging job that allow employees to take responsibility. The theory of McGregor provides insightful observations regarding the work and organizational context (Pinder, 2015).

McClelland's theory of needs

McClelland (1955, 1984, 1987) did extensive research about the needs for power, affiliation, and achievement. Let us now take a closer look at each of these needs.

- *The need for power*. This need for power is characterized by the desire to have influence and control one's environment. Individuals high in the need for power enjoy being in charge, strive for influence over others, prefer to be placed into competitive and status-oriented situations, and tend to be more concerned with prestige and gaining influence over others than with effective performance.
- *The need for affiliation*. The need for affiliation involves the desire to form interpersonal ties and get psychologically close to others. It thus is the need for human companionship and to be liked and accepted by others. Consequently, they strive for friendship, prefer cooperative situations rather than competitive ones and desire relationships involving a high degree of mutual understanding.
- *The need for achievement*. The need for achievement is the desire to reach goals or accomplish tasks more effectively than before. A person with a high need for achievement sets him- or herself goals that are neither too easy (because they present little challenge involved) or too difficult (because they might be too difficult to reach). At the same time, these goals should constitute a challenge to individuals so that they need to make use of their abilities. Such persons also want immediate and concrete feedback on their performance. Individuals with a high need for achievement are preoccupied with their work, even when away from the work situation. The last characteristic of a person with a high need for achievement is the tendency for such a person to take personal responsibility for getting things done.

High achievers are strongly motivated when jobs have a high degree of personal responsibility, feedback, and moderate risk. However, individuals with a high achievement need do not necessarily make good managers because they are interested in doing well and not influencing others to do well. Furthermore, high-power and low-achievement needs are related to managerial success (Robbins and Judge, 2021). The needs depend on unconscious motives that can best be assessed by projective tests (i.e., using pictures and storytelling). However, it might be difficult for managers to assess these motives given the complexity of the test used to measure the motives.

Activity 3.1 Usefulness

If we call the theories of Maslow, Herzberg and McClelland 'need' theories, what are the similarities between these theories?

Contemporary theories

Equity theory

Equity theory was developed by J.S. Adams (1963). The essence of the theory is that perceived inequity is a motivating state: when people believe that they have been inequitably treated in comparison with others, they will try to eliminate the discomfort and restore a sense of equity to the situation. Equity theory is based on the principle that people want to be treated fairly. Thus, equity refers to the belief that a person is being treated fairly compared to others. Conversely, inequity refers to the person's belief that he or she is unfairly treated compared to others. For example, when employees work for an organization, they exchange their services for pay and other benefits. Equity theory proposes that individuals attempt to reduce any inequity they may feel due to this exchange relationship.

Individuals compare themselves with other people/situations to decide whether they have been treated fairly. This comparison takes into consideration the input(s) the person makes in relation to the outcome(s) they receive from these inputs, and this ratio (outcomes to inputs) is compared with what the person sees as the ratio of outcomes to inputs of the person/people/situation(s) they compare themselves with. The inputs are the characteristics the person brings to the job, for example, race, sex, age, education, or experience. It is important to note that the person subjectively perceives these characteristics. The outcomes are those things the individual receives from the job, such as pay/salary, promotions, and fringe benefits (Robbins and Judge, 2021).

What is rather complicated about equity theory is the role of the specific person or situation that the individual chooses to compare with (this person/situation is called the referent). It thus implies that the referent who or which is chosen plays a vital role in equity theory. An equity comparison typically occurs whenever organizations allocate extrinsic rewards, especially monetary incentives or pay increases. Inequity is perceived whenever people feel the rewards received for their work are unfair given the rewards other persons are getting. The comparison to others may be co-workers, workers elsewhere in the organization, and even persons employed by other organizations. According to Adams (1963), these comparisons can result in any three states (see Focus 3.1).

What happens when a person feels inequity? He or she is motivated to reduce this inequity (Robbins and Judge, 2021). On the other hand, if a person feels equity, he or she tends to try to maintain the current

situation. The first two methods of reducing inequity are relatively straightforward. First, a person may increase/decrease his or her effort, depending on the type of inequity felt. Second, a person might try to alter the outcomes, such as demanding a higher pay/salary, seeking other ways to develop and grow, or stealing. In these two ways, a person alters his or her ratio. A more complex situation arises when individuals want to alter their perceptions of the self and others. For example, they have to change their original views of the ratio between their outcomes and inputs or change their original views of the ratio of the comparison-other regarding the comparison-other's outcomes and inputs. Another way of reducing inequity is to exchange the current comparison-other for another comparison-other, which would provide a more valid basis for comparison. As a last resort, a person might decide to leave the situation by resigning or asking for a transfer to another job or department.

A study by Kollmann *et al*. (2020) showed that older and younger employees react differently to two types of inequity: overpaying (i.e., receiving high monetary rewards for low task contributions) leads to reduced job satisfaction among older (but not younger) employees. Furthermore, a lack of equity in rewards (i.e., receiving little money for high-level tasks) negatively affected the job satisfaction of younger (but not older) workers.

Focus 3.1 States of inequity

- *Overpayment* inequity occurs when a person's outcome/input ratio is greater than the corresponding ratio of the other person with whom that person compares him- or herself. According to equity theory, such a person will tend to feel guilty.
- *Underpayment* inequity occurs when a person's outcome/input ratio is less than the corresponding ratio of the other person with whom that person compares him- or herself. According to equity theory, such a person will tend to feel angry.
- *Equitable payment* occurs when a person's outcome/input ratio is equal to the corresponding ratio of the other person with whom that person compares him- or herself. According to equity theory, such a person will tend to feel satisfied.

People who feel overpaid (positive inequity) have been found to increase the quantity or quality of their work. Those who feel underpaid (negative inequity) reduce their work efforts to compensate for the missing rewards, which means they are less motivated to work hard in the future. Their recipients perceive the way rewards will largely determine how they affect satisfaction and performance. Because feelings of inequity are based on individual perceptions, not the reward's absolute value or what a manager thinks counts. It is what the recipients think that determines motivational outcomes. Rewards perceived as equitable should have a positive result; those perceived as inequitable may create dissatisfaction and reduced performance.

From the methods mentioned above of reducing inequity, it is clear that some involve behavioural responses (e.g., stealing), while others involve psychological responses (e.g., thinking differently about the situation). For example, as many people would feel uncomfortable with stealing from their organization, they might try to lessen the inequity by thinking differently about the situation. This implies some psychological process of altering their perception.

Most of the research about the equity theory thus far has concentrated on pay/salary, equity/inequity. Strong support was found for equity theory. However, research suggested that people respond to inequities created by the money they receive and other rewards (Greenberg, 2011). Work and organizational psychologists should understand the basis on which people receive rewards, whatever form these rewards may take. It should be remembered that people take a multifaceted view of their rewards; they perceive and experience a variety of rewards, some tangible and others intangible. Furthermore, people's feelings of equity and inequity are based on their subjective perceptions of reality (Moorhead and Griffin, 2012).

Expectancy theory

Expectancy theory is about expectations that people hold and how these expectancies influence their behaviour in organizational settings. Thus, expectancy theory is regarded as one that perhaps explains the complexities of human motivation in organizations.

There are different expectancy theories. The first person to develop an expectancy theory directly aimed at work motivation was Victor Vroom (1964). According to expectancy theory, motivation is the result of three different types of beliefs that people have. Each of these beliefs also implies a particular relationship. Thus, expectancy theory asks a central question: What determines the willingness of an individual to work hard at tasks essential to the success of the work unit and the organization? Expectancy theory is based on the logic: 'People will do what they can do when they want to.' Vroom (1964) suggests that the relationships among the three expectancy factors should be understood. They are:

- *Expectancy (E)*: A person's belief that working hard will achieve the desired level of task performance (effort–performance expectancy). If a person believes that the harder he or she works, the more he or she will accomplish, then one can say that such a person holds a high effort–performance expectancy. On the other hand, a person might be able and willing to work hard but might not have the necessary skills or training or has to work with faulty equipment. Such a person is more likely to hold a low effort–performance expectancy.
- *Instrumentality (I)*: A person's belief that successful performance will be followed by rewards and other potential outcomes (performance–outcome expectancy). Even if individuals work hard and perform at a high level, their motivation is likely to decrease if the organization does not suitably reward that performance. In this instance, individuals are likely to hold a low belief that high performance is instrumental in bringing about rewards. A case in point is when a person has reached the top of his or her salary scale, and no further advancement opportunities exist for him or her.
- *Valence (V)*: A person's value to the possible rewards and other work-related outcomes (rewards–personal goal relationship). Valence refers to how organizational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards. For example, if individuals would instead like to receive a promotion as a reward for their efforts but know that the reward will (only) be in the form of a bonus, they are likely to hold a low rewards–personal goal belief. As a result, their motivation is likely to be low.

  Motivation = E × I × V

Note that a zero at any location at the right side of the equation will result in zero motivation. Therefore, the manager must give attention to each of the components of motivation (see Focus 3.2):

Focus 3.2

Applying expectancy theory

- *Maximize expectancy*: Make the person feel capable of achieving the desired performance level. This can be done by selecting workers with ability, training workers to use their abilities, supporting work efforts and clarifying performance goals.
- *Maximize instrumentality*: Make the person confident in understanding which rewards and outcomes will follow performance accomplishments. Clarify psychological contracts, communicate performance outcome possibilities, and explain that rewards are contingent on performance.
- *Maximize valence*: Make the person understand the value of various possible rewards and work outcomes. Identify individual needs and adjust rewards to match these needs.

According to expectancy theory, motivation is not equal to job performance. Motivation is only one of several factors which influence job performance. Skills and abilities, and role perceptions, also play a crucial role in job performance. In one of the examples, we have already mentioned something about the role of skills and abilities. Role perceptions have to do with what people think is expected of them. If a person thinks that he or she is expected to do specific tasks, but a supervisor expects him or her to do other tasks, he or she might be seen as not performing his or her work adequately (Greenberg, 2011).

Next, an 'extended' version of expectancy theory, namely Porter and Lawler (1968), will be discussed. Initially, an individual's effort to a great degree depends upon the attractiveness (valence) of the potential reward he or she can expect if he or she exerts him- or herself, and upon the perceived probability (expectancy) that the effort will lead to a particular reward. Together with the individual's abilities, traits, and role perceptions, effort leads to performance, which leads to receiving rewards. The individual then judges how equitable the rewards are. If the rewards are perceived as being equitable, the individual will feel satisfied. Next time around, the degree of satisfaction with the rewards (a bonus) influences the individual's value to the rewards. Also, the performance that followed from the effort influences how the individual perceives the probability that a certain effort will lead to certain rewards.

According to the 'extended' expectancy theory, performance leads to rewards, which leads to satisfaction with the rewards. It is also clear that satisfaction indirectly influences (future) performance. Also, this version of expectancy theory incorporates some of the notions of equity theory. Porter and Lawler (1968) recommend that one should attempt to measure the values of possible rewards, the perceptions of effort–reward probabilities, and role perceptions. Organizations should also take a critical look at how employees are rewarded. They also stress that one should look closely at the relationship between levels of satisfaction and performance levels.

Regarding the relationship between motivation and performance, barriers to performance should be overcome by ensuring that: a) people possess the necessary abilities, skills, and knowledge to do

their jobs; b) it is physically and practically possible for people to carry out their jobs; c) the interdependence of jobs with other people or activities is taken into account; and d) ambiguity surrounding the job requirements is kept to a minimum. Regarding the relationship between performance and satisfaction, the following guidelines have been suggested: a) determine what rewards each employee values; b) define what the desired standard of performance is; c) make it possible for employees to attain the desired standard of performance; and d) link the valued rewards to the attained levels of performance.

Goal-setting theory

Task goals in clear and desirable performance targets form the basis of the goal-setting theory of Locke and Latham (1984). According to this theory, task goals can be highly motivating if they are specific and not too difficult. Goals affect performance through four mechanisms (Locke and Latham, 2002), namely they a) direct attention and effort to goal-relevant activities and away from goal-irrelevant activities; b) have an energizing function; c) affect persistence; and d) affect action indirectly by leading to arousal, discovery, and use of task-relevant knowledge and strategies.

Moderators of the goal–performance relationship include:

- *Goal commitment*. The goal–performance relationship is the strongest when people are committed to goals. Workers tend to be committed to goals when they regard them as important and when their levels of self-efficacy are high.
- *Feedback*. For goals to be effective, people need summary feedback that reveals progress in relation to their goals.
- *Task complexity*. Goal effects are dependent upon the ability to discover appropriate task strategies.

The essential elements of goal-setting theory and high performance are illustrated in Figure 3.2.

A manager must work with subordinates to set the right goals in the right ways. The following guidelines can be used:

- *Set specific goals*. They lead to higher performance than more generally stated ones such as ‘do your best’.
- *Set challenging goals*. As long as they are viewed as realistic and attainable, more difficult goals lead to higher performance than easy goals.
- *Build goal acceptance and commitment*. People work harder towards goals that they accept and believe in; they tend to resist goals that seemed forced on them.
- *Clarify goal priorities*. Make sure that expectations are clear as to which goals should be accomplished first and why.
- *Reward goal accomplishment*. Do not let positive accomplishments pass unnoticed; reward people for doing what they set out to do.

Self-determination theory

According to self-determination theory (SDT), motivation ranges from autonomous and stemming from within the self (self-concordant), to controlled and stemming from outside pressure (Deci and Ryan, 2008b). Intrinsic motivation occurs when an activity is undertaken out of interest, enjoyment, or inherent satisfaction. It is divided into three parts: intrinsic motivation to know, intrinsic motivation

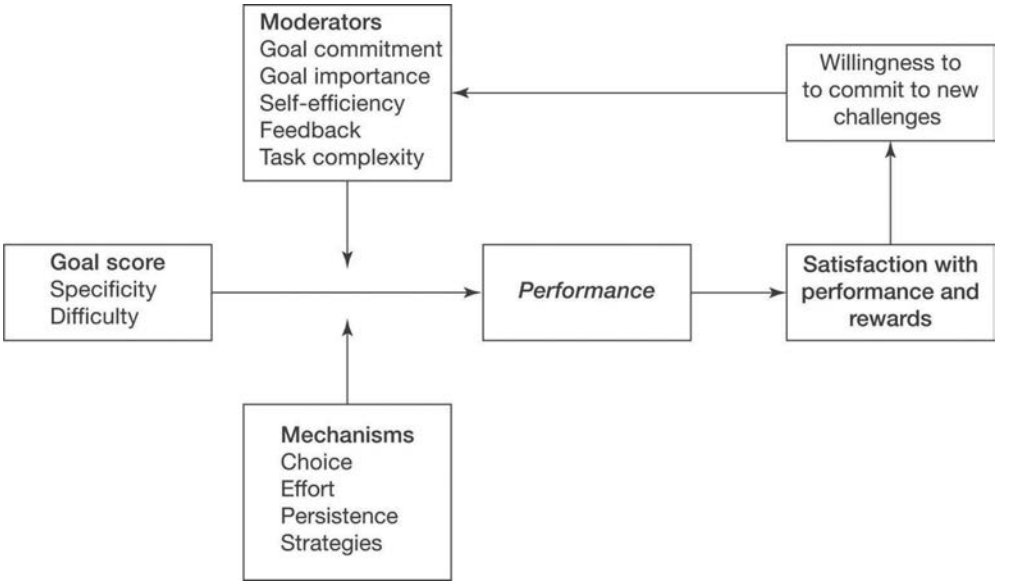

Figure 3.2 Elements of goal-setting theory and high performance
Source: Locke and Latham (2002). Copyright © American Psychological Association. Reproduced with permission.

towards accomplishment, and intrinsic motivation to experience stimulation. The basic premise of SDT is that the satisfaction of the three psychological needs, namely autonomy, competence, and relatedness (see Focus 3.3), is a prerequisite for intrinsic motivation (Deci and Ryan, 2008a, 2008b). Satisfying all three needs is important for optimal functioning and well-being.

Activities that are not intrinsically motivating require extrinsic motivation. Extrinsic motivation relates to activities undertaken for other reasons than interest in the activity and can be classified as integration, identification, introjections, and external regulation (Ryan and Deci, 2002). *Integrated regulation* occurs when an activity is recognized as worthwhile because it is seen as a means to an end. *Identification* occurs when individuals identify that an activity is worthwhile for a specific reason. Rewards and restrictions implemented by individuals govern *introjected regulation*. Rewards and restrictions implemented by others govern *external regulation*. The latter type of motivation is the lowest type of motivation on the self-determination continuum.

Focus 3.3 Psychological needs

- The need for *autonomy* refers to the desire to experience freedom and choice when carrying out an activity.
- The need for *competence* refers to individuals' inherent desire to feel effective in interacting with the environment.
- The need for *relatedness* refers to the innate need of individuals to feel connected to others, love and care for others, be cared for and be loved. This need is satisfied when individuals experience communion and develop close and intimate relationships with others.

Psychological need satisfaction will enhance employees' intrinsic motivation and promote internalization of extrinsic motivation (Gagné and Deci, 2005). A work environment characterized by autonomy support will elicit overall need satisfaction (i.e., of all three needs) and result in greater work engagement and well-being. Employees who perceived their managers as autonomy-supportive exhibited greater job satisfaction and better well-being (Rothmann *et al*., 2013). Competence and relatedness are necessary for motivation, whether autonomous or controlled, and implicit in autonomy support (Deci and Ryan, 2000). Focus 3.4 shows examples of the behaviour of supervisors and managers that support psychological need satisfaction.

Employees' intrinsic motivation and internalization of extrinsic motivation contribute to two components of organizational commitment, namely identification with an organization and internalization of its values. Thus, psychological need satisfaction is a mediator between managerial autonomy support and turnover intention (Van den Broeck *et al*., 2008).

What are the implications of SDT for individuals and organizations? First, individuals should choose jobs for reasons other than extrinsic rewards. Second, motivating employees through intrinsic and extrinsic incentives is essential. Third, to create a motivating environment, organizations can make work interesting, provide recognition, link individual goals with organizational goals, and support employee growth and development (Robbins and Judge, 2021). Finally, satisfying employees' needs for autonomy, competence, and relatedness are essential from both an individual and an organizational perspective.

Video 3.1 The way we think about work is broken

Watch the following video and answer the question that follows:

https://www.ted.com/talks/barry_schwartz_the_way_we_think_about_work_is_broken?utm_campaign=tedspread&utm_medium=referral&utm_source=tedcomshare

Question 1: Why is the way we think about work broken?

Question 2: How should we think about work?

Engagement theory

According to the personal engagement theory of Kahn (Kahn and Heaphy, 2014), individuals invest personal energies into role behaviours and express themselves (Kahn and Heaphy, 2014) physically, cognitively, and emotionally during role performance. Thus, three dimensions characterize work engagement: a physical dimension (having a high energy level), an emotional dimension (being dedicated) and a cognitive dimension (getting absorbed in work).

According to the personal engagement theory of Kahn (1990), various factors might shape the engagement of employees through three psychological conditions, namely meaningfulness, safety and availability (Kahn and Heaphy, 2014). Focus 3.5 shows the definitions of the three psychological conditions.

Focus 3.4 Behaviour that supports psychological need satisfaction

Autonomy support

- Encourage employees to speak up when they disagree with a decision.
- Encourage employees to participate in important decisions.
- Provide direction when needed.
- Provide a meaningful rationale for doing a task.
- Emphasize choice rather than control.

Competence support

- Support employees' attempts to acquire additional training or education.
- Provide helpful feedback about employees' performance.
- Encourage employees to develop new skills and/or strengthen current skills.
- Praise good work and inspire employees.
- Make it clear what employees should be doing.

Relatedness support

- Treat people fairly and in a humane way.
- Protect employees' interests.
- Be accessible and trustworthy.
- Communicate in a way that employees understand.
- Listen carefully to different points of view before coming to conclusions.

Focus 3.5 Psychological conditions for personal engagement

- Psychological *meaningfulness* relates to the value that people attach to a work goal compared with their own personal goals.
- Psychological *safety* is defined as the experience of being able to act in a way that is natural, and to be able to use and employ all skills and knowledge in a role without having to fear ridicule or negative consequences.
- Psychological *availability* is the ability to engage as a result of having the cognitive, emotional, and physical resources.

According to the model of Kahn (1990), person–environment fit, job enrichment and co-worker relations affect personal engagement via experiences of psychological meaningfulness. Supervisor and co-worker relations affect personal engagement via experiences of psychological safety. Finally,

personal resources and work/life interference affect personal engagement via experiences of psychological availability (May *et al*., 2004; Rich *et al*., 2010; Rothmann and Welsh, 2013).

Because organizations are defined by relationships among people who coordinate their activities in tasks, goals and missions, relational contexts shape personal engagement in work roles (Kahn and Heaphy, 2014). Relationships shape meaningfulness by deepening individuals' experiences of the purposes of their work (in teams, in leader-follower situations and in relations with beneficiaries of your job) and by heightening their sense of belongingness (social identification) at work. Experienced safety is shaped through empathic acknowledgement and an enabling perspective. Furthermore, relationships shape availability through energizing interactions and emotional relief (Kahn and Heaphy, 2014).

According to the Job Demands-Resources (JD-R) model (Demerouti *et al*., 2001), every occupation has specific characteristics (job demands and job resources) associated with the well-being of people. Work engagement results when job resources (e.g. supervisor and co-worker support) are available and when job resources are exceeding job demands (Schaufeli and Bakker, 2004). Personal resources (e.g. optimism) have also been studied in relation to models of employee engagement (Xanthopoulou *et al*., 2009). For example, research has shown that optimistic employees were inclined to perceive that job resources are available, while pessimists were inclined to perceive a lack of job resources (Barkhuizen *et al*., 2014).

Employee engagement is associated with various positive organizational outcomes, including higher customer loyalty, lower absenteeism, higher productivity and profitability, and lower rates of staff turnover (Harter *et al*., 2002). In addition, employee engagement predicts positive organizational outcomes, e.g., productivity, job satisfaction, motivation, commitment, low turnover intention, customer satisfaction, return on assets, profits, and shareholder value (Rich *et al*., 2010).

Self-efficacy theory

Self-efficacy refers to a belief in the probability that one can successfully execute some action or task to achieve some result. The construct self-efficacy is linked to social cognitive theory (Wood and Bandura, 1989). In difficult situations, people with low self-efficacy are likely to reduce their effort or to give up. In contrast, people with high self-efficacy will try harder to master a challenge.

Self-efficacy is a powerful motivator of behaviour because efficacy expectations at a given point determine the initial decision to perform a task, the effort expended, and the level of persistence that emerges in the face of adversity. Self-efficacy can also be viewed as a general, stable cognition (trait) that individuals hold and carry with them, reflecting the expectation that they possess the ability to perform tasks successfully in various achievement situations.

Efficacy beliefs may be enhanced by mastery experiences, vicarious experience, verbal persuasion, and positive emotional states. Hence motivational programmes should include these elements, for instance, practical exercises to provide experiences of vocational success (mastery experiences), role models of good performance (vicarious experiences), coaching and encouragement (verbal persuasion) and reducing fear of rejection or failure (managing emotional states). Enactive mastery (i.e., getting experience with a task or job) is the most important source of increasing self-efficacy. Employees who have done a task successfully in the past will be more confident to perform it confidently in the future.

Reinforcement theory

Reinforcement theory entails a behaviouristic approach to motivation. Behaviourists believe that living systems function according to the principles of operant conditioning. In other words, behaviour is followed by a consequence, and the nature of the consequence modifies the organism's tendency to repeat the behaviour. Skinner's classic laboratory studies showed that rats in a cage learn to acquire food by repetitively touching a mechanical device.

The implication of reinforcement theory for work and organizational psychologists is that consequences might reinforce behaviour. For example, pay can motivate people to show specific behaviours. However, the process is probably much more complicated than simply a stimulus and response. Thus, reinforcement probably has a significant influence on behaviour but is not the only influence on behaviour.

Video 3.2 Motivation

Watch the following video and answer the question that follows:

https://www.youtube.com/watch?v=wZySf0NQUP0
Question 1: What are the most important learning points about motivation?

Implications of motivational theories

Next, some implications of motivational theories and research findings will be discussed.

Personal motives and values

A motivating environment can be created by ensuring that employees' motives and values match the motives and values required by the job and the organization. Providing a realistic job preview and training employees are essential to facilitate their acceptance of these motives and values. For example, jobs might be simple, repetitive, and require little brainpower to do. If someone for this type of work is found, the candidate should be told what the job entails and then a candidate who will be satisfied doing that kind of work should be selected.

Goal setting

Work and organizational psychologists can assess the motivational climate of their working environment by asking, 'Do workers understand and accept performance expectations?' The foundation of an effective motivation programme is proper goal setting. Effective goal setting has three critical components: goal-setting process, goal characteristics, and feedback.

- *Goal-setting process*. Goals must be understood and accepted if they are to be effective. Workers are more likely to accept goals if they feel they were part of the generation process. This is especially important if the work environment is unfavourable for goal accomplishment (for example, when the goal is inconsistent with accepted practice or when it requires new skills).

- *Goal characteristics*. Research has shown that goal characteristics significantly affect the likelihood that the goal will be accomplished. Effective goals are specific, consistent, and appropriately challenging. Specific goals are measurable, unambiguous, and behavioural.
- *Feedback*. Feedback provides opportunities for clarifying expectations, adjusting goal difficulty, and gaining recognition. Therefore, it is essential to provide benchmark opportunities for individuals to determine how they are doing. These progress reports are particularly critical when the time required to complete an assignment or reach a goal is long.

Facilitating subordinates' performance

One key ingredient of an effective goal programme is a supportive work environment. After goals have been set, the work and organizational psychologist's focus should shift to helping accomplishment. Help may come in many forms, including ensuring that the worker has the required abilities for the job, providing the necessary training, securing needed resources, and encouraging co-operation and support from other work units. In other words, work and organizational psychologists should assist in making the paths leading towards the targeted goals easier for workers to travel.

Appropriate use of rewards and discipline

An essential step in developing an effective motivational programme is to encourage goal accomplishment by linking performance to outcomes (rewards and discipline). Two principles are essential, namely: a) rewards should be linked to performance, rather than seniority or membership; and b) discipline could be used to decrease counterproductive behaviour, and rewards could be used to reinforce constructive behaviour.

If an organization is rewarding all people the same or on some basis other than performance, then high performers are likely to feel that they are receiving less than they deserve. The most important individuals in any organization are its high performers. Therefore, motivational schemes should be geared to keeping high performers satisfied. This principle raises a voice of caution regarding the practice of eliminating distinctions between workers. Although there are apparent motivational benefits to employees who feel they are receiving the same rewards despite seniority or authority level, this philosophy demotivates high performers when carried to an extreme.

Managers and supervisors must recognize that their daily interactions with subordinates are important motivators (Clawson, 2006). Therefore, the following types of responses to employee behaviour must be considered:

- *Extinction*. Extinction is behaviour followed by no response but can be a complicated strategy to carry out. Often a non-response is interpreted as either a positive or negative response. If the behaviour persists, it is reinforced. Thus, if an employee is chronically late or continually submits sloppy work, the manager must ask where the reinforcement for this behaviour is coming from.
- *Disciplining*. Discipline involves responding negatively to an employee's behaviour to discourage future occurrences. Discipline should be used to extinguish unacceptable behaviour. However, once an individual's behaviour has reached an acceptable level, negative responses will not push the behaviour up to an exceptional level. Failure to reprimand and redirect inappropriate behaviour may lead to undesirable outcomes. It poses a serious threat to the work unit's morale and does not improve the poor performer's behaviour.

- *Rewarding*. The rewarding approach consists of linking desired behaviour with employee-valued outcomes. For example, when a worker completes a report in time, the manager praises their promptness. It is only through positive reinforcement that workers have control over achieving what they want.

Providing attractive rewards

It is a mistake to assume that all workers value the same outcomes. Therefore, employees could be allowed to select from a benefits menu. In addition, a flexible reward system helps managers not to project their preferences onto subordinates.

External motivators are controlled by someone other than the worker. The manager can show appreciation for a job well done, offer job security, show personal loyalty to workers, and provide good working conditions. Although managers control the components of a job, they have no direct control over whether a specific worker finds a job interesting. The outcomes associated with an interesting job come from internal motivators – factors inherent in the job itself, not from any actions of the manager or supervisor.

No matter how many externally controlled rewards managers or supervisors use, performance will suffer if workers find their jobs uninteresting and unfulfilling. Attention to internal motivators is particularly critical when managers or supervisors have relatively little control over the organizational incentive system. Job design is the process of matching job characteristics and workers' skills and interests. According to the model of Hackman and Oldham (1976), intrinsically satisfying tasks are high on skill variety, task identity, task significance, autonomy, and feedback. These core job characteristics result in three critical psychological states. These psychological states promote job satisfaction, internal work motivation, and work performance. However, autonomy and feedback have a more significant impact on the motivational potential of a job compared with the other three characteristics.

The more variety in skills a person can use in doing the work, the more the person perceives the task as meaningful. The more an individual can do a complete job from beginning to end (task identity), and the work affects the work or lives of other people (task significance), the more the employee will view the job as meaningful. The more autonomy in work (freedom to choose when and how to do the job), the more responsibility they feel for their successes and failures. Increased responsibility leads to an increased commitment to one's work. Autonomy can be increased by beginning flexible work schedules, decentralizing decision-making, or removing selected formalized controls, such as ringing a bell to indicate the beginning and end of a workday. Finally, the more feedback individuals receive about how well their jobs are being done, the more they know about results. Knowledge of results may be enhanced by increasing employees' direct contact with clients or giving them feedback on how their jobs fit in and contribute to the total operation of the organization.

Other models of job design are the job demands–control model (Karasek, 1979) and psychological empowerment theory. The job demands–control model proposes that job demands might be less harmful and demotivating when high levels of control accompany them. Psychological empowerment theory (Spreitzer, 1995) distinguished empowerment practices (e.g. job enrichment) from psychological empowerment (the cognitive-motivational states that arise from these practices). Psychological empowerment theory proposes that competence or self-efficacy (meaning believing that goals to be accomplished are meaningful), choice (feeling a sense of self-determination and choice over tasks), and impact (believing that actions make a difference) mediate the link between objective work conditions

and psychological outcomes. This model implies that the psychological states (rather than just the objective work conditions) can be measured and promoted.

Equitable distribution of rewards

Once the appropriate rewards have been determined for each worker, the work and organizational psychologist must assist managers and supervisors in considering how to distribute the rewards. Any positive benefits of attractive rewards will be cancelled if workers feel that they are not receiving their fair share. Equity refers to the workers' perceptions of the fairness of rewards. Evaluations of fairness are based on a social comparison process in which workers individually compare what they are getting out of the work relationship (outputs) with what they are putting into the work relationship (inputs).

If workers experience inequity, they will behaviourally or cognitively adjust their own or fellow workers' inputs and outputs. This may lead to a decrease in motivation and performance. For example, if workers believe that they are underpaid, they may, as part of a cognitive strategy, rationalize that they are not really working as hard as they thought they were, thus reducing the perceived value of their inputs. Alternatively, they may convince themselves that their co-workers are working harder than they thought they were. Behaviourally workers can request a pay raise or decrease their inputs by leaving a few minutes early each day, decreasing their effort, deciding not to complete an optional training programme, or finding excuses not to accept complex tasks.

Subordinates' perceptions of equity should be monitored because they may uncover faulty comparison processes. For example, people may be using inappropriate comparisons (with more senior or better-educated individuals), misunderstand the value placed on various inputs (e.g. experience versus expertise, quantity versus quality), or have unrealistic views of their performance. The critical thing to keep in mind about equity and fairness is that we are dealing with perceptions. Whether these perceptions are accurate or distorted until proven otherwise, they are accurate in the perceiver's mind.

Providing timely awards and accurate feedback

It is the timing of the reinforcement that lets the worker know which behaviour is being encouraged. Giving a reward at the wrong time can increase undesirable behaviour. For example, giving a long-overdue, fully warranted rise to a worker during an interview in which he or she is complaining about the unfairness of the reward system may reinforce complaining rather than good work performance. Moreover, failure to give a reward when desired behaviour occurs will make it even more difficult to increase that behaviour in the future.

Formal administrative procedure in organizations often delays for months the feedback on the consequences of worker performance. This delay between performance and feedback decreases the effectiveness of rewards or discipline. Therefore, immediate and spontaneous rewards are important.

Social and group factors

The interpersonal and group process must support the worker's efforts to achieve objectives. The use of self-managed workgroups and giving responsibility for a whole task can motivate workers. The motivational climate in the group can be improved by giving attention to the composition of the group. The homogeneous composition of groups, team building, and the selection and development of leaders can affect motivation.

Role of supervisors and managers

The quality of supervision and management is a critical component of creating a motivational environment. However, most managers have little understanding of their influence on work engagement, commitment, and intentions to stay or leave. Therefore, an important task of managers is to optimize the emotional climate in their teams and enhance employee engagement by showing the following behaviours:

- Acknowledge and reward good performance instead of only correcting substandard performance.
- Be fair towards employees because this will strengthen the psychological contract.
- Put problems on the agenda and discuss these in an open, constructive, and problem-solving way, both in work meetings and individual talks.
- Inform employees regularly and as early and complete as possible in face-to-face meetings about important issues.
- Coach employees by helping them with setting goals, planning their work, pointing out pitfalls, and giving advice as necessary.
- Interview employees regularly about their functioning, professional development, and career development.

Job satisfaction

This section will focus on job satisfaction in terms of its definition, contributing factors, and consequences thereof.

Definition of job satisfaction

Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience (Locke, 1976). This definition incorporates both cognitive ('an appraisal of one's job') and affective ('emotional state') elements (Weiss, 2002). Most studies on job satisfaction (and specifically the measurement thereof) have focused on the cognitive element. Weiss (2002: 6) defined job satisfaction as 'a positive (or negative) evaluative judgment one makes about one's job or job situation'.

Factors that influence job satisfaction

Job satisfaction depends on many work-related factors, including the nature of the work itself, pay, promotional opportunities, supervision, co-worker relations, and job security (Schultz and Schultz, 2014). The nature of the work seems to be a significant source of job satisfaction, especially characteristics such as feedback and interesting and challenging work. Pay seems to be a major factor in job satisfaction because the money a person receives allows him or her to satisfy their basic needs and to satisfy higher-level needs. Promotional opportunities seem to have a varying effect on job satisfaction. Finally, supervision is a moderately important source of job satisfaction.

Relationships with co-workers are not essential to job satisfaction. However, if the work group is challenging to get along with, it will harm job satisfaction. Working conditions seem to have a modest effect on job satisfaction. There will be no job satisfaction problems; if they are bad, there will be. It seems as if employees generally do not give much thought to working conditions unless they are extremely bad.

A person's needs and aspirations can affect satisfaction. For example, if an employee wants to be in a high-status position, gaining such a position will probably enhance his or her level of job satisfaction. In addition, the instrumental benefits of the job or the extent to which it (the job) enables the employee to achieve other ends also play an essential role in satisfaction (Moorhead and Griffin, 2012).

The consequences of job satisfaction and job dissatisfaction

Research showed a moderate inverse relationship between satisfaction and turnover. High job satisfaction does seem to help to keep turnover low, but will not, in and of itself, keep it low (Robbins and Judge, 2021). On the other hand, if there is high job dissatisfaction, turnover is likely to be high. This moderate relationship between satisfaction and turnover is that other factors (e.g., the state of the economy) play a role in an employee's decision to keep or quit his or her job.

There is an inverse relationship between satisfaction and absenteeism – that is, when employees are highly satisfied, they tend to be less absent from work; when they are highly dissatisfied, they tend to be more absent from work. But, again, there are other factors that influence this relationship. One such factor might be the degree to which an employee feels that his or her work is important. If a person feels that his or her work is important, he or she will be less likely to be absent from work (Robbins and Judge, 2021).

A large-scale study (Faragher et al., 2005) indicates a strong relationship between job satisfaction and employee health. Research showed positive relationships between job satisfaction and life satisfaction, happiness, positive affect, and the absence of negative affect (Bowling *et al*., 2010). The causal relationship from subjective well-being to job satisfaction was stronger than the causal relationship from job satisfaction to subjective well-being.

A more 'problematic' relationship is that of satisfaction and performance. Research results showed a negative relationship between satisfaction and performance; in some cases, there is a positive relationship between satisfaction and performance, and in some cases, there are very few signs of such a relationship. During the mid-1950s, Brayfield and Crockett (1955) found that the median correlation between satisfaction and performance was about 0.12, which is rather low. In the most recent examination by Judge *et al*. (2001), a correlation of 0.30 between satisfaction and performance was found (which is a small but meaningful association). Therefore, it is probably better to assess the relationship between satisfaction and motivation, rather than satisfaction and performance. The link between motivation and performance is not a simple one because many other important factors influence employee performance besides motivational levels. These factors include job design, the functioning of machines and equipment, group norms, and group coordination.

Application 3.1 The perils of money and other extrinsic motivators

Katherine Lawrence argued during the Conference on Promoting Markets in Creativity: Copyright in the Internet Age (2003) in Washington, DC that although money is a symbolic way of showing employees that they are valued, it might also be a dangerous motivator. She pointed out that there are three ways in which money can have serious repercussions for the creative process.

Financial rewards can distract employees from the organization's underlying goals. It is often difficult for employees within large organizations to see direct connections between their efforts and the final results. To make these connections clear, some bonus reward systems tie individual compensation to overall firm performance. For example, stock options are thought to encourage employees to work harder as 'owners' of the firm. However, a recent study by Julia A. Welch ('Good intentions gone awry: A field study of stock options in the high-tech industry', unpublished dissertation, University of Michigan, 2003) shows that stock options can become a carrot that lures employees completely off-track, causing them to be so obsessed with the hour-to-hour fluctuations in stock value that their effort and motivation fluctuate accordingly. Instead of working, employees in one firm spent hours of work time preoccupied with their personal stock portfolios each day. Rather than focusing employee effort and responsibility, stock options can be a damaging extrinsic motivator. Businesses need to consider meaningful, non-financial ways of sustaining motivation throughout the creative process.

1 Employees may not put forward their best work if they are 'bought out' for limited rewards. Often, people produce creative work in exchange for a salary or a fixed contract, resulting in the employer owning their 'copyrights'. However, if creativity can produce ongoing income to the firm, individual contributions should be rewarded in kind. For example, some organizations allow individuals to hold copyrights or patents and perhaps earn royalties from them. Financial rewards aside, this simple recognition may offer a sufficient incentive. In addition, the opportunity to reap the benefits for the years that their creativity continues to be profitable may bolster existing intrinsic motivations.
2 Extrinsic rewards such as money can actually damage intrinsic motivation because employees begin to focus on the reward rather than on the work and lose interest in going the extra distance. Knowledge workers – those responsible for many of the creative products protected by copyright – typically have intrinsically motivating work, and it is important to preserve that intrinsic value as an incentive. Intrinsic motivation is encouraged through exciting opportunities, supportive work environments and recognition. As Eric Raymond, an evangelist for the opensource software movement, has said: 'You cannot motivate the best people with money . . . The best people in any field are motivated by passion . . . When are programmers happy? They're happy when they're not underutilized – when they're not bored. . . . This is a general preference in creative work. People are happiest when they're the most productive.' The open-source software movement is proof that money is not the sole motivator. Given that fact, it is important to identify what else might motivate a particular individual – whether that might be more varied projects, a chance for learning and challenge, or greater autonomy – and reward accordingly.

Extract from Lawrence, 2004.

Summary

- In different definitions of motivation, the following words are often used: desires, wants, wishes, aims, goals, needs, drives, motives, and incentives. For example, motivation in organizations is the willingness to exert high levels of effort towards organizational goals, conditioned by the effort's ability to satisfy individual needs.

- Different theories try to explain motivation. Recent theories and models (including self-determination theory, self-efficacy theory, the job demands-resources model, psychological empowerment theory and personal engagement theory) stress that specific antecedents (i.e. demands and resources) might affect motivation and engagement via psychological conditions, such as meaningfulness, safety, and availability and psychological need satisfaction.
- A motivating environment can be created by a) ensuring that the motives and values of the worker match those of the organization and the job; b) proper goal setting; c) facilitating subordinates' performance by creating a supportive work environment; d) appropriate use of rewards and discipline; e) providing attractive rewards; f) providing timely awards and accurate feedback; g) attending to social and group factors.
- Job satisfaction is defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. The main factors influencing job satisfaction are organizational factors (pay, promotions, the work itself and working conditions), group factors (the role of the supervisor and co-workers), and personal factors (needs and aspirations and how these are met, and how an individual views the instrumental benefits of the job). The relationship between satisfaction, motivation and performance/productivity is rather complex, and a model is needed to explain it.

Key concepts and terms

- Discipline
- Engagement
- Equity theory
- Esteem need
- Expectancy theory
- Extinction
- Extrinsic motivation
- Goal
- Goal acceptance
- Goal-setting theory
- Hygiene
- Hierarchy of needs theory
- Instrumentality
- Intrinsic motivation
- Job satisfaction
- Motivation
- Need for achievement
- Need for affiliation
- Need for power
- Personal motives
- Physiological need
- Psychological empowerment

- Psychological availability
- Psychological meaningfulness
- Psychological need satisfaction
- Psychological safety
- Reward
- Safety/security needs
- Self-actualization need
- Self-determination theory
- Social need
- Two-factor theory
- Valence

Sample essay titles

- What are the key elements of motivation?
- How applicable are the motivation theories of Maslow, Herzberg, and McClelland today?
- How can work and organizational psychologists contribute to create a motivating climate in organizations?
- Why is employee engagement important to managers?

Further reading

Books

Kaufman, S.B. (2020). *Transcend.* New York: Penguin Publishing Group.

Truss, C., Delbridge, R., Soane, E., Alfes, K. and Shantz, A. (2014). *Employee Engagement in Theory and Practice*. Abingdon: Routledge.

Journal articles

Kanfer, R., Frese, M. and Johnson, R.E. (2017). Motivation related to work: A century of progress. *Journal of Applied Psychology, 102*(3), 338–355.

Rigby, C.S. and Ryan, R.M. (2018). Self-determination theory in human resource development: New directions and practical considerations. *Advances in Developing Human Resources*, *20*(2), 133–147.

4 Group behaviour

This chapter focuses on group dynamics and teamwork. The first section describes the importance of groups. This is followed by definitions of terms and classification of groups. The chapter then proceeds to models of group behaviour. Factors that could explain group behaviour are analysed next. The role of group member resources is introduced, followed by external conditions imposed on the group, structure, and processes.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define the terms group, content, process, and structure.
2 Discuss the importance of groups.
3 Distinguish between various types of groups.
4 Explain the models of group behaviour.
5 Explain group behaviour by referring to external conditions imposed on the group, group member resources, group structure, and group processes.

Definition of terms

The following elements should be considered when the term 'group' is defined (Johnson and Johnson, 2014; Robbins and Judge, 2021):

- *Goals*. A group is defined as a number of individuals who share common goals. Groups are formed because of some common goals or interests that individuals could not realize independently. For example, a soccer team is a group that may be sustained by the mutual interests of its members in winning a championship.
- *Interdependence*. A group is defined as a collection of individuals who are interdependent in some ways. For example, an event that affects one individual affects all.
- *Interaction*. A group is defined as a number of individuals who are in interaction with one another. The interaction may be verbal (such as giving ideas to solve a problem) or non-verbal (such as exchanging smiles in the hallway).

DOI: 10.4324/b22796-5

- *Perception of membership*. Individual members must perceive themselves as a group. Groups are composed of members who recognize each other as members of their group and can distinguish these members from non-members. For example, shoppers in a checkout line are probably not recognized as members of a group.
- *Structured relationships*. A group is defined as a collection of individuals whose interactions are structured through role definitions and norms.
- *Mutual influence*. A group is a collection of individuals who influence each other.
- *Motivation*. A group is defined as a collection of individuals who try to satisfy personal needs through their association.

A *group* is defined as a collection of two or more people involved in face-to-face interaction, interdependent, perceive themselves and others as part of the group, have a stable pattern of relationships between them, and strive towards a common goal (Johnson and Johnson, 2014).

Group dynamics is an area of social science that focuses on studying the nature of group life. It includes the scientific study of the nature and behaviour of groups, their development, and relations with individuals, other groups, and larger entities (Johnson and Johnson, 2014).

Importance of groups

It is essential to understand group dynamics because groups are central to effective businesses and industries (Johnson and Johnson, 2014). Groups affect the work performance and productivity of individuals.

Figure 4.1 A team generates positive energy through a coordinated effort
Source: © Dragon Images/Shutterstock.com

Therefore, organizations use groups for quality improvement, problem-solving, team building, training and development, strategic planning and organizational development, and the design and launch of new products and services.

The use of groups for the purposes described above may have advantages, but it may also have a dark side. For example, the use of groups may result in a waste of time and energy, norms of low rather than high productivity, poor decision-making, destructive conflict between groups in an organization, as well as frustration and stress (Johnson and Johnson, 2014; Salas *et al*., 2004).

It is crucial to promote teamwork in modern organizations. Most organizations have to use their mission, business model, metrics, training, incentives, structure, culture, decision-making, and physical space arrangements to promote collaboration and a sense of shared purpose (Castellana, 2013).

Social identity theory

Social identity theory can explain why people form groups (Ashforth and Mael, 1989). According to this theory, individuals take personal pride or offence for the accomplishments of a group because their self-esteem becomes tied to the group's performance. People will develop social identities when the following characteristics are important: similarity (e.g. regarding values and characteristics), distinctiveness (e.g. to show how they are different from others), status (e.g. linking themselves to high-status groups) and uncertainty reduction (e.g. to help them understand who they are and where they fit in).

When a group does well, members experience positive emotions, and their self-esteem rises. On the other hand, when a group does poorly, members feel bad about themselves. Social identity theory helps people reduce uncertainty about who they are and what they should do (Hogg and Terry, 2000). However, although social identities help members understand who they are and where they fit in, such identities may result in in-group favouritism and stereotyping of other groups (Robbins and Judge, 2021).

A study by Andersen *et al*. (2018) showed that social identification with the workgroup was stronger than identification with the organization where employees were working. Individuals' temporary employment undermined workers' social identification with the organization. Social identity was associated with and safety climate at the workgroup level as well as the organization level. They suggested that social identity processes may be antecedents for safety climate.

All people have competing identities (rather than a single identity). The hope for harmony in a diverse world lies in the plurality of their identities. Sen (2009) expresses the importance of multiple identities as follows:

> I can be, at the same time, an Asian, an Indian citizen, a Bengali with Bangladeshi ancestry, an American or British resident, an economist, a dabbler in philosophy, an author, a feminist, a heterosexual, a defender of gay and lesbian rights, with a non-religious lifestyle, from a Hindu background, and a non-believer in the afterlife.

Choice and reasoning play a crucial role in determining the clarity, logic and relevance of identities which are inescapably diverse. Depending on the situation, we may choose which social identities are most relevant. Social identities may also conflict (e.g., parent and manager).

Individuals' social identities help them determine who they are and where they belong. Consequently, their health may improve, and their depression levels might fall since they would be less likely to attribute adverse outcomes to internal factors. However, positive social identities are essential to experience

good outcomes (Robbins and Judge, 2021). When people do not identify with a group, they are less committed to the group, more unhappy at work, and less likely to engage in organizational citizenship behaviours. In addition, individuals may experience strain on their identity if managers and others do not treat them with inclusiveness.

Types of groups

There are various types of groups such as groups in organizations (e.g. production groups or marketing groups), committees, and informal groups.

Groups can be classified based on their formality. Groups can either be formal or informal (Johnson and Johnson, 2014; Robbins and Judge, 2021). *Formal groups* are defined by the organization structure, with designated assignments establishing tasks. For example, the members making up an airline flight crew are a formal group, and so are the production team members in an organization or a department at a university. *Informal groups* are alliances that are neither formally structured nor organizationally determined. These groups appear naturally in response to the need for social contact. Three employees from different departments who regularly eat lunch together are an example of an informal group.

Explaining group behaviour

Why would some groups be more successful than others? The answer to this question is complex. However, a study of the variables that explain group behaviour in Figure 4.2 will shed more light on this issue.

Next, we will focus on each of the factors that explain group behaviour.

External conditions imposed on the group

External conditions imposed on the group which may affect group member behaviour include organizational culture, task design, and technology.

Organizational culture

The culture of the organization influences groups. Organizational culture is defined as the internally consistent pattern of affirmations, confirmations, and limitations which lead people to act, judge and justify themselves according to sanctioned ways (Johnson and Johnson, 2014; Weick, 1985). The organizational culture could have an inhibiting or facilitating effect on the behaviour in a group. Group effectiveness can be promoted if the current organizational culture supports innovation and shared expectations of success. Therefore, it is crucial to inquire about social rules that may inhibit group work and identify existing norms for group gatherings and problem-solving within a specific organization.

Task design and technology

The effect of the nature of the task can be determined by considering the complexity of technical demands (knowledge and skills) and social demands (interaction between group members). To perform well, the group must divide the skills, inputs, and strategies available so that they would fit the

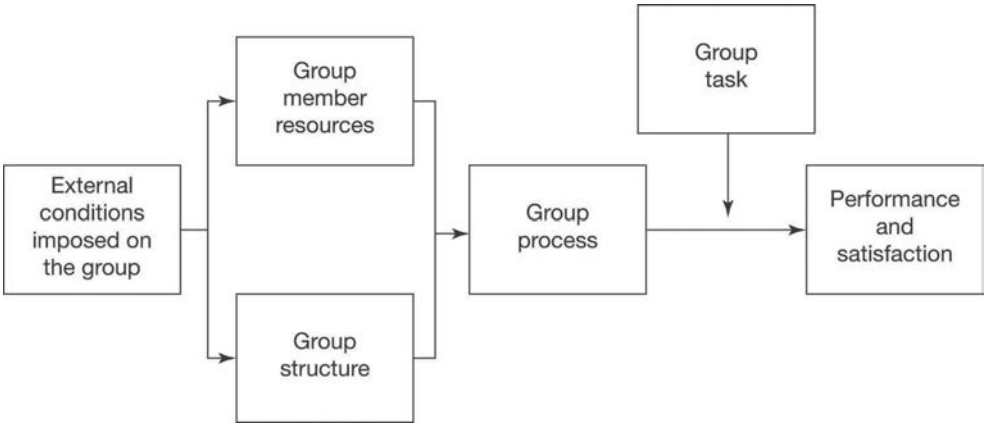

Figure 4.2 Variables which explain group behaviour

technical and social demands of the task. The quality of group performance decreases when the task becomes too complex or too simple.

Task design and social organization depend on the technology of the organization. For example, the mechanization of work in a coal mine may cause individuals to work in teams rather than independently. In addition, some technologies may implicate that one group member has to master all the tasks, while others are so complex that a member could only master one (e.g. a symphonic orchestra).

An optimal fit between the task, technology and social organization requires that technical processes be divided into subunits of reasonable size. Ideally spoken, each group has to be responsible for the total manufactured product, to help them see the results of their work. The task should be significant, challenging and require a variety of skills. The group should be responsible for the results, be interdependent, and must be able to learn and get feedback. Frequent and reliable performance feedback must be built into the task.

Organization strategy

An organization's overall strategy, put into place by top management, outlines the organization's goals and the means for attaining these goals. For example, it might direct the organization towards reducing costs, improving quality, expanding market share or shrinking the size of the total operation. The organization's strategy may influence the power of various groups, determining the resources the organization's top management is willing to allocate to perform the tasks. The communication of the organization's mission is vital for work teams, which is closely related to those of other work units. Group members will be more motivated to strive for group goals if they accept them. Conversely, resistance and self-oriented behaviour arise if group members do not accept the goals.

Performance feedback

The effectiveness of a group depends on accurate and timely performance feedback. This requires reliable measurement systems, mainly when the group produces quantifiable outputs and has a short work

cycle (e.g. mining teams and the assembly line). It is, however, difficult to give feedback when the work cycle is long and when outputs are produced infrequently.

Reward and recognition

The nature of the reward may affect the productivity and functioning of the group. Rewards that encourage cooperation between group members positively affect group members' motivation and interpersonal relations, especially if they are interdependent. A well-structured reward system may reinforce the motivating nature of a well-designed task. Complex, but realistic performance objectives must be set, and the group should receive feedback about their efforts to reach these objectives. Objectives must support (rather than replace) task-based motivation. Rewards and objectives that focus on group behaviour (rather than individual behaviour) may increase group members' effort. Conflict arises when specific individuals in the group are targeted for rewards. Organizations that rewarded individual performance in the past might experience this problem.

Physical environment

The seating arrangements, illumination, ventilation, and physical environment where work takes place may affect the processes and results of the group. Group interaction is promoted when group members are placed near to each other. The seat taken by the group member indicates at what distance he or she feels comfortable with others. Face-to-face seating arrangements facilitate interaction. Although positive causal relationships have been found between productivity and group functioning on the one hand, and light intensity, size of rooms, the use of music, and noise, on the other hand, these effects are mediated by the attitudes (and expectations) of group members. Orienting group members positively towards environmental variables can control their effect.

Authority structures

Organizations have authority structures, which define who reports to whom, who makes decisions, and what decisions individuals or groups are empowered to make. This structure determines where a given group is placed in the organization's hierarchy, the formal leader of the group, and formal relationships between groups. While a group might be led by someone who emerges informally from within the group, the formally designated leader – appointed by management – has authority that others do not have.

The informal relationships in an organization may undermine the formal structure. For example, the personal relationship between the director of an organization and the manager of one department (of a specific division) may undermine the formal authority of the head of the division.

Intergroup relationships

The degree of interdependence between various groups in the organization varies. Organizations represent a complex structure of groups embedded in other groups. Members try to satisfy their personal needs and those of other groups to which they are affiliated in the group (Putnam, 1988). Each group is, to an extent, dependent on other groups in an organization because everyone contributes to the final

output. The performance of one group may also be dependent on the outputs of other sections or groups. Poor performance of one group may block the performance of others, which may cause frustration.

The principle of competition between groups is often used to increase the productivity of groups and individuals. However, excessive competition between groups (departments and sections) may lead to a subtle application of sanctions and sabotage of other groups in the organization. As a result, tension, frustration, and conflict spread to every individual and delay the group interaction.

Group member resources

Various group member resources (e.g., age, gender, physical characteristics, and personality) may affect group behaviour. For example, research showed that an increase in age accompanies an increase in the frequency of social contact, higher selectivity in interpersonal contact, a tendency to want to serve as a leader and a decrease in conforming behaviour (Timmerman, 2000). Regarding the influence of gender on group behaviour, females (compared with males) are more inclined to conform to group norms and are more communicative in bargaining situations (Reynolds, 1984). However, these characteristics are a function of cultural norms regarding the role of females in society (that may change). In addition, the abilities and skills of an individual may affect his or her functioning in a group.

Research methods 4.1 Personality traits and group behaviour

Personality traits such as sociability and independence are related to productivity, morale and cohesion of the group. Characteristics such as dominance and unconventionality are negatively related to productivity, morale, and cohesion (Robbins and Judge, 2013). Research by Barry and Stewart (1997) suggests that individual group member personality is related to how groups function. Groups are most effective when group members' personality characteristics are congruent with the roles they fulfil. The role of personality may be vital in self-managed work teams. Extraversion is the key personality-based correlate with individual impact on group performance as perceived by other group members. Groups having 20–40 per cent high extraversion members outperform groups with either fewer or more members. Barry and Stewart (1997) found no direct role for conscientiousness in group situations. It seems that conscientiousness may become less important in team-based tasks because groups can recognize and compensate for the lack of conscientious individuals. It may also be that conscientiousness plays a smaller role in conceptual tasks (e.g., creative tasks) and a more important role in behavioural tasks (planning, performance, or competition). Group effectiveness is improved when members are socially sensitive, assertive, and not too anxious.

Group structure

Groups are not unorganized mobs. Instead, they have a structure that shapes members' behaviour and makes it possible to explain and predict individual behaviour in the group.

Composition of the group

It is advisable to consider selecting people who are able and willing to function in a group. Two specific aspects should be mentioned in this regard: the heterogeneity of the group members and the compatibility of interpersonal needs of group members.

- *Heterogeneous versus homogeneous group composition*. When a group is heterogeneous in gender, personalities, opinions, abilities, skills, and perspectives, it is more likely to possess the characteristics needed to complete its tasks effectively. The diversity in the group, however, increases the possibility of conflict in the group. In addition, group productivity decreases in large heterogeneous groups (Cummings *et al*., 2013).
- *Compatibility of interpersonal needs*. According to Schutz (1978), human beings have three interpersonal needs: inclusion, control, and affection. Interaction between people could be explained by wanted and expressed behaviour in inclusion, control, and affection. Heterogeneity of group members regarding inclusion, control and affection may cause conflict between group members. However, more learning and change occurs in these groups. Two individuals are compatible if each individual shows the behaviour that the other wants. Compatibility regarding affection leads to improved cooperation and productivity between group members in interpersonal learning contexts.

Application 4.1 Group cohesiveness

'High cohesiveness in groups leads to higher group productivity.' Do you agree or disagree? Explain.

Group size

The productivity of the group can increase if the group size is increased. If, however, the group size is too large, productivity may be reduced. Larger groups are effective if it is necessary to gather facts. However, smaller groups (of approximately seven members each) can use inputs productively (Johnson and Johnson, 2014). The optimal group size varies between four and ten members. As group size increases, communication becomes more complex, discussions are dominated by some group members, some members feel threatened, subgroups are formed, and it becomes difficult to reach consensus. Therefore, groups with an uneven number of members are preferable to those with an even number.

An important finding regarding group size is social loafing (Johnson and Johnson, 2014). Social loafing is the tendency for individuals to expend less effort when working collectively than when working individually. It challenges the logic that the group's productivity as a whole should at least equal the sum of the productivity of each individual in that group. Social loafing develops because of the belief of some group members that others do not pull their weight. In addition, group members' beliefs that it is impossible to measure their contributions also causes social loafing. The implication is that where managers utilize collective work situations to enhance morale and teamwork, they must also provide means by which individual efforts can be identified.

Roles of group members

A role refers to a set of expected behaviour patterns attributed to someone occupying a given position in a social unit. For example, any group would initially be a self-oriented behaviour caused by unresolved emotional issues interfering with the task (Napier and Gershenfeld, 2003). If these issues stay unresolved, the group's behaviour will be directed at self-oriented behaviour, including a) aggressive coping, which manifests in behaviour such as arguments, interrupting other group members, ignoring others and hostile humour; b) seeking for support, which manifests in group members trying to find members who agree with them, to form a subgroup; and c) withdrawal or denial, which manifests in suppression of tension and feelings, as well as passiveness and indifference (Johnson and Johnson, 2014).

Task-orientated roles aim specifically at accomplishing a group goal. Group members frequently hampered their random behaviour when groups gather to solve problems, make decisions, plan activities, or determine policy. Sometimes one person monopolizes the conversation while others remain silent. Leaders in the group make use of the following behaviours to help the group reach its goals:

- *Initiating*, to get the group to begin and giving direction to the discussion.
- *Co-ordinating*, to help group members see the results of their efforts and reduce their uncertainty about the group, its problem and its solutions.
- *Summarizing*, to help move the group towards its goals.
- *Elaborating*, to explore the problem more fully and to help the group reach its goal.

Process-oriented roles help maintain a satisfactory interpersonal climate within a group, and include the following roles:

- *Tension release*, to reduce the tension in the group.
- *Gatekeeping*, to keep the communication channels in the group open.
- *Encouraging*, to increase the esteem of group members and raise their hopes, confidence, and aspirations.
- *Mediating*, to resolve conflict between group members and release the tension associated with conflict.

Regarding work teams, Margerison and McCann (1990) distinguished nine team roles people prefer to play (see Focus 4.1).

Focus 4.1 Team roles

- Creator-innovators are usually imaginative and good at initiating ideas or concepts.
- Explorer-promoters like to take new ideas and champion their cause.
- Assessor-developers have strong analytical skills. They are at their best when given several different options to analyse and evaluate before a decision is made.
- Thruster-organizers like to set up operating procedures to turn ideas into reality and get things done.

- Concluder-producers are also concerned with results. Only their role focuses on insisting that deadlines are kept and ensuring that all commitments are followed through.
- Controller-inspectors are people with a high concern for establishing and enforcing rules and regulations.
- Upholders-maintainers hold strong convictions about the way in which things should be done.
- Reporter-advisers perform an important role in encouraging the team to seek additional information before making decisions and discouraging the team from making hasty decisions.
- Linkers can play the roles played by any of the previous eight. Linkers are co-ordinators and integrators.

Work and organizational psychologists need to understand the individual strengths which each person can bring to the team, select members with this in mind and allocate work assignments that fit members' preferred styles. The researchers who developed this framework argue that unsuccessful teams have an unbalanced portfolio of individual talents, with too much energy expended in one area and not enough in other areas.

Group norms

The term 'norm' comes from the word 'normal'. Behaviour is normal if it seems to fall within the guidelines which a particular group accepts as appropriate for itself. Norms evolve if they receive collective support. A norm can be defined as a collection of expectations held by the members of a group that specify the type of behaviour that is regarded as right or wrong, good or bad, relevant or irrelevant, permissible or impermissible in the group (Feldman, 1984). Group norms emerge from the values of a group and are standards of behaviour that are imposed on members. The group norms are the dos and don'ts that result from the interactions of group members over time. A norm, then, is a standard model or pattern of behaviour.

Norms are set regarding task and process issues but are not always stated explicitly. There is usually an unspoken expectation that group members know the responsibilities and limitations of individual behaviour in the group. Although these implicit norms regulate group behaviour, few individuals are aware of them until they are broken.

Norms develop through communication with others. Norms develop by subtle, subliminal, beyond-awareness processes of inference from raised eyebrows or hearing supportive 'uh-hums' or watching how others gain approval. They may evolve through an interpersonal negotiation process as we attempt to follow the rule of fitting in. Each group has a history of accepted behaviour, which has developed over time, and which members learn and understand.

According to Feldman (1984), norm enforcement which groups are likely to bring under normative control are only those behaviours that a) ensure group survival; b) increase the predictability of group members' behaviour; c) prevent embarrassing interpersonal situations; or d) express the group's central values. However, these group norms directly affect decision-making in the group (Chen *et al*., 2002).

Once norms are developed and agreed on, they are difficult to change. Changing group norms increases the forces in the direction of the desired change and involves holding the resistant forces constant or reducing them. Problems may arise when the values, objectives and beliefs are in conflict with group norms.

Application 4.2 Intergroup conflict and superordinate goals

Muzafer Sherif (1966), his fellow researchers, and his students organized a summer camp for 12-year-old boys in the early 1950s. The boys were strangers to one another before the camp. The camp was isolated from outside influences, which allowed the researchers to manipulate the conditions of interaction among the camp members. The researchers were interested in investigating intergroup relations and the effectiveness of techniques for reducing hostility among groups. The boys were divided into groups, and names like 'Bull Dogs' and 'Red Devils' were assigned to promote loyalty to the groups. The researchers also structured the boys' daily activities so that group members' interdependent, coordinated activity was necessary to achieve the desired goals. Following the development of loyalty to specific groups, the researchers attempted to induce conflict between them by requiring them to undertake competing activities in which the winning group was rewarded, and the losing group was not. After displaying sportsmanship for a while, the groups became hostile and started having garbage fights. The researchers next tested various methods of reducing conflict between the groups:

a Engaging in pleasant social contact. Such contact situations had no effect in reducing intergroup conflict.
b Establishment of a common enemy. A common enemy brought the groups together and reduced hostility between them.
c Working together towards more important goals than a continuation of the conflict (i.e. superordinate goals). For example, groups had to work together to repair a water system that the researchers earlier sabotaged. After participating in activities with superordinate goals, attitudes towards members of the other group changed, hostility disappeared, and friendships were formed.

The characteristics of superordinate goals introduced by the researchers were as follows:

- A more powerful third party (i.e. the researchers) introduced the goals.
- They were perceived by the campers as natural events.
- They were not perceived by the campers as a prerequisite to solve the conflict between the groups.
- They restructured the competitive situation into a cooperative one.

Source: Sherif, M. (1966). In common predicament. Boston, MA: Houghton Mifflin.

The following learning points can be taken from the application:

- Resolving conflict through superordinate goals can lead to cooperation rather than competition between groups.
- Cooperating groups are inclined to have friendly and harmonious relationships

Group processes

Group development stages

Two approaches, namely recurring phase theories and sequential stage theories, have been taken to classify group development stages (Johnson and Johnson, 2014).

Recurring-phase theories focus on the issues that dominate group interaction again and again. For example, the group development theory of Bion (1961) states that groups function on two levels – the manifestation level (to complete the task and reaching goals) and the unconscious level (that represents underlying assumptions about the group's goal and tasks). According to this theory, groups repeatedly focus on three themes: dependency on the leader to tell them what to do, pairing among group members, and flight–fight, in which problems are handled by attacking or fleeing from them. The group development theory of Schutz (1978) proposed that group development occurs as members concern themselves with three issues, namely inclusion, control, and affection.

Sequential-stage theories focus on the typical order of the phases of group development. One of the most famous sequential group development theories was formulated by Tuckman (Tuckman and Jensen, 1977). This theory distinguishes five stages of group development, namely forming, storming, norming, performing, and adjourning.

- *Orientation stage* ('forming'). At the start of a group's life cycle, the participants generally have positive expectations that something good will come from participation in their group. At the same time, there is a certain amount of anxiety and concerns as individuals try to discover why they are there, what they will get out of it, and what the group's stated purpose means. Group members are dependent on the situation and on whoever is in authority.
- *Dissatisfaction stage* ('*storming*'). After some time, the participants learn that what they hope for or want from the experience and what they feel is actually happening do not coincide. The earlier dependence on the authority is found unsatisfying. This leads to unpleasant frustration, sometimes anger against the task, and usually also against the authority figure. These negative feelings usually become stronger and more prominent than the earlier feelings of eagerness and hope of gaining from experience.
- *Resolution stage* ('*norming*'). At this stage, there is some compromise between expectations and the realities (task, leader, abilities, and other members) and some increase in skills to complete the task, either as originally construed or as redefined. Sufficient mastery of the situation and new skills allow positive feelings of increased self-esteem and pleasure in accomplishment and exceed the earlier negative feelings of frustration and anger.
- *Production stage* ('*performing*'). The positive feelings of eagerness characterize the production stage to be part of the experience and hope for a good outcome exceeding the negative feelings of discouragement, frustration, and anger of the earlier dissatisfaction stage. This all leads to more efficient use of time, with less time spent struggling against the leader, the other group members, or the task itself. Roles become flexible and functional, and group energy is channelled into the task.
- *Termination stage* ('*adjourning*'). As the end of the experience approaches, the participants deal with their accomplishments and the group's impending dissolution. Unfortunately, sometimes the feelings of loss or anticipated loss are largely denied or covered up somehow, such as joking

(sometimes about death) or missing the final meeting. As a result, the work on the task during the termination stage generally decreases.

Considering the variety of relationships between work teams and organizational contexts, it seems unlikely that a single sequence can describe the development of all kinds of teams. Each team has to deal with specific developmental issues, but precedence depends on the circumstances. Research results support the sequential stage model with training and laboratory groups, which cannot necessarily be generalized to work teams.

Studies of more than a dozen field and laboratory task-force groups confirmed that groups do not develop in a universal sequence of stages (Gersick, 1988). However, the timing of when groups form and change the way they work is highly consistent. It has been found that:

1 The first meeting sets the group's direction.
2 The first phase of group activity is one of passivity.
3 A transition occurs at the end of the first phase, which occurs exactly when the group has used up half its allotted time.
4 The transition initiates major changes.
5 A second phase of passivity follows the transition.
6 The group's last meeting is characterized by markedly accelerated activity.

The *punctuated equilibrium model* characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by their members' awareness of time and deadlines. The group begins by combining the forming and norming stages, then goes through a period of low performing, followed by storming, then a period of high performing and, finally, adjourning.

Group cohesion

Group cohesion is defined as the sum of the group's attraction for members, and the ability of the group to stay together (Bormann and Bormann, 1988). It is a result of individuals' satisfaction with the group. A cohesive group is not necessarily a more productive group. Cohesion develops even if the group has a norm of low productivity. Cohesion involves the total forces acting on members to remain in the group compared with those directing people away. Group cohesion can be defined, then, in terms of the positive rewards individuals derive from being in the group and the expectancy that outcomes would be lower if they did not belong to the group.

Highly cohesive groups are more productive, have higher morale and communicate better than low cohesive groups. Furthermore, cohesive groups do more work because members take the initiative and help one another. They distribute the workload among themselves and volunteer to help one another. They pay attention to the group's problems and spend time and effort in favour of the group. The more cohesive the group, the more effective the communication within the group. Cohesiveness encourages feedback, disagreements, and questions. Members of high cohesive groups indicate when they do not understand and disagree (Bormann and Bormann, 1988).

Members of groups with low cohesiveness are quiet, bored, apathetic, tense, and uncomfortable. They seldom disagree, and there are few give-and-take discussions. Important decisions are made quickly. Members of low cohesive groups lack initiative and tend to stand around and wait for assignments. They do what they are told to do and no more (Bormann and Bormann, 1988).

Group cohesion can be encouraged by the following factors:

1 When group members collaborate to reach a common objective and when there is a real or imagined threat in the group's environment.
2 The more satisfied group members are, the higher the group cohesion will be.
3 Cohesion is higher in a small group than in a large group.
4 More interaction between group members promotes the group cohesion.
5 The more similar the members are in terms of background and attitude, the more likely it is that group cohesion will be enhanced.
6 Group cohesion is also influenced by leadership style. A participative style will enhance cohesiveness.

Communication

Group communication can be defined as face-to-face communication among a small group of people who share a common purpose or goal, feel a sense of belonging to the group, and influence one another. Regardless of a group's size, its members must talk and respond to one another. In addition, they must be sensitive to the needs and feelings of other group members. Schein (1969) states that the communication process is one of the most critical processes in the group and is observable. He makes the following distinction of communication processes that take place within the group: a) who communicates, how often, for how long; b) who communicates to whom; c) who talks after whom, who interrupts whom; d) communication style; non-verbal communication; e) levels of communication; and f) filters.

Group decision-making

Individual and group decision-making both have strengths. Neither is ideal for all situations. Groups have the following advantages:

- *More complete information and knowledge*. By aggregating the resources of several individuals, there is more input into the decision process.
- *Increased diversity of views*. Groups can bring heterogeneity to the decision process. As a result, more approaches and alternatives could be considered.
- *Increased acceptance of a solution*. Decisions often fail because people do not accept them. If people can participate in a decision that affects them, they will be more likely to accept it and encourage others to accept and support it.
- *Increased legitimacy*. Group decision-making is consistent with democratic ideals and may be perceived as more legitimate than a single person's decisions.

Groups have the following disadvantages:

- *Time consuming*. Groups take more time to decide than would be the case when an individual makes a decision. This may limit quick and decisive action.
- *Pressures to conform*. The desire by group members to be accepted and considered an asset to the group can result in conformity.
- *Domination by a few members*. One or a few members can dominate group discussions. If these members have low ability, the group's overall effectiveness will suffer.

- *Ambiguous responsibility*. It is often difficult to determine who is accountable when group decision-making is used.
- *Groupthink*. Groupthink describes situations in which group pressures for conformity deter the group from critically appraising unusual, minority or unpopular views.
- *Polarization*. In discussing a given set of alternatives and arriving at a solution, group members tend to exaggerate the initial positions they hold. In some situations, caution dominates, and there is a conservative shift. Often, however, groups tend towards a risky shift.

Creating an effective group

The characteristics of an effective group decision are: The group a) uses its time and resources well; b) make correct decisions and high-quality decisions; c) enhances its problem-solving ability. According to Johnson and Johnson (2014), consensus decision-making is the most effective group decision-making method, but it also takes the most time.

Video 4.1 Forget the pecking order

Watch the following video and answer the question that follows:

https://www.ted.com/talks/margaret_heffernan_forget_the_pecking_order_at_work?utm_campaign=tedspread&utm_medium=referral&utm_source=tedcomshare

Question 1: What lessons did you learn about group and team effectiveness?

The following guidelines must be followed to create an effective group (Johnson and Johnson, 2014):

- *Goals*. Goals must be stated clearly so that all members understand the nature thereof. Goals must also be made concrete so that members can understand how to reach them. Furthermore, goals must be relevant to the needs of group members.
- *Two-way communication*. Members of a group must send and receive messages effectively to exchange information and to transmit meaning.
- *Leadership and participation*. All members should participate equally and accept responsibility for providing leadership. Participation will lead to commitment to the group and satisfaction with their membership.
- *Power and influence*. In effective groups, members' power is based on expertise, ability, and access to information rather than on authority and personality characteristics.
- *Decision-making procedures*. Effective groups maintain a balance between the time and resources the group has available and the decision-making procedures.
- *Controversies*. Members of effective groups engage in constructive controversy by disagreeing and challenging one another's conclusions and arguments.
- *Conflict*. Effective groups face conflicts between group members and resolve them in constructive ways by using appropriate conflict management strategies.

Summary

- Groups are defined as a collection of two or more interacting individuals with stable relationships who share common goals and perceive themselves as a group. Various types of groups, including formal and informal groups, are distinguished.
- Predictions about a group's performance must begin by recognizing that groups are part of a larger organization. Factors such as the organization culture, strategy, authority structures, and rewards may influence the group's behaviour and results. For example, if an organization is characterized by distrust between management and workers, the group will likely restrict their efforts. Characteristics of group members may also influence the results of the group.
- Roles represent the typical pattern of behaviour in a specific social context. Roles are often differentiated into task roles and maintenance roles. In the early stages of group development, the group may be dominated by self-oriented behaviour caused by unresolved emotional issues. Norms, a set of generally agreed upon informal rules, have profound effects on organizational behaviour. Cohesiveness refers to pressures group members face to remain in the group and is influenced by various factors. Cohesiveness aids performance if the group's goals are consistent with management's interests. Groups develop through stages. Although different models of group development can be distinguished, one popular model classifies the stages as forming, storming, norming, performing, and adjourning.

Key concepts and terms

- Communication
- Decision-making
- Group
- Group cohesiveness
- Group composition
- Group development stages
- Group member resources
- Group norms
- Group size
- Group structure
- Groupthink
- Intergroup relationships
- Interpersonal needs
- Norm
- Organizational culture
- Performance feedback
- Process
- Punctuated equilibrium
- Role
- Self-oriented behaviour
- Social loafing

- Task design
- Task-orientated role
- Team
- Team role

Sample essay titles

- What are the differences between a group and a team?
- Which processes occur in groups?
- What can an organization do to create team players?
- How could group effectiveness in organizations be improved?

Further reading

Books

Johnson, D.W. and Johnson, F.P. (2014). *Joining Together: Group Theory and Group Skills* (5th ed.). Boston, MA: Pearson.

Tannenbaum, S. and Salas, E. (2020). *Teams that Work: Seven Drivers of Team Effectiveness.* New York: Oxford University Press.

Journal articles

Choi, J. (2020) The mediating effect of positive psychological capital between autonomous work environment and self-directed behavior: Evidence from South Korea, *Human Resource Development International, 23*(1), 46–65.

Mathieu, J.E., Hollenbeck, J.R., van Knippenberg, D. and Ilgen, D.R. (2017). A century of work teams in the Journal of Applied Psychology. *Journal of Applied Psychology, 102*(3), 452–467.

5 Communication

This chapter introduces the reader to several issues concerned with the definition, importance, methods, nature, and communication skills. The first section defines communication and describes the importance of communication. We then look at various methods of communication, namely written, oral, downward, upward, horizontal and formal communication. The chapter then proceeds to a discussion of intrapersonal effectiveness (understanding yourself), interpersonal effectiveness (understanding and working with others), working in teams, and leading (Johnson, 2014; De Janasz *et al*., 2019). Finally, we look at how power and conflict could impact organizations.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define communication and explain the importance of communication in organizations.
2 Distinguish between methods of communication in organizations.
3 Explain the interpersonal skills needed to communicate effectively and build relationships in the work situation.
4 Identify factors that inhibit or facilitate communication in organizations.

Communication: A good thing that has gone too far?

Traditionally, communication meant meeting with a manager and co-workers or talking over lunch with a friend. However, the Fourth Industrial Revolution and COVID-19 changed how we communicate. Slack, Trello, Flinga, and Google Drive are some of the collaboration tools used nowadays. Furthermore, Zoom and Microsoft Teams meetings have replaced face-to-face meetings. In addition to email, apps, such as Google Hangouts (a cross-platform messaging app), are regularly used to communicate. Furthermore, most people who own mobile devices use chat apps such as Whatsapp, Telegram, and Signal.

Even though many high-tech communication methods are available, we must wonder if communication is becoming more efficient and effective (Song *et al*., 2019). Those who support high-tech communication methods claim that these methods facilitate faster and better decisions, increased productivity,

DOI: 10.4324/b22796-6

and improved work engagement. Meanwhile, others point out that employees are negatively affected by high technology communication methods because they lead to overload, constant disruptions, and harassment (Jacobs, 2019).

Definition of communication

Communication is defined as the process by which a person, group or organization (the sender) transmits some type of information (the message) to another person, group or organization (the receiver) (Greenberg, 2011). Two or more parties exchange information and share meaning to establish a common understanding between them. It is only through transmitting meaning from one person to another that information and ideas can be conveyed. It is, however, important that this meaning also needs to be understood as it was intended to be understood (Robbins and Judge, 2021).

The importance of communication in organizations

Communication is essential to the creation and maintenance of organizations. Managers devote about one-third of their activities to routine communication, exchanging routine information and processing paperwork (McKenna, 2020). Thus, communication plays a vital role in managerial and organizational effectiveness. Unfortunately, it is also one of the biggest problems that modern managers face. However, for some people, communication has become an easy scapegoat on which just about every problem can be blamed – even problems of a personal, national, and international nature. Communication can play an essential role in this regard, but it is not a so-called 'cure-all' for all problems that humankind experiences.

Communication serves various functions: management, feedback and motivation, emotional sharing, and providing information (Johnson and Johnson, 2014; Robbins and Judge, 2021). The function of management is fulfilled in both a formal and an informal way. Organizations have formal guidelines that employees need to follow, for instance, a grievance procedure. Communication helps to motivate employees by clarifying what they need to do and how it should be done. When they receive feedback on their efforts, it serves as a motivating mechanism. Communication aims to share positive and negative emotions and fulfil social needs. Communication facilitates decision-making because it provides the necessary information which is needed by the decision-maker. Finally, by providing information, communication serves to achieve coordinated action between different parts of an organization.

The nature of the communication process

The source of the communication may be a person or an object (e.g., a book, a piece of paper, an email, a chat app, social media, or collaboration apps). The message can take on many forms, such as an instruction, a question or even a facial expression. In addition, the characteristics of the receiver influence how the message is received and interpreted.

Figure 5.1 depicts a model of the communication process (Robbins and Judge, 2021). According to Figure 5.1, specific processes play a role in the sender's feedback from the receiver. This feedback takes place in order to verify the message. Encoding means that the message is translated from an idea or a thought into symbols that can be transmitted. When busy with encoding, the sender should keep the receiver and his or her characteristics in mind. The sender and the receiver need to understand the symbols in the same way. The message is the physical product which the sender wishes to communicate

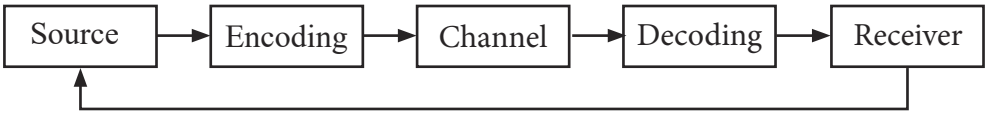

Figure 5.1 The communication process

to the receiver. It can take on different forms: speech, writing, pictures, arm movements, and facial expressions. The message is affected by the code(s) used to transfer meaning, the content, and decisions regarding the selection and arrangement of codes and content. Transmission is how the encoded message travels via a medium or channel, or path to the receiver. These channels are pathways along which the encoded information travels. The source and encoding of the message play a vital role in the 'type' of channel or medium selected. When the encoded message is delivered in a face-to-face conversation, the channel used in the transmission process is sound waves (Klikauer, 2007).

The channels (also called media) through which messages move can be of great variety. Channels might be formal, such as an organization's authority chain. Informal channels are also possible (i.e., spontaneous and individual). Decoding is the process by which the receiver of the message attaches meaning to it. In technical terms, this means that the receiver must translate the symbols encoded in it into a form that he or she (the receiver) can understand and the way the sender intended it to be understood. If the receiver attaches different meanings to the message, the communication process can break down. This is because the sender has a limited capacity to encode the message. Furthermore, the receiver has a limited capacity to decode the message.

The sender needs to keep the qualities of the receiver in mind when encoding a message and chooses the channel by which it should be transmitted. The sender should keep in mind that the receiver might be an individual, a group, or an individual acting on behalf of a group. During the decoding process, the receiver plays an essential role in understanding the message's intent. In order to ensure that the receiver has correctly understood the message, the receiver must give feedback to the sender in this regard (Bundel, 2004).

Noise makes the communication process more complex. Noise refers to anything that interferes with the communication process or distorts the message. The message itself can also distort because of a poor choice of symbols and confusion in the content. The message can become distorted if a poor channel or medium is selected or high noise level. The receiver can also be a potential source of distortion. Prejudice, knowledge, perceptual skills, attention span, and care in decoding are all factors that can result in distortion of the message.

Methods of communication in organizations

Written communication

Written communication takes many forms. For example, organizations use letters, emails, periodicals, text messages, social media, apps, and blogs to communicate. Letters provide a lasting way to convey official messages while adding a personal touch (McKenna, 2020). Reports are usually used to summarize the progress or results of projects and are thus of value in decision-making. In addition, there are different kinds of manuals in organizations. These include instruction manuals that tell employees how to operate machines, policy and procedure manuals that inform employees of organizational rules and regulations and operations manuals that tell employees how to perform tasks and respond to work-related problems. Finally, information is reported on standardized documents, which are called forms.

Forms are used to make communication more efficient and information more accessible, thus increasing decision-making efficiency.

Electronic communication is currently one of the most important mediums of written communication. This type of communication includes email, instant messaging and text messaging, social media (e.g., LinkedIn, Twitter and Facebook), blogs, and video conferencing (Robbins and Judge, 2021).

Email uses the internet to receive and transmit computer-generated text and documents. According to estimates, there were 3.8 billion email accounts worldwide at the beginning of 2019, an increase of 100 million over 2018. Half of the global population uses email. Over $54.8 billion will be generated by all segments of the email market combined in 2021 and over $97.1 billion by 2025 (www.radicati.com). Growth in email revenue is driven primarily by the migration to cloud business email services. Messages sent by email can be written quickly, edited, stored, and distributed. Email is also an inexpensive medium of communication. However, emailing has drawbacks, including that people might misinterpret their messages, and it is not a good way of transmitting negative messages. In addition, the speed of email depends on the client's mail server and software, which might be slow. Also, spam emails end up in mailboxes daily, which may contain malware. Concerns have also been expressed regarding the limited expression of emotions in emails. In addition, the monitoring of emails may create privacy issues. Because people might have trouble keeping up with email, individuals and organizations should implement strategies to manage email. Strategies include sending fewer emails, unsubscribing from some newsletters, and scheduling emails for specific times during the day (Robbins and Judge, 2021). However, email is the most widely used and commonly accepted form of communication.

Instant messaging (IM) and text messaging (TM) use electronic media. IMs are typically sent via computer and enable people to communicate and collaborate in real-time, while TMs are sent via handheld devices or mobile phones. IM is useful for communicating in organizations. The message is instant (i.e. it is received as soon as you send it), is brief, and promotes real-time collaboration. However, IM might be intrusive (e.g., appearing on a device's screen) and requires both parties to have accounts with a given instant messaging service. TM is a good way of electronic communication because the mobile phone is almost always nearby. It is a very effective method of reaching someone immediately. However, TM might be intrusive and implies costs.

Social media websites have transformed organizational communication. Organizations use enterprise social software (in-house social networking applications), Facebook, Twitter, and LinkedIn to communicate with employees and customers. For example, Twitter is a social networking service that allows users to post information about almost any topic. Such social networking will grow to more than 4.48 billion accounts in 2021 (www.radicati.com).

Apps, such as Messenger (Facebook), WhatsApp, Telegram, WeChat and Signal are mobile-friendly platforms that individuals and organizations use to communicate. According to Apptopia, 1.3 billion people use Messenger, and 570 million people use WhatsApp. Telegram had 46 million daily users, and Signal had 13 million users (https://apptopia.com).

A blog is a website about a single person or organization. Individuals and organizations use it to communicate opinions and ideas. For businesses, blogging is a necessity. However, a blog that has become outdated may produce a negative image among employees, clients, and the general public.

Oral communication

Oral communication occurs when the spoken language is used during face-to-face talks, telephone conversations, telephone messages, tape recordings, and Skype meetings. Oral communication

is valuable because it includes not only speakers' words but also their changes in tone, pitch, speed and volume. When people listen to messages, they use all of the cues to understand verbal messages. Moreover, receivers interpret verbal messages in the context of previous communications and, perhaps, the reactions of other receivers.

Downward communication

Downward communication refers to (a) message(s) sent by an organization to employees. The individuals who send the message might be frontline employees rather than decision-makers (Bisel and Rush, 2021). The purposes of downward communication are to a) give specific task directives about job instructions; b) give information about organizational procedures and practices; provide information about the rationale of the job; tell subordinates about their performance; and provide ideological information to facilitate the indoctrination of goals.

To a large degree, organizations in the past concentrated only on the first two of these purposes. This leads to an authoritative atmosphere, which inhibits the effectiveness of upward and horizontal communication in organizations. The media which are used in downward communication include organizational handbooks, manuals, magazines, newspapers, letters, bulletin-board items, posters, standard reports, descriptions of procedures, verbal orders, and instructions from superiors, speeches, meetings, closed-circuit television sets, public address systems, telephones, and electronic mail systems.

While it is necessary to communicate downwards to employees, downward communication patterns might reflect and reproduce the cultural assumptions of organization leadership and other members. Therefore, an understanding of the quality of downward communication is key to understanding possible organizational outcomes. On the one hand, downward communication can improve employee productivity by clarifying job responsibilities accurately and precisely (Bisel and Rush, 2021). On the other hand, abusive supervision, bullying behaviours of managers, and organizational injustice can negatively affect employee productivity, even causing sabotage, resistance, and slowdowns. The key to optimizing downward communication seems to lie in understanding the critical role of the receiver of information in the communication process. The job description and function of an employee should provide an opportunity for interaction with beneficiaries. In addition, management might remind employees about the occasions in which they achieved positive outcomes for clients, patients, students, or community members. By promoting meaningful work and enhancing intrinsic motivation, such a downward communication process can encourage persistence and productivity. Positive, just, pleasant, and predictable communication down to employees improves their job satisfaction (via manager–employee relationships).

Activity 5.1 Optimizing downward communication

Read the following article:

Bisel, R. and Rush, K. (2021). Communication in Organizations. *Oxford Research Encyclopedia of Psychology.* https://oxfordre.com/psychology/view/10.1093/acrefore/9780190236557.001.0001/acrefore-9780190236557-e-866

Question:

How can an organization optimize donward communication?

Upward communication

Upward communication can perhaps also be called subordinate-superior or subordinate-initiated communication. This type of communication flows from a lower level to a higher level in organizations. This type of communication provides feedback to those at higher levels, informs them of the progress made towards attaining goals, and informs those at higher levels of the problems experienced at lower levels. Through this type of communication, those at higher levels can also improve things in an organization.

The process of upward communication involves interacting within an asymmetrical context that disadvantages the speaker. As such, power has the ability to silence upward communication (Bisel and Rush, 2021). Silenced upward communication about critical issues can be problematic, as it can lead to ineffective learning and adaptation. Dissent that flows freely can protect an organization from troubling issues.

Upward communication can take on different forms. These include progress reports, suggestions placed in so-called 'suggestion boxes', information gained from employee attitude surveys, information gained from grievance procedures, discussions between superiors and subordinates, and informal 'gripe' sessions where employees have the opportunity to identify and discuss problems with their superiors or with people at higher managerial levels (McKenna, 2020).

Downward communication occurs much more frequently than upward communication. It also seems that conversations between subordinates and their superiors tend to be much shorter than conversations between subordinates and people at the same level. Furthermore, upward communication seems to be much more inaccurate. This occurs because subordinates feel the need to highlight their accomplishments and downplay their mistakes, so their superiors view their behaviour as favourable. Sometimes, subordinates are afraid to speak to their superiors for fear of being rebuked and lessening their chances for promotion (Greenberg, 2011).

Horizontal/lateral communication

This type of communication occurs among members of the same group or horizontally equivalent personnel. Usually, horizontal/lateral communication tends to be easier and more friendly than downward or upward communication because status differences are not present. However, horizontal communication can also become problematic, even if it is of a formal kind. For example, people in different departments may begin to feel that they are competing for scarce resources. In addition, informal horizontal communication can cause dysfunctional conflicts if the formal vertical channels are breached, when subordinates go above or around their superiors to get things done, or when superiors find out that actions have been taken or decisions made without their knowledge.

Formal and informal communication

Formal communication is regulated by the formal channels laid down in the structure of an organization. Informal communication refers to information shared without any formally imposed obligations or restrictions (Greenberg, 2011). Informal communication flows via informal communication networks. Informal communication networks are, of course, also found outside organizations. In this way, people are informally connected. Naturally, most of this communication is not necessarily work-related, but it lends itself to the rapid flow of information. These informal channels are known as the organizational grapevine.

In an organization, the grapevine is the informal communication network (Robbins and Judge, 2021). Information tends to flow very rapidly along the grapevine. There are mainly two reasons for this. First, informal communication crosses formal organizational boundaries. Also, informal communication is mainly transmitted orally, which tends to be more rapid than written communication. Because of oral communication, information tends to become distorted as it passes along the grapevine. This does not mean that the grapevine is necessarily a bad thing. Although there are people who wish that it could be eliminated, it can sometimes be accurate.

For people who share in the information brought by the grapevine, it can often be beneficial. People can become powerful in organizations through their access to informal information, which they would not have been able to get via formal channels and structures. It also helps them to build informal connections with other people. Small talk within the grapevine creates a sense of closeness and friendship among those who share information. Managers can learn about employee morale and their anxieties through the grapevine. Additionally, they can identify influencers in an organization based on the small talk they engage in regularly.

When inaccuracies enter the grapevine, they can become quite damaging. This is especially true in the case of rumours. Rumours are based on speculation, an overactive imagination and wishful thinking rather than facts (Greenberg, 2011). Therefore, it is challenging to refute a rumour. Instead, it seems to be a better strategy to concentrate on other aspects of a person or a situation rather than directly refuting a rumour about the specific person or situation. If you directly refute a rumour, some people who did not hear it in the first place are likely to get to know about it. Others' views about it might become stronger, perhaps only because the person denied a rumour.

Interpersonal skill development

Intrapersonal effectiveness (understanding yourself) and interpersonal effectiveness (understanding and working with others) are essential for interpersonal skills. (Johnson, 2014; De Janasz *et al*., 2019).

Intrapersonal effectiveness: Understanding the self

Intrapersonal effectiveness includes the following dimensions: self-awareness, self-disclosure and trust, establishing goals that are consistent with ethics, and self-management.

Self-awareness. The key to interpersonal and workplace effectiveness is self-awareness. Individuals with self-awareness can understand themselves and their behaviour in relation to others, set meaningful goals, develop relationships with others, recognize the value of diversity, and manage people effectively (De Janasz *et al*., 2019). To become self-aware, individuals need to recognize their strengths, weaknesses, biases, attitudes, and values. A person may use different ways to become aware of the self, for example, by taking online assessments, reading, acquiring diverse experiences, and through self-disclosure and feedback from others (Johnson, 2014).

Mental fitness is critical to self-awareness (Grant, 2021). Mental fitness is a state of well-being and having a positive sense of how we feel, think, and act. However, what does it take to be mentally fit? Mental fitness means being able to rethink and unlearn (Grant, 2021). Rethinking is part of a scientist mindset. The rethinking cycle starts with intellectual humility (knowing what we do not know). Then, we open the door to doubt when we recognize our shortcomings. By questioning our current understanding, we become curious about what information is missing, ultimately leading to discovery.

Self-analysis entails observing the factors that influence their attitudes, behaviours, thoughts and interactions (De Janasz *et al*., 2019). They can study how they act by focussing on their motivation, thinking, acting, and interacting modes. Furthermore, they can analyse their personalities using the big five personality dimensions (i.e., extraversion, emotional stability, conscientiousness, agreeableness and openness). In addition, self-monitoring is essential, the ability to regulate thinking before speaking or acting.

Individuals can also become self-aware through the processes of self-disclosure and feedback. Self-disclosure involves the individual sharing his or her self, thoughts, feelings and experiences with another individual and is necessary for effective communication and interpersonal relationships. A healthy relationship requires self-disclosure. If individuals hide their feelings from others, the tension in the relationship rises, and awareness of the inner experience fades. Self-disclosure leads to higher self-awareness (Johnson, 2014).

We can gain self-awareness through an understanding of how others view us. Feedback refers to a verbal and non-verbal process where one individual reveals to another how he or she sees the other's behaviour and how he or she feels about it. It is not easy to give feedback in such a way that the person receiving it accepts it. It is, however, a skill that individuals can learn and for which specific guidelines exist. Nevertheless, it is possible to reduce a person's defensiveness against receiving feedback and maximize their ability to use it for personal growth by giving feedback objectively, without disturbance (Johnson, 2014).

The Johari window model can illustrate the effects of self-disclosure and feedback in developing self-awareness (see Figure 5.2).

According to the Johari window, there are certain things a person knows about him- or herself, certain things about him- or herself that he or she does not know, certain things others know about him or her, and certain things others do not know about him or her. The more information known to a person and other persons, the more transparent communication could be. Individuals can enlarge their public areas and reduce their blind areas through feedback from others. They can reduce hidden areas through self-disclosure (Luft, 1984).

Trust. Trust is defined as 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor,

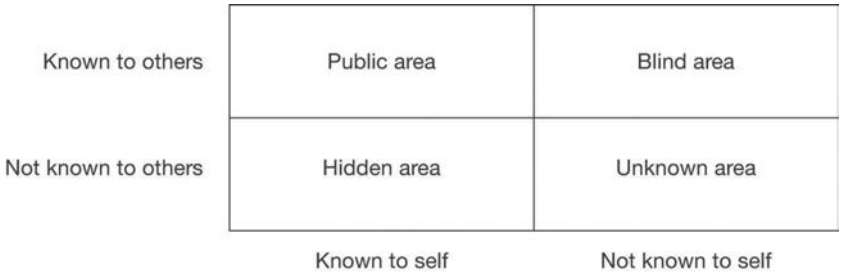

Figure 5.2 The Johari window
Source: J. Luft (1984: 72). Reproduced with permission from McGraw Hill.

irrespective of the ability to monitor or control that other party' (Mayer *et al*., 1995). Trust is constantly changing as individuals interact, and it is hard to build and easy to destroy. The key to building trust is to be trustworthy, self-disclosing, accepting, and supportive of others (Johnson, 2014). Individuals who lack trust will tend to overprotect themselves and their work environment, withhold information, and avoid risk-taking.

In addition to self-disclosure, it is also necessary to consider trust: the more people trust, the more they will be willing to disclose. Conversely, the more they self-disclose, the more they will trust. Therefore, we need to understand how to leverage trust as a social resource in the workplace. Effective interpersonal relationships and the achievement of positive outcomes at work depend on trust.

Using two dimensions of trust, disclosure-based and reliance-based, Heyns and Rothmann (2021) identified four trust profiles (see Figure 5.3): sceptics, reliance-based, moderately cautious, and optimistic trustors. The difference between sceptics and optimists (about 50% of the sample) revolved primarily around reliance and disclosure intensity. The other trust profiles (representing the other 50% of the sample) were characterized by a higher reliance and lower disclosure or a lower reliance and higher disclosure. For optimistic trustors (compared to sceptic trustors), psychological need satisfaction (including autonomy, competence, and relatedness satisfaction) and work engagement were highest, and intentions to leave were lowest.

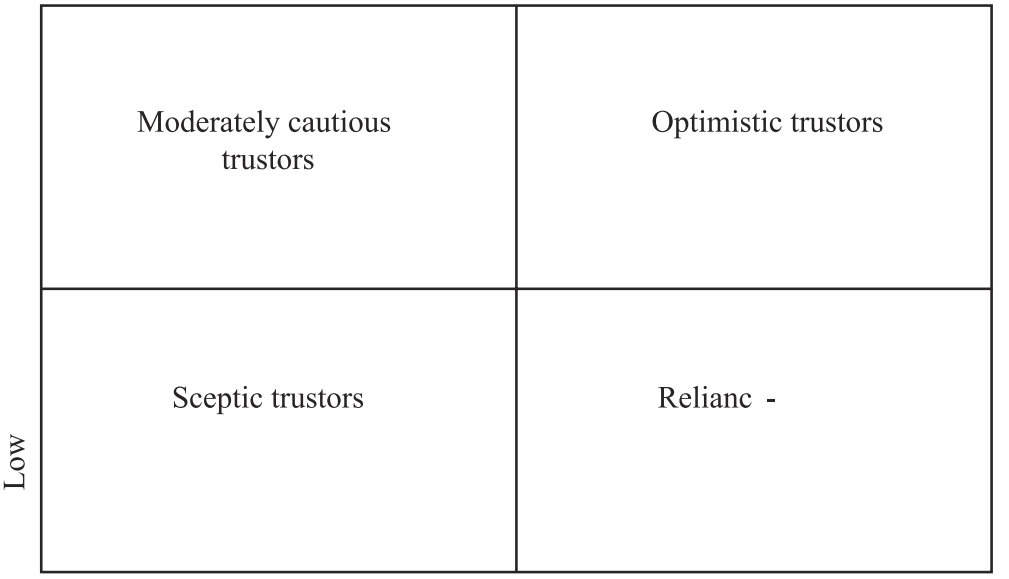

Figure 5.3 Four types of trust
Heyns, M. and Rothmann, S. (2021). Trust profiles: Effects on psychological need satisfaction, work engagement and intention to leave. *Frontiers in Psychology*, *12*, 2378

Research methods 5.1 Repairing trust

Increasingly, researchers and practitioners concerned with social relations at work and in organizations must address employee trust. Moreover, due to unpredictable events like the Covid-19 pandemic and the uncertainty that followed, it is critical to re-establish trust in today's disrupted workplace. According to Kähkönen *et al*. (2021), early use of trust repair strategies in response to small violations prevents them from escalating into larger violations, enhancing employees' trust repair effectiveness.

Question 1: Why are trust repair strategies in organizations necessary?
Question 2: How would you describe the methodology used in this article?
Question 3: Which trust repair strategies can organizations use?

Read the following article before you respond:

Kähkönen, T., Blomqvist, K., Gillespie, N. and Vanhala, M. (2021). Employee trust repair: A systematic review of 20 years of empirical research and future research directions. *Journal of Business Research*, 130, 98–109. doi:10.1016/j.jbusres.2021.03.019

Establishing goals consistent with values and ethics. A goal is a standard of behaviour that someone wants to attain within a specific time frame. Individuals can identify priorities in their work and personal lives and develop strategies to achieve their goals through goal setting. The identification of values will help individuals to answer the question: What are my life goals? It is also essential for organizations to clarify their values. Aligning individual values with organizational values leads to positive outcomes. It is then possible to incorporate individual goals and values into a plan for achieving personal goals.

Self-management. Self-management consists of three dimensions: management of emotions (emotional intelligence), time management, and well-being management (De Janasz *et al*., 2019).

Emotional intelligence. An individual with emotional intelligence is aware of their emotional and rational responses. Salovey and Mayer (1990), who coined the term 'emotional intelligence', defined it as a form of intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions. Salovey and Mayer initiated a research programme to develop measures of emotional significance and to assess its significance. Widespread interest in emotional intelligence arose following Goleman's (1995) book, *Emotional Intelligence*.

Differences exist over whether emotional intelligence is an ability (Mayer *et al*., 2000) or a personality trait (Goleman, 1995; Bar-On, 1997). Goleman (1995) and Bar-On (1997) conceived emotional intelligence as a personality trait, which implies that it involves attitudes, preferences and values. According to Goleman (1995), emotional intelligence entails a) knowing what you are feeling and being able to handle those feelings without having them swamp you; b) being able to motivate yourself to get jobs done, be creative and perform at your peak; and c) sensing what others are feeling, and handling relationships effectively. Bar-On (1997) defines emotional intelligence as an array of non-cognitive capabilities, competencies and skills. Critics of the trait approach (Landy, 2005; Locke, 2005) pointed out that the definition of emotional intelligence is constantly changing, has no clear measurement, and

is little more than a loose conglomeration of extant personality traits. Furthermore, the trait approach has led to assessment devices based upon self-report, yielding self- and other perceptions of these traits rather than estimating a person's actual emotional ability.

The ability approach suggests that a skill-based or behavioural measurement (preferably not based on self-report), which focuses narrowly and specifically on emotional skills and abilities only, has demonstrated construct distinctiveness and has demonstrated that good psychometric properties should be used (Mayer *et al*., 1999). Emotional intelligence (according to the ability approach) includes four dimensions, namely a) Emotional Perception, which involves such abilities as identifying emotions in faces, music and stories; b) Emotional Facilitation of Thought, which involves such abilities as relating emotions to other mental sensations such as taste and colour, and using emotion in reasoning and problem solving; c) Emotional Understanding, which involves solving emotional problems such as knowing which emotions are similar, or opposites, and what relations they convey; and d) Emotional Management, which involves understanding the implications of social acts on emotions and the regulation of emotion in self and others.

Time management. Time management aims to achieve the efficient use of time while performing goal-directed activities. Individuals cannot change how much time they have. Individuals cannot change how much time they have. Following are some strategies that may help to accomplish their goals (De Janasz *et al*., 2019): a) planning and prioritizing; b) keeping a 'to-do' list; c) implementing the 20/80 rule; d) managing email; e) organizing and delegating, and f) avoiding postponements.

Managing well-being. An individual's well-being can be explained by two models, namely the disease model and the positive psychological model (Rothmann, 2013). The disease model does not provide an adequate understanding of individual functioning. The disease model suggests that stress, burnout, and health problems should be prevented and managed. Studies have shown that by promoting flourishing, strengths-based approaches and how to live a happy life, it is possible to improve the well-being of people. The PERMA model defines well-being as flourishing (Seligman, 2011). Positive emotions (P), engagement (E), positive relationships (R), meaning and purpose (M), and accomplishment (A) constitute five dimensions of well-being. According to Linley (2008), an individual's well-being will be high if their strengths can be applied at work. Strength is defined as 'a pre-existing capacity for a particular way of behaving, thinking or feeling that is authentic and energizing to the user' (Linley, 2008:9). Boehm and Lyubomirsky (2008) suggest that the following activities promote the happiness of people: a) practising gratitude; b) cultivating optimism; c) avoiding overthinking and social comparison; d) practising acts of kindness; e) nurturing social relationships; f) developing coping strategies; g) learning to forgive; h) engaging in work; i) savouring life's joys; j) committing to goals; k) practising religion and spirituality; l) doing physical exercise and maintaining a healthy lifestyle; and m) acting like a happy person.

Interpersonal effectiveness: Understanding and working with others

A person is not born with interpersonal skills. These skills will also not appear when they are needed. Interpersonal skills must be learned similarly to other skills (e.g., playing the guitar). Interpersonal effectiveness consists of four areas: understanding and working with diverse others, listening and non-verbal communication, communicating effectively, and persuading others.

Understanding and working with diverse others: Towards inclusion. Whether it be in the educational, economic or social spheres, the concept of inclusion is becoming increasingly important (Mor Barak *et al*., 2016). Diversity has become an acceptable part of life in organizations across the globe.

However, the shift to inclusion, which involves embracing diversity as a valuable aspect that impacts education, economics, and social activities, is gaining traction. Therefore, the focus now is on how diversity can be managed practically (Mor Barak *et al*., 2016). There are various types of diversity, such as race, social class, ethnicity, religion, gender, sexuality, and disability. However, diversity often results in people being excluded, stereotyped, and labelled as abnormal, so inclusion is essential. Stereotyping, exclusion, and labelling might make it difficult for someone different to integrate into educational, work, or societal contexts.

The following guidelines can reduce prejudice and the use of stereotypes: a) Understand that there is diversity and value it; b) Acknowledge own biases and prejudices and show commitment to reducing them; c) Dispel myths about differences when interacting. In addition, learning about differences, practising positive communication, and using inclusive words are essential to prevent miscommunications with diverse people. Intercultural sensitivity is defined as the ability to recognize multiple perspectives on an event or behaviour, to recognize one's cultural values and those of others, and to pick up on verbal and non-verbal signals.

Intercultural sensitivity is necessary to understand that one's preferred way of doing things is one of several possible approaches and that other cultures may have different perspectives and preferences. In addition, recognizing listeners' needs through verbal and non-verbal signals in communication helps to empathize with culturally different others and adjust to different ways of communicating.

Intercultural sensitivity requires that an individual demonstrates comfort with other cultures, positive evaluation of other cultures, understanding of cultural differences, empathy for individuals from other cultures, open-mindedness, sharing of cultural differences with others, seeking feedback on how he or she is received in other cultures, and adaptability (Dunbar, 1993).

Listening and non-verbal communication skills. Communication is enhanced when conversations are open, everyone is allowed to talk and listen, perceptions are checked, and non-verbal and verbal communication principles are followed.

Active listening is the conscious attempt to attend to verbal and non-verbal nuances in another person's message (Johnson, 2014). Listening is an intellectual and emotional process that integrates physical, emotional, and intellectual inputs to understand the message's meaning. It also revolves around the meaning behind the words. However, it is challenging to listen actively. People generally comprehend about 25 per cent of a typical verbal message (Barker *et al*., 1995). To listen effectively, the listener postpones his or her judgement and values, eliminates interruptions and disturbances, focuses on the contents of the message, rephrases what the speaker says in his or her own words, and looks for the dominant themes in what he or she says. Recurring themes must be noted. The listener tries to understand the person's message and determines what it means to him or her.

Responding skills are essential to explore issues and problems in interpersonal situations. Responding skills include questioning, minimal encouragement, paraphrasing, summarizing, reflecting, and confrontation (Ivey, 1988).

- *Questioning*. Open and closed questions can be used in a communication session. Open questions can be used to start a conversation, encourage the individual to elaborate, get specific examples of ideas, behaviour, and feelings, and motivate him or her to communicate. Closed questions can be used to define the subject of discussion, get specific information, determine the borders of a problem, and focus the session by interrupting the person who talks a lot.

- *Minimal encouragement*. Minimal encouragement refers to a direct quotation of what the individual has said, or short comments like 'uh, huh' or 'Tell me more . . . '. Silences can also be used.
- *Paraphrasing*. By paraphrasing, the content of the person's messages is reflected. It is a summarized repetition of what the other person says. An appropriate format for the response is: 'You say . . . ', 'In other words . . . ', 'It seems that . . . ', 'It appears as if . . . '.
- *Clarification*. Clarification brings vague and ambiguous information into focus, encourages the person to elaborate, and can find meta-messages. Clarification is often put in the form of a question, such as 'Are you saying that . . . ?' or 'Do you mean that . . . ?'
- *Reflecting feeling*. By reflecting feelings, listeners demonstrate their understanding of others' directly or indirectly expressed feelings. The speaker's feelings can be identified by listening for feeling words and observing the person's non-verbal behaviour. The format of a reflection of feeling is: 'You feel . . . ' but it must fit the person's feeling words. Next, add the context or situation connected to the feelings (e.g. 'You feel tense when you write exams').
- *Summarizing*. Summarizing refers to the shortened reflection of the speaker's behaviour. The fundamental ideas, themes and emotions in the discussion should be summarized without adding new ideas. Summarizing can be seen as a more detailed paraphrasing and is aimed at changing the direction of the discussion, reducing the tempo, or ending the conversation and revising progress. Summarizing is used when themes are repeated, and progress is not apparent.
- *Confrontation*. A confrontation is a verbal response used to describe contradictions, conflicts, and meta-messages apparent in the speaker's feelings, ideas, and actions. The objective of confrontation is to help speakers see other ways of observing a situation and help them become more aware of incongruences in thoughts, feelings, and actions.

Non-verbal communication refers to messages sent independently of the written or spoken word. Socially inadequate people make less use of non-verbal indicators or use them in the wrong way. Notably, non-verbal communication is responsible for up to 60 per cent of the message being communicated. Non-verbal communication has a significant impact on behaviour in organizations, including perceptions of others, hiring decisions, work attitudes and turnover. A person communicates through his or her eyes, facial movement and expressions, tone of voice, posture, and body movements. Non-verbal communication is subjective, easily misinterpreted, and dependent on cross-cultural differences. The belief that one 'correct' interpretation of a non-verbal message exists does not promote interpersonal communication.

Communicating effectively. The listener may understand if the speaker's message is clear, concrete, direct and authentic. The sending of clear, concrete messages demands a conscious effort. The person who communicates effectively has a clear picture in his or her head of what he or she wants to say. He or she can clarify the message and elaborate on it. He or she is receptive to feedback and uses it to direct his or her thoughts. Complete and specific messages, which fit the frame of reference of the person to whom the message is sent, must therefore be conveyed. A person must also accept ownership and responsibility for his/her ideas, opinions, feelings and needs by making personal statements. This is done by using personal pronouns when communicating ('I', 'my', 'mine') rather than talking for nobody ('some people', 'one') or speaking for somebody else ('you', 'we', 'our').

Assertive communication entails that individuals describe their feelings, thoughts, opinions, and preferences appropriately. To be assertive, one must be aware of the difference between three concepts: assertiveness, aggression, and passiveness. An aggressive person believes that his or her rights are more

important than those of others. The passive style entails timid and self-denying behaviour and rests on a person's assumption that his or her rights are less important than those of others. On the other hand, the style of an assertive person is expressive and self-enhancing and rests on the assumption that his or her rights and the other person's rights are equally important.

Assertive behaviour is characterized by good eye contact, a strong, steady, and audible voice, and selective interruptions. Furthermore, assertive people should avoid glaring or little eye contact, threatening gestures, and a weak voice. Appropriate verbal behaviours include direct and unambiguous language and the use of 'I' messages (Johnson, 2014).

Video 5.1 Understanding everyday love: Do increases in positivity resonance increase virtuous behaviour?

Watch the following video and answer the question that follows:

https://youtu.be/UWnqREJFrYk
Question 1: What is positivity resonance?
Question 2: How can positivity resonance be created?

Persuading others. Persuasion and politicking can be used to change others' attitudes and behaviours. Persuasion is a process used to guide people towards adopting an idea, attitude or action by rational and symbolic means. It is a problem-solving strategy and relies on 'appeals' rather than force. Three strategies of persuasion are distinguished: persuasion through credibility, persuasion through logical reasoning, and persuasion through emotional appeal.

Understanding and leading individuals and groups

Understanding power and conflict are vital to understanding and leading individuals and groups in organizations.

Power. Power is the capacity to change behaviour or attitudes in the desired manner (Greenberg, 2011). One can have power but not impose it. It is, therefore, a capacity or potential. Power is a function of dependency. The greater B's dependence on A, the greater is A's power in the relationship. Dependence is based on alternatives that B perceives and the importance which B places on the alternatives which A controls. A person has power over when he or she controls something that another person wants. French and Raven (1959) identified five bases of power derived from the characteristics individuals possess and the nature of the relationship between individuals with and without power (see Focus 5.1).

Focus 5.1 Power bases

- *Reward power*. Individuals with the capacity to control the rewards workers will receive are said to have reward power over them.

- *Coercive power*. A person has coercive power when he or she controls the punishment of others.
- *Legitimate power*. Legitimate power refers to the recognized right of individuals to exercise authority over others because of their position in an organizational hierarchy.
- *Referent power*. Individuals who are liked and respected by others can get them to alter their actions in accordance with their directives – a type of influence known as referent power.
- *Expert power*. To the extent that a person recognizes another person's advanced knowledge and skills, and follows orders because that person knows best, that person is said to have expert power.

The extent to which organizational participants have a sense of personal power and control over their work is critical to their performance and well-being. This is known as empowerment. For example, the following strategies could empower employees: a) expressing confidence in employees' abilities and holding high expectations concerning their abilities; b) allowing employees to participate in the decision-making process; c) allowing employees freedom and autonomy in how they perform their jobs; d) setting inspirational goals for employees; e) using legitimate power sensibly and positively, and limiting the use of coercive power (Robbins and Judge, 2021).

Organizational politics refers to actions not officially sanctioned (approved) by an organization to influence others to meet one's personal goals (Greenberg, 2011). Organizational politics involves placing one's self-interest above the interests of the organization. Using power to foster one's interests distinguishes organizational politics from uses that are approved and accepted by organizations. Political activity is likely to occur in the face of ambiguity. When there are clear-cut rules about what to do, it is unlikely that people will abuse their power by taking political action. As a result, organizational politics will be more active at higher levels in the organization. The following political tactics are used most often in organizations (Greenberg, 2011):

- *Blaming and attacking others*. Blaming and attacking others is one of the popular political tactics in organizations. This manifests in looking for a scapegoat (someone who could take the blame for some failure).
- *Controlling access to information*. Controlling who knows and does not know certain things is one of the most critical ways of exercising power in organizations.
- *Cultivating a favourable impression*. Another way to enhance organizational control is to ensure that the impression you make will be favourable.
- *Developing a base of support*. To be successful in influencing others, individuals sometimes gain the support of others in the organization. This includes lobbying for ideas before they are officially presented and ensuring that others are committed to them in advance.
- *Aligning oneself with other powerful persons*. One way of dealing with power is by connecting oneself with other influential persons.

The following techniques may help deal with organizational politics:

1 *Clarify job expectations*. Assignments should be well defined, and the way work will be evaluated should be clarified.

2 *Open the communication process*. Decisions which are likely to be monitored by all are unlikely to allow any one individual to gain excessive control over desired resources.
3 *Be a good role model*. Managers must set an example of honest and reasonable treatment.
4 Do not ignore game players.

Conflict resolution. Conflict is defined as a process that begins when one party perceives that another party has negatively affected or is about to affect negatively, something about which the first party cares. Conflict is common in most modern organizations. Its effects are too costly to ignore. Managers report that they spend almost 20 per cent of their time dealing with conflict and its consequences. In addition, destructive conflict may cause resentment and broken relationships. Conflict is, therefore, an essential topic for work and organizational psychologists.

Opposing (incompatible) interests lie at the bottom of organizational conflict. However, conflict involves more than this. Disputes sometimes erupt in situations where the interests of the two sides are not opposed, while in other cases, conflict fails to develop despite deep divisions between opposing parties. The parties to it must perceive conflict; whether or not a conflict exists is a perception issue. There must also be some form of interaction for conflict to exist.

Activity 5.2 Coping with organization politics

In which places and conditions is political behaviour likely to occur in organizations? How can a manager cope with organization politics?

Functional conflict is a constructive form of conflict that supports the group's goals and improves its performance. A dysfunctional conflict is a destructive form of conflict that hinders group performance. The criterion which differentiates functional conflict from dysfunctional conflict is the group or organizational performance. The conflict would be functional if it furthered the objectives of the group. The conflict process has five stages: potential opposition, cognition and personalization, intentions, behaviour, and outcomes (Robbins and Judge, 2021).

- *Stage 1*: *Potential opposition or incompatibility*. The first step in the conflict process is the presence of conditions that create opportunities for conflict to arise. These conditions include communication, structure, and personal variables. Semantic differences and misunderstandings may create opportunities for conflict. The structure includes variables such as size, degree of specialization of group members, member–goal compatibility, leadership style, reward systems and the degree of dependence between groups. Differences between individual value systems and personality characteristics may be sources of conflict. Individuals who are highly authoritarian and dogmatic and who demonstrate low self-esteem lead to potential conflict.
- *Stage 2*: *Cognition and personalization*. If the conditions in Stage 1 negatively affect something that one party cares about, then the potential for opposition becomes actualized in the second stage. The conditions can only lead to conflict when one or more parties are affected by and are aware of the conflict. A conflict that is perceived is not necessarily personalized. A may know that B and A are in serious conflict, but A may not be tense. When individuals become emotionally involved, parties experience anxiety, tension, frustration, and hostility at the felt level.

- *Stage 3*: *Intentions*. Intentions intervene between people's perceptions and emotions and their overt behaviour. These intentions are decisions to act in a given way. This stage is important because individuals have to infer the other's intent to respond to their behaviour. Conflicts often escalate because one party attributes the wrong intentions to the other.
- *Stage 4*: *Behaviour*. Conflict becomes visible during this stage. This stage includes the statements, actions, and reactions made by the conflicting parties. These conflict behaviours are usually overt attempts to implement each party's intentions. The following techniques can be used to manage the conflict during this stage: a) problem-solving meetings between conflicting parties; b) goal-setting where the cooperation of everyone is needed; c) expanding the resources which create the conflict; d) withdrawing or avoiding the conflict; e) playing down the differences while emphasizing common interests; f) compromising; g) using formal authority to solve the conflict; h) training people to alter their attitudes and behaviour; i) altering the structural variables.
- *Stage 5*: *Outcomes*. Outcomes of conflict may be functional in that the conflict results in a performance improvement. It may also be dysfunctional in that it hinders performance. Functional conflict improves the quality of decisions, stimulates creativity and innovation, encourages interest among group members and provides the medium through which problems can be aired, and tension released. Better and more innovative decisions will result from situations where there is some conflict. However, conflict may also have dysfunctional and destructive outcomes. Uncontrolled opposition breeds discontent, which dissolves common ties and eventually leads to the group's destruction. Conflict may retard communication, reduce group cohesiveness, and cause subordination of group goals to the primacy of infighting between members.

Application 5.1 Too much of a good thing . . . ?

The Anonymous Employee website (www.anonymousemployee.com) was created to fill the communication gap in most workplaces.

It provides employees and employers with an opportunity to discuss issues that affect productivity and morale. Read the ensuing case study posted by an anonymous employee under the poor communication section of the website and consider solutions to their problem:

> I feel weird writing a question in the 'poor communication' section of this website, but that's really what my situation is about. My company is all about communication. We offer phone and Internet services. We all have blackberries and desktop computers for use at work. The management takes communication extremely seriously and whenever there is an issue, a memo is sent out to keep everybody on top of things. The problem is that I feel overwhelmed by the amount of communication. We each easily receive over a dozen email memos every day. When I arrive at work in the morning, I'm faced with at least five or six new memos. As much as it's well intended, I simply cannot remember everything that is sent to me in all of these memos. Policies are always changing, new services are being added, new staff members are entering, old ones are leaving, and lots of other 'issues' are always being brought

to everybody's attention. There's no way to keep up. I'm a very organized person, but I don't know how to stay on top of things.

- Consider the communication process and identify the underlying cause of this employee's problem.
- Which strategies would you implement to enhance the effectiveness of the communication process in this organization?

Summary

- Communication is defined as the process by which a person, group or organization (the sender) transmits some type of information (the message) to another person, group or organization (the receiver).
- Communication seems to play an important role in the attainment of organizational goals. Communication does serve certain major functions within an organization, namely those of control, motivation, emotional expression and providing information.
- The source of the communication may be a person or an object. The characteristics of the receiver influence how the message is received and interpreted.
- Various communication methods exist in organizations, namely written communication, oral communication, downward communication, upward communication, horizontal/lateral communication, and formal/informal communication.
- Interpersonal skills include communication skills (i.e. active listening, responding, oral communication, written communication, assertive communication, and non-verbal communication) and relationship-building skills (i.e. self-disclosure and feedback, cooperation, trust, intercultural sensitivity, service orientation, self-presentation, social influence, and conflict resolution).
- Various factors might impact the effectiveness of communication and interpersonal relationships of workers. These include previous life experience, individual differences (e.g. emotional intelligence, personality traits and collective orientation), and situational factors.

Key concepts and terms

- Active listening
- Assertive communication
- Clarification
- Conflict
- Confrontation
- Cooperation
- Decoding
- Downward communication
- Emotional intelligence
- Encoding
- Feedback

- Formal communication
- Horizontal communication
- Intercultural sensitivity
- Minimal encouragement
- Non-verbal communication
- Oral communication
- Organizational politics
- Paraphrasing
- Power
- Questioning
- Receiver
- Responding skills
- Self-disclosure
- Self-presentation
- Service orientation
- Social influence
- Source
- Summarizing
- Trust
- Written communication

Sample essay titles

- How can effective communication in organizations be ensured?
- What is the role of emotional intelligence in effective communication in organizations?

Further reading

Books

De Janasz, S.C., Dowd, K.O., and Schneider, B.Z. (2019). *Interpersonal Skills in Organizations* (6th ed.). New York: McGraw-Hill.

Grant, A.M. (2021). *Think Again: The Power of Knowing What You Don't Know.* Random House: Penguin.

Johnson, D.W. (2014). *Reaching Out: Interpersonal Effectiveness and Self-Actualization* (11th ed.). Boston, MA: Pearson.

Journal articles

Heyns, M. and Rothmann, S. (2021). Trust profiles: Effects on psychological need satisfaction, work engagement and intention to leave. *Frontiers in Psychology*, *12*, Article 2378. https://www.frontiersin.org/article/10.3389/fpsyg.2021.563542

Mishra, K., Boynton, L. and Mishra, A. (2014). Driving employee engagement: The expanded role of internal communications. *Journal of Business Communication*, *51*(2), 183–202.

6 Leadership

This chapter introduces the reader to the nature and theories of leadership. The first section focuses on the definition of leadership. We then look at reasons why leadership is vital for organizations. The chapter then discusses leadership theories, including the trait approach, the behavioural approach, the contingency approach, and a few recent approaches. A breakthrough in our understanding of leadership came when researchers recognized the need to include situational factors. In addition, the study of leadership has expanded to include visionary approaches to leadership. Finally, as we learn more about the personal characteristics that followers attribute to charismatic and transformational leaders and the conditions that facilitate their emergence, we should be better able to predict when followers will exhibit extraordinary commitment and loyalty to their leaders and their goals.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define leadership.
2 Discuss the importance of leadership.
3 Evaluate the different leadership theories (including *trait theories*, behavioural theories, contingency theories, and recent developments).

Definition of leadership

An organization's performance depends on strong management and leadership (Robbins and Judge, 2021). Regarding the number of printed pages devoted to the subject, leadership appears to be one of the most critical work and organizational psychology issues. There are almost as many different definitions of leadership as persons who attempted to define the concept (Bass, 1981). Bass (1997: 17) states that

> leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as particular behaviours, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as an initiation of structure, and as many combinations of these definitions.

DOI: 10.4324/b22796-7

Leadership is the ability to influence a group towards achieving goals (Robbins and Judge, 2013). The source of this influence may be formal. For example, a person may assume a leadership role because of the position he or she holds in the organization. However, not all managers are leaders, and not all leaders are managers. In general, leadership refers to non-coercive influence techniques. This implies that leadership rests in part on positive feelings between leaders and their subordinates.

Many people struggle with the differences between management and leadership (Cooper, 2005). Most experts agree that leadership and management are different. However, the terms 'leader' and 'manager' are often used interchangeably. A manager is a person who takes on a management role, which comprises activities such as planning, processing information, organizing, controlling, and communicating with customers or suppliers. Managers will be leaders when they exert influence over their subordinates in order to attain organizational goals. Many persons who are leaders are not managers. They operate in contexts outside the business world and do not perform managerial roles (e.g., organizing, controlling, and planning).

Importance of leadership

There are various reasons why leadership is essential. Leadership matters because of the following reasons (Lewis, 2011):

- Leadership solves the problem of organizing collective effort. Good leadership leads to organizational success, as well as financial and social well-being of people.
- Bad leaders cause misery for people who are subject to their domain.
- Several patterns of leadership behaviour are associated with subordinates' performance and satisfaction. Reactions to inept leadership include turnover, insubordination, industrial sabotage, and malingering. Studies from the mid-1950s show that 60–75 per cent of the employees in any organization report that the worst or most stressful aspect of their job is their immediate supervisor. Good leaders may put pressure on their people, but abusive and incompetent leaders cost management millions in lost productivity. The most common complaints from direct reports concern managers' a) unwillingness to exercise authority; b) tyrannizing their subordinates.
- Top managers account for 14 per cent of the variance in organizational performance.
- Combined, leader traits and behaviours explain a minimum of 31% of the variance in leadership effectiveness criteria (Derue *et al*., 2011).

Leadership theories

Various theories have been developed to explain leadership. These theories can roughly be studied in four approaches: trait theories, behavioural theories, contingency theories, and recent theories (including the attribution perspective, charismatic leadership, and transactional and transformational leadership).

Trait theories

Trait theories focus on discovering the leadership personality and examining what it is about the character, underlying motivations and behavioural styles that make an individual a leader. The tendency to describe people in terms of traits has a long history. For example, many people believed that leaders

are born, not made and that great leaders are discovered, not developed throughout history. In the early twentieth century, there were many strong advocates of the trait theories of leadership. Wiggam (1931), for example, concluded that the survival of the fittest and marriage among them produces an aristocratic class that differs biologically from the lower classes.

Research methods 6.1 Researching trait theories of leadership

Hundreds of studies have been conducted to identify the personal attributes of leaders. The typical research studies on trait theories have compared the characteristics of a leader (defined as an individual holding a position of authority) with the characteristics of a follower (defined as an individual not holding a position of authority). The findings of these studies are somewhat contradictory and inconclusive. Mann (1959) reviewed 125 studies of leadership and personality characteristics representing over 700 findings. He concluded that intelligence and personal adjustment seem to be correlated with leadership (Wright, 1996).

Leaders were found to score higher on tests of various characteristics, including intelligence, personality, task motivation and performance, and social competence. These tests have, however, not proved to be reliably useful in the selection of leaders. The safest conclusion drawn from trait studies of leadership is that individuals who have the energy, drive, self-confidence, and determination to succeed will become leaders because they work hard to get leadership positions (Bass, 1981). The best predictor of leadership success is prior success in leadership roles, but a previously successful leader may fail when placed in a situation that imposes demands incompatible with his or her personality. Research has shown that leaders differ from non-leaders regarding ambition and energy, honesty and integrity, self-confidence and job-relevant knowledge. None of these traits will, however, guarantee success as a leader.

The Big Five personality framework was employed to review leadership literature, and extraversion was the most predictive factor (Derue *et al*., 2011). Extraversion is probably more closely related to the way leaders emerge than to their effectiveness as leaders. Sociable and dominant individuals tend to assert themselves in groups, possibly explaining why they are perceived as leaders. Effective leaders, however, do not tend to be domineering. Those who score high in assertiveness, a factor of extraversion, perform worse than those who score moderately high (Ames and Flynn, 2007). Leadership effectiveness may be affected by conscientiousness and openness to experience. For example, achievement striving, and dependability have been linked to managers' effectiveness (Wang *et al*., 2013).

Trait theories imply that it is possible to select the right person to assume formal positions in groups and organizations. Traits of leaders may act as a moderating variable in determining leadership behaviour (Zaleznik, 1993). In certain combinations, personality traits may account for about 35 per cent of the variance in leadership behaviour (Bass, 1998). However, the trait approach is not very successful in explaining leadership because it: a) overlooks the needs of followers; b) fails to clarify the relative importance of various traits; c) does not separate cause from effect (for example, are leaders self-confident or does success as a leader build self-confidence?); d) ignores situational factors.

Behavioural theories

The behavioural theories focus on specific behaviours that effective leaders exhibit that differentiates them from ineffective leaders (Lacerenza *et al*., 2017). The difference between trait and behavioural theories lies in the underlying assumptions. If trait theories were valid, then leadership would be inborn. On the other hand, if specific behaviours identified leaders, then it would be possible to train and develop individuals to become leaders. Behavioural theories imply that individuals' behaviour should be studied to identify leaders and that it is possible to train leaders. Although the behavioural theories do not consider the situation in which leadership occurs, they added valuable insights to the field. Research suggests that leader behaviours mediate the relationship between leader traits and effectiveness, indicating that an integrative model where leader behaviours mediate the relationship between leader traits and effectiveness is warranted (Derue *et al*., 2017).

The following behavioural theories can be distinguished: a) Harvard studies; b) University of Michigan studies; c) Ohio State studies; d) the Managerial Grid.

Harvard studies

Bales (1953) at Harvard University researched behaviour in small groups. The research showed two types of leader behaviour in small groups, namely task leadership and socio-emotional leadership. The task leader will keep reminding the group of its aims and bringing the group back to them whenever they stray from their problem-solving purpose, coming up with new ideas when they get stuck. On the other hand, the social-emotional leader is particularly sensitive to other people's needs, uses praise and other forms of feedback, and is more inclined to ask for suggestions than give them. According to Bales (1953), a group member could only be a task leader or a socio-emotional leader.

Michigan studies

Studies at the University of Michigan's Survey Research Center by Tannenbaum and Schmidt (1958) also tried to locate the behavioural characteristics of leaders. The researchers at this university focused on two dimensions of leadership behaviour, namely employee orientation and production orientation (see Focus 6.1).

The results of the Michigan researchers strongly favoured employee-oriented leaders. Employee-oriented behaviour causes high productivity and high job satisfaction, while production-oriented behaviour causes low productivity and low job satisfaction.

Focus 6.1 Dimensions of leadership behaviour (Michigan studies)

- *Employee-oriented leaders* emphasize interpersonal relations, take an interest in the needs of their subordinates, and accept individual differences among members.
- *Production-oriented leaders* emphasize the task aspects of the job. Their main concern is accomplishing the group's tasks, and group members are seen as a means to an end.

Ohio State studies

The most comprehensive behavioural theories resulted from the research at the Ohio State University in the late 1940s (Halpin and Winer, 1957). The researchers found that two independent dimensions, namely initiating structure and consideration, accounted for most of the leadership behaviour described by subordinates (Hersey *et al*., 2013; see Focus 6.2).

Research showed that following leaders with a high degree of consideration (and to a lesser extent initiating structure) increased job satisfaction, motivation, and respect for leaders. In addition, leader and group performance were moderately related to leaders' consideration and initiating structure (Judge *et al*., 2004). However, high scores on both these dimensions do not always result in positive consequences.

The Managerial Grid

According to Blake and Mouton (1964), leadership styles are influenced by two variables, namely concern for production and concern for people. These two variables can be represented on a scale of different intensities from one to nine. Although different leadership styles are possible, Blake and Mouton concentrate mainly on five leadership styles, i.e. 9,1; 1,9; 1,1; 5,5; and 9,9.

- The *9,1 style* emphasizes concern for production to a large degree (9), while there is little concern for the human factor (1). The basic assumption is that there is an unavoidable contradiction between the organization's needs and its members. The leader regards people as instruments who must be bent to perform work. Consequently, strict control is exercised, while few opportunities are given for responsibility and own initiative.
- The *1,9 style* emphasizes concern for people (9), while production must adapt to man and his or her social needs (1). Leaders give considerable attention to the attitudes and feelings of persons. People are not driven, but merely encouraged.
- The *1,1 style* emphasizes low concern for people (1) and production (1). The leader leaves followers to work as they prefer. The leader has a messenger function and does not accept responsibility for followers.
- The *5,5 style* is a compromise style where both production and people factors receive equal attention. This style assumes that people will be willing to work and obey orders if the reasons are explained to them.
- The *9,9 style* emphasizes high concern for production (9) and high concern for people. The objective of the 9,9 style is to promote the conditions which integrate creativity and high morale through concerned action.

Focus 6.2 Dimensions of leadership behaviour (Ohio State studies)

- *Initiating structure*: the extent to which leaders define and structure their roles and subordinates in the search for goal attainment.
- *Consideration*: the extent to which leaders are likely to have job relationships characterized by mutual trust, respect for subordinates, and regard for their feelings.

Activity 6.1 Comparison of the Managerial Grid, Ohio State and Michigan studies

Contrast the Managerial Grid with the approaches of the Ohio State and Michigan studies. What are the similarities and differences?

Leaders were found to perform best under a 9,9 style, as contrasted with the other styles. There is little substantial evidence to support the conclusion that a 9,9 style is most effective in all situations (Bolman and Deal, 2017).

Contingency theories

The predicting of leadership success is more complex than isolating a few traits or preferable behaviour. In organizations, contingency theory emphasizes the fit between organizational processes and the characteristics of the situation. Leadership effectiveness is also dependent on the situation (or context). Therefore, there is no best way to lead people. The best way to lead people depends on the situation. Situational variables include the degree of structure in the task performed, the quality of leader–member relations, and followers' maturity (Robbins and Judge, 2021).

The contingency theory of Fiedler

Fiedler (1967) developed the first comprehensive contingency theory of leadership. Fiedler's contingency theory suggests that leadership performance can only be understood in relation to the context in which it occurs. Success is achieved when there is a good match between the leader and the situation. The model of Fiedler proposes that effective group performance depends on the match between the leader's style of interacting with subordinates and the degree to which the situation allows control (i.e., task structure and position power).

According to Fiedler, an individual's leadership style is a crucial factor in leadership success. Therefore, he begins by trying to find out what the basic style is. Fiedler developed a personality measure, the least preferred co-worker (LPC) scale, which measures whether a person is task- or relationship-oriented. The LPC scale contains 16 contrasting adjectives (such as efficient–inefficient, supportive–hostile). The respondent thinks of all the co-workers he or she has ever had. Then he or she describes the one person he or she least enjoyed working with by rating him or her on a scale of 1 to 8 on each of the adjectives. An individual's leadership style is determined by analysing their responses on the scale. If the least preferred co-worker is described in relatively positive terms (a high LPC score), then the person is primarily interested in good personal relations with this co-worker. High LPC leaders seem mainly concerned with establishing good relationships with subordinates.

In contrast, leaders who perceive the least preferred co-worker in negative terms (a low LPC score) seem primarily concerned with attaining successful task performance and labelled task-oriented. About 16 per cent of respondents score in the middle range. Such persons cannot be classified as either relationship- or task-oriented and thus fall outside the theory's predictions. Fiedler believes that an individual's leadership style is fixed. This means that if a situation requires a task-oriented leader and the person

in that leadership position is relationship-oriented, either the situation has to be modified or the leader removed and replaced if optimum effectiveness is to be achieved.

After an individual's leadership style has been assessed through the LPC, it is necessary to match the leader with the situation. The effectiveness of low or high LPC leaders depends on situational factors, such as the degree to which the situation is favourable for leaders (provides them with control over subordinates). Fiedler identifies three situational criteria which can be manipulated to create the proper match with the behavioural orientation of the leader, namely a) the degree to which the leader enjoys the loyalty of group members; b) the extent to which task goals and subordinates' roles are clearly defined; and c) the leader's ability to enforce compliance by subordinates. The next step is to evaluate the situation in terms of these three contingency variables. The better the leader–member relations, the more structured the job, and the stronger the position power, the more control or influence the leader has.

Fiedler's theory proposes matching them to achieve maximum leadership effectiveness with knowledge of an individual's LPC and an assessment of the three contingency variables. The leader's situational control can range from very high (positive relations with group members, a highly structured task, high position power) to very low (negative relations, an unstructured task, low position power). Low LPC leaders (task-oriented) are superior to high LPC leaders (people-oriented) when situational control is either very low or high. High LPC leaders have an edge when situational control falls within the moderate range. Under conditions of low situational control, groups need guidance and direction to accomplish their tasks. Since low LPC leaders are more likely to provide such structure than high LPC leaders, they will be superior in such cases. Low LPC leaders also have an edge under conditions that offer the leaders a high degree of situational control. Here, low LPC leaders realize that conditions are good and that successful task performance is almost assured. As a result, they turn their attention to improving relations with subordinates and often adopt a 'hands-off' style. High LPC leaders may shift their attention to task performance by feeling that they already enjoy good relations with their subordinates. In this respect, their attempts to guide may be regarded as interference by subordinates, resulting in impaired performance.

If the situation offers the leader moderate control, conditions are mixed, and attention to good interpersonal relations is often needed. High LPC leaders, with their interest in people, have an advantage in such situations. Low LPC leaders may continue to focus on task performance and become even more autocratic and directive in such situations. The negative reactions of subordinates to such behaviour may have detrimental effects on performance.

Fiedler's theory implies that leaders and situations should be matched. Individuals' LPC scores indicate the type of situation for which they are best suited. According to the theory, there are two ways to improve leader effectiveness: a) change the leader to fit the situation; b) change the situation to fit the leader. This could be done by restructuring tasks or increasing or decreasing the power of the leader to control factors such as salary increases, promotions or disciplinary actions. Fiedler's model goes significantly beyond trait and behavioural approaches by attempting to isolate situations, relating his personality measure to his situational classification, and then predicting leadership effectiveness as a function of the two (Robbins and Judge, 2021).

Hersey's Situational Leadership® theory

The Situational Leadership® theory (SLT-I) (Hersey, 1982) is a contingency theory that focuses on followers' readiness levels to determine the most appropriate leadership style. Successful leadership

is achieved by selecting the correct leadership style, which is contingent on followers' readiness. Regardless of what the leader does, effectiveness depends on the actions of their followers. This is an important dimension that has been overlooked in most leadership theories. The term 'readiness' refers to the extent to which people have the ability and willingness to accomplish a specific task.

Hersey's model uses two distinct leadership dimensions, namely task and relationship behaviour. Based on combinations of task and relationship behaviour, four leadership styles, namely telling, selling, participating and delegating, are distinguished (Hersey *et al*., 2013):

- *Telling* (*high task–low relationship*). The leader defines roles and tells people what, how, when and where to do various tasks.
- *Selling* (*high task–high relationship*). The leader provides both directive behaviour and supportive behaviour.
- *Participating* (*low task–high relationship*). The leader and follower share in decision-making. The role of the leader is mainly to facilitate and communicate.
- *Delegating* (*low task–low relationship*). The leader provides little direction or support.

Hersey identifies the following four stages of follower readiness:

- *R1*: Individuals are both unable and unwilling to take responsibility to do something.
- *R2*: Individuals are unable but willing to do tasks. They are motivated but lacking skills.
- *R3*: Individuals are able but insecure or unwilling to do what the leader wants.
- *R4*: Individuals are able and willing to do what is expected from them.

As followers reach high readiness levels, the leader responds by decreasing control over activities and decreasing relationship behaviour. At stage R1, followers need clear and specific directions. At stage R2, both high-task and high-relationship behaviour is needed. The high-task behaviour compensates for the followers' lack of ability, while the high-relationship behaviour tries to get the followers to buy into the leader's desires. R3 creates motivational problems which are best solved by a supportive, non-directive leadership style. At stage R4, the leader does not have to do much because followers are willing and able to take responsibility.

SLT-I acknowledges the importance of followers and builds on the logic that leaders can compensate for followers' limited ability and motivation. However, empirical assessments of SLT-I indicate that the theory has minimal support in the low maturity level condition. Blanchard (2007, 2019) adapted the SLT-I prescriptive curve to identify four additional definitions of follower development levels and their matching alternative optimal leadership styles based on theories, research, and practice. The four follower developmental levels identified in SLT-II are (Blanchard *et al*., 2019): a) the enthusiastic beginner, who has low competence but high commitment, and benefits from a directive leadership style (low supportive behaviour and high directive behaviour); b) the disillusioned learner, who has low competence in conjunction with low commitment, and who benefits from a coaching style of leadership (high supportive behaviour and high directive behaviour); c) competent but cautious performers who are moderate to high on competence, but have varying levels of commitment, who benefit from a supportive leadership style (high supportive behaviour in conjunction with low directive behaviour), and d) self-reliant achievers who are high on competence and commitment, and who benefit from delegating leadership styles (low supportive behaviour in conjunction with low directive behaviour).

Criticism of followers' development level is based on its ambiguous definition. A follower's developmental level was defined as a combination of competence and commitment (presumably equally

weighted). The result of weighting to create a developmental dimension is, however, then converted (for explicating the model's dynamics) from a continuous dimension to a set of discrete categories of follower development. It is unclear how these discrete categories should be created to test the theory. As a result, any formal evaluation of the theory requires creating an operationalization scheme for the developmental level when testing its prescriptive principles (Northouse, 2007). Research showed that a leadership programme based on SLT-II was a weaker predictor of subordinate performance and attitudes than a programme based on SLT-I (Thompson and Vecchio, 2009).

Leader–member exchange theory

Leader–member exchange (LMX) theory (Dienesch and Liden, 1986) advocates recognizing individual differences and emphasizes dyadic relationships between a leader and each of his or her subordinates. Research about LMX theory focused on the quality of leader-subordinate interaction. A high-quality relationship is characterized by the member having high levels of responsibility, decision influence, and access to resources. Members who enjoy a high-quality LMX relationship are said to be in the in-group. A low-quality LMX relationship is characterized by the leader offering low levels of support to the member and having low levels of responsibility and decision influence. Members who have a low-quality LMX relationship are said to be in the out-group (Graen and Uhl-Bien, 1995).

Leader–member relationships emerge from a series of exchanges or interactions during which leader and member roles develop. This role-formation process involves three phases, namely:

- *Role taking*. The member enters the organization, and the leader assesses his or her abilities and talents. Based on this assessment, the leader provides opportunities for the member to 'take' a specific role. Mutual respect is essential in this stage. Leaders and members must each understand how the other views and desires respect. This might be difficult in mixed-gender relationships because men and women may interpret or define respect differently. The leader–member relationship will not develop and progress to the next stage if respect is lacking.
- *Role making*. The leader and the member engage in unstructured and informal negotiation. During this phase, the member begins to 'make' a role. In this stage, trust must be developed for leaders and members to develop the relationship further and influence each other's attitudes and behaviours. If trust is violated even a single time in diverse dyadic relationships, the relationship may be destroyed.
- *Role routinization*. An ongoing social exchange pattern emerges or becomes 'routinized'. A mutual obligation is formed in this phase. Role making has been established at this point, and leaders and members have shared meanings.

The role formation process develops through a mechanism referred to as 'negotiating latitude'. This negotiation is hypothesized to occur through exchanges or interactions between the leader and the member. Work-related variables and the leader's and the member's affective responses to their initial interaction may be essential components in developing the LMX relationship. The affective responses are influenced by the perceived similarity between the leader and the member. The more the leader and the member perceive that they are similar, the more they will like each other, and the more likely they will develop a high-quality LMX relationship.

Researchers found that subordinates' negative feedback-seeking behaviour mediates the relationship between LMX and in-role performance (Chen *et al*., 2007). Moreover, LMX and organizational

citizenship behaviour have a moderately strong relationship (Ilies *et al*., 2007). However, it seems that in its current form, LMX is unlikely to advance leadership theory or practice since it is incompatible with the theories it has traditionally served (Gottfredson *et al*., 2020).

Recent approaches to leadership

More recent approaches to leadership are discussed next. These approaches include the attribution theory of leadership, charismatic leadership, transactional versus transformational leadership. In these approaches, leaders are seen as managers of meaning rather than their influence on subordinates.

Attribution theory of leadership

Attribution theory deals with people trying to make sense of cause–effect relationships. When something happens, they want to attribute it to something. According to attribution theory, leadership is merely an attribution that people make about other individuals. Using the attribution framework, researchers have found that people characterize leaders as having intelligence, outgoing personality, strong verbal skills, aggressiveness, and understanding. The high-consideration, high-structure leader was found to be consistent with attributions of what makes a good leader (Robbins and Judge, 2013).

Charismatic leadership

Conger and Kanungo (1987) propose that charismatic leadership is an attributional phenomenon founded on subordinate perceptions of leaders' behaviour. The process begins with the leader articulating an appealing vision. The leader then communicates the vision and high performance expectations and expresses confidence that the followers can attain them. Next, the leader conveys a new set of values and sets an example for followers to imitate by his or her behaviour. Finally, the leader demonstrates how to achieve the mission using empowerment, modelling and unconventional tactics. Some examples of individuals cited to be charismatic leaders include Nelson Mandela and Martin Luther King (see Application 6.1).

Experts believe that people can be trained to exhibit charismatic behaviour (Robbins and Judge, 2013). However, charismatic leadership may not always be needed to achieve high levels of employee performance. It may be most appropriate when the follower's task has an ideological component. That is probably why charismatic leaders are likely to surface in politics, wartime, religion, and when a business firm is transforming.

Application 6.1 Profile of Nelson Rolihlahla Mandela

Richard Sengel (*Time*, 9 May 1994) interviewed Nelson Mandela and noted the following story, which indicates his perspective on leadership.

> 'When you want to get a herd to move in a certain direction,' he said, 'you stand at the back . . . A few of the more energetic cattle move to the front, and the rest of the cattle follow.

You are really guiding them from behind.' With a smile, he added: 'This is how a leader should do his work.'

Source: R. Sengel (9 May 1994). The making of a leader. http://content.time.com/time/subscriber/article/0,33009,980693,00.html

Figure 6.1 Nelson Mandela
Source: © Paul Velasco; Gallow Images/ CORBIS.

Nelson Rolihlahla Mandela is the most inspirational leader of the second half of the twentieth century. He was born in a village near Umtata in the Transkei on the 18 July 1918. His father was the principal councillor to the Acting Paramount Chief of Thembuland. After his father's death, the young Rolihlahla became the Paramount Chief's ward to be groomed to assume high office. After receiving a primary education at a local mission school, Nelson Mandela was sent to Healdtown, a Wesleyan secondary school of some repute where he matriculated. He completed his BA by correspondence, took articles of clerkship and commenced study for his LLB. He entered politics in earnest by joining the African National Congress in 1942. During the 1950s, Mandela was the victim of various forms of repression. After the Sharpeville Massacre in 1960, the ANC was outlawed, and Mandela, still on trial, was detained. In 1962 he left the country unlawfully and travelled abroad for several months. Not long after his return to South Africa Mandela was arrested and charged with an illegal exit from the country, and incitement to strike. Mandela was convicted and sentenced to five years' imprisonment. While serving his sentence, he was charged, in the Rivonia Trial, with sabotage. Mandela was sentenced to life imprisonment and started his prison years in the notorious Robben Island Prison. In 1988 he was moved to the Victor Verster Prison near Paarl from where he was eventually released. In the early 1990s, with great magnanimity and force of character, Mandela was able to help negotiate an end to the system of apartheid leading to his election as president of a free and democratic society in 1994. Although Nelson Mandela died on 5 December 2013, people across the globe still respect him for his leadership.

Transactional versus transformational leadership

Bass (1985, 1990) defined transformational leadership in terms of how the leader affects followers, who are intended to trust, admire and respect the transformational leader. A transactional leader (as described

in Fiedler's model, situational leadership theory, and path-goal theory) guides followers to established goals by clarifying their roles and tasks. In contrast, transformational leaders inspire their followers to transcend their interests for the organization's benefit (Bass and Riggio, 2006).

Transformative leadership involves (Bass and Riggio, 2006; Jensen *et al*., 2019): a) formulating the organizational goals as a desired future (vision), b) communicating this understanding to employees, and c) sustaining the vision over time. The first behavioural element concerns the leader's attempt to clarify the vision of the organization. This type of behaviour is described as transformational because leaders must consider a clear vision as a driver of unselfish action by employees. The second behavioural element involves communicating the vision to the employees who are tasked with implementing it. When sharing the vision, leaders with transformational leadership strategies try to clearly understand the relationship between actions and goals reflected in the vision. The third behavioural element of transformational leadership is sustaining a shared vision. Leaders should recognize that such actions can facilitate acceptance of and collaboration toward achieving the vision.

Charisma is seen as necessary but not sufficient for leadership. Two essential charismatic effects that transformational leaders achieve are to evoke strong emotions and to cause identification of the followers with the leader. This may be through stirring appeals. It may also occur through quieter methods such as coaching and mentoring.

Transformational leadership is insufficient for effective organizations. It must be accompanied by effective management (transactional leadership). Transactional leaders guide or motivate their followers toward the established goal by clarifying role and task requirements. The Ohio State studies and Fiedler's model have concerned transactional leaders. Transformational leaders inspire followers to transcend their self-interests for the organization's good and are capable of having a profound and extraordinary effect on their followers. They pay attention to the concerns and development needs of individual followers, they change followers' awareness of issues by helping them look at old problems in new ways, and they can excite, arouse and inspire followers to put out extra effort to achieve group goals.

Research indicates that transformational leadership is more strongly correlated than transactional leadership with lower turnover rates and higher employee satisfaction (Bass, 1998). In addition, the relationship between transformational leadership and follower performance was positive, with a stronger relationship for contextual performance (i.e., if tasks were voluntary) than for task performance (i.e., when the formal job role prescribed tasks). A transformational leadership style also positively impacted performance at the team and organizational levels (Wang *et al*., 2011). Given the right circumstances, transformational leadership is desirable. However, more research about the effects of transformational leadership is essential (Robbins and Judge, 2021).

Application 6.2 A good leader does the right things right!

Managing a vision and purpose is one of the big challenges facing leaders. Leaders need specific skills to achieve this successfully and to create trust in their ability to lead. For example, Nelson Mandela was a visionary and charismatic leadership symbol because he was innately skilled in presenting and managing vision and purpose. Lombardo and Eichinger (2000) profiled the skills

necessary to manage vision and purpose (see below). Assess your ability (or skills gaps) and that of a leader (in your environment) to manage a vision and purpose according to the skills profile.

Unskilled

- □ Can't communicate or sell a vision
- □ Not a good presenter
- □ Cannot turn a good phrase or create compelling one-liners
- □ Uncomfortable speculating on the unknown future
- □ Is not charismatic or passionate enough to excite and energize others
- □ Cannot simplify enough to help people understand complex strategy
- □ May not understand how change happens
- □ Does not act like he/she believes in the vision
- □ More comfortable in the here and now

Skilled

- □ Communicates a compelling and inspired vision or sense of core purpose
- □ Talks about possibilities
- □ Is optimistic
- □ Creates mileposts and symbols to rally support behind the vision
- □ Makes the vision shareable by everyone (inclusive approach)
- □ Can inspire and motivate entire unit or organizations

Overused skill

- □ May leave people behind
- □ May lack patience with those who do not understand or share his/her vision and sense of purpose
- □ May lack appropriate detail-orientation and concern for administrative routine
- □ May lack follow-through on the day-to-day tasks
- □ Lombardo and Eichinger (2000) provide remedies for skills gaps, and it might be beneficial to consult their book if you lack specific skills.

Source: M.M. Lombardo and R.W. Eichinger (2000). *For your Development: A Development and Coaching Guide* (3rd ed.) p. 389 (ISBN 0-9655712-3-8)

Ethical leadership

Ethical leadership is defined as 'the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and promoting such conduct to followers through two-way communication, reinforcement, and decision making' (Brown *et al*., 2005: 120). An ethical leader possesses specific traits (e.g. integrity, honesty, and trustworthiness), exhibits specific behaviours (doing the right

thing, showing concern for people and being open), and makes decisions in a prescribed way (e.g. holds to values and follows ethical rules). Furthermore, the ethical leader actively promotes ethical behaviour in organizations through his or her actions and communications.

Spiritual leadership

Spiritual leadership comprises the values, attitudes, and behaviours necessary to intrinsically motivate oneself and others so that they have a sense of spiritual survival through calling and membership (Fry, 2003). Spiritual leadership entails creating a vision wherein organization members experience a sense of calling in that their life has meaning and establishing a culture based on altruistic love whereby leaders and followers have genuine care, concern, and appreciation for both the self and others, thereby producing a sense of membership (Fry and Cohen, 2009). Altruistic love incorporates a wide variety of positively oriented traits, processes, intentional behaviours, and performance outcomes such as kindness, forgiveness, integrity, compassion, honesty, patience, trust, and loyalty. Spiritual leadership elevates processes, behaviours, and outcomes for leaders, followers, and organizations.

Authentic leadership

Authentic leadership is defined as 'owning one's personal experiences, be they thoughts, emotions, needs, preferences, or beliefs, processes captured by the injunction to know oneself and behaving in accordance with the true self (Harter, 2002: 382). Authentic leadership has four components (Illies *et al*., 2005; Walumbwa *et al*., 2010; Zamahani *et al*., 2011): self-awareness, self-regulation, relational transparency, and balanced processing (paying attention to both positive and negative interpretations about themselves and their leadership style). In addition, authentic leaders may possess the ability to enhance follower commitment and citizenship behaviours, which might affect performance positively (Walumbwa *et al*., 2010).

Positive leadership

Positive leadership refers to the facilitation of extraordinarily positive performance by focusing on the strengths and capabilities of people (Cameron, 2008). It adds four strategies to the competencies often expected from leaders: cultivating a positive climate in the organization, positive relationships, positive communication, and positive meaning.

Optimistic attitudes and cheerful outlooks characterize a *positive climate*. In contrast, stress, anxiety, and distrust characterize a negative climate. Leaders can foster a positive climate by showing compassion, forgiveness, and gratitude. *Positive relationships* can be promoted by building energy networks and reinforcing strengths. *Positive communication* is established by obtaining best-self feedback and using supportive communication. Finally, leaders can build *positive meaning* by affecting human well-being, connecting to personal values, highlighting extended impact, and building community.

According to Cameron (2021), positively energizing leaders inspire others to dream more, learn more, do more, and become more. Some attributes of positively energizing leaders include (Cameron, 2021): a) helping people flourish without expecting a payback; b) express gratitude and humility; c) instil confidence and self-efficacy in others; d) smile frequently; e) forgive weaknesses in others;

f) invest in developing relationships; g) listen actively; h) solve problems; i) mostly see problems; j) clarify meaningfulness and inspire others; k) show trust and trustworthiness.

Video 6.1 What it takes to be a great leader

Watch the following video and answer the question that follows:

https://www.ted.com/talks/roselinde_torres_what_it_takes_to_be_a_great_leader?utm_campaign=tedspread&utm_medium=referral&utm_source=tedcomshare

Question 1: Why is the leadership gap widening?

Question 2: What are good leaders doing differently?

Summary

- Leadership is the process whereby one individual influences other individuals to attain defined group or organizational goals. Leaders generally use non-coercive forms of influence and are influenced, in turn, by their followers. Not all managers function as leaders. Conversely, not all leaders are managers. The two terms should therefore not be treated as synonyms.
- Leadership plays a vital role in understanding individual, group, and organizational behaviour, for it is the leader who usually provides the direction towards goal attainment. In this study unit, different approaches to leadership were described, distinguishing between the trait approach, the behavioural approach, the contingency approach, and a few recent approaches.
- Various theories have been developed to explain leadership. These can roughly be studied in terms of four approaches: trait theories, behavioural theories, contingency theories, and recent theories (including the attribution perspective, charismatic leadership, and transactional and transformational leadership).
- A major breakthrough in our understanding of leadership came when researchers recognized the need to include situational factors.
- The study of leadership has expanded to include visionary approaches to leadership. As we learn more about the personal characteristics that followers attribute to charismatic and transformational leaders and the conditions that facilitate their emergence, we should be better able to predict when followers will exhibit extraordinary commitment and loyalty to their leaders and their goals.
- In line with the developments in positive organizational behaviour, research showed that positive leadership (i.e., positive climate, positive relationships, positive communication, and positive meaning) and authenticity from the leaders play an important role in job performance and retention of employees.

Key concepts and terms

- Attribution theory
- Behavioural theories
- Charismatic leadership

- Consideration
- Contingency theories
- Employee orientation
- Follower maturity
- Harvard studies
- Leadership
- Leader–member exchange
- Managerial grid
- Michigan studies
- Negotiating latitude
- Positive leadership
- Production orientation
- Role making
- Role routinization
- Role taking
- Structure
- Trait theories
- Transactional leadership
- Transformational leadership
- Vision

Sample essay titles

- Do you think there is one best leadership theory? Evaluate the different leadership theories.
- What are the differences between transactional and transformational leadership?

Further reading

Books

Blanchard, K. (2019). *Leading at a Higher Level: Blanchard on Leadership and Creating High Performing Organizations* (3rd ed.). New York: Pearson Education.

Cameron, K. (2021). *Positively Energizing Leadership: Virtuous Actions and Relationships that Create High Performance.* San Francisco, CA: Berrett-Koehler Publishers.

Journal articles

Gottfredson, R.K., Wright, S.L. and Heaphy, E.D. (2020). A critique of the leader-member exchange construct: Back to square one. *The Leadership Quarterly*, *31*(6), Article 101385.

Wang, H., Sui, Y., Luthans, F., Wang, D. and Wu, Y. (2014). Impact of authentic leadership on performance: Role of followers' positive psychological capital and relational processes. *Journal of Organizational Behavior*, *35*(1), 5–21.

PART II

Work psychology

7 Work analysis and human resource planning

Analysis of work and human resource planning form the basis of human resource management. However, what is human resource management? Human resource management refers to the policies, practices, and systems that might affect employees' behaviour, attitudes, and performance. Human resource management includes analysis of work, human resource planning, recruitment, selection, training and development, career and performance management, and compensation management (Noe *et al*., 2020).

This chapter introduces the reader to work analysis and human resource planning. First, we focus on workflow analysis. We look at the definition of job analysis, the steps in job analysis, the uses of job analysis information, and job analysis methods. Furthermore, we discuss job descriptions and job specifications. Second, we look at the definition of human resource planning and the human resource planning process. Regarding the human resource planning process, various phases are discussed, including analysing the situation, determining the characteristics of the current workforce, analysing the demand for and the supply of human resources, determining the human resource goals, designing and implementing human resource plans, and gathering/analysing information that can be used as feedback to update the human resource planning process.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Describe work analysis and distinguish between job analysis, job description and job specifications.
2 Define human resource planning and discuss the rationale for and process of human resource planning.
3 Describe the steps that have to be carried out when doing human resource planning.

Workflow in organizations

Taking informed decisions about jobs requires understanding the organization's workflow (Noe *et al*., 2020). By studying the workflow, design managers evaluate how a product or service should be designed. The workflow analysis assigns tasks to a specific job (i.e., a set of related responsibilities) and positions (a set of responsibilities performed by one person).

DOI: 10.4324/b22796-9

During workflow analysis, planners must identify (for each type of work) the outputs, the activities, and the inputs required. The first step is to determine what the outputs of each unit should be. Outputs are the quality and quantity of products of any work unit. Second, they look at the processes and procedures that generate the outputs. Third, they identify the inputs required to perform the work processes (i.e., materials and information, equipment, and human resources).

Workflow takes place within the context of an organization's structure (Noe *et al*., 2020). Structures in organizations bring people together who must work together efficiently to produce desired results. For example, jobs may be grouped according to functions, products, or customer groups. In addition, organizational structures may be centralized (so authority is focused on a few people at the top) or decentralized (so authority is spread among people).

Research methods 7.1 Work flow design and an organization structure

Identify an organization. Analyse the workflow and identify the outputs, the activities, and the inputs required. Draw an organizational chart and show the jobs and positions on the chart.

Read the following article before you complete the assignment.

Capelle, R.G. (2017). Improving organization performance by optimizing organization design. *People and Strategy, 40*(2), 26–31.
https://www.capelleassociates.com/wp-content/uploads/2017/04/ps.journal.capelle.pdf

Job analysis

Definition of job analysis

Job analysis is defined as the process of gathering job information by breaking the job down into its component elements in order to identify what tasks and responsibilities a job consist of, what skills, knowledge and abilities are required to do the job, and what environmental conditions surround the job. A job description is a written summary of a specific job's key performance areas (tasks, duties, and responsibilities). In addition, the job description includes a clear presentation of what is done, how it is done, and why. A job specification is a written explanation of the minimum requirements needed for effective performance on a given job. It includes knowledge, skills, abilities, traits, and other characteristics needed for effective job performance.

Steps in job analysis

The job analysis process involves several steps:

- *Step 1: Decide who should conduct the job analysis*. If an organization only has an occasional need for job analysis information, it may hire a temporary job analyst from outside. Other organizations will have job analysis experts employed on a full-time basis. Still, other organizations will use supervisors, job incumbents or some combination to collect job-analysis information. Regardless of who collects the information, the individual should thoroughly understand people, jobs, and the total organization system.

- *Step 2: Examine the entire organization and the fit of each job*. This step provides a broad view of how each job fits into the structure of the organization. Again, organization charts and process charts are used to complete this step.
- *Step 3: Determine how the job analysis information will be used*. Different uses of job analysis information call for different approaches. For example, if management's purpose is to ensure that a selection test is valid by proving that the content of the test reflects the content of the job, then job analysis will focus on the job's work activities. On the other hand, the objective of developing a performance evaluation system that will be defensible in court may require the gathering of information about behaviour that results in more and less successful performance.
- *Step 4: Select the jobs to be analysed*. Since it is usually too costly and time-consuming to analyse every job, a representative sample of jobs needs to be selected. In addition, it is crucial to get the manager's co-operation. Since job analysis plays a central role in the management of people, it should be conducted when a new job is introduced in the organization and when the job's significant tasks and thus worker performance requirements change.
- *Step 5: Collect data by using acceptable job analysis techniques*. Techniques like interviews, observation, and questionnaires are used to collect data on the job characteristics, the required behaviour, and the employee characteristics needed to perform the job.
- Step 6: Prepare the job description and job specification.

The knowledge and data collected in steps 1–6 are used as the foundation for other human resource activities.

Uses of job analysis

Job analysis is the foundation of human resource management. Job analysis can be used in each of the following human resource activities:

- Job analysis can be used to prepare *job descriptions*. A complete job description contains a job summary, the job duties and responsibilities, and an indication of working conditions.
- Job analysis is used to write *job specifications*. The job specification describes the individual traits and characteristics required to do the job well.
- Job analysis makes it possible to *organize* and integrate the total workforce based on duties and responsibilities.
- The *staffing* programme of an organization rests on the information supplied by the job analysis. Job analysis information can be used to help recruiters to seek and find the type of people that will fit into the organization, to supply information about the nature of the job, to set standards that applicants must reach, to determine which selection techniques can be used, and to establish criteria for the selection process.
- The analyst can use the information gathered through job analysis for *training and development* purposes (e.g. the training needs of employees, the content of training courses, and relevant training methods).
- Job analysis supplies the basic data needed to do a *job evaluation*. Job evaluation is a systematic process to determine the value of a job relative to all other jobs in an organization.
- Job analysis is used to determine the criteria and requirements for *performance appraisal* of a job holder. Without an adequate job analysis, the success of a given employee may be judged in terms of behaviours that may appear important, but in fact, have little bearing on whether the worker is successful.

- Job analysis can be used in *career development*. The movement of individuals into and out of positions, jobs, and occupations is a common procedure in organizations.
- Working conditions and *safety* can be improved based on the results of a job analysis. The safety of a job depends on a proper layout, standards, equipment, and other physical conditions.

Job analysis methods

There are five methods, which can be used separately or in combination to collect job analysis data. These methods are observation, interviews, questionnaires, the critical incident technique and job incumbents' diaries.

Observation

Direct observation is used for jobs that require manual, standardized and short job-cycle activities. Observation will benefit jobs that demand few skills, where work is controlled mechanically, involving physical activities and a short work cycle. The job of an automobile assembly-line worker, an insurance company filing clerk and an inventory stockroom employee are examples of jobs that can be analysed using observation. In contrast, observation is not appropriate for jobs involving significant mental activity, such as research scientists, lawyers, or mathematicians. Jobs involving intangible factors such as judgement, computations, and decision-making present few opportunities for supplying information to the observer.

The job analyst observes what the employee does, why he or she does it, how he or she does it, which skills are used, and what physical demands are placed on the employee. In order for observations to be maximally helpful, an adequate, representative sample of employees needs to be observed at various times during the work period. It is useful to be as unobtrusive as possible when observation is used. Employees must not be disturbed in the execution of their duties. The job analyst must also remember that employees might change their behaviour when they are observed. The employee must have the opportunity to study the job analysis notes and to modify incorrect observations.

The interview

The interview is probably the most widely used data-collection technique. It permits the job analyst to talk face to face with job incumbents. The job incumbent can ask questions, and this interview serves as an opportunity for the analyst to explain how the job analysis knowledge and information will be used. In addition, reliable, accurate, and comprehensive information can be gathered by interviewing employees and supervisors. Interviews can be conducted with a single job incumbent, a group of individuals, or a supervisor who know the job. Usually, a structured set of questions will be used in interviews to compare answers from individuals or groups.

The interview has the following *advantages*:

- It allows the job analyst to gather complete and accurate work information, provided care is taken that the job is not inflated. The job analyst should also confirm the information with other job incumbents and their immediate supervisor.
- Interviewing the employee saves him or her from providing a written description of his or her work, which usually causes employees headaches.

- The interview allows the employee to receive first-hand information regarding the reasons for job analysis from the job analyst.

Interviewing a person to analyse a job has the following *disadvantages*:

- It requires much time if many jobs need to be analysed.
- It is expensive because the organization must pay the job analyst's salary and the interviewee's working time is lost.
- It is impossible to involve all the workers. However, if questionnaires are used it is possible to involve many employees.
- Inaccurate information may be collected. For example, if a job incumbent believes that the job analysis interview will be used to set the job's compensation level, he or she may provide inaccurate information. Therefore, it is necessary to interview more than one person, plan the interview carefully, use relevant questions, and establish rapport with the interviewee.

The questionnaire

The job analyst can construct a questionnaire to send to employees and supervisors. The information gathered by using the questionnaires is checked to ensure that it is accurate and complete. The job holder and his or her supervisor are usually asked to complete the questionnaire. The questionnaire includes specific questions about the job, job requirements, working conditions, and equipment. The format and degree of structure that a questionnaire should have are debatable issues. However, the questionnaire should be short and straightforward, and its objectives and uses should be explained.

The questionnaire has the following advantages: a) It makes provision for maximum participation because each employee and supervisor can complete a questionnaire; b) it prepares employees for follow-up interviews (if interviews are used) because it gives them time to think about the different aspects of their jobs; c) it saves time and money if questionnaires are completed accurately. However, questionnaires have the following disadvantages: a) It is challenging to construct a good questionnaire; b) it is difficult and time-consuming to interpret the answers to the questions; c) employees sometimes are irritated by questionnaires. This may lead to carelessness in the completion of questionnaires.

The motivation of employees to complete questionnaires is usually a problem. Therefore, many job analysts use a combination of interviews and questionnaires to analyse jobs. The combination of the questionnaire and the interview will supply more accurate information, allow the employee to elaborate on the answers given on the questionnaire, and allow the job analyst to receive first-hand information regarding the reasons for job analysis.

The critical incident technique

In this method, employees and supervisors are asked to report critical incidents in their work behaviour that are effective or ineffective in reaching their job objectives. For each incident, the elements, situation, what the employee did, and the effects of the behaviour are indicated. Behaviour is used as the yardstick of how the job must be done. The disadvantage is that it takes much time to gather, analyse and classify incidents. In addition, using the critical incidents method, 'average' worker behaviour is often challenging to discern, and it may not be possible to compile a complete job description.

Job incumbent diary

The diary is a recording by job incumbents of job duties, frequency of the duties, and when the duties were carried out. This technique requires the job incumbent to keep a diary daily. Unfortunately, many individuals are not disciplined enough to keep such a diary. However, if a diary is kept up to date, it can provide good information about the job. Comparisons on a daily, weekly or monthly basis can be made. In addition, the diary is helpful when analysing jobs that are difficult to observe, such as those performed by engineers, scientists and senior executives.

Job descriptions

The job description is one of the primary outputs provided by a systematic job analysis. It is a written description of what the job entails. While there is no standard format for a job description, it will include information regarding the following aspects:

- *Job title*. A title of the job and other identifying information such as its wage and benefits classification.
- *Summary*. A brief two-sentence statement describing the purpose of the job and what outputs are expected from job incumbents.
- *Key performance areas*. A description of the primary job duties and responsibilities in terms of what is done, how it is done, and why it is done.
- *Equipment*. A clear statement of the tools, equipment, and information required for effectively performing the job.
- *Environment*. A description of the working conditions of the job, the location of the job, and other relevant characteristics of the immediate work environment such as hazards and noise levels.

The guidelines for writing job descriptions are given in Focus 7.1.

Focus 7.1 Guidelines for writing job descriptions

1 Write about the job, not the person.
2 Describe only what is required of the incumbent.
3 Describe the what and the how of each task.
4 Begin each sentence with a present tense active verb. Try not to use adjectives.
5 Be concise, do not give irrelevant details, subjective statements, or opinions.
6 Use concrete examples to explain unfamiliar or broad responsibilities.
7 Present the tasks in a logical sequence.

Job specification

The job specification evolves from the job description. It indicates the competencies (qualifications, personal traits, and experience) needed to perform the job effectively. The job specification is especially useful for offering guidance for recruitment and selection.

Job specifications can be compiled in three ways:

1 The job analyst judges which competencies are important for good performance. This approach saves time but is subjective. Although this method indicates which competencies are essential for work success, it does not indicate the relative importance of these competencies for work success.
2 A group of specialists who know the job determine the competencies needed for the job in behavioural terms. This approach starts with a list of competencies (knowledge, aptitudes, skills, and personality characteristics) defined and judged by specialists after studying the job description. In this way, one will get a profile for each job. This approach is more objective but requires more time.
3 Psychometric tests are used to determine job specifications. First, current employees are tested with a range of psychometric tests. Second, their work performance is assessed to determine who is more successful and less successful in the job. Next, the differences between the psychometric tests of successful and less successful groups are analysed to determine the job specifications.

Regardless of the method used to determine job specifications, two aspects should be considered, namely that a) minimum acceptable standards should be specified, and b) flexibility should be shown in the application of job specifications. It serves as a guideline and may be adapted if there are limited candidates for a vacant job. Job specifications include the following aspects: a) education and training required; b) experience needed; c) special skills required; d) physical and mental abilities required; e) emotional characteristics required.

An example of a job description and job specifications is set out in Application 7.1.

Application 7.1

A job description and job specifications

Job identification

Job title	HR Manager
Company	Company X
Location/workplace	Head Office
Job title of immediate supervisor	HR Executive
Job title(s) of subordinate(s)	Organizational Development Manager, Training Manager, Personal Assistant
Job level	7

Job summary

Primary output: to ensure the HR needs of company X are met

Job duties and responsibilities

Key performance areas	Accountabilities
Implement HR strategies	An annual HR tactical plan in support of the strategic goals of the company. Ensure sound employee support systems that enhance the culture of the company. Ensure the implementation of proactive organizational development strategies. Ensure effective management and quality assurance of processes in the HR department, i.e. administrative processes recruitment and selection, policies and procedures, leave management, communication and performance management.

Job specifications

Qualifications	Masters degree in either Human Resource Management or Work and Organizational Psychology
Experience	At least five years' experience in HR development and management

Job specific behavioural dimensions

1 *Quality orientation*: Accomplishing tasks by considering all areas involved, no matter how small; showing concern for all aspects of the job; accurately checking processes and tasks; being watchful over a period of time.
2 *Work standards*: Setting high performance standards for the self and others; assuming responsibility and accountability for completing assignment or tasks; self-imposing standards of excellence rather than having standards imposed.
3 *Technical professional knowledge*: Having achieved a satisfactory level of technical and professional skill or knowledge in position-related areas; keeping up with current developments and trends in areas of expertise.

Human resource planning

Planning human resources is critical to achieving business objectives and gaining an advantage over competitors.

Definition of human resource planning

Human resource planning (or workforce planning) is a planned analysis of an organization's present and future (quantitative and qualitative) human resource needs, and the implementation of action plans to ensure the adequate supply of human resources. So it is an ongoing process linked to many other activities inside an organization, especially human resource management activities, such as recruitment, performance appraisal and training (Armstrong and Taylor, 2014).

Reasons for human resource planning

The reasons for human resource planning can be summarized as follows (Chakraborty and Biswas, 2020; Noe *et al*., 2020):

- Through human resource planning, it is possible to put human resources to strategic use. This means that an organization's strategic planning can be done on a much surer base than before. Moreover, through sound human resource planning, unnecessary risks can be avoided when strategic organizational planning is done. In this way, human resource planning is necessary for an organization to adapt to (expected) environmental changes. These changes can be of great variety, such as changes in legislation, markets, products or services, new markets opening up, technology, and competition from other organizations.
- Because organizations usually use a visual model of their human resource system when planning, it is easy to see when problems will be encountered. In this way, the necessary plans can be made as soon as these problems are visualized. For example, these problems might be in the form of over-or under-supply of particular workers at a given stage in the future.
- Through human resource planning, an organization can use its available human resources more effectively over the short term and the long term. In addition, the effective use of human resources contributes to better use of other resources, such as time, machines, and money.
- Human resource planning allows organizations to develop high-level personnel to take up those who leave the senior level and management jobs. Organizations that use many technical or professional workers or highly skilled managers need to know when these types of workers are to be replaced in the future because these workers are frequently in short supply. Human resource planning allows an organization to continually upgrade the skills and abilities of its entire workforce by concentrating on activities such as recruitment, selection, placement, training and development, and career management.
- Human resource planning activities ensure that the top management team of an organization can gain a scientific view of, and the necessary insight into, the interaction between the organization's strategic planning and its complex and expensive human resource. Human resource planning places the management of an organization in a position to manage the human resource in a way that complies with all the legal requirements and to counter any actions instituted by workers or labour unions effectively.
- Human resource planning has a direct influence on the quality of work-life that workers experience. It gives the workers a sense of security and builds trust in an organization as an employer. Consequently, absenteeism, turnover, and accidents decrease, and employees tend to do better quality work.

The human resource planning process

Next, an overview will be given of the main steps to be followed in human resource planning (Noe *et al*., 2020; Rees and Smith, 2021).

Situational analysis/scanning the environment

The first phase in human resource planning is linking the human resource function in an organization with its strategic plan. The strategic plan should be in line with the current environmental conditions and

the long-term changes in these conditions. An organization's human resources are one of the mechanisms that can be used to adjust the organization to changing environmental conditions. That is why the human resource manager should preferably be a team member who does an organization's strategic planning.

An organization should gather as much relevant information about its environment as possible. Then, it should set (or adjust) its goals in terms of marketing, production and finances based on this environmental scanning. The goal of human resource planning is to contribute to the efficiency of an organization. For that reason, it should be integrated with the organization's short- and long-range business goals and plans.

The length of the planning period should also be considered. Organizations tend to do short-range human resource planning, perhaps because there is less danger of being wrong about one's prediction if one sticks to a planning period of not more than one year, or at least not more than two years. A planning period of up to two years is usually called a short-range period. A planning period of two to five years is usually called a medium- or intermediate-range period. When one goes beyond the five years, one is thinking about long-range planning. The longer the time frame being used, the more difficult it becomes to anticipate the different factors influencing the planning process.

It is of the utmost importance that human resource managers and line managers work together to develop business plans and determine the need for human resources. They should also determine what the characteristics of the workforce should be if it is to fit in with the (future) business strategies. It will probably also be necessary to develop programmes to ensure that the strategies can be carried out.

An analysis of the current human resource situation

Usually, the next step in the human resource planning process is to determine the characteristics of the organization's workers. This means that an inventory of present personnel must be developed. Sometimes such an inventory is also called a skills inventory or a human resource information system. The human resource information system should be computerized. Sometimes organizations might ask a computer programmer to develop a human resource information system or a personnel inventory that suits the purposes of the specific organization.

The type of information found in a human resource information system depends on the specific organization's needs. At the least, it should contain basic information about each employee. When one thinks of it as a skills inventory, it should contain personal information (e.g. names and ages of workers), employment history, present job or position and job grade, present salary and salary scale, skills, education, job experience, and training, special qualifications or achievements, results of performance appraisals or other indicators of potential, and personal career goals. From the information found in a skills inventory, the skill levels of the present employees and the extent to which they can be developed can be assessed.

An analysis of the demand for and the supply of human resources

The second step in human resource planning is to analyse the future demand for and the supply of human resources. Demand in human resource planning refers to the number of workers needed at a specific time and place and the characteristics they need to possess. 'Characteristics' refers to the abilities, skills, and experience that the workers need to fill the particular positions. 'Supply', in the case of human resource planning, refers to the number of workers and their characteristics that are available to fill the particular

positions. Therefore, the following questions should be answered to determine the demand and supply of human resources:

- What positions will need to be filled during the period for which human resource planning is being done? The human resource planner must forecast how many workers will probably resign, how many positions will be redundant, and how many new positions will be created. Past tendencies concerning resignations, redundancies and the forming of new positions can be analysed. Previous attitude surveys can be linked to labour turnover to get an idea of the number of vacancies that might occur. Business plans can be used to estimate the number of positions that will be made redundant or be created.
- How and where will we find the human resources needed to fill the positions that we have identified? Here it is crucial to determine what the characteristics of those human resources should be. After this, the current workforce's characteristics and those recruited from outside the organization can be considered. The organization should have up-to-date records of retirements, advancements, and appointments that have taken place in the past. When looking at the characteristics of the current workforce, it is vital to develop a skills inventory. When determining the demand for and the supply of human resources, different quantitative methods can be used, but the forecasting methods depend a great deal on human judgement. Various techniques used during this forecasting process are the following: an expert can do the forecasting; sometimes a panel of experts is used for this purpose; tendencies noticed in the past can be used to make projections into the future. Sophisticated modelling techniques and multiple forecasting techniques can be used, where different factors (sales volumes or the gross national product) can be correlated with employment figures. These more sophisticated techniques include mathematical models, simulations and the statistical technique of regression analysis.

Human resource planning takes place on two levels, namely on the quantitative level and the qualitative level. The *quantitative level* has to do with ensuring that the right number of people having the right qualifications are available at the right time. The factors that influence an organization's future human resources needs include the staff turnover rate, the absence rate, retirements, changes in statutory working hours, and women employees who get married or become pregnant. This means that the factors that influence personnel turnover and absences should be studied in human resource planning. The *qualitative level* has to do with having the right kind of people available, that is, the people who can communicate on an individual and group level, who are suitably motivated, are reasonably satisfied and loyal employees.

The motivation of workers should also be considered. The tasks performed and the work environment should be of such a nature that people can utilize their skills and abilities. People should be trained to communicate effectively. Organizations should determine whether the employees are reasonably satisfied with their work. When selecting employees, organizations should determine whether candidates possess the qualities needed to do the work and fit into the 'culture' of the organization (Noe *et al*., 2020).

Determining human resource goals

If there is a difference between the forecasts of the demand and the supply, an organization needs to decide on the action steps needed to eliminate this difference or discrepancy. If an organization engages

in short-term planning, it may be possible to quantify the goals. The following are examples of short-term human resource goals: a) increasing the number of the possible job applicants through a recruitment campaign; b) attracting candidates that have the necessary qualifications; c) upgrading the qualifications of people who are selected and appointed; and d) making sure that those who are appointed remain in the employ of the organization as long as possible.

The design and implementation of human resource plans

During this phase, the plans that can lead to the organization reaching its human resource goals must be designed and implemented (Noe *et al*., 2020). For example, suppose the forecasted demand is greater than the forecasted supply of human resources. In that case, these plans could include recruitment, selection, performance appraisal, training, paying attention to remuneration (salaries and wages), advancement and career development activities, and instituting a system of overtime work. On the other hand, in the case of the forecasted demand being smaller than the forecasted supply of human resources, the following are possible strategies that can be implemented: early retirements, retrenchments, making use of a process called work-sharing (for example, where two employees each perform half of a job), working shorter work weeks, and not filling positions that are vacated by people who retire or who resign.

Gathering and analysing information that can be used as feedback

Human resource planning does not stop with the implementation of strategies to reach human resource goals. Previously it was stated that human resource planning is an ongoing process. This means that human resource planning must not be seen as something to be done once a year and is then filed away and forgotten. Instead, throughout the period for which human resource planning was done, the human resource planning function will have to seek feedback on the progress towards the set goals. Based on the feedback received, adjustments need to be made to the human resource plan. Because short-term human resource goals are usually set quantitatively (for example, the number of artisans needed to be recruited by the end of a certain period), it is usually quite easy to determine the degree to which these goals have been reached.

Factors in the environment may change during the period that planning was done. Therefore, the skills inventory should also be updated. It may be that the training programmes did not bring about the necessary changes in the skill levels that were forecasted. It may also happen that because of tough economic times, fewer workers opted for earlier retirement. From what has just been said, it is clear why human resource planning should be carried out continuously.

Video 7.1 Transformation of human resource management

Watch the following video and answer the question that follows:

https://youtu.be/zZ6IVYScsuc

Question 1: What should the focus of human resource management in organizations be?

Summary

- Taking informed decisions about jobs requires understanding the organization's workflow as a whole. The workflow analysis assigns tasks to specific jobs and positions.
- Job analysis is defined as the process of gathering job information by breaking the job down into its component elements in order to identify what tasks and responsibilities a job consist of, what skills, knowledge and abilities are required to do the job, and what environmental conditions surround the job. There are six steps in job analysis, starting with examining the total organization and the fit of jobs and concluding with preparing the job specification. The uses of job analysis include strategic planning, recruitment, selection, training, compensation, and job design. It is clear from the above discussion that amateurs should not conduct job analysis. Training is essential before a person can analyse a job. Before conducting a job analysis, organization charts should be studied to acquire an overview of the organization. The techniques that can be used to analyse a job include observation, interviews, questionnaires, diaries, or a combination of these.
- A job description concentrates on the job. It explains what the job is and what the duties, responsibilities, and general working conditions are. A job specification concentrates on the characteristics needed to perform the job. It describes the qualifications that the incumbent must possess to perform the job. Recruitment has been defined as the process of attracting suitable candidates to apply for vacancies that exist in an organization.
- Human resource planning was defined as ensuring that an organization has the right number of suitably qualified workers available at the right time. In order to achieve this, human resource planning has to be linked to the strategic planning process and to the business plan of an organization. Next, the reasons for human resource planning were described. The human resource planning process may take on many forms, one of which was described. It consists of analysing the situation (scanning the environment), determining the characteristics of the present workforce, analysing the demand for and the supply of human resources, and determining the human resource goals. It further consists of designing and implementing human resource plans to reach these goals and gathering and analysing information that can be used as feedback to update the human resource planning process.

Key concepts and terms

- Critical incident technique
- Demand
- Human resource information system
- Human resource planning
- Interview
- Job
- Job analysis
- Job description
- Job incumbent diary
- Job specification
- Observation

- Occupation
- Position
- Questionnaire
- Situational analysis
- Strategic plan
- Supply
- Task

Sample essay titles

- Is there a link between human resource planning, strategic planning, and the business plan? Motivate your answer.
- Do you agree with the following statement? 'Job analysis is the cornerstone of human resource management.' Motivate your answer.
- Which techniques can be used to analyse the job of a financial manager in an organization?

Further reading

Books

Noe, R.A., Hollenbeck, J.R., Gerhart, B. and Wright, P.M. (2020). *Fundamentals of Human Resource Management* (8th ed.). New York: McGraw-Hill.

Rees, G. and Smith, P.E. (2021). *Strategic Human Resource Management: An International Perspective* (3rd ed.). Los Angeles: Sage.

Journal articles

Hawkes, C.L. and Weathington, B.L. (2014). Competency-based versus task-based job descriptions: Effects on applicant attraction. *Journal of Behavioral and Applied Management*, *15*(3), 190–211.

Pató, B.S.G. (2014). The 7 most important criteria of job descriptions. *International Journal of Business Insights and Transformation*, *7*(1), 68–73.

8 Recruitment and selection

This chapter introduces the reader to recruitment and selection. The first section focuses on recruitment. We look at the definition of recruitment and describe recruitment planning and the development of a recruitment strategy. In developing a recruitment strategy, it is necessary to determine who will do the recruiting, what kind of recruiting will be used, where it will be done, and what sources and methods of recruitment will be used. The chapter then proceeds to the actual recruitment process, preliminary screening, and evaluation of the recruitment efforts. The second section focuses on the selection of staff. We define selection and describe the factors that should be considered before making selection decisions. Then we look at the selection procedure (including the preliminary screening interview, completion of the applicant blank, psychometric tests, the selection interview, reference checks, and physical examinations) and requirements for selection predictors. Finally, we describe the factors that should be considered when rejecting applications and auditing the selection process.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define recruitment and describe recruitment planning.
2 Develop a recruitment strategy by considering the type of recruiters needed, kind of recruitment, place of recruitment, and sources and recruitment methods.
3 Identify the factors that should be considered during the actual recruitment process.
4 Define selection and motivate why employee selection is vital for organizations.
5 Describe the factors which affect selection decisions and explain the requirements for selection predictors.
6 Evaluate the suitability of different selection predictors for different jobs.
7 Discuss the considerations when applicants are rejected and develop a strategy to audit the selection process.

Recruitment

Organizations differ in their strategies. Therefore, they may assign different degrees of importance to recruitment.

DOI: 10.4324/b22796-10

Definition of recruitment

Recruitment is defined as seeking and attracting suitable candidates from within the organization or outside the organization for existing job vacancies. 'Suitable candidates' means those who possess the required characteristics that will enable them to perform satisfactorily in the specific job (Noe *et al*., 2020).

Recruitment planning

Before any recruitment can be done, an organization must decide the nature and number of job vacancies. This information comes from human resource planning and job analysis (Rees and Smith, 2021). In recruitment planning, that information is used to decide on the number and characteristics of potential candidates that need to be attracted. As a result, organizations try to recruit more candidates than the number they wish to employ. However, some candidates will probably be overqualified for the specific positions, while some might not be interested in obtaining a position.

An organization needs to keep a balance between setting recruitment standards that are too high or too low. When an organization is operating in a so-called 'tight labour market' (where there are few candidates for the number of job openings), it might be tempted to lower standards regarding the candidates' qualifications. This might lead to other undesirable outcomes. On the other hand, an organization might retain high standards and spend much time and money attracting suitable candidates. It seems that when organizations retain higher standards, fewer candidates apply for jobs, but then these candidates are also better qualified (Kepes and Delery, 2006).

From experience, organizations usually know how many potential candidates they need to reach through their recruitment efforts to have enough applicants from which to choose. The number will most probably vary with the type of vacancy or job. The recruitment source and method will have to be considered during recruitment planning (Noe *et al*., 2020).

Developing a recruitment strategy

When developing a recruitment strategy, an organization must answer the following questions:

- Who will be doing the recruiting, and how should they be prepared?
- What kind of recruiting will be used?
- Where will the recruiting be done?
- What sources and methods of recruitment will be used?

Recruiters and their preparation/characteristics

In most organizations, the human resource department is responsible for the coordination of the recruitment process. Because recruiters come into direct contact with possible candidates, it is of great importance that they should be knowledgeable about the organization in general and about the specific jobs that are vacant. Often, recruiters are the primary source of information that potential candidates use in deciding to apply for a position. The reason for this is that potential applicants know so little about the organization. Therefore, they have to use the information supplied by recruiters when deciding to apply for a position. The ideal recruiter is someone who can make potential applicants enthusiastic about the

organization. A recruiter should have excellent interpersonal skills and should be able to supply realistic information to possible applicants. In addition, he or she should be a likeable person, be enthusiastic, and show personal interest in applicants (Rosenfeld *et al*., 2002).

Kind of recruitment

Both positive and negative aspects about the organization and job should be provided to applicants. When an organization (through its recruiting efforts) gives applicants both positive and negative information about the organization and job in a balanced and objective way, it is called realistic job previews. One of the main reasons for giving a realistic job preview is to reduce the 'reality shock' and disappointment when a newcomer eventually joins an organization and finds that his or her expectations are not being met and that circumstances are quite different from those which were envisaged. Furthermore, unless the applicant has no other option than to take the job offered to him or her, a realistic job preview gives the applicant the chance to 'opt out' without losing face because the decision to 'opt out' is based on realistic information. It also seems that if an applicant, in the face of a realistic job preview, still decides to join an organization, such a person will most probably be a more committed employee.

Place of recruitment

Organizations tend to recruit managerial and professional employees on a countrywide or a regional basis, technical employees/artisans on a regional or a local basis, and clerical and manual workers on a local basis. Generally speaking, organizations use their experience to decide where to concentrate their recruitment efforts and get the best return on the money invested in recruitment.

The basis of recruiting will also depend on the job-seeking behaviour of applicants. One aspect of job-seeking behaviour is, for instance, the distance a person will travel to look for a job. Another aspect might be the media a potential candidate might use when searching for a job. The state of the labour market will also play a role. If, for instance, there are very few qualified clerical workers available locally, an organization will concentrate its recruitment efforts on a regional basis.

Sources and methods of recruitment

Sources refer to the segment(s) of the labour market where applicants can be found, such as schools, colleges, universities, other organizations and sources of unemployed people. On the other hand, methods refer to the specific way(s) of obtaining applicants. Here one can think of something like direct applications or so-called 'write-ins' or 'walk-ins', referrals by present employees, advertising using different media, private and public employment agencies, and so-called 'executive search agencies/firms'. Therefore, it seems safe to say that sources do influence the methods used.

Internal recruitment

Internal recruitment has various advantages (Rees and Smith, 2021):

1 Most people, at one time or another, expect to be appointed to some higher position, having a greater status, and paying a higher salary. Therefore, if an organization appoints from within, it can increase employees' morale because their expectations are being met.

2 It is possible to more accurately assess the knowledge, skill, and personality characteristics of an organization's present employees than those of outside applicants who have to go through a selection process.
3 The recruitment and selection process is simplified because, with a few exceptions, candidates from outside sources are only needed for entry-level jobs.
4 The career development of employees can be planned far more systematically, and suitable career paths for them to follow can be more easily identified.
5 The candidates already know how the organization operates.
6 The investment already made in present employees is continued.

Recruiting and subsequent appointing from within also has some disadvantages:

1 It leads to inbreeding that can prevent the development of new ideas and much-needed creativity.
2 An organization needs to have good training programmes in place through which the knowledge and skills of employees can be upgraded in order for them to be promoted to the vacant positions.
3 If an organization wants to appoint from within, it needs to ensure that they can be promoted when candidates are first employed. Otherwise, people might be promoted to a point where they cannot successfully carry out the job's duties.
4 It might lead to 'infighting' among colleagues, which is not good for employees' morale.

There are different internal recruitment methods that an organization can use:

- An informal search for a suitable candidate can be conducted. However, this method does not give everybody interested or qualified a fair chance to apply for the specific job.
- A system of job posting and job bidding can be used. Job posting means that vacancies are advertised internally so that everyone eligible can notice the vacancy.
- When vacancies occur, the human resource information system can also be searched. Such a system contains up-to-date information on each employee's skills, abilities, and personal characteristics. When vacancies do occur, users will also have to be made aware of the human resource plan. If career paths are in place for employees, it will also be clear which employees could be promoted to the vacant positions.

External recruitment

An organization uses different recruitment methods to attract suitable candidates from outside the organization. It might be cheaper to hire specific employees from outside than to train present employees; the pool from which one can select is much greater, and people appointed from outside bring in new ideas. On the negative side, recruiting from outside sources might be costly. Candidates from outside sources need more time to become orientated and adjusted to their new surroundings. Resentment can also develop in present employees when candidates from outside rather than themselves are appointed.

The following external recruitment methods can be used (Noe *et al*., 2020; Rees and Smith, 2021):

- *Advertisements*. Many organizations use advertisements in newspapers, magazines, professional journals/periodicals, and radio and television to attract suitable candidates. When recruitment advertisements are used, the following goals should be kept in mind: first, to reach the 'right' audience and, second, to attract sufficient suitable candidates and as few (unqualified) candidates

as possible. One must understand the target population's characteristics and what motivates them to apply for a vacancy. If one receives too many applications for a specific vacancy, it shows that something is wrong with the communication process. Therefore, an effective recruitment advertisement appears to require the following conditions: a) It should be based on a thorough job description and must provide details about the job specification; b) To ensure a realistic job preview, the necessary unfavourable information about the job must be provided; c) One should be specific in describing tasks and the remuneration package; d) The facts should be presented positively.

- *Private employment agencies*. These agencies have information of many possible candidates on a computer which can be matched against the job specifications of vacant jobs. If they do not have suitable candidates on file or computer, they do the necessary advertising to attract the required candidates. A private employment agency can do a lot of the administrative work associated with recruitment, but they tend to charge large fees for their services.
- '*Walk-ins*' *or* '*write-ins*'. Applicants may write to the organization to apply for jobs, even though no jobs have been advertised. Sometimes applicants come in person to apply for jobs that have not been advertised.
- *Referrals by employees*. It often happens that the information that a vacancy exists is passed along using word of mouth among colleagues and their friends. The attitudes and behaviours of referred workers are generally desirable. Therefore, the advantage of this recruitment method is that it is time- and cost-effective. It is, however, problematic to rely solely on referred workers. Unfortunately, it might lead to inbreeding and the forming of cliques. To build a diverse applicant pool, organizations should utilize multiple sources of recruitment. When seeking referrals, organizations should remember that an employee's awareness of a job opening and a potential match does not necessarily translate into them communicating job information. In order to increase referral likelihood, organizations need to implement interventions that promote organizational commitment. Moreover, organizations may offer referral bonuses to attract candidates. However, every effort should be made to improve the attitudes of the referrer's motivation because poor referrals or misuse of the bonus system may negatively affect the organization's attraction. Given the danger of favouritism in referral hiring, a structured interview that counters impression management may help to prevent the appointment of unqualified candidates (Schlachter and Pieper, 2019).
- *Educational institutions*. Organizations can let recruiters visit different educational institutions to recruit suitable candidates. Sometimes an organization is looking for candidates who possess specific scholastic, academic or professional qualifications. In order to reach these candidates, organizations need to build up relationships with these educational institutions, which will be more than willing to supply information on suitable candidates.
- *Executive search firms*. These concentrate on the recruiting of middle and top managers. To attract suitable candidates, executive search firms take much care to ensure that the job specifications are available. Middle and top managers recruited using this method are often drawn away from other organizations. That is why this method of recruiting is often called 'headhunting'. It is nothing out of the ordinary for them to ask a fee that amounts to one-third of a successful candidate's annual salary.
- *Social media.* Organizations that recruit highly paid people have established internal headhunting operations as a result of the rise of LinkedIn and other professional networking sites. In addition to studying social media profiles, artificial intelligence software can also be used to identify potential

candidates for new positions. There will be fewer applications received when using social media, but they will be of a higher quality.

- *Other methods*. There are a variety of other methods an organization can use to recruit suitable candidates: a) An organization may use direct-mail recruiting by obtaining mailing lists from different professional bodies or societies and sending specific advertisements to all the people on these mailing lists; b) Recruiters may set up stands at job fairs or career exhibitions; c) Many organizations also make use of the services of temporary help agencies.

The actual recruitment process

Once an organization has decided on a recruitment plan and a recruitment strategy, the following two broad steps must be carried out: the potential recruitment sources must be activated, and the 'sales' message must be communicated to qualified applicants.

Activating the sources of recruitment

The following tasks have to be performed:

- Preliminary screening of applicants has to be done to eliminate those candidates who are unsuitable.
- Line managers must be ready to interview candidates.
- Candidates who have been unsuccessful must be notified to that effect.
- Formal employment offers must be sent to successful candidates.
- The acceptance or rejection of such offers must be processed.
- A well-functioning record system that can be utilized at any moment to check what progress has been made in the recruitment process needs to be in place.

Communicating the 'sales' message to potential applicants

An organization should not 'oversell' itself to potential candidates. The organization should note the factors that influence a person's decision to apply for a job and join an organization. It appears that the message and the medium through which it is communicated play a significant role in this regard.

- *The message*. A potential candidate is likely to apply for a job and keep on working at that job if something in the remuneration package attracts him or her. This has implications for the nature of the message that has to be communicated to the potential applicant. Although there is no clear-cut answer as to what should be included in this message, the following can be used as pointers: a) Salary and the nature of the work play a role in most candidates' decision to apply for a job. b) The geographical area in which the organization is located and the possibilities for advancement are essential for people who apply for managerial or professional positions. c) Job security is a relevant factor for unschooled or lower-schooled workers. Work conditions, hours of work, and supervisors and coworkers' nature are often of no great concern when applying for a job.
- *The medium*. The effectiveness of a recruitment message also largely depends on the medium through which the message is delivered. It seems that the credibility or 'believability' of the medium plays a vital role in getting the message across. The credibility of media is based on trust,

perceived expertise, and personal liking. Therefore, media such as personnel agencies and recruitment advertisements have the least credibility, while the smaller and more intensive media, such as friends and personal contacts, have the most credibility.

Preliminary screening

There are several ways to go about doing the preliminary screening. It consists of doing a quick check on the application blanks that applicants returned. One can also do a check on curricula vitae and testimonials that applicants sent in. It might even consist of doing some reference checking on applicants. Finally, in the case of 'walk-ins', the screening might consist of an interview with the applicant.

Evaluation of recruitment

Several methods can be used to evaluate the recruitment effort of an organization. For instance, the outcomes of the recruitment effort could be studied. Therefore, the following questions should be answered: a) Have all the vacancies been filled? b) What is the nature of the work performance and labour turnover of applicants that have been accepted? c) What is the average cost incurred for every appointed candidate? d) Are the costs following the budget? e) Did everything in the recruitment process go according to plan?

These are the type of questions usually asked when doing a utility analysis of the recruitment effort. In addition, a utility analysis of the different recruitment methods or media used can be done to indicate the relative costs and benefits of the different methods or media.

Selection

Definition of selection

Selection involves the sorting out of applicants for a vacant job and eliminating those applicants who do not fit the requirements of the job and organization (Noe *et al*., 2020). The content of different jobs differs, as do the abilities and skills required. For example, the abilities and skills required of a telephone operator differ from those required of the manager of a retail store. Applicants also differ regarding their abilities, aptitudes, skills, experience, age, and education. Therefore, the objective of selection is to assess which applicant will best fit a specific job (Cooper *et al*., 2003).

The importance of selection

Selection is a significant expense for organizations. Much money is spent on recruitment, selection, and training. In addition, there is the cost incurred because of the new employee's inability to meet performance requirements while learning the job. Often, it takes a year before the employee deserves the salary for the position. The costs are even higher if the wrong person is hired.

Despite the high costs of selection, research has shown conclusively that good selection pays off. Sometimes good selection methods are expensive to develop and refine, discouraging organizations from investing in them. Selection, however, affects the quality of personnel and their task performance.

Training will also be more successful if one selects the right quality people. On the other hand, poor selection causes a poor fit between the job and the individual, contributing to job dissatisfaction, poor performance, and high labour turnover.

Factors that influence the selection decision

Three factors may influence the selection decision: job description and specification, organization and social environment, and successive hurdles or multiple correlation approaches.

Job description and job specification

If a selection programme is to be successful, the employee characteristics stated in the job specification must accurately summarize what is necessary for effective performance on the job. An accurate list of characteristics can only be generated after the organization has conducted a thorough job analysis. Job specifications that are important for selection include education and training, experience, physical characteristics, and personal characteristics and competencies.

Organization and social environment

The organization and social environment refer to the organization's values, how things are done, social cliques, openness to new employees, and the manager's personality. The objective of selection will be to assess whether the applicant would adapt to these values and conditions. A match between the values of the employee and those of the organization contributes to his or her commitment.

The selection approach

Three approaches, namely the successive hurdles approach, the compensatory approach and the combined approach, can be used during selection.

- *The successive hurdles approach*. Using the successive hurdles approach, the candidate must fit the requirement of each step in the selection process (for example, the application form, psychometric testing or medical examination) to be considered for appointment. This approach saves time and money because it prevents unsuitable applicants from going through the whole selection process.
- *The compensatory approach*. The compensatory approach allows very high performance on one selection procedure to compensate for low performance on another.
- *The combined approach*. It is possible to combine the successive hurdles approach and the compensatory approach. In this case, the abilities and motivation that are critical for success are assessed first. If the applicant does not fit these requirements, his or her application is rejected. On the other hand, if he or she fits the critical requirements, he or she goes through the whole selection process, and then the selection decision is made.

Selection procedure

A systematic selection procedure must be followed to make selection decisions. Selection procedures refer to procedures or actions that can be used to acquire and integrate information to make a recommendation

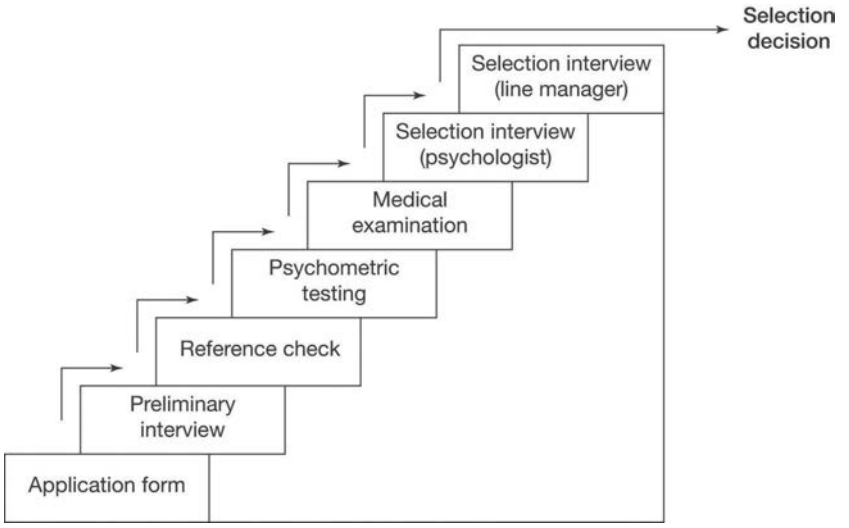

Figure 8.1 The selection procedure

and final human resource decision. A selection procedure assumes that the procedures used predict an important and relevant behavioural requirement or job performance.

Figure 8.1 shows the selection procedure. The procedure may be adapted depending on the job requirements. If physical requirements (for example, eyesight, fitness, and hearing) are important, the medical examination may occur earlier. Another important consideration is that the application form and psychometric tests must be administered before the selection interview to verify the results obtained. The next section focuses on the predictors that can be used as part of the selection procedure.

Requirements for selection predictors

Personnel selection is based on individual differences between people. The work performance of different individuals also differs. This stresses the importance of individual differences in the selection of the right person for the right job. Before a selection predictor is used, it must be valid, reliable, and fair. Furthermore, the method should offer high utility and should be legal (Noe *et al*., 2020).

Validity

The term 'validity' refers to how well a measure assesses the attribute it is being used to assess (Price, 2017). For example, an intelligence test is valid if it measures intelligence as it is defined.

The validity of a predictor is not absolute but is relative to its intended use. It is valid if it successfully measures the attribute that the user intends it to measure. In other words, a measure that is valid for one purpose may not be valid for another. An aptitude test used to select university students may not be valid for the selection of managers. The term 'validation' refers to the process of assessing the validity of a measure. Validation indicates whether it is justifiable to make a particular inference from a score obtained on the predictor. A validity coefficient is a correlation coefficient between a predictor measure (e.g., a psychometric test) and a criterion measure (e.g., work performance) applied to the same group

of individuals. The correlation coefficient expresses the degree to which two sets of numbers agree or correlate with each other.

The following types of validity are distinguished (Price, 2017):

- *Criterion-related validity*. Criterion-related validity measures scores on a predictor, which is usually a selection device. It also measures scores on a criterion (or a set of criteria), usually job behaviour such as performance, absenteeism, and training success. A predictor score and criterion score are obtained for each person in a sample, and the statistical relationship between the two sets of scores is computed. Predictors in validation are usually chosen because they are similar to the selection techniques the organization is considering. A good predictor distinguishes applicants from each other and does it reliably. Good criteria should be: a) affected by individuals, not mainly determined by others or by technology; b) relevant to the goals of key constituents in the organization; c) measurable at a reasonable cost, with adequate quality and in practical ways; d) affected by the individual differences reflected in the predictors; e) remain stable over time. Sales performance might seem a complete criterion for the validation of a selection battery for sales personnel. However, sales may be contaminated by unrelated factors (e.g. the territory assigned to individuals). Sales performance may also be deficient by failing to reflect important factors (e.g., working as part of a team and completing paperwork). Two types of criterion-related validity – concurrent validity and predictive validity – can be computed (see Focus 8.1).
- *Content validity*. A predictor has content validity if its items are representative of important aspects of a dimension or the job. (For example, are the items of an IQ test representative of what can be defined as intelligence? Does the application form include questions about the most important aspects of the applicant in relation to the job?)
- *Construct validity*. A predictor (e.g., an intelligence test) has construct validity if it correlates with a specific construct (e.g., intelligence). It takes time to assess the construct validity of a test because the relationship between a predictor and other measuring instruments must be determined.
- *Face validity*. Face validity is a non-statistical type of validity, which indicates what the test measures on face value. It refers to the judgment of a predictor's validity by the person on whom it is administered. For example, an engineer who is tested may quickly assess the material used in the predictor and identify irrelevant aspects. High face validity is necessary to create a positive attitude towards the predictor.

Focus 8.1 Types of criterion-related validity

- *Concurrent validity*. In concurrent validity, current employees' predictor scores (e.g., scores on IQ tests) are correlated with their job performance (e.g., quantity and quality of work). The predictor and criterion data are gathered simultaneously (which is why it is called concurrent validity). The correlation coefficient between the predictor and criterion is called the concurrent validity of the predictor (in this case, the IQ test). Organizations use this method because time and cost considerations make it impossible to determine the predictive validity. The disadvantage of the concurrent validity design is that poor performers are not included in the study, and employees may perform better on the predictor (because of their experience).

- *Predictive validity*. Predictive validity indicates if a predictor (e.g., an IQ test) can be used to predict future behaviour. Predictor scores are gathered from a sample of applicants (not current employees). Next, selection decisions are made regarding these applicants, without considering their scores on the predictor. (The applicants are selected by using methods used in the past, excluding the predictor that you want to validate.) Next, criterion scores (e.g. quality and quantity of work, ratings of supervisors) are gathered after the employees have been working (e.g. six months). After that, the correlation between the predictor and criterion is calculated. Finally, predictive validity is indicated if the employee who scored high on the predictor performs well on the job. This method eliminates the disadvantages of the concurrent validity design but requires more time and administration. The results are also not immediately available.

Reliability

A predictor's reliability refers to the consistency of performance of the same individual on the predictor at different times. For example, if you test a person's blood pressure with a device today and test it again after two weeks, the device must give the same results (if there was no change in the person's blood pressure). Thus, a predictor must be reliable (i.e., free from random error). Statistical procedures are used to obtain a numerical estimate of a measure's reliability. The most common numerical estimate is called a reliability coefficient. The reliability coefficient measures the extent of agreement among two or more applications of the same measurement device to the same group of individuals. The test must have reliability coefficient (r) close to 1.00.

The reliability of a measurement device (predictor) is not a guarantee of its validity. Reliability only indicates the consistency of measurement and not the extent to which it measures what it is supposed to measure. However, a predictor cannot be valid if it is unreliable. Thus, the reliability of a predictor is essential but not adequate for its validity. Therefore, the reliability of a predictor must be indicated in its manual. Different types of reliability are defined in Focus 8.2 (Price 2017).

Fairness

Fairness is a perceptual variable along which people will differ. Several variables affect perceptions of fairness and some potential outcomes associated with these perceptions (Arvey and Faley, 1988).

- *The processes and procedures used*. A selection procedure will be perceived as fair when:
  - Subjective decision-making by the employer is minimized.
  - The selection process is consistent across applicants, e.g. interview questions should be the same for males and females.
  - The selection process is not subject to manipulation. Applicants should be examined against a common set of standards.
  - The selection process is developed and managed by professionals. Professionals often rely on sets of selection standards that help to ensure fairness.
  - The organization maintains the confidentiality of data supplied by the candidate.

  - The review of applicant information is made by several individuals who represent different perspectives and constituents.

- *The nature of information used*. Explicitly illegal variables would be perceived as unfair by most candidates. Variables based on merit (e.g., talent, abilities, experience) are considered fairer than variables that are not (e.g., family connection or political loyalty). Job-related variables are considered fairer than variables that are not. Variables that seem related to the job (content validity), show empirical relationships to important aspects of the job (empirical validity) or reflect central psychological constructs important to the job (construct validity) are perceived as more fair than variables that bear no direct relationship to the job. Information that invades the privacy of a candidate will be considered less fair than information that does not. The use of selection instruments that probe candidates' personal lives, explore sexual habits, or invade these emotional components believed to be private may be perceived as unfair.
- *The relative outcomes achieved*. Perceptions of fairness have to do with whether the 'right' number of disadvantaged people (e.g., blacks, women) were selected compared with a majority group (usually white males). If these people are disadvantaged in the selection process, the organization must show the job-relatedness of the selection device. This component of selection fairness emphasizes the outcomes of prediction and test use, instead of the selection procedures and information used.
- *Different constituents*. Different constituents may have different perceptions of fairness even when the procedures used, the information gathered, and the relative outcomes achieved are kept constant. What might be perceived as fair by one constituent might not be perceived as fair by another. These perceptions will differ according to whether the applicant was hired or not.
- *Situational factors*. Perceptions of selection fairness might depend on situational factors, for instance, whether an organization has a history of hiring minorities and whether the organization has enjoyed high profits and could therefore afford to hire protected group members.

Focus 8.2 Types of reliability

- *Test–retest reliability* indicates the relationship between scores of the same people on the same predictor on different occasions.
- *Parallel forms reliability* indicates the correlation between predictor scores of the same people in equivalent test forms on different occasions.
- *Inter-rater reliability* is assessed by calculating the correlation between the ratings of answers on a predictor by different assessors (e.g., in projective personality tests). This type of reliability indicates the objectivity of scoring procedures.
- *Internal consistency reliability* indicates the homogeneity of the items of the predictor. Although items are independent, it must focus on the same content area. High internal consistency is the result of high correlation coefficients between items and equal difficulty of items.

Utility

Organizations should benefit from the selection methods. Aside from reliability, validity, and fairness, it is also imperative that the cost of these methods be significantly lower than that of hiring new employees (Noe *et al*., 2020). Thus, utility represents the extent to which a selection method delivers economic value.

Types of selection predictors

The most important selection predictors will be discussed next.

The application form

The application form consists of questions designed to provide information on the general suitability of applicants for jobs they are seeking. The questions address the applicant's educational background, previous job experience, physical health, and other areas that may be useful in judging a candidate's ability to perform a job. The application form serves to decide if the applicant meets the minimum requirements of a position and assess the candidate's strengths and weaknesses. In addition, it serves as a basis for the selection interview and supplies information for human resource information systems.

A problem with application forms is the possibility that the applicant will provide inaccurate information. When people compete for a job, they may distort the information they give to 'look good'. Distortion can range from inflation of school and university grades to outright lies involving types of jobs held, companies for whom they worked or educational degrees earned. This happens especially when it is difficult, timely, and costly to verify the information. If the candidate supplies false/misleading information, the organization may terminate his or her application.

Psychometric testing

A psychometric test is a systematic, standardized, and objective procedure to observe a sample of an individual's behaviour and to quantify it on a scale (Price, 2017). A score, which indicates the individual's score on a continuum, is awarded based on his or her performance on the test. Each item is an observation of the individual's behaviour. The test of n items is a representative sample of the total spectrum of the concept measured. For example, a test that measures the ability to solve arithmetic problems represents a sample of a universe of arithmetic problems. Thus, it measures a representative sample of an individual's arithmetic ability. Psychometric tests are subject to mistakes because a sample of observations (which may not represent the universe) is used.

Psychometric tests can be classified in different ways, namely administrative considerations, and test content. For example, the following classification of psychometric tests can be made based on administrative considerations:

- *Speed tests versus power tests*. Speed tests usually have demanding time limits. The amount of work completed per time unit is manifested in the scores on these tests. Speed tests are used when individuals must solve problems in a short period. Speed is also a factor in specific skills (e.g., typing). Power tests have no rigid time limits. The individual gets sufficient time to complete the test, and if a time limit is used, it is usually for the convenience of the tester.
- *Group tests versus individual tests*. Group tests are administered at the same time on a group of people. These tests are used for selection and placement purposes because they allow many candidates to be tested on one day. Individual tests are administered on an individual basis and are expensive. Individual tests are used for high-level selection and when interpersonal rapport with the candidate is essential.
- *Paper and pencil tests versus performance tests*. Paper and pencil tests are used for selection purposes. The individual's scores on these tests are not related to the manipulation of physical

objects or equipment. Examples of these tests include the verbal comprehension test and a mechanical insight test. Computers are increasingly replacing these tests. Performance tests require that the individual responds by manipulating specific physical objects or equipment. The individual's scores on a performance test are related to the quantity and quality of manipulation of the objects or equipment (e.g. a practical driving test).

- *Aptitude versus proficiency tests*. An aptitude test measures an individual's future potential for a specific activity. The objective of a proficiency test is to assess the applicant's level of proficiency at the time of the testing (for example, a knowledge test).

The following classification of psychometric tests can be made based on test content (Hough and Oswald, 2000):

- *Ability tests*. Ability tests measure individual characteristics that could lead to learning specific skills. They indicate which tasks the individual will perform if he or she receives the necessary training and which tasks he or she can currently perform. Ability tests include cognitive tests, mechanical and spatial tests, perceptual accuracy tests, motor tests, and physical tests (see Focus 8.3).
- *Personality tests*. Personality tests include objective tests and projective tests. Objective tests (personality questionnaires) are paper and pencil tests with a clear stimulus (e.g. statements regarding preferences for different lifestyles) and clear responses that may be selected. Personality questionnaires are concerned with measures of emotional adjustment and tendencies towards extraversion or introversion. The five-factor model of personality enjoys considerable support in personnel selection (Clarke and Robertson, 2005).
- *Interest questionnaires*. Interest questionnaires can be used to determine likes and dislikes for various activities. For example, some people would rather work indoors than outdoors; some like to deal with people, others prefer working with machinery; some crave responsibility, others strive to avoid it. By matching interests and vocations, it is quite apparent that job satisfaction and motivation, at least, can be increased. As in other questionnaires, the respondents can fake the results if motivated to do so.
- *Work sample tests*. Work sample tests are samples of tasks that are performed in a specific job. These tests assume that performance results acquired from realistic simulations of the job are the best predictor of work performance. Most studies in which work samples were used report validity coefficients higher than 0.50.

Research methods 8.1 Disentangling nature and nurture

Human resource managers and organizations are increasingly interested in gamification. Professionals have been discussing this concept recently as a way to attract and select prospective employees. A study by Georgiou *et al*. (2019) supports the applicability of game elements into a traditional form of assessment built to assess candidates' soft skills.

Question 1: What did Georgiou *et al*. (2019) find regarding the use of gamification for employee selection?

Question 2: Evaluate the methodology that they used in their study.

Question 3: In which jobs could gamification be used for employee selection purposes?
Question 4: Are there any organizations that you know of that use gamification for employee selection? How do they experience the use of gamification?

Read the following article before you respond:

Georgiou, K., Gouras, A., and Nikolaou, I. (2019). Gamification in employee selection: The development of a gamified assessment. *International Journal of Selection and Assessment, 27*, 91–103.

References

References can be used as a predictor for selection purposes because this method is not as expensive and time-consuming as other methods. It assumes that past behaviour is a good predictor of future behaviour. The following references can supply information about applicants:

- *Educational institutions*. Schools, colleges, and universities can be visited or contacted to enquire about the candidate's marks, position in the class, extracurricular activities, motivation, and emotional adaptability.
- *Previous employers*. Previous employers can supply information about the applicant's quality and quantity of work, participation, personality characteristics, initiative, and interpersonal relationships. The accuracy of the information supplied by the candidate can be verified, as well as jobs held, salary, and reason for quitting.
- *Testimonials*. The candidate can be asked to nominate friends as references. Friends are usually not able to assess a candidate's job behaviour. Few validation studies were done on references and testimonials, making it difficult to judge the validity thereof. These reports are usually favourable and do not discriminate between good and poor candidates.

Focus 8.3 Types of ability tests

Cognitive tests include intelligence tests and aptitude tests. Intelligence tests measure abilities that can be used in different situations and jobs. For example, most items measure some combination of vocabulary, symbol manipulation, mathematics, reading comprehension and reasoning. Aptitude tests measure more situation and job-specific abilities (e.g., verbal comprehension, word fluency, general reasoning, perceptual speed and memory).

In *perceptual accuracy tests* (which are especially important in clerical jobs), the individual expects to compare a standard stimulus with a test stimulus to determine the differences.

Mechanical tests measure the individual's comprehension of mechanical principles.

Spatial tests measure the ability to manage concrete material through visualization (that is, the ability to determine the appearance of an object if it is rotated).

Motor tests measure physical abilities (e.g., finger dexterity, speed of arm movement, arm-hand stability, finger speed and reaction time).

Physical tests include fitness tests (cardiovascular power, muscle power) and physical ability (for physically demanding jobs).

Research methods 8.2 Validity of selection predictors

Research shows favourable validity data support that ability tests. Ability tests (intelligence and aptitude tests) are valid predictors of work performance and success in training programmes (in various jobs and occupations). Personality tests and interest questionnaires have lower validity for selection purposes. Few studies indicated significant correlation coefficients between personality tests and interest questionnaires and job performance. However, it seems that these tests are beneficial for the selection of management and sales personnel.

Physical examinations

Some organizations require that those most likely to be selected for a position complete a medical questionnaire or take a physical examination. According to Armstrong and Taylor (2014), the reasons for such a requirement include:

1 In case of later workers' compensation claims, physical condition at the time of hiring should be known.
2 It is important to prevent the hiring of those with serious communicable diseases. This is especially so in hospitals, but it applies to other organizations as well.
3 It may be necessary to determine whether the applicant is physically capable of performing the job under question.

These purposes can be served by the completion of a medical questionnaire, a physical examination, or a work physiology analysis. The last of these is neither a physical examination nor a psychomotor test. It is used for the selection of manual workers who will be doing hard labour. Work physiology analysis aims to determine the true fatigue engendered by the work by physiological indexes (heart rate and oxygen consumption).

Physical examinations have not been shown to be very reliable as a predictor of future medical problems. This is at least partially due to the state of the art of medicine. Different physicians emphasize different factors in the exam based on their training and specialities. Nevertheless, there is evidence that correlating the presence of certain past medical problems (as learned from a medical questionnaire) can be as reliable as a physical examination performed by a physician and probably less costly.

Interviews

Interviewing is probably the most popular – and most criticized – method of employee selection. This popularity seems to prevail at all job levels, from unskilled to executive. Despite its popularity, the interview has been criticized as unreliable and invalid. The lack of reliability and validity raises potential legal hazards; if an interview appears to discriminate unfairly, management may face an uphill battle in court because of the generally low validity of most interviewing approaches (Rees and Smith, 2021). Besides, the interview is often a subjective process that allows the intrusion of personal biases, which arouses courts' suspicion.

A selection interview can be defined as a conversation with three objectives, namely: a) to provide information about an applicant's suitability for a job and organization to the interviewer; b) to provide

information about the job and organization to the applicant; and c) to treat the applicant in such a way that a positive attitude towards the organization is maintained.

Focus 8.4 Structured versus unstructured interviews

A *structured interview* is an interviewing method in which the interview's content, format, and evaluation are specified in advance and followed by the interviewer. The structured interview is generally more reliable and valid than the unstructured interview, perhaps because more attention is paid to the purpose of the interview and more time is spent in planning it.

An *unstructured interview* is an interviewing method in which the interview's content, format, and evaluation are not specified in advance. Unstructured interviews may lead to a hasty evaluation of the candidate. The advantage of the unstructured interview over the structured interview is that it yields more detailed information about the applicant's experiences, feelings, and values. This format allows interviewers to consider factors and initiate discussions that they might not have planned in advance.

Interviews may be unreliable and invalid, partly because they are often done haphazardly. Therefore, specialists are urging employers to use structured rather than unstructured interviews (see Focus 8.4).

The following recommendations can be made regarding selection interviews (Heneman *et al*., 1989; Rees and Smith, 2021):

- Restrict the use of interviews to characteristics and behaviour that interviews can assess most effectively. For example, the interview is appropriate to measure personal relations characteristics (e.g., sociability and verbal fluency) and good citizenship characteristics (e.g., dependability, conscientiousness, and stability). A third characteristic, job knowledge, has also been evaluated in interviews, but other predictors may be more suitable for this purpose.
- *Incorporate more structure in the interview format*. The reason for the structure is to ensure that the interviewer consistently gathers information about all relevant requirements from each applicant. In addition, because the interviewer has information from each applicant on the same characteristics, it is easier to choose among the applicants.
- *Use job-related questions*. The most useful questions provide direct, specific information about characteristics required on the job – detailed questions about the applicant's participation in work, training, or educational activities relevant to the job.
- *Make the scoring formal*. The most used formal systems require the interviewer to rate the interviewee on a series of characteristics. The rating scales have a number at each point, each with an adjective (for example, not acceptable, marginal, minimal, good and superior) or a brief description.
- *Use a panel interview*. In a panel interview, several interviewers meet as a group with the applicant. Panel interviews are frequently used to hire technical or highly skilled personnel. Planning is essential to the success of the panel interview. One interviewer should be the chairperson, and each interviewer should question the applicant in turn. There should be assigned areas for each interviewer to question, and each interviewer should complete evaluations separately.
- *Train the interviewer*. The main skills include accurately receiving information, critically evaluating the information received, and regulating his or her behaviour in asking questions.

Figure 8.2 Interviewers should be well trained before they conduct selection interviews
Source: © Adam Gregor/Shutterstock.com

Assessment centres

An assessment centre is defined as a multimethod, multitrait, and even multimedia technique. It is a series of individual and group exercises in which a number of candidates participate while being observed by several specially trained judges (Kraut, 1976). Assessment centres are designed to provide a view of individuals performing critical work behaviours. The candidates are asked to complete a series of evaluative tests and exercises and attend feedback sessions. The popularity of the assessment centre can be attributed to its capacity for increasing an organization's ability to select employees who will perform successfully in management positions. A wide array of methods, including interviews, work samples and simulations, and many kinds of paper-and-pencil tests of abilities and attitudes, are used in assessment centres.

Most assessment centres are similar in several areas:

- Groups of approximately 12 individuals are evaluated. Individual and group activities are observed and evaluated.
- Multiple methods of assessment are used. These include interviewing, objective testing, projective testing, games, role plays, and other methods.
- Assessors doing the evaluation are usually a panel of line managers from the organization. They can, however, be consultants or outsiders trained to conduct assessments.
- Assessment centres are relevant to the job and have higher appeal because of this relevance.

As a result of candidates participating as part of a group and as individuals, completing exercises, interviews and tests, the assessors have a large volume of data on each individual. Individuals are

evaluated on a number of dimensions, such as organization and planning ability, judgement, analysis, decisiveness, flexibility, and resistance to stress. The rater judgements are consolidated and developed into a final report. Each candidate's performance in the centre can be described if the organization wants this type of report. Portions of the individual reports are fed back to each candidate, usually by one or more assessment team members.

The assessment centre report can be used to determine the suitability of individuals for particular positions, the promotability of individuals, individuals' functioning in a group, and the training and development needs of candidates. Research on assessment centres has indicated that they are a valid way to select managers. In addition, assessment centres can predict future success with some accuracy. The disadvantages of assessment centres are that they are a relatively expensive managerial selection technique. In some circumstances, less costly and complicated techniques may sometimes be just as effective.

Making the final selection decision

The final step in the selection process is choosing one individual for the job. If there is more than one qualified person, a value judgement based on all the information gathered in the previous steps must be made to select the best candidate. The human resource department handles application forms, testing, interviewing, and reference checking and arranges physical examinations in many organizations. The final selection decision is usually left to the manager of the department with the job opening.

Rejecting applicants

Interviewers, being no different from other people in this respect, frequently find it difficult to inform an applicant, directly to his or her face, that he or she does not measure up to the organization's standards.

A person may feel rejected when his or her application is rejected. If those responsible for making the employment decision are sure in their minds that the applicant should not be hired, there is no justification in holding out vague hopes. If it is a well-qualified individual but there are no openings at present for his or her talents, but it is expected that there will be openings shortly, it makes sense to inform him or her.

The interviewer has the threefold objectives of maintaining the person's ego and self-concept, maintaining goodwill towards the organization, and letting the applicant know that he or she is rejected. There are a few ways of communicating to the person that he or she is being rejected. If the applicant can clearly see that his or her vocational aptitudes and interests or wage level needs are incompatible with the situation, he or she may withdraw. If the individual possesses specific skills and abilities that might be appropriate in another job situation, he or she may be informed that while the pattern of his or her skills, interests, and abilities is good, he or she does not match the job for which the organization is hiring.

A significant challenge exists if a person possesses all the required technical abilities but is rejected because of personality. Since personality traits cannot be measured objectively, there is a danger of creating the feeling that the candidate is discriminated against if he or she is told that his or her personality is unsuitable. This situation demands real skill on the interviewer's part to diplomatically convey the message that the interviewee is being rejected. At times it is best to imply that the organization is going to pick just one or a very few out of a number of good candidates. The competitive situation will mean that just the top few will be hired.

Auditing the selection effort

In order to ensure that the selection process accomplishes the results expected, a comprehensive audit should be conducted. The following issues can be examined in such an audit:

- Does the selection programme meet affirmative action standards?
- Is there a delay in filling job openings?
- What percentage of those who apply are hired?
- What percentage of those hired resign or are discharged during the probation period?
- What is the cost of the selection per person hired?
- How well do the predictions derived from each of the selection techniques correlate with job performance?
- How well do those hired perform at the job?
- Has feedback been obtained from applicants regarding treatment received throughout the selection process?

Summary

- Recruitment has been defined as the process of attracting suitable candidates to apply for vacancies that exist in an organization. Recruitment forms a crucial part of the overall human resource provisioning or employment process. It is thus very important to carefully plan the recruitment process. An organization needs to decide whether it will primarily use inside or outside sources when doing recruiting. It is therefore also important to develop a recruitment strategy. When developing such a strategy, one has to look into the characteristics of recruiters, the kind of recruiting to be done, where recruiting will be done, and what sources and methods of recruiting will be used.
- The objective of selection is to obtain the employees who are most likely to meet the organization's standards of performance and who will be staffed and developed on the job.

The following points were stressed:

- Selection is influenced by job and organization factors.
- Reasonable criteria for the choice must be set prior to prediction.
- The selection procedure includes the preliminary screening interview, completion of the applicant blank, psychometric tests, the selection interview, reference checks and physical examinations.
- The predictors used must be valid, reliable and fair.
- Using a greater number of accepted methods to gather data for selection decisions increases the number of successful candidates selected.
- Larger organizations are more likely to use sophisticated selection techniques.
- Even if the most able applicant is chosen, there is no guarantee of successful performance on the job.

Key concepts and terms

- Ability test
- Application form
- Assessment centre

- Combined approach
- Compensatory approach
- Concurrent validity
- Construct validity
- Content validity
- Criterion-related validity
- External recruitment
- Executive search firm
- Face validity
- Fairness
- Interest questionnaire
- Internal consistency
- Internal recruitment
- Inter-rater reliability
- Interview
- Parallel forms reliability
- Personality test
- Predictive validity
- Preliminary screening
- Private employment agency
- Psychometric test
- Recruitment
- Recruitment planning
- Recruitment strategy
- Reference
- Reliability
- Selection
- Selection procedure
- Successive hurdles approach
- Test–retest reliability
- Utility analysis
- Validity
- Walk-ins
- Work sample test

Sample essay titles

- Which factors should be considered when trying to give realistic job previews?
- What factors influence an organization's choice of selection methods?
- How can an organization improve the validity of its interviews?
- What is an assessment centre? How will you develop an assessment centre?
- What can be done to promote fair selection in organizations?

Further reading

Books

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9 Induction, training, and development

This chapter introduces the reader to induction, learning, and development in organizations. The first section focuses on the definition of terms. The chapter then proceeds to induction (i.e., the introduction of new employees to an organization). We look at the objectives of induction, investigate who should be responsible for induction, focus on the content of an induction programme, and describe how induction programmes can be evaluated. The third section focuses on the training and development of employees. We focus on the training goals and the training cycle (i.e., needs assessment, the development and presentation of training programmes, and the evaluation of training programmes).

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define induction, learning, and development.
2 Discuss the content of an induction programme.
3 Discuss the follow-up and evaluation of an induction programme.
4 Discuss the goal and objectives of training.
5 Explain the training cycle.
6 Discuss the identification of training needs.
7 Explain learning principles and evaluate different training methods.
8 Distinguish between the four levels of evaluation of training programmes.

Definition of terms

Induction is the process of receiving and welcoming employees when they first join an organization. Induction includes relinquishing certain attitudes, values, and behaviours as the new recruit learns the organization's goals, the means of attaining those goals, primary job responsibilities, effective job behaviour, and work rules (Armstrong and Taylor, 2014). Much of this is learned on the job from co-workers and work teams. Induction is geared towards the 'fitting in' of the new employee with how an organization operates. It is a learning process that starts during recruitment and continues after the new employee is placed.

DOI: 10.4324/b22796-11

Focus 9.1 The components of training and development

Learning is the act by which the individual acquires knowledge, skills and attitudes that result in relatively permanent changes in behaviour. Knowledge is divided into declarative and procedural knowledge. Declarative knowledge refers to information about a specific topic, while procedural knowledge refers to routines on doing something. An individual should have declarative knowledge before he or she can have procedural knowledge. Any behaviour that has been learned is a skill. Attitudes are evaluative tendencies towards an object.

Development is defined as the growth of a person's ability and potential through learning and educational experiences.

Training is the systematic application of formal processes that involve acquiring knowledge, skills and attitudes to increase the performance of employees. Training is directed at the improvement of skills, including motor skills, cognitive skills, and interpersonal skills.

Education refers to developing the knowledge, values, and understanding required in all aspects of life, rather than knowledge and skills relating to a particular activity.

Training and development is the process of ensuring that the workforce of an organization has the knowledge, skills and engagement it needs. The components of training and development are described in Focus 9.1 (Armstrong and Taylor, 2014; Warr, 2002).

Induction

The objectives of induction

Induction has various objectives (Armstrong and Taylor, 2014; Byars and Rue, 2011). First, it helps to create realistic employee expectations, especially for new employees who have a long professional training period that provides much practical work experience. During their training period, people such as attorneys and general practitioners learn to a large extent what to expect in the actual work situation. Second, it makes the new employee productive sooner. Third, it reduces the fear, anxiety and insecurity experienced by the new employee. New employees are unsure whether they will succeed on the job. A well-organized induction programme will tend to put these fears at rest. Fourth, it reduces the possibility that the new employee may leave soon after joining the organization. Staff turnover tends to be relatively high during the first few months after new employees join an organization. If a new employee can see that he or she can make a positive contribution to the organization's activities, this tendency to leave will be reduced. Fifth, it creates job satisfaction and a positive attitude towards the organization. Last, it saves the time of superiors and co-workers: during a well-planned and well-executed induction programme, the new employee is taught what is expected of them and how their tasks have to be carried out.

Who is responsible for induction?

The decision about who should be responsible for induction depends on the circumstances, for instance, the size of the organization, the size of the human resource department, the role that a labour union and its officials play in the induction process and the general policy of the organization regarding induction.

In large organizations, it appears to be a shared responsibility. In this case, the responsibility is shared between the human resource department and the managers or supervisors. The responsibility of the human resource department is for the general orientation of new employees, while that of the managers or supervisors may be termed departmental and job orientation. Byars and Rue (2011) also refer to the so-called 'buddy system' in which the job orientation is conducted by one of the new employee's fellow workers.

The content of induction programmes

The content of an induction programme depends on the particular circumstances. Besides providing new employees with a well-structured orientation programme, it is also advisable to issue them with written material to allow participants to refer back to it. It is desirable for each new employee to receive an orientation kit, or packet of information, to supplement the verbal orientation programme. The human resource department usually prepares the kit and can provide a wide variety of materials. The design should ensure that essential information is provided: too much information may be stressful.

Some orientation materials that might be included in an orientation kit include the company organization chart, a map of the organization's facilities, a copy of the policy and procedures handbook, a list of holiday and fringe benefits, copies of performance appraisal forms, dates and procedures, copies of other required forms (e.g. expense reimbursement form), emergency and accident prevention procedures, a sample copy of the organization's newsletter or magazine, telephone numbers and locations of key staff, and copies of insurance plans. In addition, many organizations require new employees to sign a form indicating that they have received and read the orientation kit (Byars and Rue, 2011). This is done to protect the organization if a grievance should arise, and the employee should allege that he or she had not been aware of specific organizational policies and procedures.

Follow-up and evaluation of induction programmes

It is essential to follow up on any induction activities. It is of very little use if the human resources manager tells the new employee that he or she 'should drop by if any problems occur'. Instead, the human resource department should have a scheduled follow-up one month after the new employee has been placed. The supervisor/manager should also check how well the new employee is doing. The supervisor/manager should also answer any questions that the new employee has to ask about aspects that have arisen since he or she attended the orientation programme.

The human resource department should also evaluate the induction programme annually. This should be done to determine whether the programme is meeting the needs of the organization and the needs of new employees. Data gathered during such an evaluation can be used to improve the present programme.

Feedback from new employees can be used to evaluate the effectiveness of a programme (Byars and Rue, 2011). Various methods can be used to obtain feedback, namely a) unsigned questionnaires that all employees complete; b) in-depth interviews with randomly selected new employees; c) group discussion sessions with new employees who have settled into their jobs. From the feedback mentioned above that is received, an organization can adapt its induction programme. In addition, an organization should make use of the suggestions that employees made during the feedback sessions. This is important because the induction process has a definitive impact on the performance of the new employee.

Training and development

The goals of training and development

Training is only one component of the learning and development process that includes all experiences that enhance and build employees' employment-related characteristics (Sonnentag *et al*., 2004). However, the problem is that a training programme frequently occurs because a few people decide it is needed or the latest fad. They find the money to get it started and measure success by how many people participate. Effectiveness is seldom measured.

The best companies integrate training within a systematic set of human resource activities, including selection, rewards, and job design. Training can be used as a strategic tool for attaining the goals of the organization and the employees. The link between training and strategic goals seems obvious, but it is often lost in the day-to-day struggle to implement programmes and deal with crises. In that case, training becomes an activity rather than a strategy.

Training as an activity is characterized by no client, no business need, no assessment of performance effectiveness, no effort to prepare the work environment to support training and no measurement of results. Training as a strategy is characterized by a partnership with the client, link to a business need, assessment of performance effectiveness, preparation of the work environment to support training, and measurement of results.

The reasons for training can be summarized as follows (Armstrong and Taylor, 2014; Byars and Rue, 2011):

- To give employees direction in their jobs and acquaint them with their working environment to become productive quickly.
- To provide the human resources that are necessary for commerce and industry to be effective.
- To increase the loyalty and morale of employees.
- To improve the quality and quantity of an organization's output and to reduce costs.

The training and development cycle

The training and development cycle consists of three phases (see Figure 9.1). These phases include the following (Wexley and Latham, 2002):

- Identification of training and development needs.
- Training and development.
- Evaluating the training and development programme.

Identification of training and development needs

Training must be directed towards accomplishing organizational objectives, such as more efficient production methods, improved quality of products and services or reduced operating costs. Therefore, the organization should only commit its resources to training activities that can best help achieve its objectives.

Needs assessment is a systematic analysis of the specific training activities required by job holders and an organization to achieve the job's objectives and the organization. The organizational needs assessment requires an examination of the long-term and short-term objectives of the organization. The

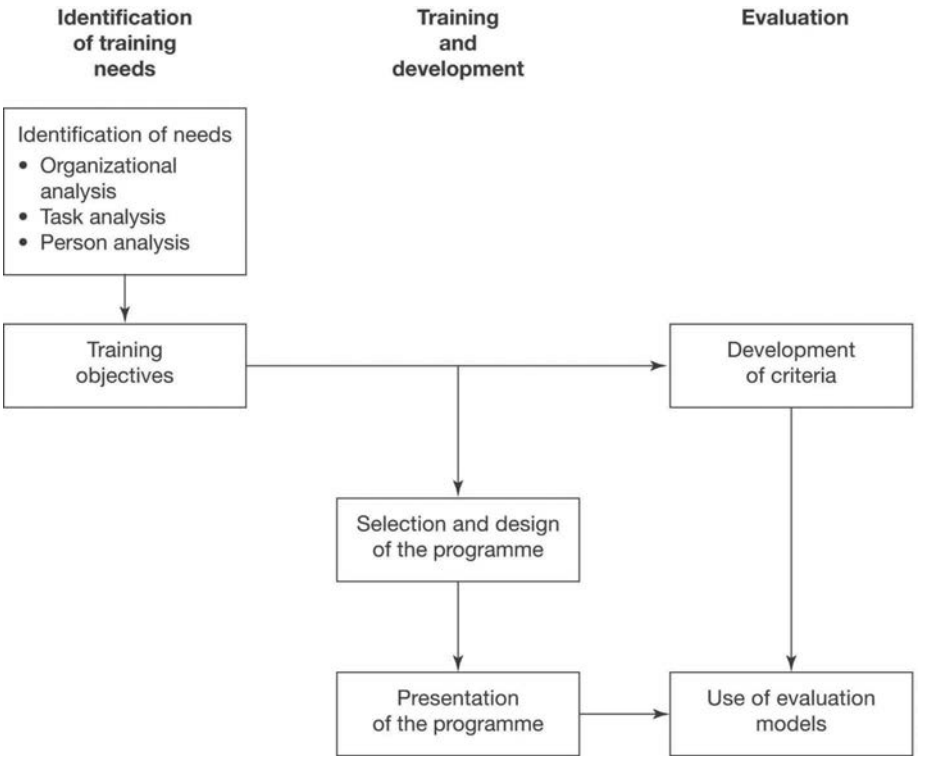

Figure 9.1 The training cycle

organization's financial, social, human resource, growth, and market objectives need to be matched with its human talent, structure, climate and efficiency. The knowledge, skills, and abilities needed to perform the job are considered. Therefore the following questions should be answered: What is the task? Which skills are needed to perform well? What does performing well mean? Data from current employees, supervisors, and experts must be collected to complete this part of the needs assessment.

The employee's needs must also be considered: ask the employee what he or she needs to perform the tasks competently. This will provide helpful information. Finally, evaluate the employee's performance against a standard or the outputs of co-workers to help identify strengths, weaknesses, and needs.

Training can improve the individual's performance only when a) the employee does not have the knowledge and skills to do the job; b) the low performance is not due to a lack of practice; c) the low performance is not due to other causes.

Wexley and Latham (2002) identified five methods that can be used to gather needs assessment information: interviews, questionnaires, observation, focus groups, and document examination (see Focus 9.2).

By observing, asking, and listening, the manager can conduct a performance analysis. The specific steps in performance analysis include the following:

1 Appraise the performance of employees to determine how they are doing, in comparison with how they should be doing, and determine behavioural discrepancies.

2 Assess the cost and value of correcting a behavioural discrepancy.
3 Determine if it is an ability of a motivational problem.
4 Set standards: under-performance might result if an employee does not know what the standards are.
5 Remove obstacles relating to time, equipment, and people, which result in behaviour discrepancies.
6 Allow the employee time to practise so that he or she can perform the job better.
7 Provide training if the performance analysis indicates that knowledge, skills or attitudes need to be altered.
8 Redesign the job through job enrichment, job simplification or enlargement if necessary to improve performance.
9 Transfer or terminate the employee's services if all else has failed.
10 Create a motivational climate. Sometimes a skilled employee does not want to perform the job because of motivational problems. Rewards, punishment, discipline, or some combination may be needed to create a positive climate for optimal skills.

Focus 9.2 Methods to assess training needs

- *Interviews*. Interviews with employees can be conducted by human resource specialists or by external consultants. The following questions should be investigated: a) What problems does the employee experience in the job? b) What knowledge and skills do the employee need to improve performance on the job? c) What training does the employee feel is needed? Employees must feel that their input will be valued and not be used against them.
- *Questionnaires*. Questionnaires can be used to assess training needs. This involves developing a list of skills required to perform a particular job effectively and asking employees to check those skills in which they believe they need training. Attitude surveys and customer surveys can also be used to determine training needs.
- *Observation*. A specialist can observe the behaviour of employees in their jobs and translate these observations into training needs.
- *Focus groups*. Focus groups are composed of employees from various departments and levels in the organization. Each group investigates the following questions with the help of a facilitator: a) What knowledge/skills will employees need for the organization to stay competitive over the next five years? b) What problems does the organization experience that can be solved through training?
- *Document examination*. Document examination is concerned with examining organizational records on absenteeism, turnover, and accident rates to determine if problems exist and whether they can be solved through training. Performance appraisal information can also be studied in order to determine training needs.

Designing training programmes

After training needs have been determined, specific and measurable objectives must be established for meeting these needs. Effective training objectives should state what the organization, department, or

individual should achieve once training is completed, such as improving listening and feedback skills in the performance appraisal programme.

Training objectives can be categorized as:

- *Instructional objectives*. What facts, principles and concepts are to be learned in the training programme? Who is to be taught? When are they to be taught?
- *Organizational and departmental objectives*. What impact will the training have on organizational and departmental outcomes, such as absenteeism, turnover, costs, and productivity?
- *Individual performance and growth objectives*. What impact will the training programme have on the trainee's attitudes, behaviour, and personal growth? (What should he or she be able to do after the training?) Under what conditions should the trainee be able to perform the trained behaviour? How well should the trainee perform the trained behaviour? Explicit objectives serve several purposes. They assist in developing the criteria to be used in evaluating the training outcome. Together with training objectives and evaluation criteria also help in choosing relevant instructional material. During training, objectives help motivate trainees to organize their efforts to help them accomplish those objectives.

The following design considerations should be considered to maximize learning (Tokuhama-Espinosa, 2018; 2019):

- *Universal Design for Learning (UDL).* UDL is an educational framework based on research in the learning sciences that guides the development of flexible learning environments and spaces that accommodate individual learning differences (Burghstahler, 2008). It consists of three networks: a) Recognition network (the what): multiple means of representation should be used to give learners various ways of acquiring information and knowledge; b) Affective network (the why): opportunities for multiple means of engagement should be planned to tap into learners' interests, challenge them appropriately, and motivate them to learn. Three types of engagement: instructor-to-student engagement, student-to-content engagement in student-to-student engagement; c) Strategic network (the how): multiple means of expression should be allowed to provide learners with alternatives for demonstrating what they know.
- *Neuroplasticity.* When learners understand that the brain continuously changes throughout a lifetime, it is transformative. They should understand that they change their brains every time they learn a new fact or skill. Learners should see every assignment as intentional in helping them develop new connections, building upon prior learning in helping them to transfer their learning in terms of the real world.

Video 9.1 After watching this, your brain will not be the same

Watch the following video and answer the question that follows:

https://youtu.be/LNHBMFCzznE

Question 1: What are the implications of neuroplasticity for training and development in organizations?

- *Metacognition.* The concept of metacognition is described in the psychological and pedagogical literature as individuals becoming aware of their thoughts while performing a task and then using that recognition to control their actions (Azevedo, 2020; Popandopulo *et al*., 2021). The term metacognition means 'thinking about thinking'. It is the process of learning how the brain works, understanding the subject's cognitive system, and managing it in human resource development settings (Shea, 2018). Understanding metacognition is vital in helping learners to understand the human learning process.
- *Reflection.* Even when learners are not doing anything, their brains are highly active. Therefore, learners must reflect on the program's objectives, learning outcomes, and strengths. Are reflective or reactive brains engaged? Based on incoming information or experience, it is in the amygdala that the brain reacts in one of four ways: fight, flight, flee, or focus. Challenge, personal relevance, choice advance learning, and dopamine boosts drive students to be more engaged. However, learning threat, stress, and fatigue inhibit learning.
- *Maximization of learning*. For training to have any effect at all, trainees must learn something from it. When training is effectively designed, and trainees are motivated, learning can occur. The use of sound learning principles during the development and implementation of training programmes contributes to its success.
- *Ability to learn*. Individuals enter training with different experiences, different levels of familiarity with the material, and different mental and physical abilities. Therefore, the training demands should match the abilities of trainees. Training that is too difficult or too easy is likely to be less effective. Testing trainees before training can help ensure a good match.
- *Motivation to learn*. In order to learn, a person must want to learn. Perhaps the most crucial motivation trainees bring to training is their desire to change their behaviour and results on the job. In the context of training, motivation influences a person's enthusiasm for training, keeps attention focused on training activities, and reinforces what is learned. In addition, people strive to achieve the objectives they have set for themselves. Employees' objectives include job security, financially and intellectually rewarding work, recognition, status, responsibility, and achievement. The learning process is facilitated when the training programme helps employees to achieve these objectives. Supportive supervisors and the expectation that training results will be assessed later on contribute to higher trainee motivation.
- *Goal setting*. Individuals' conscious goals may regulate their behaviour. The trainer's job is to get the trainees to adopt or internalize the goals of the programme in the following ways: a) Convey the learning objectives at the outset and various strategic points throughout the training programme; b) Make goals difficult enough to be a challenge; c) Supplement the overall goals with subgoals to maintain feelings of accomplishment.
- *Reinforcement*. The idea behind reinforcement is that behaviour that appears to lead to a positive consequence tends to be repeated, while behaviour leading to a negative consequence tends not to be repeated. Learners must be rewarded for new behaviour in ways that satisfy needs, such as pay, praise, recognition, and promotion. Trainees must believe that acquiring the knowledge and skills from training will lead to desired outcomes and that training can provide that knowledge or skill.
- *Flow of the training programme*. Each segment of the training should be organized to see its purpose and how it fits in with the other parts of the programme. Later segments should build on those presented earlier.

- *Modelling and self-efficacy*. The trainer can build trainees' skills by allowing them to see good and poor performance models and giving them confidence in their abilities to apply their skills. Confidence building includes providing trainees with encouragement, guidance, and feedback on how well they are doing and providing the opportunity for practice (Bandura, 1977).
- *Practice and repetition*. Learning requires time to assimilate what has been learned, accept it, internalize it, and build confidence in what has been learned. This requires practice and repetition of the material. After sufficient practice, the skills may become automatic, requiring little conscious thought. Therefore, trainees should be given opportunities to continue practising even after achieving proficiency the first time. 'Overlearning' leads to a relatively permanent change in behaviour and automatic responses to the learned task.
- *Spacing of sessions*. Training spread out over time facilitates the learning process. The interval most conducive to learning depends on the type of training.
- *Material must be meaningful*. Appropriate material for sequential learning (for example, cases, problems, discussion outlines, and reading lists) must be provided. The learning methods used should be as varied as possible. Boredom destroys learning. Any overused method will begin to bore learners.
- *Small training units*. The learning material should be presented in small segments or units. This format allows quick feedback to the trainee on how well he or she is doing.
- *Whole or part training*. Learning is facilitated when an overview is given to trainees, and it is then divided into portions for in-depth instruction. Whether to use whole or part learning also depends on the task's difficulty and the degree of relationship between subtasks.
- *Transfer of learning*. The training should be as close as possible to the job reality to promote the transfer of learning.
- *Knowledge of results*. Knowledge of results (feedback) influences the learning process. Keeping employees informed of their progress as measured against some standard helps in setting goals for what remains to be learned. The process of analysing progress and establishing new objectives enhances learning. Precautions should be taken that goals are not so difficult to achieve that employees become discouraged.
- *The characteristics of the instructional environment and instructors*. The instructional environment can be designed around events such as gaining attention, informing learners of objectives, presenting the training stimulus material, providing feedback, assessing performance, and enhancing retention and transfer. The instructor should have informed everyone, arranged the facilities, checked the physical requirements, secured the necessary equipment, established training objectives, and studied the lesson plan to anticipate group responses and prepare experiences.

Presenting training programmes

Training methods that can be used can be classified as on-site methods and off-site methods. On-site training methods include the following (Warr, 2002; Wexley and Latham, 2002):

- *On-the-job training*. On-the-job training is probably the most widely used method of training. The employee is placed into the work situation and shown the job by an experienced employee or the supervisor. Although this programme is simple and relatively inexpensive, the costs can be high in damaged machinery, dissatisfied customers, and poorly trained employees if not handled correctly.

Furthermore, trainers must be carefully selected and trained. The trainee should be placed with a trainer who is similar in background and personality.

- *Apprentice training*. Apprentice training is a combination of on-site and off-site training. It requires the co-operation of the employer, trainers at the workplace and technical training institutions. The apprentice commits to a period of training and learning that involves both formal classroom learning and practical on-the-job experience.
- *Vestibule training*. In vestibule training, the trainee learns the job in an environment that simulates the working environment as closely as possible (for example, training of pilots in a simulated cockpit of an aeroplane). For example, a machine operator trainee might run a machine under the supervision of a trainer until he or she learns how to use it properly. Only then is the trainee sent to the shop floor. This procedure can be expensive if the number of trainees supervised is small.
- *Coaching*. Coaching is defined as 'a collaborative relationship formed between a coach and a coachee to attain professional or personal development outcomes valued by the coachee' (Grant *et al*., 2010: 3). Coaching aims to help individuals identify desired outcomes, establish specific goals, enhance motivation by identifying strengths and building self-efficacy, identify resources and formulate specific action plans, monitor and evaluate progress towards goals, and modify action plans based on feedback (Boyatzis *et al.*, 2019). Coaching fails when inadequate time is set aside for it, when the coachee is not allowed to make mistakes if rivalry develops, or if the dependency needs of the coachee are not recognized and accepted by the coach.
- *Computer-based training*. Computer-based training permits self-paced learning and immediate feedback. The advantages of computer-based training include availability, self-paced features, distribution and adaptability, and work simulation (see Figure 9.2).
- *Online learning.* Online learning can be text-heavy. Therefore, discussion boards (to engage students in conversations with other learners and instructors) are essential. It is necessary to transform discussion boards into environments where students feel active and robust learning environment. Multimodality feedback (e.g., text comments on papers, voice, and video feedback by the facilitator) lends itself well to the online environment.
- *Job rotation*. Trainees can be rotated through a series of jobs to broaden their managerial experience. In addition, organizations often have developed career plans that include a mix of functional and geographic transfers.
- *Phenomenon-based learning.* Phenomenon-based learning is a holistic, learner-driven approach to learning where 'phenomena' are studied as complete entities in the actual context. Inquiry-based learning is close to phenomenon-based learning. However, the difference is that the latter is more about crossing the boundaries of humanities, sciences, and art/music/handicraft/home economy/sports (Lonka, 2018).

Because of the perceived relevance of on-the-job experience, on-site training methods should be used in training programmes. Off-the-job development programmes should, however, supplement them where expertise is not readily available. Off-site training methods include:

- *Lectures*. In a lecture, an instructor presents material to a group of learners. Lectures are relatively inexpensive to develop and deliver. Moreover, they can impart factual knowledge quickly and efficiently. Lectures, however, lead to one-way communication, are insensitive towards learner differences, and do not allow feedback to the trainer. Many of these difficulties can be overcome by a competent lecturer who uses discussions during the lecture.

Figure 9.2 Computer-based training permits self-paced learning
Source: © Goodluz/Shutterstock.com

- *Conference*. The conference is a participative method that emphasizes small group discussion in which the instructor guides rather than instructs trainees through a process of questions, answers, and discussion to the desired outcome. The objectives of a conference are to develop problem-solving and decision-making skills, present new and complex material, and modify attitudes. The instructor or trainee may select topics for the discussion. The leader of the session prepares for the topic in advance of the session. The training group may be given an agenda for the meeting or may develop it on their own. The conference method requires a high degree of participation from the trainees and provides immediate feedback and the opportunity to assess their learning by listening to the comments made by the instructor and other group participants. The conference method is limited in the amount of substantive material that can be covered in one session. It also requires trainees with good verbal skills and self-images not to be threatened by group participation.
- *Audio, video, and teleconferencing*. Recordings, films, and slides can be distributed to learners and used independently or with other training methods. It is possible to produce effective videos at a low cost. The advantage of audio-visual techniques is their ability to quickly distribute a consistent training experience to many individuals without being constrained by the time limits of instructors or logistical requirements. With video teleconferencing, learners are in remote classrooms equipped with televisions and microphones. The instructor provides the training from a video studio, often linked to learners via satellite. Learners can see the instructor and ask questions via audio links to the studio. Audio teleconferencing provides a similar arrangement but uses only audio connections.
- *Programmed instruction*. Programmed instruction presents the learner with a series of tasks, allows evaluation of success at intervals throughout the training, and provides feedback about correct and

incorrect responses as the learner advances through the training. Programmed instruction can be incorporated into books, machines, and computers. Careful attention must be given to learning sequences and objectives. Learners progress faster with programmed instruction than with lectures. Other advantages of programmed instruction are that materials can be packaged and distributed, and learners can use the material at their convenience and when they are ready. It also makes provision for self-paced learning, which allows flexibility according to different abilities.

- *Learning-by-doing*. Learning-by-doing training techniques copy the essential elements of real-world situations: they allow learners to play a role or make decisions about the situation and then receive feedback about their effectiveness. For example, business games allow learners to make decisions about business variables, often competing against other individuals or teams. The case study presents learners with a written report of a realistic situation that learners analyse. Role-playing involves having trainers act out simulated roles. Interpersonal skills can be learned by using role-playing. Advantages of these training methods include the potential for a high degree of transfer to the work situation, high participant involvement, providing specific feedback, and helping learners deal with incomplete information.

Evaluating training and development programmes

It is necessary to evaluate training programmes (Kraiger *et al*., 1993). Less effective programmes can be withdrawn to save time and effort. Weaknesses within established programmes can be identified and remedied. One way to approach the evaluation of training programmes is according to the model of Kirkpatrick (1959). According to Kirkpatrick, training programmes can be evaluated on four levels: reaction, learning, behaviour, and results (see Focus 9.3).

Focus 9.3 Kirkpatrick levels of evaluation of training programmes

Reaction. Evaluating the reaction of a training programme answers the following question: 'How well did the trainees like the programme?' Reaction evaluation should consider programme content, structure and format, instructional techniques, instructor abilities and style, quality of the learning environment, extent to which training objectives were achieved, and recommendations for improvement. Reaction evaluation is done directly after the training programme or a few weeks after that. The shortcoming of reaction evaluation is that trainees' enthusiasm cannot necessarily be taken as evidence of improved ability and performance (Warr, 2002).

Learning. Evaluating the learning after a training programme answers the following question: 'What facts, principles and concepts were learned in the training programme?' Learning evaluation is concerned with how well trainees understood the facts, principles and skills. Paper and pencil or skill tests can be used to evaluate learning. To obtain an accurate picture of what the trainees learned, they should be assessed before and after the training programme (Wexley and Latham, 2002).

Behaviour. Evaluating the behaviour of trainees after a training programme answers the following question: 'Did the job behaviour of trainees change because of the programme?' (Warr, 2002). A systematic appraisal should be made of on-the-job performance on a before-and-after basis.

The trainer, the trainees' superior, their subordinates, or their peers should do the performance appraisal. Statistical analysis should be used to compare performance before and after the training programme and to relate changes to the training programme. The post-training appraisal should be made several months after the training so that the trainees have an opportunity to put into practice what they have learned. An experimental group (who receive training) and a control group (who do not receive training) should be used.

Results. Evaluating the results of a training programme answers the following question: 'What were the programme's results in terms of costs and productivity'?

Activity 9.1 The recent training and development perspective in a 100-year-old credo

The development and empowerment process has overtaken the training event in organizations. The focus is on learning through reframing the workplace problems, self-determined development, unfreezing barriers to learning, and understanding what it means to be a learning organization (Mabey and Iles, 2001). However, if we investigate the life and philosophy of Dr Y.C. Yen, it is evident that this approach is not so new . . .

Dr Y.C. James Yen was born in China in 1893. He dedicated his life to mass education and rural reconstruction, first in China and then worldwide. He committed himself to sensitizing the world's intellectual community to the tremendous losses the world suffers by ignoring the humanity of the poor and by not acknowledging their productivity. During the First World War, he was stationed in France to supervise Chinese labourers. While there, he realized that the people's illiteracy was no fault of their own. Yen proclaimed, 'I began to realize that what these humble, common people of my country lacked was not brains, for God has given that to them, but opportunity. . . . They had potential powers waiting for development, waiting for release . . . '.

If one considers the principles of adult learning, the training cycle and training methods, the above observation of James Yen is still applicable today. James Yen developed a Credo of Rural Reconstruction, portraying the developmental approach that should be applied; the Credo speaks as follows:

Go to the people; Live among them
Learn from them; Plan with them; Work with them
Start with what they know; Build on what they have
Teach by showing; Learn by doing
Not a showcase but a pattern
Not odds and ends but a system
Not to conform but to transform
Not relief but release.

(James Yen)

Can you apply the approach portrayed in Yen's Credo to training and development approaches in the workplace? How?

Source: Mabey, C. and Iles, P. (2001). *Managing Learning*. London: Thompson Learning.

Summary

- Induction has been defined as the introduction of new employees to the organization, work unit, and job. The idea was expressed that it should be grouped with human resource management activities/subjects of study such as training and development because orientation involves learning. The objectives of induction are seen to be learning job procedures, establishing relationships with co-workers, and fitting into the employer's way of doing things, to give the employee a sense of belonging and to create favourable attitudes towards the company. Both the personnel/human resource department and line managers/ supervisors are responsible for induction. The content of an induction programme can be divided into general organizational aspects and specific departmental/job aspects. Induction (programmes) should regularly be followed up and evaluated.
- Training is job-specific education directed at improving employees' knowledge, skills, and attitudes. Organizations must design their training programmes after assessing the individual's and organization's training needs and setting training objectives. Effective training programmes select trainees based on their needs as well as the objectives of the organization. Various training methods can be used. Sound learning principles should, however, be applied to maximize trainees' learning.
- Training courses should be evaluated to determine participants' reaction, to evaluate the learning achieved, behavioural changes effected and the impact on work results after the completion of the training course.

Key concepts and terms

- Apprentice training
- Behaviour
- Coaching
- Computer-based training
- Conference
- Declarative knowledge
- Development
- Education
- Induction
- Job rotation
- Knowledge
- Learning-by-doing
- Learning principles
- Lecture
- On-the-job training
- Performance analysis
- Procedural knowledge
- Programmed instruction
- Reaction
- Results
- Skill

- Teleconferencing
- Training
- Training cycle
- Training need
- Training objective
- Vestibule training

Sample essay titles

- What are the main objectives of an induction programme for new employees?
- Why are training programmes one of the first areas to be eliminated when an organization's budget is cut?
- If you were asked to develop a training programme for taxi drivers, how would you do it? How would you evaluate the training programme?

Further reading

Books

Boyatzis, R., Smith, M. and Van Oosten, E. (2019). *Helping People Change: Coaching with Compassion for Lifelong Learning and Growth.* Boston, MA: Harvard Business Review Press.

Hattie, J. and Yates, G.C.R. (2014). *Visible Learning and the Science of How We Learn.* New York: Routledge.

Lonka, K. (2018). *Phenomenal Learning from Finland.* Helsinki: Edita.

Tokuhama-Espinosa, T. (2018). *Neuromyths: Debunking False Ideas about the Brain.* New York: W.W. Norton.

Tokuhama-Espinosa, T. (2019). *Five Pillars of the Mind: Redesigning Education to Suit the Brain.* New York: W.W. Norton.

Journal articles

Grant, A. M., Passmore, J., Cavanagh, M. J. and Parker, H. (2010). The state of play in coaching today: A comprehensive review of the field. *International Review of Industrial and Organizational Psychology*, 25, 125–167.

10 Compensation management

This chapter introduces the reader to compensation in organizations. The first section focuses on the role of compensation in human resource management. After that, we focus on the requirements for an effective compensation system and the influences on compensation. The next section focuses on job evaluation. Job evaluation will be defined more specifically, and the objectives and advantages/disadvantages will be discussed. Furthermore, job evaluation methods will be explained, and the steps in implementing a job evaluation system will be described. Lastly, incentive pay systems will be described.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Discuss the role of compensation in human resource management.
2 Discuss the requirements for an effective compensation system.
3 Describe external and internal influences on compensation.
4 Explain the factors that affect the pay level decision.
5 Discuss job evaluation as a human resource management activity and describe the steps in implementing a job evaluation project.
6 Evaluate different pay incentive schemes.

The role of compensation in human resource management

Compensation is divided into financial compensation and non-financial compensation. Financial compensation includes pay and benefits. Non-financial compensation includes a variety of things people value and want to receive through their work. Organizations use both financial and non-financial compensation to attract the quality and quantity of employees needed, retain these employees, and motivate them towards organizational goal achievement.

Strategic considerations should be considered when conceptualizing rewards (Rees and Smith, 2021). For example, unlike traditional pay, strategic pay focuses on people rather than jobs, is market-based rather than internally indexed, and emphasizes employability and performance over loyalty and entitlements.

A fair and market-related financial compensation plays a key role in the organization's ability to attract, retain and motivate employee performance. A well-structured, flexible compensation package

DOI: 10.4324/b22796-12

may enhance performance, especially if it is accompanied by recognition, good interpersonal relationships, and other non-financial compensation (Rynes *et al*., 2005).

Requirements for an effective compensation system

An effective compensation system should be adequate (as outlined in minimum wage and other legislation and in line with market salaries), equitable (based on the value of a job relative to other jobs in the organization), incentive-providing (by making use of merit and raises), secure (adequate to satisfy the employee's basic needs), balanced (including pay, benefits and promotions), cost-effective for the organization, and acceptable to the employee (Noe *et al*., 2020).

Influences on compensation

External and internal factors influence compensation.

External influences

The external influences on compensation include the government, trade unions, the economy and the labour market.

- *The government*. The government directly influences compensation through laws directed at establishing minimum wage rates, wage regulations, and the prevention of discrimination directed at specific groups.
- *Trade unions*. Unions have tended to be pacesetters in demands for pay, benefits and improved working conditions. Unions tend to increase pay levels, although this is more likely where strong unions have organized an industry. The presence of the union is more likely to increase the compensation of its members when: a) the organization is financially and competitively strong; b) the union is financially strong enough to support a strike; c) the union has the support of other unions; and d) general economic and labour market conditions are such that unemployment is low and the economy is strong.
- *The economy*. The economic conditions of the industry, especially the degree of competitiveness, affect the organization's ability to pay high wages. The more competitive the situation, the less able the organization is to pay high wages. Ability to pay is also a consequence of the relative productivity of the organization, industry, or sector. If a firm is very productive, it can pay higher wages. Productivity can be increased by advanced technology, more efficient operating methods, a harder working and more talented workforce or a combination of these factors. Thus, the degree of profitability and productivity is a significant factor in determining the ability of organizations in the private sector to pay wages.
- *The labour market*. Although many people feel that human labour should not be regulated by supply and demand, it does happen. In times of full employment, wages and salaries may have to be higher to attract and retain sufficient qualified employees; in depressions, the reverse is true. Pay may be higher if few skilled employees are available in the job market. Research evidence from the labour economics fields provides adequate support for the impact of labour market conditions on compensation.

Organizational influences on compensation

Several organizational factors, including the size and age of the organization, the labour budget, and its controlling interests' goals, may influence pay levels. Although not much is known about the relationship between organization size and pay, it seems that larger organizations tend to have higher pay levels. Some people believe that new organizations tend to pay more than old ones.

The labour budget of an organization identifies the amount of money available for annual employee compensation – the size of the budget influences every unit of the organization. A firm's budget does not state the exact amount of money to allocate to each employee, but it does state how much is available to an organizational unit. The discretion in allocating pay is then left to department heads and supervisors.

Another organizational influence on compensation is related to controlling interests and the specific pay strategy that managers select. The final authority in pay decisions is senior management. These are the managers who decide the overall strategic plan of the organization. Unfortunately, compensation is often an under-utilized tool in supporting overall strategic objectives. Therefore, many compensation plans have minimal impact on recruitment, motivation, and retention of employees. The compensation system must be directly linked to the organization's strategic goals, provide strong incentives, not support undesired behaviour, offer valued rewards, and be communicated clearly.

The views of managers and supervisors about pay differ as much as the employees' views do. Some managers and supervisors believe their employees should be compensated at high levels because they deserve it; they also accept or reject that high pay leads to better performance or employee satisfaction. These attitudes are reflected in the pay-level strategy chosen by the managers of the organization. Three pay-level strategies, namely high, low, or comparable, can be chosen.

In the high pay-level strategy, managers choose to pay higher than average levels. However, managers may choose to pay at the minimum level needed to hire enough employees in the low pay-level strategy. In the comparable pay-level strategy, the pay level is set at the going wage level.

The pay-level decision

Managers make the pay-level decision. They compare the pay of persons working inside the organization with those outside it. The decision is affected by multiple factors (see Figure 10.1) in interaction with one another that affect pay levels upwards, downwards, or laterally (Armstrong and Taylor, 2014; Truss *et al*., 2012).

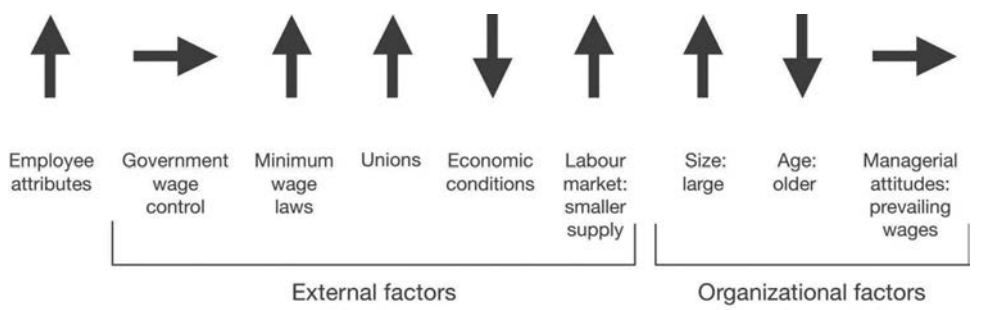

Figure 10.1 Factors influencing the pay-level decision

When factors such as managerial attitudes, the labour market and competition change, the pressures on pay levels shift; for example, if organizations experience little growth, it will pressure compensation in the downward direction. To help make the pay-level decision, managers use a tool called a pay or salary survey. Salary surveys are surveys of the compensation paid to employees by all employers in a geographic area, an industry, or an occupational group. Surveys are the principal tool used in the pay-level decision. These surveys help managers to gauge the exact market rates for various positions. It is critical to obtain valid, reliable salary surveys to create a compensation programme that supports the organization's financial goals

Personal interviews can be used to conduct salary surveys. Such interviews result in the most accurate responses but are expensive. Mailed questionnaires are a frequently used method that is cheap. The jobs being surveyed by mail must be clearly defined, or the data may not be reliable. Telephone enquiries, as a follow-up to the mail questionnaires, can also be used. The organization must decide on the jobs to be covered, the employers to be contacted and the method to be used to gather data. Usually, organizations compare themselves with similar competitors in their industry.

Job evaluation

The organization must not only relate pay to pay levels paid for comparable jobs in other organizations, it must also determine the pay structures for its employees having different jobs within the organization. Managers can cope with the attempt to provide equal pay for positions of equal worth by making arbitrary management decisions, engaging in collective bargaining, or using job evaluation. However, unsystematic decision-making leads to perceived inequities if managers try to make these decisions without help from tools such as collective bargaining and job evaluation.

Definition of job evaluation

The implementation of a job evaluation system is the first step in developing a fair compensation structure. Job evaluation is a systematic process to determine the value of a given job relative to all other jobs in a specific organization. It involves analysing job descriptions and specifications, rating them through a job evaluation plan, and converting relative job values to definite wage rates (Noe *et al*., 2020).

Job evaluation must not be confused with performance appraisal. The objective of performance appraisal is to determine the economic value of the job holder. The objective of job evaluation is to determine the economic value of the job, irrespective of the job holder. Job evaluation is a systematic, rather than a scientific, process. The subjective judgement of people is used to analyse, describe, assess, and grade a job, which means that it is subjected to bias.

Objectives of job evaluation

The objectives of job evaluation are to (Rees and Smith, 2021):

- Establish a systematic and formal structure of jobs based on their worth to the organization.
- Justify an existing pay structure or develop one that provides for internal equity.
- Provide a basis for negotiating pay rates when an organization bargains collectively with a union.

- Provide a hierarchy of pay progression for employees.
- Develop a basis for a merit or a pay-for-performance programme.

Advantages and problems of job evaluation

The implementation of a job evaluation system has the following advantages for the organization (Noe et al., 2020; Rees and Smith, 2021):

- Personal bias in the determining of the value of the job is minimized.
- It forms the basis of a fair salary structure for all employees.
- An objective basis for collective bargaining is created.
- Job descriptions that can be used for selection, training and performance appraisal purposes are compiled.

The following problems are experienced concerning job evaluation:

- Job evaluation can never be scientifically correct because it cannot be done according to scientific criteria.
- Pressure groups inside the organization can exercise pressure to grade certain jobs higher.

Job evaluation methods

The four most frequently used job evaluation methods include the job ranking method, factor comparison, classification, and point system.

- *The job ranking method*. The job ranking method is used in smaller, simpler organizations. Instead of analysing the full complexity of the job by evaluating parts of jobs, the job ranking method has the evaluator rank order in whole jobs, from the simplest to the most challenging. The problem with this method is that the difference between the highest and the next highest jobs may not be the same as between the lowest and the next lowest. Thus, the method is not suitable for an organization with many jobs.
- *The job classification system*. This method groups a set of jobs together into a grade or classification. These sets of jobs are then ranked on levels of difficulty. First, the job evaluator decides how many categories the job has to be broken into. The next step is to write definitions of each class. Once the classes are defined, jobs to be evaluated are compared with the definitions and placed into appropriate classifications. The Paterson method (Paterson, 1972) is one of the most well-known job classification methods. This method divides jobs into levels based on decision-making.
- *The point system*. Most job evaluation systems use the point system. The point system requires evaluators to quantify the value of the elements of the job. Based on the job description and interviews with job occupants, points are assigned to the degree to which various factors are required to do the job. For example, points can be assigned based on skill required, the physical and mental effort needed, the degree of unpleasant working conditions, and the amount of responsibility involved in the job. This method is reliable and assesses differentials between jobs. The disadvantage is that it is time-consuming. However, the point system is suitable in a unionized environment because its validity can be demonstrated, and union representatives can be trained in using it. The Hay system is an example of a point system.

- *The factor comparison method*. The factor comparison method permits the job evaluation process to be done on a factor-by-factor basis. It differs from the point method in that jobs are compared against a benchmark of key points. Five key factors are identified for the evaluation of jobs. Benchmark jobs are selected, and the factors are then ranked in terms of their importance in each job. Monetary factors are assigned to the factors in each job. Other jobs in the organization are classified and paid in terms of their comparison to the benchmark jobs. This method can be suitable for small, homogeneous jobs but is challenging to explain and does not allow any flexibility for prevailing market conditions.

The implementation of a job evaluation system

The steps in implementing a job evaluation system will now be discussed (Armstrong and Taylor, 2014).

Step 1: Establish the need for a job evaluation system

It is essential to determine if a job evaluation system is necessary before initiating such an expensive and timely project. The following factors may indicate a need for a job evaluation system:

1 An increase in the size of the organization. In a small organization, it is possible to monitor salaries individually. If the organization, however, has more than 200 employees, salaries must be more structured.
2 Dissatisfaction among employees because of perceived compensation inequality manifests in symptoms such as poor labour relations and high labour turnover.
3 Perceived anomalies in compensation: for example, two employees on the same job level and with the same abilities earn different salaries.

Step 2: Get support from top management

Before implementing a job evaluation system, top management must be convinced that the project is necessary and that the time and cost are justified. Top managers' continuous interest and support are essential to ensure the successful implementation of the project. Employees, supervisors, and managers (who will be affected by the implementation of the system) want to be sure that top management supports the project and that it is not only a fad used by someone in the human resource department.

Step 3: Select a job evaluation system

An appropriate job evaluation system must be selected. The service of external job evaluation consultants can be used if expertise regarding job evaluation is not available in the organization. The organization can contact other organizations in the industry or area to inquire about their methods and successes regarding implementing a job evaluation system. A system that is good for one organization will not automatically be good for another one. This is because each organization has its own 'personality' and may require different systems. If a prefabricated system is used, it may be necessary to modify it to suit the specific organization's needs.

Criteria for the selection of a job evaluation system include:

1 Credibility: How many organizations used the system and are still using it successfully?
2 Relevancy: Is the system applicable to all types of jobs and organizations?
3 Simplicity: Is it easy to learn and understand the language of the system?
4 Objectivity. Are the procedures of the system standardized?
5 Comparability: Is it possible to compare the results of the evaluations with other organizations?
6 Flexibility. Can the system be applied to all jobs that must be evaluated?

Step 4: Plan the implementation of the job evaluation system

The next step in the implementation of a job evaluation system is to finalize a schedule. The following aspects regarding the schedule must be considered:

1 The schedule must include all phases of the job evaluation, including communication with employees.
2 The schedule must be realistic and detailed. Interruptions affect the morale of employees and the credibility of the system.
3 The job evaluation must accompany the annual salary review.

Step 5: Communicate with employees

Employees tend to resist change, especially if change may affect their status and salaries. Therefore, the timing of the communication is crucial. Rumours, which can be detrimental to the project, arise if you procrastinate with the employees' introduction. It is essential to communicate essential aspects regarding the project at an early stage to all employees. The information that is communicated must be simple and clear. Even unskilled employees must be able to understand it. Verbal and written communication with employees must include the reasons for and advantages of implementing the job evaluation system. No person is willing to invest energy in something that would have no advantages for him or her. The employee's first concern in implementing a new procedure or technique is: 'What advantage or disadvantage will it have for me?' The advantages of the system must be discussed with employees. Furthermore, the trade union must approve the implementation of the job evaluation system.

Step 6: Conduct job analyses and write job descriptions

The organization starts with the process of job analysis and job description.

Step 7: Rate and grade jobs

Job evaluation panels do the rating of jobs. The job evaluation panel must include the following people: one or more representatives of the trade union(s), a senior representative from each department, a secretary, and a neutral chairperson. In addition, the panel may include a consultant (as chairperson), a financial manager, a technical manager, the human resource manager, a work and organizational psychologist, and trade union representatives.

The panel must be trained in the specific job evaluation system and willing to spend time on job evaluation. The job evaluation panel must be representative of all the sectors of the organization. Each meeting of the job evaluation panel focuses on one section or department. The secretary provides copies of the job description to each panel member before the job evaluation meeting and records decisions of the job evaluation panel. The panel discusses and rates each job, and the chairperson makes the final decision if they fail to reach a consensus. A total score for each job is calculated by summing the panel ratings on each dimension of the job evaluation scale. The jobs are subsequently graded.

Step 8: Develop a salary structure

After each job has been graded, a salary structure, which accommodates present salaries within the range of reasonable, market-related salaries, must be developed. The first step is to plot current salaries of employees against the new job grades. Then, a salary curve that gives the best representation of the data can be drawn. This can be done by calculating the linear regression or drawing a curve that best represents the data. The line of best fit will be the midpoint of the new scale. Next, salary ranges must be developed on each side of the salary scale. This range must accommodate most salaries within the grade but must not be too wide. For example, the salary range would be in the region of 10–20 per cent.

The following factors must also be considered before the scale can be finalized: a) The scale must be in line with labour market data; b) National surveys could be consulted to find relevant market data, and the scale should be adjusted; c) The scale must conform to wage agreements, industrial legislation, or be negotiated with the trade union.

Step 9: Communicate with employees

Employees should be notified verbally and in writing of their new grade and salary increase. They should also be informed how the grading system and salary structure operates and when increases will be given. In addition, employees must receive a copy of their job description and be made aware that the job description may, in time, need to be altered and re-evaluated.

Step 10: Implement the system

The following should take place during implementation:

1 Salary increases should be awarded to employees.
2 New grades and salaries must be entered into the human resource records.
3 Procedures should be drawn up for job evaluation and updating of job descriptions.
4 A job evaluation manual should be distributed to personnel who need it.

Step 11: Maintain the job evaluation system

The job evaluation system should be maintained: workable and documented procedures for its maintenance must exist.

Incentive pay systems

Incentive pay plans attempt to relate pay to performance to reward above-average performance rapidly and directly. Although good performance can be rewarded through the salary structure – either by raising an individual's pay within the range of the job or by promoting the individual into a higher pay grade – these rewards are often subject to delays and other restrictions (Robbins and Judge, 2013). Such rewards are often not viewed by the employees as being directly related to performance. Incentive pay plans attempt to strengthen the performance–reward relationship and thus motivate the affected employees (Rynes *et al*., 2005).

The following basic requirements are necessary for an incentive plan to be effective:

- Employees must feel that their performance is accurately and fairly evaluated. Performance is easier to measure in some situations than others. For example, a sales representative's performance is easy to measure, while the performance of a middle manager is difficult to evaluate. It is not easy to quantify and measure some of the results that a manager must achieve.
- Incentives must be based on performance. Employees must believe that there is a relationship between what they do and what they get. Individual incentive plans require that the employees perceive a direct relationship between their performance and subsequent rewards. Group-based plans require employees to perceive a relationship between the group's performance and the subsequent rewards of group members.

An incentive plan can be effective in the long term. However, if it is only effective for a short time, there may be something wrong with how it was implemented. Performance must be evaluated effectively, and incentives must be based on the performance of employees. Therefore, delays and other restrictions in the implementation of the incentive plans must be prevented.

Individual incentives are based on the performance of the individual as opposed to the group or the organization. The advantage of the individual incentive systems is that the employees can readily see the relationship between what they do and what they get. With group- and organization-based plans, this relationship is often not so clear. The disadvantage of individual incentive systems is that they may cause competition between employees, resulting in negative results (Rynes *et al*., 2005). For example, sales personnel may not share their ideas for fear that their peers might win a prize that is being offered to the top salesperson.

Because jobs are interdependent, it is sometimes difficult to isolate and evaluate individual performance. In these instances, it is wise to establish incentives based on group performance. For example, an assembly-line operator must work at the speed of the line. Thus, everyone working on the line is dependent on everyone else. With group incentives, all group members receive incentive pay based on the performance of the entire group. Many group incentive plans are based on factors such as profits or reductions in costs of operations.

Group incentive plans are designed to encourage employees to exert peer pressure on group members to perform. For instance, if a group member is not performing well and is lowering the production of the entire group, the group will usually pressure the individual to improve, especially if a group incentive plan is in operation. A disadvantage of group incentives is that the group members may not perceive a direct relationship between their performance and that of the group (Rynes *et al*., 2005). Organization-wide incentives reward members based on the performance of the entire organization.

Group incentive systems include profit sharing and gain sharing, Scanlon-type plans, and employee stock ownership plans.

Focus 10.1 Scanlon-type plans

Scanlon-type plans provide employees with a bonus based on tangible savings in labour costs. These plans are designed to encourage employees to suggest changes that might increase productivity. Organizations establish departmental committees composed of management and employee representatives to discuss and evaluate proposed labour-saving techniques. Usually, the bonus paid is determined by comparing actual productivity with a predetermined productivity norm. Actual productivity is measured by comparing the actual payroll with the sales value of production for the time being measured. Any difference between actual productivity and the norm is placed in a bonus fund. Any cost savings are paid to all employees, not just the employees who made the suggestions.

Summary

- Compensation is the human resource function that deals with every type of reward (financial and non-financial) that individuals receive in return for performing organizational tasks. The objective of compensation is to create a system of rewards that is equitable to the employee and the employer. Therefore, compensation should be adequate, equitable, cost-effective, secure, incentive-providing, and acceptable to the employee.
- Effective compensation administration is desirable in efforts to increase employee satisfaction and productivity. External influences on compensation systems include government, unions, economic conditions, and the labour market's nature. Internal influences on compensation systems include the labour budget and managerial pay strategies. Salary surveys are a valuable tool in determining the pay of employees. To ensure that salaries are internally fair, employers can compare their jobs to determine their relative worth. Determining the value of a job is difficult because it involves measurement and subjective decisions. Therefore, the use of systematic job evaluation procedures is recommended for determining a job's worth.
- The most important factors that influence the salary of an employee include the job content (as measured by job evaluation), the market value of the job, and individual expertise. The market value of a job refers to the average wage or salary paid in a country, are,a or industry. The individual's pay level is determined by expertise, that is, the qualifications and experience of the job incumbent.
- Incentive pay plans attempt to relate pay to performance in an endeavour to reward above-average performance rapidly and directly. Although good performance can be rewarded through the salary structure, either by raising an individual's pay within the range of the job or by promoting the individual into a higher pay grade, these rewards are often subject to delays and other restrictions. Such rewards are often not viewed by the employees as being directly related to performance. Incentive pay plans attempt to strengthen the performance–reward relationship and thus motivate the affected employees (Rynes *et al*., 2005).

Key concepts and terms

- Bonus
- Employee stock ownership plans
- Factor comparison method
- Financial compensation
- Group incentive
- Incentive pay system
- Job classification system
- Job evaluation
- Job grade
- Job ranking method
- Labour budget
- Stake
- Non-cash benefits
- Non-financial compensation
- Pay-level decision
- Pay-level strategy
- Plans based on saved time
- Point system
- Salary structure
- Scanlon-type plans
- Stock plans

Sample essay titles

- In setting up a pay structure, which legal requirements must an organization in your country meet?
- What are the differences between the job evaluation methods?
- What can an organization do to ensure fair payment?
- Why might an organization decide to pay its employees more than the market rate? Why might it decide to pay less?

Further reading

Books

Armstrong, M., Cummins, A., Hastings, S. and Wood, W. (2003). *Job Evaluation: A Guide to Achieving Equal Pay*. London: Kogan Page.

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11 Performance management

This chapter introduces the reader to performance management in organizations. The first section focuses on the definition of performance management. The chapter then proceeds to the importance of performance management for employees and organizations. Next, we look at legislation affecting performance appraisal and the conditions for the successful implementation of performance appraisal (including a supportive philosophy and strategy of management, performance criteria and standards, establishing the system and performance appraisal methods). We also focus on the training of appraisers and describe the performance appraisal interview. Lastly, we will discuss guidelines for performance management.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define performance appraisal and discuss the importance thereof.
2 Discuss the uses of performance appraisal.
3 Describe the conditions for the successful implementation of a performance appraisal system.
4 Explain the content and methodology of a training programme for appraisers.
5 Discuss guidelines for performance management.

Definition of terms

Performance management involves ensuring that employees' activities and outputs contribute to the organization's goals (Noe *et al*., 2020). Many employees dread the annual performance appraisal meeting at which a manager appraise their performance and provide feedback.

Performance appraisal is a human resource management activity that is used to determine the extent to which an employee is performing the job effectively. It is a process of evaluation and documentation of personnel performance to make a judgement that leads to decisions regarding training and development, promotion, remuneration, and selection. In the past, organizations focused on performance appraisal. Currently, the focus is shifting to performance management (Cederblom and Pemerl, 2002). Performance management is a planned, systematic management system consisting of a few integrated subsystems directed at improving individual, group, and organizational effectiveness. The subsystems

DOI: 10.4324/b22796-13

include the determination of performance objectives and standards, performance measurement, feedback, and development of employees (Noe *et al*., 2020).

Performance management starts with the question, 'Which performance must be managed?' The question is: Where and what does the organization want to be, and what does it want to achieve? The long-term strategic plan is used to select the organization's specific goals and the behaviour that should be reinforced and rewarded to achieve the goals. Performance objectives linked to the business plan should be decided for each department and individual. Performance must be managed to bridge the gap between the current position (as shown by diagnosis) and the desired position (as shown by the strategic plan) by managing resistance to change.

Coaching and feedback form part of performance management (Latham and Mann, 2006). Feedback and coaching result in improved supervisor and employee relationships, increased commitment to the organization and reduced intentions to quit.

The importance of performance management

Performance management can be used to provide feedback about the strengths and weaknesses of employees, to distinguish between individuals to allocate rewards, to evaluate and maintain the human resource system of the organization (e.g. training and development, allocate rewards effectively), and to create a paper trail to document the reasons for actions, such as dismissing an employee (Rees and Smith, 2021).

Performance measurement and feedback are important for most individuals because they want to learn about themselves and determine whether they are making progress. Expectations can be made clear, employees can be managed more effectively, and participative management practices can be established by correctly using performance appraisal. Satisfaction with performance appraisal might lead to high morale, motivation, and productivity. However, dissatisfaction with the system may lead to decreased motivation, feelings of inequity, and staff turnover (Mani, 2002).

Employees have conflicting goals concerning performance appraisal. They want to obtain the rewards and opportunities that come with favourable appraisals, so they present their performance in the best possible light, even denying problems or inflating accomplishments. When they want help with problems, they need to share their difficulties honestly. If they paint a very positive picture, they may not get the help they need. On the other hand, if they overemphasize their desire to improve, they risk giving the impression that they cannot do their jobs (Barnes-Farrell, 2001).

There is a conflict between the organization's and the individual's goals with performance appraisal. This can lead to feelings of ambivalence experienced by the manager and the employee. Accurate information is needed to allocate rewards and provide feedback, but employees may share only the most positive information for fear they will not be rewarded. Unpleasant interpersonal situations can arise because managers find it difficult to give negative feedback to poor performers.

Focus 11.1 Purposes of performance appraisal

The following purposes can be served with a well-designed, formal performance appraisal system:

- *Development*. Performance appraisal can determine which employees need more training and helps evaluate the results of training programmes.

- *Rewards*. Performance appraisal helps the organization decide who should receive pay rises and promotions.
- *Motivation*. Performance appraisal has a motivating effect because most employees want feedback about their performance.
- *Human resource planning*. Performance appraisal data are an important input to human resource planning.
- *Communication*. Performance appraisal is a basis for ongoing discussion between managers and employees about job-related matters.
- *Human resource management research*. Performance appraisal can be used to validate selection techniques (e.g. psychometric testing programmes).

Legislation affecting performance appraisals

The performance appraisal process can serve as a tool to manage employee performance and to safeguard against litigation. In the USA, performance appraisal played an important role in cases involving personnel actions in organizations (Martin *et al*., 2000). Performance appraisal practices are, therefore, subject to employment legislation (Werner and Bolino, 1997).

Conditions for successful implementation of performance appraisal

Philosophy and strategy of management

The management of an organization has the following responsibilities regarding performance appraisal (Rees and Smith, 2021):

- They must be committed and actively manage the performance appraisal system.
- They should link the system to the strategy and policy of the organization and set specific objectives for the system.
- They should create a performance-oriented climate.
- They have to maintain a participative, motivational approach. They must first focus the system on the development and reward of employees.
- They should not regard performance management as a human resource function.

Performance criteria and standards

Performance appraisal should be based on the specific tasks that the employee accomplishes or fails to accomplish (Martin *et al*., 2000). Performance standards should be narrow and job-focused (Arvey and Murphy, 1998). Performance standards can be determined by conducting a job analysis and a job description. An important part of the job description is to state the performance dimensions and standards expected from incumbents and how it can be measured. Many things could be measured to determine performance. Although not often directly observed, individual characteristics combine with tasks and organizational factors to produce behaviour that can be observed. Behaviour reflects an individual's attempts to perform; individual characteristics signal the causes of the behaviour.

The dimensions of performance against which an employee is evaluated are called the criteria of evaluation. Examples include quality, quantity, and cost of work. One major problem of many performance appraisal methods is that they require supervisors to make person evaluations rather than performance appraisals. The criteria should be integrated with the strategy and business plans of the organization, and based on a job analysis. Multiple criteria, including activities (e.g., the number of calls made) and results (e.g. value of sales), must be included. Focus 11.2 provides an overview of the different types of criteria which can be used in performance appraisal.

Focus 11.2 Criteria used in performance appraisal

- *Trait criteria*. Traits refer to observable dimensions of personality, such as initiative, friendliness and aggressiveness. Trait criteria are the most traditional performance criteria in use. Although they are convenient, they are poor criteria for performance appraisal. They confine the evaluator to making judgements strictly on ambiguous terms such as initiative, which result in unreliable appraisals among raters. Although traits may be potentially useful predictors of performance, situational and non-personality factors may also influence performance.
- *Behavioural criteria*. Behavioural criteria measure behaviour exhibited by the employee, such as asking subordinates for ideas and suggestions to solve job-related problems. These criteria permit the organization to specify the job behaviour relevant for getting the job done properly. These criteria are very useful for identifying employees' training and development needs, and communicating to them how they may improve their performance. Behavioural criteria are not useful for administrative purposes, because different behaviours may result in similar performance outcomes.
- *Output criteria*. Output criteria refer to work results such as sales or production volume and the number of typing mistakes in a letter. Output criteria specify the employee's contribution to the achievement of organizational goals. These criteria are objective, and there is little bias in evaluating someone's behaviour based on job results.

Output criteria are not useful for developmental purposes because they give little factual basis for suggesting how to improve performance. It is also challenging to obtain short-term output criteria for many jobs. The closer the relationship between the employee's performance and the outcome of that performance, the easier it is to invent output measures. Another problem with output measures is that employees have little control over situational factors that may affect their performance. Examples of situational factors are the quality of equipment available, the availability of materials, economic changes, budgetary support, and cooperation of the people whose input is needed. The use of output measures as the only criteria may have the following negative effects on performance:

- It has a short rather than a long time-frame orientation.
- It may cause a results-at-any-cost mentality.
- It may lower the commitment of employees to the achievement of goals that are beyond their control.
- It may fail to let the employee know how to behave to maintain or increase performance.

It is essential to choose the objectives, standards and key performance areas in the performance measurement system and to give attention to the following aspects:

- It must be integrated with the strategy and business plans of the organization.
- Job analysis should be done to find performance dimensions and standards.
- Both behaviour and results (outputs) are important.
- Difficult objectives and standards must be established.
- It should be possible for individual behaviour to influence measurements.
- Limit key performance areas.
- Output/behaviour expectations and standards should be clear and quantifiable.

Establish the system

Top management must be involved and should participate in the establishment, evaluation and adjustment of the system. Performance management is a key performance area of every manager. Top, middle, and first-level management are responsible for the management of the system. They assume ownership for the system, but ensure that it is carried over and shared. These people are important role models and should set the example. They will also be subjected to the system and process. Workers must be informed of the reasons for the system and how it works. It is crucial to involve them and give them a chance to participate to identify with the system.

There are two decisions to be made regarding the timing of the appraisal. One is when to do it, and the other is how often. In many organizations, performance evaluations are scheduled at arbitrary dates, such as when the person was hired. Alternatively, each employee may be evaluated on or near a single calendar date. If the last alternative is selected, managers have to complete many performance evaluations per day, leading them to get it over with quickly. It makes more sense to schedule the evaluation after a task or goal cycle. Therefore, it seems better to conduct performance evaluations regularly.

Performance appraisal methods

A systematic process must be followed to ensure that accurate and reliable data are gathered. Users of appraisal systems often feel dissatisfied with these systems because they are not valid and are not perceived as instruments that develop and motivate people (Latham and Mann, 2006). The requirements of a performance measurement system are given in Focus 11.3.

Evaluation against common performance standards

Three performance appraisal methods are based on evaluation against common standards. These methods are graphic rating scales, checklists, and behavioural rating scales.

- *Graphic rating scales*. The rating scale requires the appraiser to rate the employee's performance among selected traits, behaviour or outputs on a descriptive scale that ranges from low performance to high performance. The outcome of the rating process produces a performance assessment on each performance category, and the ratings given for each standard can be summed to get an overall evaluation of performance. The use of graphic rating scales may result in evaluation errors. In addition, these scales are often low in job relatedness, reliability, and validity.

- *Checklists*. Checklists are similar to graphic rating scales. Whereas the graphic rating scale uses traits as performance criteria, the checklist uses behaviour descriptions. In contrast to graphic rating scales, which are often not based on job analysis, checklists use the critical incident method of job analysis to arrive at the items for the scale. The rater is asked to specify agreement or disagreement with behavioural statements. Checklists vary in the degree of sophistication used in their development. A simple checklist may list 10–20 items that reflect effective and ineffective job performance. In a weighted checklist, the items are weighted in terms of their importance to job performance. These checklists permit evaluations on each performance category to be summed for an overall performance assessment and allow employees to see their strengths and weaknesses along each performance category.
- *Behavioural rating scales*. Behavioural rating scales are called behaviourally anchored rating scales (BARS) or behavioural observation scales (BOS). Although these scales are similar to graphic rating scales, they are developed based on a thorough analysis of the job and constructed in a sophisticated way. The critical incident method of job analysis is used to obtain information on effective and ineffective behaviour. The scales permit evaluation of overall performance by summing the scores obtained on each performance category. They also allow the identification of strengths and weaknesses in performance. BARS differ from BOS in the way the observed behaviour is scaled. In the BARS-scale, all behaviours are prefaced with the phrase 'could be expected to'. The intent of the phrase is to allow the appraiser to generalize what he or she has seen the employee do in the job situation to what the employee could be expected to do in a non-observed situation. BOS is a newer scale developed to overcome the complex judgements appraisers have to make in generalizing future behaviour by the BARS method. In the BOS, behaviour that measures similar concepts is grouped under a general behavioural performance category, called a performance dimension. Each behaviour is scaled from 1 to 5 and appraisers record how frequently they have observed the behaviour.

Focus 11.3 Requirements of a performance measurement system

- *Valid*: measures what it intends to measure.
- *Reliable*: measures accurately.
- *Objective*: applies clear procedures.
- *Standardized*: uses the same items for each worker.
- *Practical*: simple and easy to administer.

Evaluation against individualized performance standards

Appraisal systems that evaluate performance against individualized performance standards are called results-oriented, or output-oriented systems of performance management. Results-oriented systems take the organization's objectives for a given period and distribute them among the departments.

The following two methods evaluate performance against individualized performance standards: the direct index method and management by objectives.

- *The direct index method*. The direct index method is concerned with global outcomes of job performance. Global performance standards, derived from the job's required output, may be defined

by the supervisor or negotiated between the supervisor and the employee. For example, a marketing job's required output may include performance goals regarding sales volume and profit from those sales. The level of performance for each goal is objectively defined, and numerical performance ratings reflecting each performance level for the goal are specified. Finally, overall performance is determined by summing the numerical ratings.

- *Management by objectives (MBO)*. MBO concerns itself with establishing goals for selected tasks whose performance is needed to attain departmental effectiveness in the short run. The MBO process consists of explicitly defined steps: a) set performance goals for a specified period; b) the supervisor and employee participate in goal setting; c) performance feedback. The MBO process starts with a meeting between the supervisor and each subordinate, during which they agree on the major objectives of the employee's job for the next year and the performance outcomes required to achieve those objectives. The participative goal-setting process enables the supervisor to communicate the department's goals to each employee and discuss the ways he or she can contribute to departmental goal achievement. The supervisor and employee first assess the employee's degree of success in achieving previous goals and the reasons for the achievement or lack of achievement thereof. This helps ensure that the work goals to be agreed upon are challenging but achievable and integrated with departmental goals and the employee's career goals. The feedback step of MBO emphasizes the relationship between feedback and performance. Feedback influences performance when it is specific, timely, relevant, and accepted by the employee.

Evaluation against others

Evaluating employees against each other is important for making various decisions, such as who is ready for promotion. This leads to rank-order of employees according to their performance. Ranking is, however, of little use for employee feedback purposes, compensation decisions, and identifying employee development needs. Ranking tells only who is the best and who is the worst, but it is difficult to determine the performance positions of the people in between.

Methods that evaluate employees against each other include simple ranking, paired comparison ranking, and forced distribution (see Figure 11.1).

- *Simple ranking*. Simple ranking is done by asking a judge to place a group of individuals in order of merit along some criterion. This process is easy at first, but gets harder. For example, when the appraiser cannot distinguish between employees, both can give a tie rank.
- *Paired comparison ranking*. In the paired comparison method appraisers compare every possible pair of individuals on overall performance or against specific standards. The names of all people to be ranked are written on separate cards. The appraiser selects two names, compares them with the criterion in question, and places the 'loser' in a new pile. The 'winner' and a new person are then compared. The process is repeated until all employees have been ranked from first place to last.
- *Forced distribution*. Forced distribution is a ranking method that requires the appraiser to distribute the employees to be ranked into specified performance categories. The appraiser can place the employees into one of five categories of performance. The proportion of employees to be placed in each category is also decided beforehand.

Figure 11.1 The evaluation of employees against each other is important for making various decisions, such as who is ready for promotion
Source: © Michael D. Brown/Shutterstock.com

Selecting a performance appraisal method

All the performance appraisal methods are used regularly. The graphic rating scale is the most widely used technique. Management by objectives is used for managerial, professional and technical employees, not production and office personnel. It seems that the major problems are not with the techniques themselves, but how they are used and by whom. The appraiser is more crucial than the technique in developing effective measurement systems.

Traditionally, traits were used to measure the performance of employees. Frequently, these traits have no relationship with concrete behaviour. It is challenging to link rewards and development plans to this method. Sometimes a single rating of total job performance is used to measure performance, and employees are compared. It is not easy to use this method for feedback, development, and goal-setting. Behaviourally anchored rating scales are used to measure observable behaviour, which leads to an improved task definition. Behavioural observation scales were found to be superior to all other appraisal methods in terms of eliciting favourable reactions (Latham and Mann, 2006). Objective-oriented methods (management by objectives) focus on predetermined goals and improve the objective measurement of results. The emphasis is on performance, not on the individual, and therefore this method is less emotional.

A results-oriented system can encourage behaviour that is functional for evaluation but dysfunctional for organizational effectiveness. An activity-oriented system motivates activities rather than the accomplishment of results (objectives). A good performance measurement system measures activities (inputs).

Reward for performance

The integration of rewards with the performance management system should take place after two to three years of using the system. Compensation should be aimed at the acknowledgement and reward of

'correct behaviour and inputs'. Therefore, extrinsic and intrinsic rewards should be used. Non-financial compensation and recognition should form part of the system. The system should measure performance accurately and should lead to fair compensation. The total compensation administration of the organization should be healthy.

Training of appraisers

Training in performance management and appraisal is essential for all managers and supervisors. Studies showed that trained raters were more accurate than untrained raters (Arvey and Murphy, 1998).

Content of appraiser training

Researchers distinguish between training in the mechanics and dynamics of performance appraisal. Training in the mechanics of the performance management system includes the use of performance appraisal forms. Training in the dynamics of performance appraisal includes establishing and communicating performance standards, writing clear and measurable objectives, interpersonal skills, conflict management, rating errors, observation and measurement of performance, giving feedback, and the performance appraisal interview. Topics that could be included in the training are shown in Focus 11.4.

Performance feedback

Appraisers must learn that ongoing feedback is the most important factor in maintaining or improving employee performance. The supervisor can observe the employee's performance, discuss that performance, and, if necessary, help the employee improve that performance.

Rating errors

Appraiser bias is regarded as one of the problems associated with performance appraisal. Latham and Mann (2006) summarize some of the recent research findings regarding appraiser bias as follows:

- Ratings were a stronger reflection of raters' overall biases than true performance factors.
- Supervisors' positive regard for subordinates results in leniency, halo errors, and less inclination to punish poor performance.
- Gender and race bias play a role when ratings are made. Men are rated as more effective than women. Blacks and Asians are rated as less effective than whites.

Focus 11.4 Content of appraiser training

- The underlying management philosophy of the system.
- The underlying values of the system.
- Techniques used in the system.
- Negotiation of goals and communication of standards.
- Human relations aspects.

- Preparation of employees for performance appraisal.
- Handling of performance appraisal problems.
- Feedback interviews.
- Discussing low performance with workers.
- Observing and recording skills and rating errors.
- Performance dimensions and standards.
- Linking performance with rewards.
- Administrative aspects.

Ratings errors reduce the performance appraisal system's reliability, validity, and utility (Roberts, 1998). Therefore, raters should be aware of rating errors. The most common appraiser errors are reported in Focus 11.5.

The ability to identify and define rating errors should minimize their occurrence. In addition, raters should know that they could prevent errors by justifying and recording their ratings (Feldman, 1992). Finally, according to Latham and Mann (2006), appraiser bias can be solved by finding ways to increase user acceptance of the appraisal process, basing appraisals on multiple sources, and training observers to be objective and coach employees throughout the year.

Evaluating performance

Although many organizations say that they teach supervisors and managers in performance appraisal, they usually merely train them on how to fill in the performance appraisal form. Supervisors are instructed to make sure that the appraisals they give to their employees are normally distributed. This type of training is inconsistent with the goals of performance appraisal. Effective training should teach appraisers to increase their rating accuracy and not distribute the ratings along a normal curve.

Focus 11.5 The most common rating errors

- *Halo effect*. An extremely good or poor rating in one performance category induces the appraiser to give correspondingly good or poor ratings on all the other performance categories.
- *Central tendency*. The employee's ratings on all performance standards cluster around the middle point of the rating scale. Although most people are average performers overall, most can also be differentiated along specific performance standards. Giving average ratings can be unfair towards outstanding performers.
- *Leniency rating effects*. The appraiser rates everyone on the positive end of the rating scale regardless of actual levels of performance.
- *Strict rating effects*. The appraiser rates everyone lower than their actual level of performance.
- *Recency effects*. The appraiser is influenced by the employee's most recent positive or negative behaviour.
- *Similar/dissimilar to me effect*. People tend to like others who hold similar opinions, values, and attitudes and behave similarly under similar conditions. The appraiser may positively

appraise employees who are similar to him or her and negatively appraise those who are different.

- *Initial/first impressions*. An appraiser forms an initially positive or negative impression of the employee and ignores any subsequent information that may distort that first impression.

The performance appraisal interview

Supervisors and managers must be trained on how to conduct the performance appraisal interview.

Methodology of performance appraisal training

Case studies and video material of different jobs must be discussed with managers and supervisors, and they must prove that they can assess performance accurately. Adequate practice opportunities must be given. Frequent discussions of ways to overcome rating errors take place. It is not enough to make trainees aware of rating errors. They must practise ways to overcome rating errors and should receive feedback on their performance. Inter-rater reliability in different case studies should be determined to get the ratings to an acceptable level of accuracy. Special attention must be given to trainees who rate too high or too low.

Training alone will probably not solve performance appraisal problems. Unless raters are motivated to use the system effectively and allowed to observe their subordinates' performance, performance appraisal errors will not be solved.

Activity 11.1 Performance appraisal training

Why would training in how to conduct performance appraisals be an important issue for organizations to consider?

Sources of appraisal

Supervisors, peers, subordinates, and the employees themselves could be involved in the appraisal. Based on the work of Latham and Mann (2006), the research findings regarding the different appraisers can be summarized as follows:

- *Supervisory appraisals*. A subordinate's performance tends to increase in years when performance appraisals take place. However, supervisors spend little time on the appraisals of their subordinates. Poor appraisals result when the supervisor had limited opportunity to observe the behaviour of a subordinate, and when the subordinate is hostile towards the supervisor. The supervisor's role should be to gather data and make a final decision about the appraisal of a subordinate after gathering data from multiple sources.
- *Peer appraisals*. Peer appraisal is regarded as a reliable source of performance information. Peers tend to place more emphasis on interpersonal relationships and motivation than on task

performance. However, inadequate instruments are often used to do appraisals. They are seen as useful when they are done with behaviour observation scales.

- *Self-appraisals*. A weak relationship exists between self-appraisals and appraisals of others. Employees tend to rate their performance more favourably than their supervisors. Cross-cultural differences seem to exist between Eastern cultures and Western cultures. In Eastern cultures, self-criticism is regarded as an essential way to improve performance. It seems that individuals with high self-esteem tend to seek self-verifying feedback, even if it is negative, while individuals with low self-esteem seek positive feedback.
- *Subordinate appraisals*. Anonymous feedback from subordinates tends to promote positive changes in a supervisor's behaviour and performance. Subordinates who were not allowed to provide anonymous feedback viewed appraisals more negatively than those who were allowed to provide anonymous feedback.

The performance appraisal interview

It is a demotivating experience for an employee to receive an unexpected negative appraisal rating (Roberts, 1998). Research has shown that many performance appraisal interviews have the following effects:

- Employees feel more uncertain where they stand after the interview than was the case before the interview.
- Many employees evaluate their supervisors less favourably after the interview (than before it).
- The interview is sometimes conducted in an authoritarian way, which is inconsistent with democratic values.
- The interview does not lead to constructive behaviour change.

Research shows that interview effectiveness will increase when the interview is approached in a problem-solving manner. This includes setting a climate where the supervisor and subordinate discuss the performance goals and standards and the employee's performance relative to these goals or standards. A problem-solving approach encourages employees to think about their job problems in a non-threatening atmosphere and solve encountered performance problems. Participation by the employee is one of the most important factors influencing the success of the review.

Evaluation should not be viewed as a once-a-year completion of rating forms. To help with this communication, the manager should hold an appraisal interview with each subordinate to discuss the appraisal and to set objectives for the upcoming appraisal period. Experts advise that employee development and salary action discussions should not occur in the same interview.

The effectiveness of the interview will be increased when the supervisor or manager prepares for the interview. Preparation for the interview includes reviewing:

- *The performance appraisal format*. He or she must explain the rating scales, how the ratings are derived, and how the numbers on the rating scales are related to performance standards used on the measure.
- *The employee's performance*. He or she must answer any employee questions and justify the rating given to the employee.

- *Knowledge of the self*. The supervisor or manager must review his or her strengths and weaknesses in interacting with people, particularly constructively giving negative feedback.

The following behaviour may lead to effective performance appraisal interviews:

- *Structure and control the interview*. The purpose of the interview must be stated, control over the interview must be maintained, and an organized and prepared approach must be shown. No interruptions should occur during the interview. The employee should be oriented towards future performance by emphasizing the development of strengths. Ways to accomplish performance improvements should be discussed. At the end of the interview, a summary should be provided of all the major points.
- *Establish and maintain rapport*. An appropriate climate for the interview must be set, the interview must be opened in a warm and non-threatening manner, and the supervisor or manager must be sensitive to the needs and feelings of the employee.
- *Reacting to stress*. The interviewer must remain cool and calm during an employee's outbursts, apologize when appropriate (without retreating unnecessarily) and maintain composure and perspective.
- *Obtain information*. The interviewer must ask appropriate questions, probe to ensure that meaningful issues are discussed, and seek meaningful information. The interviewer should focus on a limited number of topics so that each topic can be discussed comprehensively. Work goals should be reviewed and attainable objectives should be set.
- *Provide feedback*. The focus should be on facts rather than opinions and evidence should be available to document the claims. The manager should open with specific positive remarks regarding performance shortcomings and orient the discussion to performance comments, not personal criticisms. The manager should guard against overwhelming the employee with information. Too much information can be confusing, while too little information can be frustrating. Probably no more than one or two negative points should be brought up at one evaluation. The handling of negative comments is critical. They should be phrased specifically and be related to performance. Conclude with positive comments and total evaluation results.
- *Resolve conflict*. The interviewer should manage the conflict in the interview, make appropriate commitments and set realistic goals to ensure conflict resolution.
- *Develop the employee*. The interviewer should offer to help the employee develop his or her career plans, specify development needs, and recommend sound developmental actions.
- *Motivate the employee*. The interviewer should provide incentives for the employee to stay with the organization and perform effectively, provide commitments to the employee to encourage high performance levels, and support the employee's excellent performance.

The personal management interview

The personal management interview consists of an initial, one-time-only role negotiation meeting and a regular, one-on-one, ongoing interview meeting between a manager and his or her direct reports (Cameron, 2014). There should be an ongoing programme of regular, one-to-one interviews between a manager and his or her direct reports. Furthermore, the interview should take place privately. Its goals are continuous improvement, team building and personal development, and feedback. The first agenda

item should be to follow up on action items from the previous session. The agenda for the meeting (which lasts from 45 to 60 minutes) should include organizational and job issues, information sharing, training and development, resource needs, interpersonal issues, obstacles to improvement, targets and goals, appraisal and feedback, and personal issues (Cameron, 2014).

Summary

- Performance appraisal is a human resource management activity that is used to determine the extent to which an employee is performing the job effectively.
- A well-designed performance appraisal system can serve various purposes, namely developmental, reward, motivational, human resource planning, communication, and human resource management research purposes.
- The successful implementation of performance appraisal is affected by the philosophy and strategy of management, performance criteria and standards, how the system is established, the methods used to appraise performance, the link between rewards and performance, and the training of appraisers.
- Training in performance management and appraisal is essential for all managers and supervisors. Trained raters are more accurate than untrained raters.
- Supervisors, peers, subordinates, and the employees themselves could be involved in the appraisal.
- It is a demotivating experience for an employee to receive an unexpected negative appraisal rating. However, it seems that interview effectiveness will increase when the interview is approached in a problem-solving manner. Participation by the employee is one of the most important factors influencing the success thereof.
- Performance appraisal should not be viewed as a once-a-year completion of rating forms. The manager should hold an appraisal interview with each subordinate to discuss his or her appraisal and to set objectives for the upcoming appraisal period. Employee development and salary action discussions should not occur in the same interview.
- Performance management is a planned, systematic management system that can be divided into a few integrated subsystems, directed at improving individual, group and organizational effectiveness. The subsystems include the determination of performance objectives and standards, performance measurement, feedback, and development of employees. In addition, coaching and feedback are part of performance management.

Activity 11.2 Forced ranking: Friend or foe?

Forced ranking systems are performance evaluation programmes under which managers rank employees against each other and then use the rankings to determine who receives rises, rewards, bonuses, promotion and, in some instances, who is terminated. Predetermined percentages of employees are forced into categories. For example, the distribution could follow a bell-shaped curve with 10, 80 and 10 per cent in the top, middle, and bottom categories, respectively. The top-ranked employees are considered ‘high-potential’ employees and are often targeted for a more

rapid career path and leadership development programmes. In stark contrast, those ranked at the bottom are denied bonuses and increases.

Fans of forced ranking argue that ranking employees enables companies to reward top performers, eliminate unproductive workers, and raise productivity. On the other hand, forced ranking might create an overly competitive workplace where employee cooperation and teamwork are replaced with ruthless competition to outrank and outlast co-workers.

Read the following article: Chattopadhayay, R. and Ghosh, A.K. (2012). Performance appraisal based on a forced distribution system: Its drawbacks and remedies. *International Journal of Productivity and Performance Management, 61*(8), pp. 881–896. doi:10.1108/17410401211277138

Debate the pros and cons of forced ranking as a performance evaluation system. Which ethical challenges might this method present?

Key concepts and terms

- Appraiser training
- Behavioural criteria
- Behavioural rating scale
- Central tendency
- Checklist
- Coaching
- Direct index method
- First impression
- Forced distribution
- Graphic rating scale
- Halo effect
- Management by objectives
- Output criteria
- Paired comparison ranking
- Peer appraisal
- Performance appraisal
- Performance appraisal interview
- Performance criteria
- Performance management
- Rating errors
- Recency effects
- Self-appraisal
- Simple ranking
- Strict rating
- Subordinate appraisal
- Supervisory appraisal
- Trait criteria

Sample essay titles

- What are the content and methodology of a training programme in performance appraisal for managers?
- What are the advantages and disadvantages of the different performance appraisal methods?
- Which method could be used for the appraisal of performance of sales staff?

Further reading

Books

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12 Career development

This chapter introduces the reader to the topic of career development. The first section focuses on defining terms such as career development, career planning, and career management. The chapter then proceeds to the importance of career development. We also look at career theories, and the role of life and career stages in career development. The third section looks at career success. This is followed by a discussion of career planning and career management as components of career development. Lastly, we focus on the evaluation of career management.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define career, career development, career planning and career management, and discuss the importance of career development.
2 Evaluate theories of career development.
3 Define life stages, career stages, and career success and their role in career development.
4 Discuss career planning as a component of career development.
5 Discuss career management as a component of career development.
6 Point out the importance of evaluating career development.

Definition of terms

A career is a sequence of positions/jobs/occupations held by one person over his or her entire working life. The word 'career' comes from the Latin for 'carriageway' or roadway on which the Roman charioteers drove their chariots. Hall (1976) defines a career as 'the individually perceived sequence of attitudes and behaviours associated with work-related experiences over the span of the person's work life'. The term career is also associated with paid employment, or at the least self-employment. If we take this view, then you might very well think of other types of careers. What about the career of someone in charge of a household but who does not work outside the home? Is this a case of paid employment or not? What about the career of the professional criminal or thief? Does such a person have a career?

Career development encompasses career planning and the implementation of career plans through education, training, job search and acquisition, and work experiences. From the organization's perspective,

DOI: 10.4324/b22796-14

career development is the process of guiding employees' placement, movement, and growth through assessment, planned training activities, and planned job assignments. Therefore, career development includes personal career planning and organizational career management (Armstrong and Taylor, 2014).

Career planning is a personal process through which workers plan their work-life by identifying and implementing steps to attain career goals. Career planning includes evaluating one's abilities and interests, examining career opportunities, setting career goals, and planning appropriate developmental activities. Career planning is mainly an individual process, but the employing organization can assist through career counselling offered by the work and organizational psychologists and supervisors. More specifically, organizations can present workshops to assist workers in evaluating themselves and deciding on developmental programmes by making career planning workbooks available to interested workers and disseminating information about jobs within and outside the organization.

Activity 12.1 Relationship between human resource planning and career development

What is the relationship between human resource planning, career development, personal career planning, and organizational career planning?

Career management, the other subset of career development, focuses on the plans and activities of the organization (Armstrong and Taylor, 2014). In career management, the organization's management matches individual employee career plans with organizational needs and implements programmes to accomplish these joint objectives.

The importance of career development

Recent changes in career patterns are mainly because of external factors, such as globalization, rapid technological changes, labour market deregulation, and organizational structures (Kidd, 2002: 179). Often skilled workers have been displaced because of automation. In addition, deregulation in the UK and USA reduced job security and increased the need to adapt to more flexible forms of working. In addition, employability (regularly updating knowledge and skills) became necessary because lifelong employment is no longer guaranteed.

In general, workers want interesting and meaningful work, and they want to utilize and develop their skills and abilities. Career development actions enable both an individual and the organization that employs him or her to meet these expectations. Depending on the state of the economy, many workers change organizations quite a few times during their working lives. This emphasizes the important role that career planning plays in an individual's life.

The importance of career development can also be deduced from other reasons for career development in organizations. If an organization pays the necessary attention to employees' career development, it will be able to attract the required qualified workers because the word quickly travels around. Many qualified people would like to be employed by such organizations. It also leads to lower turnover among employees because they now see that their expectations are being met. Employees tend to be more productive and perform better when their abilities are being utilized more fully.

Career theory

Person–environment fit

Person–environment fit refers to the degree of congruence between workers and their environments. Applying this perspective to career planning implies that reliable and valid data should be gathered regarding individual differences (such as abilities, interests, personality, and values) and jobs. Person–environment fit is positively related to employee well-being and negatively related to employee discontent (Tinsley, 2000). Person–environment fit is measured in terms of rewards sought by the individual and satisfaction offered and between individual abilities and the demands of the work. The following theories focus on person-environment fit:

- *The Minnesota theory of work adjustment* (Dawis and Lofquist, 1984). Work adjustment refers to how an individual seeks to achieve and maintain correspondence with the work environment. This model focuses on rewards sought and abilities used.
- *The attraction–selection–attrition (ASA) model* (Schneider *et al*., 1995). The ASA model suggests that organizational homogeneity increases over time through three stages. In the first stage, called 'attraction', people who hold values similar to those espoused by the organization are attracted as potential employees. In the second stage, called 'selection', the organization actively chooses the applicants perceived to be most similar to the employees already in the organization. Finally, the third stage, called 'attrition', occurs when employees realize that they are not as similar to the organization as was once believed. The result of these three stages is that the personal values and preferences of the people within an organization should grow more similar over time. Fit, according to this theory, is a result of the recruitment and selection of limited people.
- *The theory of vocational choice* (Holland, 1997). Holland's theory proposed that individuals seek occupational environments that are congruent with their vocational interests. Individuals can be classified into six personality types: realistic, investigative, artistic, social, enterprising, and conventional. Work settings can also be categorized according to this model. Because individuals search for environments that allow them to express their interests, skills, attitudes and values, and take on interesting problems and agreeable roles, work environments become populated by individuals with related occupational personality types.

The role of life stages in career development

The term 'career development' implies a developmental process. It is a fact that developmental psychology and individual differences form two of the three bases of career development. The third basis is that positions/jobs/occupations also differ because they place different demands on people and 'compensate' people in different ways.

A few years back, developmental psychology did not play a major role in career development. There were two reasons for this. First, much emphasis in developmental psychology was placed on the development of children and adolescents. It was only later that researchers also started looking into the development of adults. Second, researchers concentrated to a large degree on matching individual differences with the differences between jobs. However, both individuals and jobs change over time.

Developmental psychologists have established that most people move through a sequence of 'orderly' life stages. There are different ways of describing these life stages. One way to classify life stages is

in stages such as early childhood, middle childhood, late childhood, early adolescence, middle adolescence, late adolescence, the youth stage, early adulthood, middle adulthood, and late adulthood. Daniel Levinson (1978) also identified transition stages or life structures that can be found when, for instance, a person moves from early adulthood to middle adulthood (or midlife). It is vital to note these life stages because each stage brings its issues that an individual has to face and tasks that have to be carried out.

Even though many of the tasks and issues that an individual faces have to do with a person's development (for instance, partaking in sporting activities or hobbies) and with family issues, these tasks and issues are often intertwined with career tasks and issues. This is because everyone is a 'whole' person. The main implication of viewing an employee as a 'whole' person is that organizations should note that much of what happens at work influences the family and personal life of an employee. For instance, this means that if an organization deems it necessary to transfer an employee to another town or city, the management should consider the influence of such relocation on the employee's family and the employee's adjustment.

The role of career stages in career development

Running parallel to life stages, but not quite identical to them, are different career stages. As in life stages, there are models or approaches to identifying and describing these career stages. Even more than in the case of life stages, not every person's career stages perfectly fit the different career stages one supposedly moves through. An individual has more 'influence' over his or her career than over his or her life stages. One's career is also more open to influences such as the state of the economy and the organization's profitability for which one works.

Career choice

Career choice is a developmental process. Therefore, there may even be substages in occupational choice. This is not hard to understand. Take, for instance, a young boy who wishes to be a firefighter because he sees it as an exciting job or the young girl who wishes to be a nurse at all costs. Once they start growing older, they realize that these jobs may not be as glamorous as they first thought them to be. They also start to notice that they are better at specific tasks than at others. A little later, they realize that they need to look earnestly at an occupation that matches their skills, abilities, and personality characteristics. Thus, in the occupational choice stage, a person moves through the substages of fantasy, realism, and specification.

The individual should understand him- or herself and the world of work very well to make a meaningful occupational choice. This means that he or she should have self-insight regarding his or her needs, abilities, interests, and personality characteristics. Such an individual should also know different occupations and the requirements that should be met to practise those occupations successfully.

Once an occupational choice is made, preparation to enter that occupation is needed. This may take on many different forms. One of these forms can be the choice of specific school/college/university subjects. It can be in the form of doing some kind of apprenticeship. Some people view occupational choice and preparing for the world of work as one big career stage.

The next (sub-)career stage may be finding a position/job and entering the world of work by joining an organization or becoming self-employed. This has become one of the major tasks young people have to accomplish, considering the loose labour market. The individual should have qualified him- or herself

to enter the chosen occupation. Such an individual should also know where to look for possible job openings and how to write a letter of application, complete an application form, compile a curriculum vitae, and act during a selection interview.

The early career

The next big career stage is that of the early career. Some people view this stage as consisting of two main substages: the stage of becoming established in the world of work and the achievement stage. This early-career runs somewhat parallel to that of the life stage of early adulthood. It is important to note that the time that an individual has to establish him- or herself in the world of work roughly corresponds with the time the person in early adulthood is likely to get married and start a family. Naturally, this places quite a burden on a person. However, most people at that stage of life also have the energy, vigour, and enthusiasm to accomplish these tasks.

An individual who finds him- or herself in the establishment stage should show a willingness to learn and work hard. Such a person should try to fit into the organization and into the way things are done. At the same time, he or she should also show initiative and a willingness to contribute to the organization. He or she should also keep in mind that in the beginning, he or she is, in a certain sense, 'on probation' and that other organizational members are busy trying to decide whether he or she will be a worthy member of the organization.

One of the most important things an organization can do is present the newcomer with challenging work as soon as possible. In this way, the new employee can test him- or herself. At the same time, the organization can indicate whether the new employee will be able to contribute to the organization in the long run. It is also essential that the organization gives the individual some feedback on performance.

Note that we talk about the substage of achievement rather than the substage of advancement. Achievement might lead to advancement, but sometimes this is not the case. For example, a person might perform so that he or she is eligible for promotion, but it is not forthcoming because the promotional channels might be blocked or clogged by more senior personnel. This condition is aggravated by the downsizing and rightsizing processes and the fact that organizational structures nowadays tend to be much 'flatter' than in previous times. If a person does not want to leave the organization, other ways will have to be found to keep him or her interested and productive.

Midcareer

The next career stage is that of midcareer, which roughly corresponds with the life stage of middle adulthood. Some people especially find moving from the last part of early adulthood to the first part of middle adulthood a very trying time. Some people call this the midlife transition or even the midlife crisis. A person facing a midlife crisis is likely to ask him- or herself many questions. Some of these questions might be: 'Why am I working so hard?'; 'Is there more to life than work?'; 'Have I been neglecting my family?'. Then, the person in midcareer starts to question things again. Not every person experiences a midlife crisis. This means that there is nothing wrong with someone who does not experience a midlife crisis. On the other hand, there is nothing 'abnormal' about experiencing a midlife crisis either.

Many people at this stage ask themselves questions that are associated with work/careers. This is the time for a person to do some stocktaking concerning the career goals that he or she set him- or herself at

the start of his or her career. A person in this stage realizes that there is only so much time left to accomplish specific tasks or reach certain goals. For the first time, many people become aware that they are mortal beings whose life might end sooner than they might think. No wonder, then, that some people talk about people experiencing a mid career crisis. An organization can make counselling facilities available to employees who wish to use such a service.

One of the main tasks of the mid career stage is to stay productive in a job and to strive to update skills. If the latter does not happen, a person's skills become obsolete. Therefore, an individual should try to keep up with developments and changes in his or her field of employment. An organization could assist workers to upgrade their knowledge and skills continuously. Another task is to handle the reaching of a possible plateau in a career. When a worker reaches a plateau, he or she cannot advance further in the organization. It may be due to changes in the person, such as the lack of skills or a loss of speed. Sometimes the plateau is caused by organizational factors, such as a lack of promotional opportunities.

The late career

The final career stage is that of the late career. Because more people opt for early retirement or receive severance packages before retirement age, many do not reach this stage in organizations. For those who do, there are two main tasks to be accomplished in this stage. The one task is the same as that of the middle career stage: to still be productive in a person's work. This again implies that a person needs to ensure that his or her skills remain up to date. The other main task is that of adequately preparing for retirement.

Adequate preparation for retirement takes on many forms. Financial planning for retirement should start in the early career. If one leaves it until late career, it is usually too late to do anything about it. When preparing to retire, the worker should look into aspects such as housing, medical care, relations with friends and relatives, and one's state of health. Psychological preparation for retirement is perhaps one of the most important, but often also one of the most neglected, aspects.

When thinking about psychologically preparing for retirement, a person must remember that work plays an important role in most people's lives. By working, a person ensures a livelihood for him- or herself and for their dependants. However, work also fulfils other needs. Here one can think of such needs as the need for social interaction, the need to make a meaningful contribution to society, the need to keep busy and make use of one's abilities and skills, and perhaps even to fill the available time. When someone retires, work ceases to fulfil these needs. Something else will then have to fulfil these needs, and the person will have to reorientate him- or herself to the new situation.

Career success

In the past, it was assumed that a person was successful in his or her career when he or she had a job that was paying a good salary and having a high status (Armstrong and Taylor, 2014). Other signs of career success were that a person was moving upwards to positions of greater responsibility. At the same time, the person was a loyal employee and the organization rewarded the person in different ways for his or her hard work and dedication. In some instances, this scene has drastically changed. The changing nature of the workforce can also be seen in a difference in orientation concerning career success. Nowadays, people place much more emphasis on personal freedom, self-determination and a personal view of career success.

This new orientation regarding career success manifests itself in the following ways (Ivancevich and Konapaske, 2013):

- The individual wants to control his or her career development by deciding when or whether to undergo additional training/acquire additional skills, apply for particular positions/jobs, and leave the organization.
- Personal values, such as freedom, growth, and self-determination, play a crucial role in any career decision that an individual makes.
- The individual wants to maintain a healthy balance between involvement in work/career, with family and friends and developmental activities.
- Each individual has his or her view of what it takes and what it means to be successful. This means that career success is a very personal thing. It might still be attaining a senior position in an organization or receiving a fat paycheque. But, on the other hand, it might be something like experiencing personal freedom, experiencing self-respect, or being heavily involved in non-work activities.

All that has been said so far implies that the person who wishes to experience career success will have to play an important and active role in his or her career planning and personal career management. Such a person does not wait for the organization to do something about their career development but assumes full responsibility for their destiny, as far as it is under their control.

Career planning as a component of career development

Career planning is defined as the personal process of planning one's own work life. However, an organization can, in different ways, assist an individual with personal career planning. Bearing in mind that it is important to match an individual's career planning with the career management efforts of the organization, how this assistance is presented plays a vital role in career development.

The primary responsibility for career planning lies with the individual concerned. Only the individual can know what he or she wants out of his or her career. This means that career planning is, to a large degree, an individualized and personalized process and that each employee should develop his or her career plan. An individual should take the necessary time and put in the necessary effort to develop a sound career plan. An organization can and actually should assist an individual in career planning. There are different ways of going about this. Another party that plays an important role in an individual's career planning is the immediate supervisor or manager of the particular individual. An organization should prepare a supervisor/manager to play this role efficiently.

The individual should develop a personal career plan. This involves four steps, namely (Byars and Rue, 2011):

- an assessment by the individual of his or her other abilities, interests, and career goals;
- an assessment by the organization of the individual's abilities and potential;
- communication of career options and opportunities within the organization; and
- career counselling to set realistic goals and plans for their accomplishment.

When an individual engages in career self-management, he or she usually has some decision to make regarding his or her career. In order to make this decision, he or she should first do some career exploration. This means that he or she should find out more about him- or herself, and about the opportunities and demands presented by the world of work. Based on this, the individual should set career goals and identify different strategies that can be followed to reach these goals.

Once a decision has been made on strategies, these strategies should be implemented. One such strategy might be to perform well in the job. Once a strategy is implemented, the individual must use the feedback received from work and non-work sources to make the necessary adjustments in the strategy being followed. For instance, the individual's supervisor might be pleased that the individual puts in much overtime and rewards him or her for doing this. On the other hand, the individual's family, at the same time, may rebuke him or her for not spending enough time with them.

An organization could play the following roles in assisting an employee with career planning (Armstrong and Taylor, 2014):

- *Assisting the individual in appraising him- or herself*. Individuals can be assisted in appraising themselves by providing them with different career planning workbooks. The purpose of these workbooks is to let the individual engage in self-exploration and self-assessment. The individual should be assisted in identifying his or her strengths and weaknesses, abilities, skills, and interests. Besides completing the workbooks, the individual might also be assisted in taking aptitude, interest and personality tests to learn more about him- or herself. Sometimes individuals can take part in assessment centres and receive feedback on their performance in these centres. Sometimes organizations may organize career planning workshops.
- *Assisting the individual in identifying different career opportunities*. Once an individual has identified his or her abilities, interests, and other career-related characteristics, the individual should be assisted in identifying jobs/occupations where these characteristics can be used. An individual should be encouraged to make use of these opportunities. Sometimes it might mean that a particular individual might be encouraged to look outside the organization for possible job openings. If an organization encourages an individual to look for career opportunities outside the organization, then the possibility exists that the individual might leave the organization.
- *Assisting the individual in setting personal career goals*. The individual should set operational and conceptual goals. An operational goal is usually seen as one that is tied to the attainment of a specific position. A conceptual goal is one in which the values that a person wishes to attain in a career are found. Such a value might, for instance, be to render service to people in need of assistance. Because goal setting, in general, enhances the likelihood of an individual reaching a certain point, it is important to pay close attention to the way in which career goals are set. For instance, they should not be too easy or too difficult to reach but should simultaneously be challenging enough to the individual, so that he or she needs to utilize his or her abilities to reach the goals. The goals should also be specific enough to tell if he or she has reached his or her goals.
- *Assisting the individual in planning career strategies*. Sometimes these strategies are called career plans.
- *Assisting the individual in implementing career strategies*. Once an individual has decided on strategies, he or she should be encouraged to implement it/them. Here an organization should ensure that the necessary developmental or training opportunities are made available to the individual.

Career management as a component of career development

Integrating career management with human resource planning

Human resource planning is the basis of human resource management. In this case, it is important to remember that the future demand and supply of human resources is determined through human resource

planning. The present employees form part of the supply of human resources. Therefore, through human resource planning, one can determine what developmental and training activities present employees should partake in order to prepare them for future job openings. That is why it is crucial to integrate human resource planning with career management.

Identifying career paths/ladders

The process of human resource planning should help identify the different ways individuals can progress through the ranks of an organization. This is depicted through career paths or career ladders that individuals can follow. It also shows what training and developmental activities an individual needs to undergo and the skills needed to fill these jobs. Sometimes this is called the traditional approach to career pathing. A typical traditional career path is depicted in Figure 12.1.

Because of changing circumstances, organizations need to look at the traditional career paths that have been identified. Organizations need to ensure that a realistic approach to career pathing is followed. This approach is not an easy one to follow because of the characteristics of these realistic career paths. These characteristics are (Ivancevich and Konapaske, 2013):

- They would include lateral and downward possibilities and upward possibilities, and they would not be tied to 'normal' rates of progress.
- They would be tentative and responsive to changes in organizational needs.
- They would be flexible enough to take into account the qualities of individuals.
- Each job along the paths would be specified in terms of acquirable skills, knowledge, and other specific attributes, not merely in terms of educational credentials, age, or work experience.

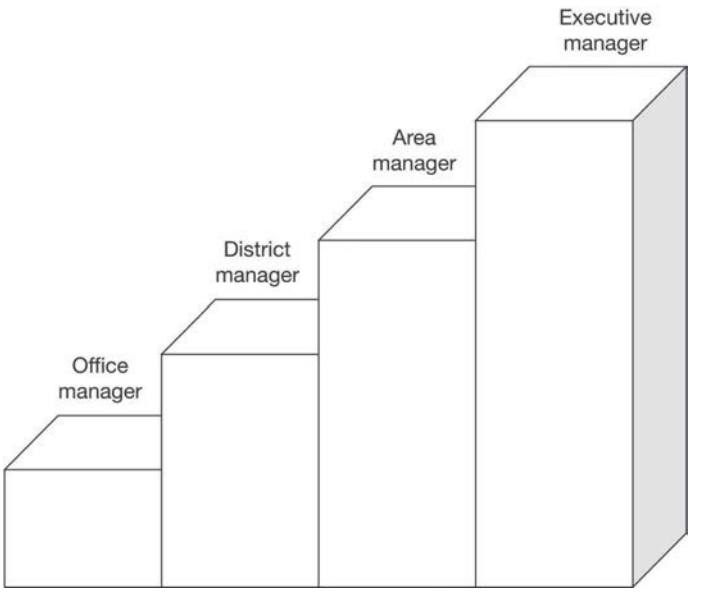

Figure 12.1 An example of a traditional career path

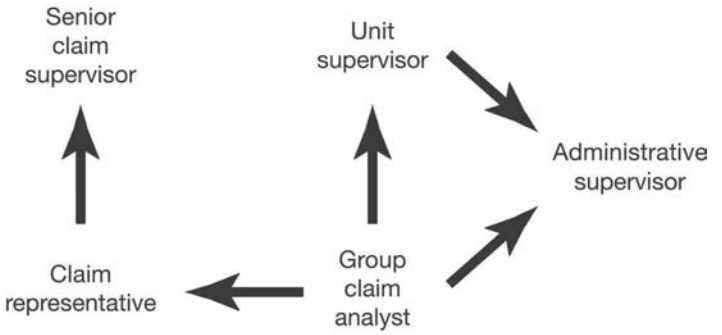

Figure 12.2 An example of a realistic career path

An example of a realistic career path is given in Figure 12.2.

Informing employees of career paths/ladders

Once career paths have been identified, employees should be informed of these paths. This will enable them to engage in realistic personal career planning that is integrated with the career management efforts of the organization. Employees should also be informed of the results of the human resource planning forecasts that have been done.

Doing job posting

Once vacancies become available, employees should be informed of them. They must then be allowed to 'bid' or apply for these vacancies. It can thus be seen that career management should also be integrated with the recruitment effort.

Assessing employees

The assessment of employees should be done in an ongoing way in organizations and should not be left until vacancies occur. Through the process of performance appraisal, information on the potential of each employee should be available continuously. Usually, an employee's immediate supervisor/ manager keeps the performance appraisal up to date. Because performance appraisals are largely based on the judgment and views of one person (the supervisor/ manager), organizations sometimes use assessment centres to assess employees. Although an assessment centre is a rather costly method, it does have the advantage of resulting in judgements of different observers about the performance and potential of a particular employee being pooled. If an assessment centre is geared towards development, these pooled judgements can be of tremendous value when used to give feedback to participants in an assessment centre. In this way, their career planning can be enhanced. At the same time, the organization can utilize the information gained at the assessment centre for organizational career management. The information on each employee contained in the human resource information system can also be used in the assessment process, especially if this information is continually being updated.

Offering career counselling

Although counselling is, strictly speaking, the domain of counselling psychologists, it often happens that counselling aspects come into play when undertaking career management. When feedback is given to an employee after attending an assessment centre, it can well be argued that an element of counselling was present in that situation. The same can be said when a supervisor/manager discusses an employee's performance appraisal with him or her. Elements of counselling are again present if employees talk to their supervisor/manager or the human resource practitioner about the availability of career opportunities inside or outside the organization. Earlier, we mentioned the possibility of offering career planning workshops to employees for doing their career planning. During such workshops, usually, some career counselling takes place.

When an employee talks to his or her supervisor/manager about a career problem he or she experiences, elements of counselling are again present. That is why it is essential to train supervisors/managers in basic counselling skills. This does not mean that they can fulfil the role of counselling or a clinical psychologist. However, it does mean that they will be able to decide when to refer a person experiencing career or personal problems to an expert, such as a work and organizational psychologist, a counselling psychologist, or a clinical psychologist.

Career counselling is in order when employees experience career problems such as plateauing and obsolescence. It is also appropriate when there is a mismatch between an individual's career planning and the career management actions that the organization wishes to carry out. Sometimes individuals also face career-related problems when they move from one life or career stage to the next. In this regard, one can think about the problems a person faces experiencing a midlife or mid career crisis.

Using work experiences

Sometimes people tend to forget that one of the best methods of career management that an organization can utilize is the type of work experiences the employee is subjected to. However, it does imply that these experiences are structured in a meaningful, planned, and coordinated way. In addition, these work experiences can take on different forms, such as having (a) challenging job(s), being rotated from one job to another, being assigned to a temporary task force, receiving a promotion or being transferred sideways (Armstrong and Taylor, 2014).

The one person who plays a critical role in utilizing work experiences as a career management tool is the immediate manager of the employee concerned. The manager must be able and willing to expose an employee to these work experiences. If a manager is not trained and rewarded for these actions, very little will become of this career management tool. Sometimes managers spend much time and effort on developing employees. It is then understandable why they are reluctant to 'let go' of these employees once promotional opportunities become available.

Sometimes it becomes clear that work experiences alone will not adequately prepare an employee for future advancement. Therefore, it may be necessary for the employee to receive further off-the-job training or education.

Adjusting human resource policies and practices

From what has been said thus far, it is clear that if an organization wishes to have a well-functioning career management system in place, it may be necessary to adjust its personnel policies and practices.

In the past, the spouse or other family members of an employee had no role to play when it came to matters such as promotions or relocations. However, because much emphasis nowadays is placed on the importance of managing the 'whole' person, organizations might find it necessary, if not beneficial, to involve or consult family members on certain career issues.

Another interesting aspect that comes to mind is the possibility of installing a 'fallback' system that allows for a person who is promoted, but who does not make the grade in the new position/job, to move back to the previous position/job, or one similar to it.

Job rotation (being moved from one job to another to gain experience) has been mentioned previously as a method of career management. Sometimes, rotated employees experience anxiety as they are constantly being moved from job to job and are unable to settle down. In order to build their sense of job security, they need to be given the assurance of being permanently employed.

Summary

- A career is defined as the sequence of positions/jobs/occupations a person holds during his or her work life.
- Career development can be viewed from two perspectives: that of the individual, who plans his career and implements the career plan, and that of the organization that manages the individual's career. Thus, career development can have two components: personal career planning and organizational career management.
- Career development is an essential human resource activity because it ensures the quality of the work-life of employees while at the same time supplying the organization with qualified employees.
- Person–environment refers to the degree of congruence between workers and their environments. Applying this perspective to career planning implies that reliable and valid data should be gathered regarding individual differences (such as abilities, interests, personality and values) and jobs.
- When doing career management, one should remember that employees move through different life and career stages. Employees also tend to have their views regarding career success. If career planning is viewed from the perspective of an organization, it consists of assisting the individual in the following actions: appraising him- or herself, identifying different career opportunities, setting personal career goals, and planning and implementing different career strategies.
- Career management, when viewed from an organization's perspective, consists of the following actions: integrating career management with human resource planning, identifying and providing career paths/ladders, adjusting labour policies and practices to fit in with the career development perspective, doing job posting, assessing employees, offering career counselling to employees, and using work experiences of employees to develop their careers. Keep in mind that career planning is a highly individualized process. It is also important to evaluate the career development actions of an organization.

Key concepts and terms

- Assessment
- Attraction–selection–attrition model
- Career

- Career choice
- Career counselling
- Career development
- Career management
- Career path
- Career planning
- Career stage
- Career success
- Early career
- Job posting
- Late career
- Midcareer
- Minnesota theory of work adjustment
- Person–environment fit

Sample essay titles

- What are the implications of the midcareer crisis for organizational career management?
- What are the implications of person-environment fit for career development?

Further reading

Books

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PART III

Further aspects of organizational psychology

13 Well-being and dysfunctional behaviour at work

This chapter introduces the reader to well-being and dysfunctional behaviour in organizations. The first section focuses on well-being. Well-being is conceptualized in terms of positive and negative psychological states. Next, the importance, causes, effects, and management of well-being are discussed. The chapter then proceeds to dysfunctional behaviour, including absenteeism, presenteeism, theft, sexual harassment, bullying, and alcohol and drug misuse.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define well-being in organizations in terms of negative and positive feeling and functioning.
2 Describe the causes of well-being.
3 Discuss the effects of distress and well-being and moderators thereof.
4 Identify interventions that could be used to manage well-being.
5 Describe various forms of dysfunctional behaviour and recommend the best ways to deal with these behaviours.

Well-being at work

Governments, researchers, and employers are increasingly concerned with the well-being of individuals, organizations, and communities. Additionally, the COVID-19 pandemic has profoundly affected people's lives and work. Therefore, understanding how individuals, organizations, nations, and communities achieve and sustain well-being is critical.

Definition of well-being

To prosper and survive in a continuously changing environment, organizations need healthy and motivated employees (Davidson, 2019). Individuals' experiences at work, be they physical, emotional, or social, affect them in the workplace. In addition, these experiences spill over into non-work domains. Researchers and managers have generally recognized that a lack of well-being can potentially affect workers and their organizations in negative ways.

DOI: 10.4324/b22796-16

Work and organizational psychologists should be dedicated to improving the well-being of employees through science. Therefore, they need to inform people what they should do to live the best lives possible (Harris, 2010) and apply reason and sympathy to enhance human flourishing (Pinker, 2018).

Well-being goes beyond the fixed idea of health as an absence of illness. It implies a proactive stance towards achieving optimal physical, mental, and emotional well-being. Complete health is the absence of physical and mental morbidity and the presence of sufficient levels of physical and mental well-being. Incomplete health or un-well-being reflects either high levels of physical health and well-being but poor mental health (high morbidity or low well-being), or high levels of mental health and well-being but poor physical health (high morbidity or low well-being); being completely unhealthy reflects high physical and mental morbidity and low physical and mental well-being (Keyes, 2002).

The importance of work-related well-being

Remarkable changes have occurred in the world of work over the last few decades. Specific changes include the increased utilization of information and communication technology, the rapid expansion of the service sector, the globalization of the economy, the changing structure of the workforce, the increasing flexibilization of work, the creation of the 24-hour economy and the utilization of new production concepts (e.g., team-based work, telework, downsizing, outsourcing, and subcontracting). In addition, fewer people are doing more work because of precarious work, feeling more insecure, and being managed more harshly in most workplaces (Bell, 2013; Robbins and Judge, 2021).

Various trends in the workplace increase the demands on employees. Employee well-being is negatively affected by poor management, unfair practices, job intensification, changes in employment contracts, insecurity, and perceptions of loss of autonomy (Rees and Smith, 2021). Managers experience pressure as cost-cutting, redundancy, and deteriorating terms and conditions take their toll (Worrall and Cooper, 2014). As a result, managers are becoming less optimistic about their organizations, and they often feel that their organizations do not care about their well-being. Illness levels have increased, but managers are less inclined to take time off from work, even when they are ill (Worrall and Cooper, 2014). In addition, many organizations have implemented practices that attempt to reduce costs and increase productivity, which often leads to a mentality that favours profitability over the well-being of people. Managers tend to become more autocratic and bureaucratic, partly because they have to produce higher outputs with fewer resources (Bell, 2013). Many directors of companies have no idea what the reality of their organization is for people at lower levels in the hierarchy (Worrall and Cooper, 2014). Furthermore, the types of illness that are increasing most, such as feeling unable to cope, avoiding people, and having difficulty making decisions, tend to undermine managerial effectiveness.

Approaches to studying well-being

Two broad approaches to well-being, namely the disease and positive psychology models, will be discussed next.

The disease model

Psychologists have for many years been concerned with the psychopathological underpinnings of suffering, ill health, and deviance. Focusing on these psychopathological aspects culminated in the disease model (Peterson and Seligman, 2004). For organizations, the disease model implies that psychopathology, stress, and burnout be addressed to promote the health and well-being of employees (Schiffrin and Nelson, 2010).

Individuals experience *occupational stress* when the demands of the workplace exceed their adaptive responses. The term 'stress' may have been derived from the Latin word *strictere*, which means 'to draw tight' (Cooper and Dewe, 2004: 1). The stressfulness of the situation will depend on people's assessment of the difference between the demands of the situation and their abilities to meet them. Occupational stress appears specifically within the parameters of the work environment, is caused by work-related factors, and has consequences for the work situation. It implies that a person cannot effectively handle work-related demands, such as work overload, workplace role conflict, and poor working conditions. Therefore a 'mismatch' exists between the demands made on individuals and their ability to cope with them (Weinberg and Cooper, 2007).

Focus 13.1 shows four theories of occupational stress that have generated considerable attention (Nelson and Simmons, 2003).

Focus 13.1 Four theories of occupational stress

- *Person–environment fit approach*. This approach emphasizes the stressful nature of confusing or conflicting role demands. Fit is defined as a match between an individual's skills and abilities and the job demands. A lack of person–environment fit leads to distress.
- *Demand-control model*. This model identifies a high-strain job as one that has a high level of responsibility without accompanying authority. High-strain jobs are related to symptoms such as depression, job dissatisfaction, and increased sickness-absenteeism. The model also suggests that the 'best' job is active, one in which high demands are balanced by high decision latitude.
- *Cognitive appraisal approach*. This approach emphasizes the individual's role in classifying situations as threatening or non-threatening. Stress depends on an individual's cognitive appraisal of events and circumstances and on the ability to cope. An individual's coping strategy is constantly changing to manage specific demands that are appraised as exceeding the person's resources.
- *Preventive stress management*. Both individuals and organizations are responsible for managing stress.

Burnout can be considered as a particular kind of prolonged job stress. Burnout is defined as 'a persistent, negative, work-related state of mind in "normal" individuals that is primarily characterized by exhaustion, which is accompanied by distress, a sense of reduced effectiveness, decreased motivation, and the development of dysfunctional attitudes and behaviours at work' (Schaufeli and Enzmann, 1998: 36). Exhaustion is a core indicator of burnout, and a sense of reduced effectiveness is an

accompanying symptom, but it has three additional general symptoms: distress (affective, cognitive, physical, and behavioural), decreased motivation, and dysfunctional attitudes and behaviours at work.

Burnout consists of three interrelated but conceptually distinct characteristics: exhaustion, cynicism or depersonalization, and low professional efficacy (Schaufeli, 2003). *Exhaustion* is defined as a reduction in the emotional resources of an individual. Burned-out employees feel drained or used up and physically fatigued. *Cynicism* is defined as a negative, callous, or detached response to various aspects of the job, while *depersonalization* refers to cynical and insensitive attitudes towards work, colleagues, clients, and patients. Low *professional efficacy* is defined as an inability to meet clients' needs and satisfy essential elements of job performance. A recent study of Schaufeli *et al*. (2020) distinguished four dimensions of burnout, namely exhaustion, mental distance, and impaired emotional and cognitive impairment. Estimates show that about 4 per cent to 7 per cent of the working population suffers from severe or clinical burnout (Schaufeli, 2003).

Video 13.1 Workaholism: An overview

Watch the following video and answer the questions that follow:

https://youtu.be/HT8cDN1KPV8
Question 1: What is workaholism?
Question 2: How can workaholism be prevented?

The positive psychology model

In developing a model of well-being at work, two considerations are important (Rothmann, 2013).

- First, a *multidimensional* model of well-being should be used. The concept of thriving (Porath *et al*., 2012), which is a psychological state consisting of two dimensions (i.e. vitality and learning), is an example of a multidimensional state of well-being at work. For example, if an employee is learning but feels depleted (i.e., has low vitality), he or she does not thrive. Porath *et al*. (2012) pointed out that not considering the multidimensional nature of well-being might result in behaviour detrimental to individuals' long-term well-being.
- Second, the dimensions of well-being should be regarded as 'states', of which at least some part can be influenced by the job context and social relationships rather than personality dispositions.

Based on these considerations, various conceptualizations of well-being from the positive psychology model, namely Psychological Capital (Psycap; Luthans *et al*., 2007), the Mental Health Continuum (MHC; Keyes, 2007), the PERMA model (Seligman, 2011), Flourishing at work (Rothmann *et al*., 2019), the Gallup model of net thriving at work (Clifton and Buckingham, 2021), and the Secure Flourishing model (Lee *et al*., 2021; VanderWeele, 2017) are distinguished.

Psychological capital (PsyCap)

Luthans *et al*. (2007) define Psycap as an individual's positive psychological state of development that is characterized by: a) self-efficacy (confidence about your abilities to mobilize the motivation,

resources, and courses of action needed to execute a specific task successfully); b) optimism (a generalized positive expectancy and an optimistic explanatory style); c) hope (a positive motivational state that is based on a sense of successful agency and pathways relative to goals; d) resilience (the capacity to 'bounce back' from adversity, uncertainty, conflict, and failure). Psycap can be developed through targeted interventions because the four constructs are open to development and management (Peterson *et al*., 2011).

The PERMA model

Seligman (2011) distinguished five elements of flourishing: positive emotions, engagement, meaning, accomplishment, and positive relations. Positive emotions refer to having as much pleasure as possible through the experience of positive affect. Engagement follows when individuals know their signature strengths and recraft their lives to use them at work, in love, leisure, parenting, and friendship. Meaning and purpose exist when individuals know their highest strengths and talents and use them to serve something bigger than themselves. Accomplishment refers to pursuing success, winning, achievement, and mastery. Finally, positive relationships refer to warm, satisfying, and trusting relationships with others. A single indicator cannot reveal whether a person is flourishing. Therefore, individuals flourish when they measure high in the upper range of each dimension (Forgeard *et al*., 2011). Unfortunately, the PERMA model lacks a solid theoretical and empirical foundation.

The Mental Health Continuum

Building on the research on subjective well-being (Diener *et al*., 1999), and psychological well-being (Ryff and Singer, 1998), and positive emotions (Fredrickson, 1998), Keyes (2007) operationalized flourishing as a pattern of positive feelings and positive functioning in life. He summarized the scales and dimensions of subjective well-being under the following subcategories: emotional well-being, psychological well-being, and social well-being (see Focus 13.2). Languishing refers to the absence of mental health and includes experiences of emptiness and stagnation and a life of despair.

According to Keyes and Annas (2009), well-being consists of two components, namely feeling good and functioning well, which could be combined to study the flourishing or languishing of people. In analysing the results of a study on mental health, Keyes and Annas (2009) found that 48.5 per cent of the participants measured high on hedonic well-being, 18 per cent measured high on both types of well-being, while 30.5 per cent measured high on hedonic well-being (feeling well) and moderate on eudaimonic well-being (functioning well). Individuals who measured high on hedonic well-being and moderate on eudaimonic well-being had approximately twice the rate of mental illness than individuals who measured high on both types of well-being.

Two studies in South Africa focused on the flourishing of employees (as defined above), namely in a sample of information technology (IT) professionals (Diedericks and Rothmann, 2014) and managers (Rothmann, 2014a). The results showed that 37.6 per cent and 48.5 per cent of IT professionals and agricultural managers respectively fitted the criteria for flourishing. However, more than 60 per cent of IT professionals and more than 50 per cent of agricultural managers did not flourish.

Focus 13.2 Dimensions of flourishing

Emotional well-being (positive emotions/feelings)

- *Positive affect*: energetic, regularly cheerful, serene, good-spirited.
- *Affirmed quality of life*: showing general satisfaction and happiness with life overall.

Psychological well-being (positive psychological functioning)

- *Self-acceptance*: positive attitudes towards self/own personality.
- *Personal growth*: ambitious, seeks to maximize own potential.
- *Purpose in life*: own life has direction and meaning.
- *Environmental mastery*: shows the ability to change and manage the personal environment to suit own needs.
- *Autonomy*: has socially acceptable internal standards and values as guidelines in life.
- *Positive relations with others*: ability to establish trusting interpersonal relationships.

Social well-being (positive social functioning)

- *Social acceptance*: positive towards and accepting of diversity in people.
- Social actualization: believes in the potential of others (individuals, groups, and societies).
- *Social coherence*: finds society and social life meaningful and comprehensible.
- *Social contribution*: regards own daily activities as adding value to society and others.
- *Social integration*: experiences a sense of relatedness, comfort, and support from community.

Flourishing at work

A multidimensional model and measure of flourishing (emotional and psychological well-being dimensions) have also been developed and validated in the work and organizational context (Rothmann *et al*., 2019) (see Focus 13.3). A study by Rothmann *et al*. (2019) found support for the Flourishing-at-Work Scale's reliability, validity, and invariance. Thus, the scale can be used to assess the impact of flourishing interventions. For example, studies showed that 35.9 per cent of employees in a large beverage company were flourishing (Rautenbach and Rothmann, 2017).

Focus 13.3 Flourishing at work

Emotional well-being

- *Job satisfaction*: a positive evaluation of a job.
- *Positive affect balance*: the presence and frequency of more positive or pleasurable emotions, such as feeling happy, cheerful, serene, good-spirited (compared with adverse emotions, such as feeling depressed, upset, and bored at work).

Psychological well-being

- *Autonomy satisfaction*. Satisfaction of the desire to (subjectively) experience freedom and choice when carrying out an activity.
- *Competence satisfaction*. Satisfaction of the desire to feel effective in interacting with the environment.
- *Relatedness satisfaction.* Satisfaction of the desire to feel connected to others, love and care for others, and be loved and cared for by others.
- *Work engagement (vitality, absorption, and dedication).* Expressing the self physically, cognitively' and emotionally during role performance.
- *Learning.* Perceiving that one is acquiring and can apply knowledge and skills to one's work.
- *Meaning.* Experiencing work as meaningful, understand how work contributes to life's meaning, and sense what makes a job worthwhile.
- *Purpose.* Feeling that the work makes a difference, serves a greater purpose, and helps to make sense of the world.

Social well-being

- *Social acceptance*. Is positive towards and accepting of diversity in people in the organization.
- *Social actualization*. Believing in the potential of others (i.e., individuals, groups, and organizations).
- *Social contribution.* Regarding own daily activities as adding value to the organization and others.
- *Social coherence.* Finding the organization and social life meaningful and comprehensible.
- *Social integration.* Experiencing a sense of relatedness, comfort, and support from the organization.

Net thriving: Towards well-being at work

Thriving refers to people having positive views of their present life situation (described as the best life possible) and the next five years of their lives (described as the best life future). Interestingly, the Gallup Organization found that approximately 70% of employees struggle or suffer rather than thrive (Clifton and Harter, 2021). Therefore, prioritizing the well-being of people is not a nice-to-have goal; it is vital for human existence and performance. The model of Clifton and Harter (2021) consists of the following elements: a) Career well-being: frequent experiences of positive affect and work engagement; b) Social well-being: meaningful friendships with people; c) Financial well-being: managing your money well; d) Physical well-being: health and energy to do things; e) Community well-being: experiences of psychological safety.

Thriving varies as much as 70 per cent based on these five elements. An imbalance between the different elements of well-being lead to adverse outcomes (e.g., depression, burnout, anxiety, and disease burden).

The Secure Flourishing model

The Human Flourishing Program at Harvard University has developed a measurement approach to human flourishing (Lee *et al*., 2021; VanderWeele, 2017). The Secure Flourish Measure includes five core dimensions and two additional questions: happiness and life satisfaction, mental and physical health, meaning and purpose, character and virtue, close social relationships, and financial and material stability.

Video 13.2 Can we quantify the good life?

Watch the following video and answer the questions that follow:

https://www.youtube.com/watch?v=ti_xzpb8q0g

Question 1: Do you think it is possible to quantify the good life? What guidelines did you get from the video?

Research supported the Secure Flourishing scale's validity, reliability, and measurement invariance in five culturally and linguistically diverse populations (Węziak-Bialowolska *et al*., 2019).

Research methods 13.1 Measuring secure flourishing

Visit the following website and identify the items of the measure of flourishing:

https://hfh.fas.harvard.edu/measuring-flourishing

Question 1: What are the implications of Secure Flourishing for measuring and optimizing human potential in organizations?

Question 2: What are the benefits of the Secure Flourishing model?

Read the following article before you respond:

VanderWeele, T.J. (2017). On the promotion of human flourishing. *Proceedings of the National Academy of Sciences of the United States of America (PNAS), 114*(31), 8148–8156. doi:10.1073/pnas.1702996114

Sustainable employability: The capability approach

Sustainable employability means that, throughout their working lives, workers can achieve tangible opportunities in the form of a set of capabilities (Van der Klink *et al*., 2016). Also, they enjoy the necessary conditions which enable them to make a valuable contribution through their work now and in the future, whilst safeguarding their health and well-being. Therefore, they need a work environment that facilitates this and the attitude and motivation to take advantage of these opportunities.

Research regarding the Job Demands–Resources model (Demerouti *et al*., 2001) has shown that resources that having resources (e.g., supervisor support, equipment, and colleague support) are critical for the work-related well-being of employees. In the capability approach (Van der Klink, 2019), resources (i.e., 'means to achieve' such as income and wealth but also healthcare or labour conditions),

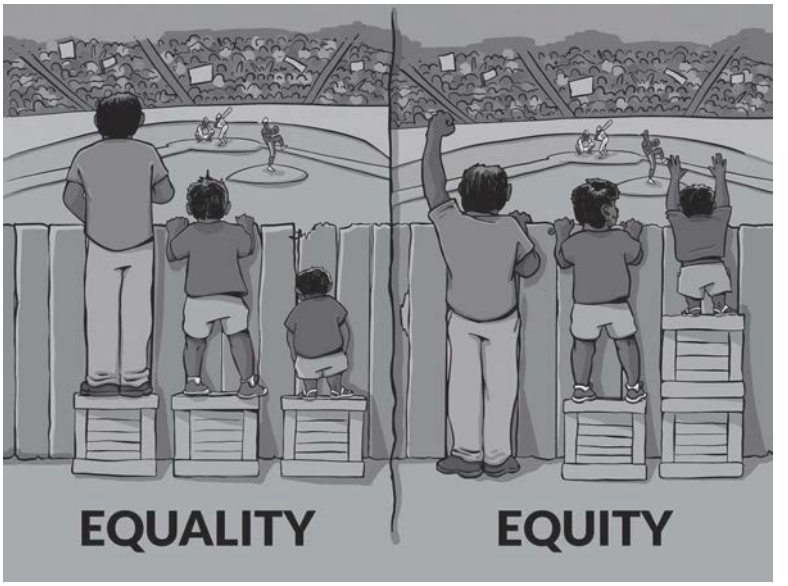

Figure 13.1 Equity in capabilities versus equity in resources
Source: Interaction Institute for Social Change | Artist: Angus Maguire

only have value because of what individuals can be and do through using and 'converting' such means into valuable outcomes. Therefore, equity in capabilities (i.e., 'freedoms to achieve important goals people have') is important, and not equality in the means or resources (Van der Klink, 2019). Figure 13.1 demonstrate the difference between equity in capabilities and equity in resources.

Figure 13.2 shows a model of sustainable employment based on the capability approach. The model includes means to achieve, conversion factors, the capability set, and well-being.

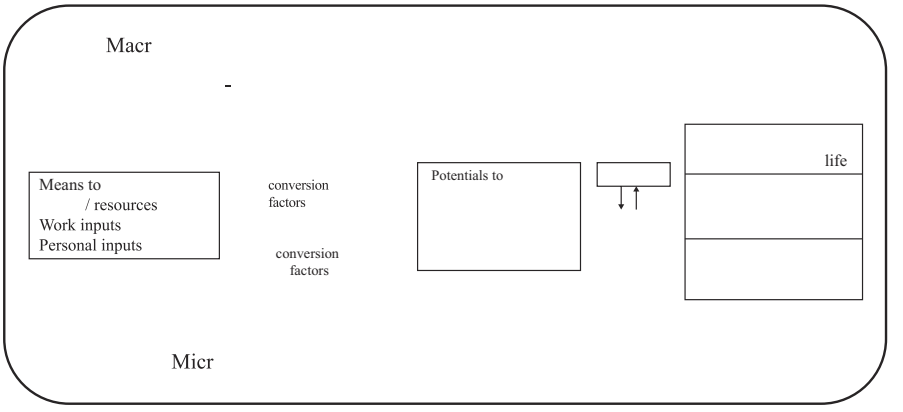

Figure 13.2 A model of sustainable employability
Source: Abma F.I., Brouwer, S., de Vries, H.J., Arends, I., Robroek, S.J.W., Cuijpers, M.P.J., Van der Wilt, J. G., Bültmann, U., and Van der Klink, J.J.L. (2016). The capability set for work: development and validation of a new questionnaire. *Scandinavian Journal Work, Environment and Health*, 42(1), 34–42.

The capability approach (CA) can be applied to investigate the functioning of individuals by considering not only their ability and motivation to work but also the context in which they work and live (Van der Klink *et al*., 2016). The approach changes the focus from activities as instrumental (i.e., a means to an end) towards what people value (Abma *et al*., 2016). However, for individuals to flourish, they must value work (and specific tasks), feel enabled by their environments, and feel efficacious in their roles (Abma *et al*., 2016). From the perspective of the capability approach, well-being at work represents realized capabilities. Work values refer to the freedom for individuals to identify those values that are relevant to their work. In his research, Van der Klink (2019) argues that identifying capabilities (opportunities to achieve specific values, being able, and being enabled) is vital to creating a capability set for work that all employees should have and enjoy.

Seven values form the basis of the capability set: a) Use of knowledge and skills; b) Development of knowledge and skills; c) Involvement in important decisions; d) Building and maintaining meaningful contacts at work; e) Setting own goals; f) Having a good income; g) Contributing to something valuable. These values translate to capabilities via three variables, importance, enablement, and achievement. First, do individuals think that the value is important (valuable) to them. Second, does their work offer them sufficient opportunities to do it? In other words, is the work environment resourceful and enabling? Third, are they able to succeed in realizing it? Do individuals have the capacity and competencies to realize the work aspect?

Video 13.3 Capability, flourishing, and employability

Watch the following video and answer the questions that follow:

https://www.youtube.com/watch?v=Yhb_C_BHAtk&feature=youtu.be
Question 1: What are the assumptions of the capability approach?
Question 2: How would you apply the capability approach to improve well-being at work?

Abma *et al*. (2016) developed a questionnaire to measure sustainable employability. The questionnaire appears to be a valid instrument to measure work capabilities. The questionnaire is unique because the items include the valued aspects of work and incorporate whether a worker is able to achieve what (s)he values in his/her work. The questionnaire can be used to evaluate the capability set of workers in organizations to identify aspects that need to be addressed in interventions.

Causes of work-related well-being

The work-related well-being of individuals could be affected by outside forces, organizational factors, and individual factors.

Outside forces

Forces outside the organization could affect the work-related well-being of individuals (Robbins and Judge, 2013; Schultz and Schultz, 2014):

- *The rate of social and technological change*. Employees are constantly subjected to various changes, including new value systems in society and developments in information technology.

Technological changes and innovations can make a person's skills and knowledge obsolete. Such innovations include the use of automated production processes, the use of robots in production processes, and the use of computers and computer technology. These changes might lead to the fear of losing one's job, which in turn might lead to distress.

- *The family*. The family situation of employees may also affect their well-being positively or negatively, resulting in either eustress or distress. Relocation of the family and changes in the family's financial situation can act as significant stressors for employees.
- *Race, sex, social class, and community*. Sometimes minority groups are subjected to more stressors than majority groups. For example, it seems as if women experience more psychological distress than men. Especially in professional women, the sources of stress are located in discrimination, stereotyping, balancing the demands of work/career and family, and experiencing social isolation. Men, again, are more likely to suffer from severe physical illness due to stress. It may also be that people in different socioeconomic classes are exposed to different groups of stressors. Community stressors include bad housing conditions, lack of services, and noise and air pollution.
- *Environmental factors*. Environmental factors such as economic and political factors might impact the well-being of an individual. For example, during times of economic uncertainty, people tend to become worried about their work security, leading to feelings of stress. Political uncertainty may have much the same effect.

Organizational forces

Job and organizational demands and resources might result in either occupational stress and burnout, languishing or flourishing of employees (Rossouw and Rothmann, 2020; Rothmann, 2014a). In general, it seems that job demands, and a lack of job resources result in stress, burnout, and languishing, while the availability of job resources results in flourishing (Rothmann, 2013; Schaufeli and Bakker, 2004).

Job demands refer to those physical, psychological, social, or organizational aspects of the job that require sustained physical and psychological effort and are associated with physiological and psychological costs. Job demands include the following (Demerouti *et al*., 2001):

- *Role demands*. Role demands relate to pressures placed on a person because of the role he or she plays. Role demands include role conflict, role ambiguity and role overload/underload.
- *Responsibility for others*. Individuals responsible for other people and who must motivate them, reward, or punish them and communicate with them are more likely to experience higher stress levels than those responsible for the other functions.
- *Interpersonal demands*. Interpersonal demands are pressures that other employees create. These pressures can develop out of poor interpersonal relationships and a lack of social support.
- *Organizational structure*. Different sections or departments sometimes tend to function independently in an organization characterized by high differentiation. If there is no efficient way in which the efforts of the different departments or sections can be integrated, people who function in jobs that depend on this integration might experience the situation as stressful. For example, when there is excessive dependence on rules and regulations, and when individuals have no participation in decisions that affect them, it might be a source of stress.
- *The nature of specific jobs*. Some jobs, for example, emergency-room physician, fire-fighter, airline pilot, production manager, and foreman, are more stressful than others. These jobs require the

people who hold them to a great extent to make decisions, constantly monitor devices or materials, repeatedly exchange information with others, work in unpleasant physical working conditions, and perform unstructured rather than structured tasks.

- *Physical job conditions*. Excessive heat, cold, humidity, dryness in the air, and noise can also increase stress.

Job resources are those physical, psychological, social, or organizational aspects of the job that may function in achieving work goals, reducing job demands and stimulating personal growth and development (Demerouti *et al*., 2001). Job resources include the following (Rothmann, 2014b):

- *Manager/supervisor relations*. Managers/supervisors are often intentionally or unintentionally devoted to manipulating the environment in which individuals function to encourage them to be productive. Most managers have little understanding of their influence on employees' flourishing, commitment, and intentions to stay or leave (Daniels, 2000). Studies (e.g., Rothmann *et al*., 2013) showed that employees who experience the satisfaction of their psychological needs would be more engaged and less inclined to quit.
- *The nature of the job*. The significance and purposefulness of a task include skill variety, task identity, task significance, autonomy, and feedback. When an employee perceives that a job lacks variety, learning opportunities, and autonomy, distress might result. Most people like to have some variety in their work, but sometimes people experience too much variety in their tasks as being stressful. When there is interdependence between the person's tasks and the tasks of others, the person is likely to experience stress. Research has shown that employees in jobs involving planning, problem-solving, and evaluation with clearly defined roles and objectives experienced more flow states than employees in positions where their roles were unclear, and work was not reviewed regularly (Grant, 2008). Furthermore, the social context of work plays a vital role in shaping employees' flourishing (Grant, 2008). The social context of work refers to the interpersonal interactions and relationships embedded in and influenced by the jobs, roles, and tasks that employees perform and enact. Across cultures, people want to contribute to protecting and promoting the well-being of others: they want to do good, make a social contribution, serve, and make a difference. Therefore, jobs with strong pro-social characteristics (i.e., they allow people to do good), contribute to the flourishing of employees and affect organizational outcomes (Grant, 2008).
- *Co-worker relations*. The nature of relationships with co-workers affects the stress, burnout, and flourishing of employees. Employees will tend to experience a sense of meaningfulness if they are treated with respect, dignity, and appreciation for their contributions. In addition, co-worker interactions create a sense of belonging and a sense of social identity. A loss of social identity can lead to meaninglessness.
- *Communication*. The nature and quality of communication with employees will affect their well-being (Lewis, 2011). Often, opportunities for upward communication need to be attended to (given that downward communication tends to happen quite effectively in many organizations). For example, employee meetings and quarterly, brief, online surveys that capture employees' changing concerns can promote feedback.
- *Performance management*. The nature and quality of performance-management activities in organizations will affect the well-being of employees. Performance management should focus on employees' strengths, include goal-seeking and goal setting opportunities, and recognize accomplishments. The performance management culture which exists in an organization affects employees' well-being. The performance management system should celebrate successes and

accomplishments rather than be a time to document missteps. The focus should be on things people find rewarding, including social relationships, experiencing pleasure, a chance to use their strengths, and being engaged.

Moderators of work-related well-being

Different people react differently to the same demands or resources. Some people seem to thrive in stressful situations, while others are unable to cope. Thus, it seems as if certain factors determine the relationship between potential sources of stress and how different people experience these stressful situations.

- *Perception*. A person reacts in response to his or her perception of reality rather than to reality itself. For example, a challenging assignment might mean that individuals could use their potential and abilities. However, it might also be interpreted as a threat to their well-being.
- *Job experience*. For many people, the newness of a situation poses a threat. At the same time, once these people get used to a particular situation, the situation seems to become less threatening. The same goes for the work situation: the more one is exposed to it, the less stressful it becomes. Therefore, job experience tends to be negatively related to work stress. Employees who have been with an organization for a long time will tend to experience less stress.
- *Self-efficacy*. Self-efficacy is defined as 'beliefs in one's capabilities to mobilize the motivation, cognitive resources, and courses of action needed to meet given organizational demands' (Wood and Bandura, 1989: 408). Task-specific self-efficacy is a state-based expectation or judgement about the likelihood of successful task performance measured immediately before any effort is expended on the task. It is a powerful motivator of behaviour because efficacy expectations at a given point determine the initial decision to perform a task, the effort expended, and the level of persistence that emerges in the face of adversity.
- *Optimism*. Nelson and Simmons (2003) distinguished between two conceptualizations of optimism, namely dispositional optimism (Carver and Scheier, 2002) and learned optimism (Seligman, 2002). Learned optimism relates to an optimistic explanatory style. Dispositional optimism is a global expectation that good things will be plentiful in the future and that bad things will be scarce. Optimists seem to use more problem-focused coping strategies than do pessimists. Optimists are less likely to accept the reality of a challenge to their current lives. They are less likely to display signs of disengagement. Optimists experience less distress than pessimists when dealing with difficulties in their lives.
- *Coping*. The level of stress an individual experiences in his or her organizational context and the extent to which adverse effects such as psychological and other strains occur depend on how effectively he or she copes with stressful organizational situations. Coping refers to perceptual, cognitive, or behavioural responses used to manage, avoid, or control situations that could be regarded as complex (Lazarus and Folkman, 1984). For example, workers could use problem-focused or emotion-focused coping styles.

The effects of (un)well-being

High levels of occupational distress and low levels of flourishing could lead to physical, psychological, and behavioural effects.

Physical, psychological, and behavioural effects

The physical effects of stress include headaches, spastic colon, indigestion, ulcers, high blood pressure, palpitations, hyperventilation, asthma, stiff and sore muscles, trouble with sleeping, change in appetite, change in sexual drive, and decreased immunity.

The experiencing of high levels of stress may lead to feelings of anger, anxiety, depression, nervousness, irritability, tension, and boredom. This may lead to lower job performance, lower self-esteem, resentment of supervision, inability to concentrate and make decisions, and job dissatisfaction.

Behaviours directly related to stress, burnout, and languishing include undereating or overeating, sleeplessness, increased smoking and drinking, and drug abuse. There also seems to be a relationship between stress and absenteeism and between stress and labour turnover. One can imagine that these symptoms are very costly to organizations. Absenteeism and labour turnover have direct cost implications for organizations. A person who is suffering from sleeplessness is unable to perform up to standard. Drinking and drug abuse lead to people being unable to concentrate on the task, leading to industrial accidents. Drinking and drug abuse may also contribute to absenteeism.

Work outcomes

Sometimes mention is made of the so-called 'inverted-U' relationship between stress and performance (Robbins and Judge, 2013). Low levels of performance accompany low levels of stress. As the level of stress increases, the level of performance also increases until it reaches an optimum point. If the level of stress increases beyond this point, the level of performance goes down again.

There are exceptions to the general rule that stress lowers job performance (Robbins and Judge, 2013). For example, some people perform high regardless of high stress, perhaps because they have become experts in the task(s) being performed. Perhaps these 'experts' view high levels of stress as challenges rather than threats. In many situations, stress can indeed interfere with performance. However, its precise effects depend on several factors (e.g., complexity of the task being performed, personal characteristics of the individuals involved, and their previous experience with this task).

Flourishing individuals have a lower turnover intention; show more organizational citizenship behaviour; show lower counterproductive behaviour; show more commitment to their organizations; and are more productive at work (Diedericks and Rothmann, 2014; Rothmann, 2014b).

Preventing stress and burnout and promoting well-being

The following general guidelines are provided regarding the role of the organization in ensuring well-being at work (Barling *et al*., 2002; Rothmann, 2014b):

- *Ergonomics*. Ergonomics is concerned with the design of a work system in which work methods, machines, layout, equipment, and physical environment (e.g., lighting, heat, noise, and vibration) are compatible with the physical and behavioural characteristics of the worker. Physical ergonomics focuses on the design of the physical workplace, while cognitive ergonomics focuses on the fit between the mental requirements of a job and human abilities. Finally, organizational ergonomics focuses on system risks.
- *Assessment and evaluation of employees*. Assessment of employees should be used to ensure an optimal fit between individual and organizational values and goals. Wellness audits that focus on

both positive and negative aspects of well-being should be implemented, and feedback should be provided on individual, group, and organizational levels.

- *Job redesign and work changes*. The redesigning of jobs could reduce the exposure to psychosocial risks and increase employee motivation. Jobs could be designed to reduce exposure to stressors such as work overload, role demands and conflicts. Furthermore, insufficient job resources such as job control and support from co-workers and supervisors should be addressed. Repetitive tasks could be reduced through the technique of job enlargement. Work can also be recrafted to increase the meaningfulness thereof (Wrzesniewski, 2012). Job crafting is also an effective tool for coping with organizational stress and other work pressures. Recrafting can be done in three ways, namely by reframing the societal rationale of the work that employees do by allowing employees to take on additional work that is more closely related to that which they like, and by giving more time, energy, and attention to tasks that provide meaning and engage them.
- *Leadership*. A 'good' leader can prevent job stress and burnout among his or her followers and enhance motivation and engagement. Leaders should: a) acknowledge and reward good performance instead of exclusively correcting substandard performance; b) be fair; c) put problems on the agenda and discuss these in an open, constructive and problem-solving way, both in work meetings and in individual talks; d) inform employees regularly and as early and thoroughly as possible in face-to-face meetings about important issues; e) coach employees by helping them with setting goals, planning their work, pointing out pitfalls and giving advice as necessary; f) interview employees regularly about their personal functioning, professional development, and career development. Leaders should express their commitment by prioritizing safety matters at meetings, allowing high status for safety officers, and emphasizing safety training.
- *Training*. In addition to being purely directed at the job content, training programmes that promote employee health and well-being should also be directed at personal growth and development. For instance, they should include time-management, stress management, personal effectiveness, and self-management. Work training is a learning process across the entire lifespan that is ultimately related to job performance. This could be achieved by increasing employees' efficacy beliefs through mastery experiences, vicarious experience, verbal persuasion, and positive emotional states.
- *Organizational structure and climate*. Changing the organizational structure and creating a supportive organizational climate can be implemented by decentralizing functions and moving the responsibility for decision-making to the levels where people can make decisions regarding their work. In addition, if employees see the appraising of performance and the subsequent rewards they receive as being fair, they will tend to experience less stress.
- *Job security*. Especially during hard economic times, job security is high on the priority list of employees (De Cuyper and De Witte, 2021). Job security lessens the stress generated by the possibility of unemployment caused by lay-offs or retrenchments.
- *Career development*. By attending to employees' career development, organizations show that they care about the needs and aspirations of their employees. Career development provides employees with the opportunity to develop their skills and abilities and reach their career goals.
- *Organizational roles*. It is management's responsibility to reduce conflict by clarifying organizational roles. Employees should know what their roles are.
- *Employee wellness programmes*. Services can be provided for people to participate in fitness programmes, lose weight, control their diets, quit smoking, and control their intake of alcohol and drugs. Regarding mental wellness, counselling services and access to the services of clinical psychologists and psychiatrists can be provided.

Activity 13.1

Joe Brown has completed a well-being survey in his company. Mr Brown has completed a Master's degree in Business Administration. He has been in an administrative position for the last 12 years. The last two years, his productivity has dropped, and this year he received poor performance ratings. His colleagues observed him complaining about his job often over the last few years.

The well-being survey measured the components of flourishing, namely emotional well-being (i.e. job satisfaction and positive emotions at work) and psychological well-being (autonomy satisfaction, competence satisfaction, relatedness satisfaction, vitality, dedication, absorption, purpose, meaning, and harmony). Mr Brown obtained the following sten scores:

Job satisfaction	3	Positive affect	4	Autonomy	2	Competence	7
Relatedness	3	Vitality	4	Dedication	4	Absorption	3
Meaningfulness	3	Purpose	4	Harmony	3	Person-role fit	2
Task characteristics	3	Relations: supervisor	2	Relations: colleagues	6	Emotional resources	4
Cognitive resources	5	Physical resources	3				

Interpretation of sten scores:
1–3: low; 4–7: average; 8–10: high
Answer the following questions:

- Is Mr Brown flourishing? Motivate your answer.
- Which factors are impacting the flourishing of Mr Brown?
- Which interventions can be implemented to address the flourishing of Mr Brown?

Dysfunctional behaviour at work

Next, various types of dysfunctional behaviour are discussed, including absenteeism, presenteeism, theft, sexual harassment, bullying, and alcohol and drug misuse (Langan-Fox *et al*., 2007).

Absenteeism

Absenteeism is used as a mechanism to withdraw from aversive situations at work (Hulin, 1991). The literature distinguishes between two types of absenteeism: absence for medical and non-medical reasons. Sickness absenteeism is defined as absence attributed by the employee to illness or injury and accepted by the employer (Searle, 1997). Long-term absence is likely associated with medical problems, while short-term absence results from social and personal factors rather than illness. The factors listed in Focus 13.4 might cause absenteeism (Labriola *et al*., 2006).

Each year, organizations lose significant amounts of time and money due to employee absenteeism. For example, Robbins and Judge (2021) reported one study that revealed that the average direct costs of absenteeism were 8.7% of the payroll. In addition, at any given point in time, 10 per cent of the Swedish workforce is on sick leave (Hoge, 2002).

Focus 13.4 Causes of absenteeism

- *Work and role design*. Absenteeism is likely to be higher in contexts where work is tedious, or roles are unclear.
- *Workload and stress*. Absenteeism is likely higher where the workload is excessive or where people experience job insecurity and occupational stress.
- *Organization and team size*. Absenteeism tends to be higher in larger organizations and teams.
- *Organizational culture and climate*. Absenteeism tends to be higher if the management style is perceived as aggressive or uncaring.
- *Physical demands*. Absenteeism tends to be higher when a job involves physical demands such as lifting objects and pushing heavy loads.
- *Injuries at work*. A high incidence of work-related injuries may result in absenteeism.
- *Lifestyle factors*. Alcohol and drug-related problems may result in absenteeism.
- *Persistent or recurrent conditions*. Health conditions that are persistent or recurrent may result in absenteeism.
- *Family or domestic commitments*. Employees often experience domestic difficulties, which may result in absenteeism.
- *Travel difficulties*. Workers will tend to be more absent when the work location is not easily accessible.

Organizations could do the following to manage the problem of absenteeism: a) communicate the absenteeism policy to all employees; b) optimize recruitment, selection, and induction; c) maintain an effective performance management system, rewards and incentives; d) optimize the design of jobs and the organization; and e) implement occupational health initiatives.

Presenteeism

Presenteeism is defined as the practice of coming to work when the individual should not, which results in physically being present at work, but functionally absent (Lu *et al*., 2013). Presenteeism is less apparent than absenteeism and results because an employee is distracted, tired, depressed, or ill (Aronsson and Gustafsson, 2005). Presenteeism is regarded as a measure of lost productivity cost due to employees showing up for work but not being fully engaged and productive mainly because of personal health and life distractions. Three types of presenteeism are shown in Focus 13.5 (Aronsson *et al*., 2000; Aronsson and Gustafsson, 2005).

Regarding the prevalence of sickness presenteeism, research showed that up to one-third of employees go back to work without sufficient recovery. Aronsson *et al*. (2003) found that sickness presenteeism was higher in human service professions, including teachers, nurses, and social workers, especially when it was difficult to wind down after work. Kivimaki *et al*. (2005) found that 17 per cent of unhealthy

employees in British public service took no sick leave during a three-year follow-up period. Moreover, after correction for conventional risk factors, the incidence of serious coronary events in that group was twice as high as that of unhealthy employees with moderate levels of sickness-absence.

Studies showed that presenteeism has adverse effects on productivity and economic outcomes, well-being, and ill health of employees (Lu *et al*., 2013). Employees who work at diminished capacity cost their employers an estimated £119–165 billion each year. Presenteeism accounts for 61 per cent of an employee's total lost productivity and medical costs. Loss of productivity is significantly more significant from days at work while sick than missed workdays due to illness (Middaugh, 2006).

Focus 13.5 Types of presenteeism

- *Sickness presenteeism*. Employees go to work despite complaints and ill health. It does not entail that the employee pretends to be ill to avoid job duties or misusing company time.
- *Insecurity-commitment presenteeism*. Employees put in excessive work hours as an expression of commitment or a way of coping with job insecurity.
- *Disengagement presenteeism*. Employees do not invest focused energy in their work, mainly because they face demands and lack personal and job resources.

Presenteeism is caused by a high workload, time pressure, work/home interference, low replaceability, understaffing, conflicting demands, lack of resources and low control over the pace of work (Aronsson and Gustafsson, 2005). Individual and organizational interventions can be used to reduce presenteeism (see Focus 13.6).

Focus 13.6 Dealing with presenteeism

- Conduct anonymous wellness surveys and ask employees to offer suggestions for improvement.
- Present health and wellness awareness training to supervisors and employees.
- Create access to physical fitness facilities.
- Direct employees to utilize confidential employee assistance programmes.
- Use the services of disability specialists to assist employees with chronic injuries to modify their work techniques.
- Include a disease management specialist to support individuals who are experiencing a chronic condition.
- Discourage overtime and promote the importance of lunch breaks and annual holidays.
- Implement work/life balance programmes.
- Explore community resources to provide support (e.g. sick child care).
- Consider work from home as an option.
- Provide the necessary job resources (e.g., clear role and responsibilities, fair pay and security, interpersonal contact, and supportive supervision).

The availability of resources could counter the adverse effects of presenteeism on the well-being of employees. For example, Lu *et al*. (2013) found that supervisor support is an essential resource that buffers presenteeism's effects on exhaustion.

Theft

There are as many signs of theft as there are ways to steal. Certain conditions or incidents may not result from carelessness or incompetence but indications that theft is in progress. For example, inventory or product found near employee exits, sensitive documents discovered in copying machines, and employees in key positions who refuse to take time off have been signs of past theft and may indicate existing dishonesty.

All organizations probably experience some degree of employee theft. The list of items workers steal from their employers is endless and includes such items as inventory, money, parts, components, supplies, information, and customers. It is estimated that 95 per cent of all businesses experience employee theft, and management is seldom aware of the actual extent of losses or even the existence of theft.

It is difficult for a manager to accept that workers that he or she hired, trusts, and works beside are capable of engaging in theft. Consequently, various misconceptions about the problem exist: a) Most theft is caused by non-employees; b) Well-paid or senior employees are trustworthy/loyal and do not steal; c) Honest employees can be counted on to report employee theft; d) Employee theft is conspicuous and can be detected in its early stages, and it is not necessary to formally inform employees that theft will not be tolerated.

Reasons for theft that employees report include the following: a) The opportunity of theft presented itself through lax policies and controls and management indifference; b) Management (rather than employees' financial needs) created opportunities for theft; c) Management was stealing, so it is acceptable for employees to steal as well; d) Employees are underpaid and are only taking what they deserve; e) Everybody does it; f) The organization makes a large profit, and workers deserve some of it; g) The organization angered the worker.

It is crucial to understand the reasons for worker theft and to initiate sound loss-prevention measures. Therefore, the following steps should be taken (Noe *et al*., 2020; Robbins and Judge, 2021):

- Check previous offences for crime during the employee selection process.
- Identify possible existing theft and potential opportunities or risks to potential theft. Then, immediately develop a plan to eliminate or reduce exposure to these risks.
- Educate supervisors, managers, and the general employee population about the impact employee theft has on them and how they are the key to solving the problem.
- Develop a loss-prevention programme that ensures an ongoing effort to prevent and detect dishonest activity.

Sexual harassment

Sexual harassment is defined as any sexually based behaviour that is knowingly unwanted and a) harms a person's employment status; b) interferes with a person's job performance; or c) creates a hostile or intimidating work environment. Sexual harassment is conduct that has a sexual component that involves sexual advances, requests for sexual favours, or other forms of sexual contact, whether spoken (e.g., with jokes) or physical (e.g., with grabbing or kissing) (Noe *et al*., 2020). Although dignity and respect dictate that harassing employees is not acceptable, #MeToo, a hashtag that has multiplied on social media, has shown widespread sexual harassment of women.

Sexual harassment is a widespread problem in the workplace: 28 to 90 per cent of females reported incidents of sexual harassment at work. The percentage of men reporting being harassed in the workplace

varies between 14 and 18 per cent (Fitzgerald, 1995; Schneider *et al*., 1997). Harassment is more likely to be perceived when: a) the target is female, and the perpetrator is male; b) the target has less power than the perpetrator; c) the behaviour is repeated; d) the target has requested for the behaviour to stop; e) negative consequences follow; f) the target suffers emotional or stress-related symptoms; g) the organization has been 'soft' on perpetrators in the past.

Although both men and women report that sexual harassment is less likely today than it was five or ten years ago, the number of lawsuits being filed for harassment increases. One reason for this is that people's perceptions of what harassment is have changed. As public awareness of sexual harassment increases, more and more people are likely to interpret a broader range of behaviours as offensive or illegal. For example, in the late 1970s, a female worker was repeatedly threatened with rape and even grabbed in the crotch by male co-workers. But when she sued, a judge ruled that it was not sexual harassment because it was simply part of the regular horseplay between co-workers. In the 1990s, a male graduate student had to remove a picture of his wife in a bikini from his desk because the picture placement there offended female office mates.

Self-reported sexual harassment is related to headaches, sleep disturbances, and psychosomatic symptoms such as reduced self-esteem, increased anger, stress, anxiety, fear, and depression (Fitzgerald *et al*., 1997).

The role of work and organizational psychologists is to help organizations develop effective policies and procedures on sexual harassment. They should also be instrumental in designing training programmes to promote: a) general awareness of sexual harassment; b) communication skills so that sexual harassment could be avoided before it happens; c) conflict resolution skills to address harassment when it occurs (Noe *et al*., 2020).

Bullying

An employee who has been exposed to persistent and systematically harassing behaviour at work over a prolonged period and who finds it difficult to defend himself or herself is a target of workplace bullying (Einarsen *et al*., 2011). Bullying at work is a situation in which someone is harassed, offended, socially excluded, or negatively affected in their job duties.

For an activity, interaction, or process to be labelled bullying (or mobbing), it must occur repeatedly and regularly (e.g., weekly) over a period (e.g. six months). The act of bullying escalates over time, places the person it intends to harm into an inferior position, and becomes the target of social acts of violence. A conflict cannot be classified as bullying if it is an isolated incident or if two parties of approximately equal 'strength' are involved. (Einarsen *et al*., 2003).

The incidence of bullying varies depending on the country and the definition of the frequency of bullying. As many as 15 per cent of workers have experienced workplace bullying at some point during their career (Nielsen *et al.*, 2010). Jennifer *et al*. (2003) found that 33.7 per cent of a sample of employees in Europe reported that they were bullied at work, although only 20 per cent identified themselves as victims. Researchers have explained bullying in different ways (see Focus 13.7).

Being exposed to workplace bullying challenges the targets basic assumptions about their own worth and the world as meaningful and benevolent (Mikkelsen and Einarsen, 2002). The shattering of assumptions has been cited as a source of persistent worry about work and rumination that manifests in repetitive negative thoughts related to work (Janoff-Bulman, 2011). Worrying and rumination lead to problems with sleep and recovery (Nielsen *et al*., 2020). Bullying may result in: a) physical symptoms,

e.g. sweating, shaking, and feeling sick; b) psychological symptoms, e.g. anxiety, panic attacks, depression, anger, and loss of self-confidence (Hoel *et al*., 2004). Victims of bullying experience symptoms of post-traumatic stress disorder (Mikkelsen and Einarsen, 2002).

Organizations need to be proactive in dealing with bullying. Employers should put in place policies emphasizing that bullying will not be allowed. Such policies should detail the possible consequences of bullying (e.g., disciplinary action) and should be communicated to the entire workforce. To assist managers to identify and deal with bullying, organizations should provide training to managers, human resources staff and workers. Workers who complain about bullying should be treated sensitively and supported by the organization. Causes of bullying in workers who obtain high scores on this measure should be carefully analysed, and it could then be dealt with (Notelaers *et al*., 2006).

Focus 13.7 Explanations for bullying

- Bullying as a personal phenomenon. Personal factors of victims and perpetrators have been related to bullying. Victims might be targeted because they have high self-esteem or are overachievers (Brodsky, 1976). Personality (e.g. aggression) is also a reason for bullying (Randall, 1997).
- Bullying as an interpersonal phenomenon. Bullying may be caused by social factors. For example, victims perceive envy as one of the reasons why they were bullied (Einarsen, 1999).
- Bullying as an organizational phenomenon. Organizational factors could explain why bullying occurs. For example, work situations characterized by uncertainty, authoritarian situations, role ambiguity, and poor work relationships seem to contribute to bullying (Leymann, 1990; Zapf, 1999).

Substance use and abuse

All over the world, people of working age often use substances such as alcohol and other drugs. The misuse of two substances, namely alcohol and nicotine, is often associated with adverse health effects. However, prescription drugs (e.g., morphine, anxiolytics, painkillers) and illegal drugs (e.g. cocaine, heroin, and amphetamines) are also often misused.

The use of substances by employees can affect their health and productivity (Frone, 2003, Frone and Brown, 2010; 2010). Alcohol and drug use can cause several specific problems, including impaired task performance, accidents and injuries, poor attendance, high employee turnover, and increased healthcare costs. It is estimated that 26.6% of people who abuse alcohol, 9.4% of people who use marijuana, and 15.6% of people who abuse cocaine transition to dependence at some point in their life. Half of the transitions from alcohol, cannabis, and cocaine dependence occur approximately 3.16, 1.83, and 1.42 years after abuse onset, respectively (Flórez-Salamanca *et al*., 2013).

Two general aspects are common to most types of drug dependence, namely psychological dependence, and physical dependence. Psychological dependence involves feelings of satisfaction and a desire to repeat the administration of the drug to produce pleasure or avoid discomfort. This mental state is an influential factor involved in the chronic use of psychotropic drugs, and with some drugs, psychological

dependence may be the only factor involved in intense craving and compulsive use. Physical dependence is defined as a state of adaptation to a drug, accompanied by the development of tolerance and manifested by a withdrawal syndrome.

The development of drug dependence is complex and unclear. The psychology of the individual and drug availability determine the choice of addicting drug, and the pattern and frequency of use (Mogorosi, 2009). In addition, drug dependency is related to cultural patterns and socioeconomic classes. Factors involved in the mechanisms leading to drug abuse include sadness, low self-esteem, and social alienation and environmental stress, particularly if accompanied by feelings of impotence to effect change or accomplish goals.

Alcohol abuse occurs in all societies. Alcohol is a central nervous system depressant and intoxicant. Its use and abuse are significant causes of health and socialization problems (Mogorosi, 2009). Alcoholism is a syndrome consisting of two phases, namely, problem drinking and alcohol addiction. Problem drinking is the repetitive use of alcohol, often to alleviate emotional problems, such as anxiety. Alcohol addiction is a true addiction similar to that which occurs following the repeated use of other sedative-hypnotics (Tierney *et al*., 1999). Drinking more than two drinks per day for men (more than fifteen drinks per week) or one drink per day for women (more than twelve drinks per week) increases the risk of developing alcohol dependence.

Complications of alcoholism include liver disorders, gastrointestinal problems, cardiovascular problems, diabetes complications, hormonal disturbances, birth defects, bone loss, neurological complications, and an increased risk of cancer. Other complications of alcoholism and alcohol abuse may include domestic abuse and divorce, poor performance at work, increased likelihood of motor vehicle fatalities and arrest for drunken driving, greater susceptibility to accidental injuries from other causes, and higher incidence of suicide and crime (Snyman and Sommers, 1999; Tierney *et al*., 1999).

Other psychoactive substances

Two other commonly used substances, namely nicotine and caffeine, may cause physical dependence. Withdrawal from caffeine (more than 250 mg/day) can produce headaches, irritability, lethargy, and occasionally nausea. Abstinence symptoms from nicotine include irritability, anxiety, craving, insomnia, tremor, and lethargy. Withdrawal symptoms may continue for four to six weeks, and craving may persist for many months.

Summary

- Human well-being consists of various dimensions, namely intellectual, social, emotional and physical health. Work-related well-being consists of two states, namely distress and eustress. Distress is defined as a negative psychological response to a stressor, as indicated by negative psychological states. Eustress is defined as a positive psychological response to a stressor, as indicated by positive psychological states.
- Remarkable changes have occurred in the world of work over the last few decades, which might result in distress or eustress.
- The work-related well-being of individuals could be affected by outside forces (e.g. the rate of social and technological change, the family, race, sex, social class and community and environmental factors), organizational factors (e.g. role demands, responsibility for others, interpersonal demands, organizational structure, the nature of specific jobs, physical job conditions, organizational support,

growth opportunities, social support, advancement opportunities, and job security) and individual factors (e.g. perception, job experience, sense of coherence, self-efficacy, locus of control, optimism, hardiness, and coping).

- High levels of occupational distress and low eustress could lead to physical, psychological, behavioural, and work performance effects.
- Guidelines to ensure well-being at work include attention to ergonomics, assessment and evaluation of employees, job redesign and work changes, implementing effective leadership, providing training, changing the organizational structure and climate, job security, attending to career development, clarifying roles, and implementing employee well-being programmes. Employee wellness programmes focus on physical and mental wellness. Regarding physical well-being, services can be provided to participate in fitness programmes, lose weight, control their diets, quit smoking, and control their alcohol intake and drugs. Regarding mental well-being, counselling services and access to the services of clinical psychologists and psychiatrists can be provided.
- Various types of dysfunctional behaviour are distinguished, including absenteeism, presenteeism, theft, sexual harassment, bullying, and alcohol and drug misuse.

Key concepts and terms

- Absenteeism
- Alcohol abuse
- Bullying
- Burnout
- Capability
- Coping
- Dysfunctional behaviour
- Engagement
- Ergonomics
- Flourishing
- Job demands
- Job resources
- Languishing
- Locus of control
- Meaningfulness
- Occupational distress
- Optimism
- Presenteeism
- Psychological hardiness
- Psychological need satisfaction
- Purpose
- Self-efficacy
- Sexual harassment
- Social support
- Theft
- Work-related well-being

Sample essay titles

- Is all (work) stress necessarily bad?
- What (potential) sources of stress, burnout, and flourishing are associated with the fact that an organization is an open system?
- How would you know whether individuals in institutions are flourishing?
- Explain the concept of psychological capital and describe the four components of psychological capital.
- How can purpose and meaning be promoted in organizations?
- What is employee engagement?
- What are the antecedents of work engagement?
- How would you apply self-determination theory to explain flourishing in institutions?
- How should a strength-based approach be implemented in organizations?
- What role do job demands and job resources play in the well-being of employees?
- What are the most important effects of distress?

Further reading

Books

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14 Organizational design, development, and culture

This chapter introduces the reader to organizational design, development, and culture. The first section focuses on organizational design. The term is defined, and the dimensions of organizational design are discussed. Furthermore, types of organizational structures are distinguished. The consequences of an inadequate organizational structure are also shown. The chapter then proceeds to organizational development. The importance and characteristics of organizational development are discussed. Next, we look at the stages in organization development. We focus on managing change in terms of three steps, namely unfreezing, movement and refreezing. The last section focuses on organizational culture. The concept is defined, and the components and a typology thereof are described. Lastly, the development and change of organizational culture are summarized.

Learning outcomes

When you have completed this chapter, you should be able to:

1 Define the terms organizational, development and culture.
2 Describe the dimensions of organizational design, the types of structures, and the consequences of a poor structure.
3 Motivate the importance of organization development.
4 Identify the characteristics of organization development in organizations.
5 Discuss the stages in organization development.
6 Apply a three-phase model (unfreezing–change–refreezing) to change in organizations.
7 Define organizational culture by referring to the components thereof.
8 Explain a typology of organizational culture.
9 Summarize how organizational culture develops and changes.

Organizational design

The terms organization and organizational design will be defined, and organizational design principles will be reviewed (Galbraith *et al*., 2002; Noe *et al*., 2020).

DOI: 10.4324/b22796-17

Definition of terms

An organization can be defined as a system of consciously coordinated activities or forces of two or more persons. All organizations have four characteristics, namely: a) a common goal; b) coordination of effort, which is achieved through formulation and enforcement of policies, rules, and regulations; c) division of labour so that workers perform separate but related tasks; and d) a hierarchy of authority, which is a control mechanism to make sure that the right people are doing the right things at the right time (Robbins and Judge, 2021).

Organizational design is defined as the formal system of communication, authority and responsibility adopted by an organization that constitutes its internal structure (Greenberg, 2011). All organizations have an internal structure by which they operate in order to reach their goals. This structure varies from organization to organization. For example, organizations might structure themselves in a rigid, hierarchical bureaucracy (e.g., military organizations) or in an open, participatory way (Schultz and Schultz, 2014). Bureaucracies regulate and prescribe what employees should do and how they should do it. The modern style, which attempts to humanize the workplace, has led to modifying traditional bureaucratic practices. Work and organizational psychologists study such trends in organizational practices to assess the impact on employee motivation and behaviours.

The dimensions of organizational design

An organization chart (indicating the organizational structure) is a graphic representation of formal authority and labour division. The organizational chart (referred to as an organogram) provides a pictorial representation of the structural framework of an organization.

Terms that are relevant for the structuring of organizations include authority, responsibility, and accountability (Schultz and Schultz, 2014):

- *Authority* is a form of power that orders the actions of others through commands. Authority relationships can be traced on an organizational chart by following the lines downwards.
- *Responsibility* is an obligation placed on a person who occupies a specific position. Therefore, responsibility relationships can be traced by following the same lines upwards.
- *Accountability* is the subordinate's acceptance of a given task to perform because he or she is a member of the organization.

Four dimensions characterize organizational structure, namely a) hierarchy of authority, b) division of labour, c) spans of control, and d) line and staff positions (Greenberg, 2011; Robbins and Judge, 2021).

Hierarchy of authority

The organizational chart specifies who reports to whom in the organization. In this regard, it is necessary to consider the appropriate levels of responsibility and authority to be delegated. Centralization versus decentralization refers to the degree to which higher-level managers retain authority in the organization. In a *decentralized* organization, a significant amount of authority and decision-making is delegated to lower levels, while in a *centralized* organization, a limited amount of authority and decision-making is delegated to lower levels.

Decentralization is advocated by those who believe in the empowerment of people. If managers make most decisions, employees tend to act as unthinking executors of their commands. The amount of centralization will depend on the size and complexity of the organization, geographical dispersion of activities, and staff competence. Managers in large organizations are forced to delegate more authority. Decentralization of authority is also necessary when the activities of the organization are geographically dispersed. However, employees' degree of competence (abilities, skills, and motivation) might make it challenging to decentralize authority.

Division of labour

The organizational chart indicates who is responsible for what activities. *Departmentalization* is used to group related work activities into manageable units. Functional similarity can be used as a basis to divide labour. Jobs with similar objectives and requirements are grouped to form a section. The achievement of functional similarity depends on various factors, including the volume of work, traditions, preferences and work rules, departments' nature, and the possibility of conflict of interest. If the organization is large, more *specialization* occurs. Although tasks may be similar, traditions, preferences and work rules might prevent their assignment to one individual. Similar functions may also occur in different departments. Separation of functions may occur to prevent conflict of interest. Departmentalization can be done based on function, customer, geographical territory, or project.

Spans of control

The span of control refers to the number of people reporting to a specific manager. The span of control can vary from narrow to wide. The narrower the span of control, the closer the supervision and the higher the administrative costs resulting from a higher manager-to-worker ratio. Leanness and administrative efficiency dictate *wide* spans of control. There is no hard and fast rule regarding the optimum span of control. A *narrow* span of control is applicable when the work is complex, if jobs are interdependent, and if the organization is operating in an unstable environment.

A narrow span of control does, however, have some disadvantages. First, it is expensive because it adds levels of management. Second, it makes vertical communication more complex and slows down decision-making. Third, it discourages employees from acting autonomously. The span of control depends on the nature of the tasks being performed. If the task is of a routine and repetitive nature, employees need less supervision than in the case of highly complex tasks. Also, when employees have the necessary training for and experience carrying out tasks (perhaps even complex tasks), they need less supervision. In such cases, the span of control can be widened.

Line and staff positions

Line managers occupy formal decision-making positions within the chain of command. *Staff* managers do background research and provide technical advice and recommendations to line managers, who have the authority to make decisions. Line people, who are directly involved in producing goods and services, often feel that they are the experts in their fields and do not need or want advice from staff departments. On the other hand, people in staff departments might feel that the people in line

departments have too narrow a focus and need the advice and input from staff departments. Often, top management accepts the advice from staff departments over that of the line departments. The line–staff relationship can be difficult, which should certainly be considered when thinking about organizational structures and organizational design.

Types of organizational structures

Mechanistic versus organic structures

Mechanistic organizations have less flexible and more stable organizational structures (Armstrong and Taylor, 2014). Activities are specialized into clearly defined jobs and tasks (e.g., in an assembly line). Workers of high rank typically have more knowledge of the organization's problems than those at lower levels. Policies, procedures, and rules guide much of the decision-making in the organization. Rewards are mainly obtained through obedience to the directions of supervisors and managers.

Organic organizations have flexible organizational designs and adjust rapidly to change (Armstrong and Taylor, 2014). These organizations put do not emphasize job descriptions and specialization. Workers become involved in decision-making when they have the knowledge or skills that will help to solve the problem. Workers holding higher positions are not necessarily assumed to be better informed than workers on lower levels. Horizontal relationships are considered as important as vertical relationships. Status and rank differences are de-emphasized, and the structure of the organization is less permanent.

The choice between mechanistic and organic structures depends on various factors, including the culture in a country and organization and the personality and values of workers.

Matrix organizations

The matrix organizational design has dual hierarchies (a functional hierarchy and a product hierarchy) and a balance of power between these two hierarchies. The responsibilities of the functional manager include recruiting and hiring functional specialists, maintaining their expertise by training, and ensuring that products meet technical specifications. On the other hand, product managers recruit specialists for each product, ensure that each product is completed on time and within budget, and ensure that functional specialists comply with the product goals.

Matrix organizations allow for the use of limited resources since resources can be shifted between products or projects. Workers gain experience from both a functional and general management perspective. However, the dual lines of authority lead to conflicts, resulting in frustration, anxiety, and stress. This type of structure requires that workers spend more time in meetings. Matrix managers also need specific skills.

New design options

New structural options with fewer layers and emphasis on the opening of the boundaries of the organization have been developed. Two designs are the virtual organization and the boundaryless organization (Robbins and Judge, 2021).

- *The virtual organization*. This is a small, core organization that outsources its primary business functions. This type of organization is highly centralized with little departmentalization. This structure allows each project to be staffed with the talent best suited to its demands. In addition, it minimizes bureaucratic overhead because there is not a lasting organization to maintain. Teams are disbanded when projects are completed.
- *The boundaryless organization*. This structure eliminates vertical and horizontal organizational boundaries and breaks down barriers between the organization and its customers and suppliers. Furthermore, it eliminates the chain of command and replaces departments with empowered teams. The breakdown of vertical boundaries flattens the hierarchy and minimizes status and rank. Functional departments create horizontal boundaries that stifle interaction among functions and units. Cross-functional teams replace functional departments, and activities are organized around processes.

The consequences of a poor structure

The business environment and the organization's product should, in part, determine the structure of an organization. Therefore, there are no good or bad structures. However, a poor structure is inappropriate for the specific goal that the organization wants to achieve.

A poorly designed organizational structure might have the following outcomes:

- It may suit the aims and personality of influential individuals who created them rather than the organization's needs. The structure should not follow the skills profile available but instead needs a comprehensive analysis of the task and organization.
- It can lead to stress for workers, mainly if duties are poorly defined.

Structural deficiencies may result in low motivation and morale (because of insufficient delegation, unclear roles, overload, and inadequate support systems), late and inappropriate decisions (poor coordination and delegation), conflict, and poor response to change.

Organization development

Definition of organization development

Brown (2011) defines organization development (OD) as a long-range effort to improve an organization's ability to cope with change and its problem-solving and renewal processes through effective organizational culture management. It is a planned, systematic approach to change and involves changes to the whole organization or significant segments of it. Anderson (2020: 2) defines OD as 'the process of increasing organizational effectiveness and facilitating personal and organizational change through interventions driven by social and behavioural science knowledge'.

The purpose of OD is to increase the system's effectiveness and develop the potential of all individual members. It uses planned behavioural science interventions that collaborate with organization members to help improve working together towards individual and organizational goals. OD is a discipline applying behavioural science to help organizations adapt to changes. It is aimed not only

at improving the organization's effectiveness but also at enhancing the effectiveness of organization members (Brown, 2011).

The history of organization development can be classified according to nine strands (Anderson, 2020): a) Laboratory training and T-groups; b) Action research, survey feedback, and sociotechnical systems; c) Management practices; d) Quality and employee development; e) Organizational culture; f) Change management, strategic change, and reengineering; g) Organizational learning; h) Organizational effectiveness and employee engagement; i) Agility and collaboration.

Increasingly, practitioners are focusing on organization development as organizational effectiveness (Anderson, 2020). However, the academic literature does not seem to shift in the same way. Despite the perception that organizational development is a 'soft' practice unrelated to an organization's business objectives, some practitioners use organizational effectiveness in place of organizational development. In addition, the attention to employee engagement may reflect a return to concern for the individual's health in complement to the current emphasis on organizational concerns. Additionally, this concern is evident from advancements in the field of positive organizational scholarship (Cameron and Spreitzer, 2012), employee thriving (Clifton and Harter, 2021), and flourishing (Rothmann *et al*., 2019).

The importance of organizational development

Organization development aims to improve the effectiveness of the organization and its members through a systematic change programme (Palmer *et al*., 2006; Anderson, 2020). An effective organization is one in which both the individual and organization can develop. Healthy organizations' strengths lie in change – the ability to transform their products and organization in response to changes in the economy. Organizations find themselves in a changing environment, and the only constant thing is change. Unfortunately, most people are unprepared to cope with it. However, organizations are never completely static. They are in continuous interaction with external forces. Focus 14.1 summarizes the external forces that lead to a need for OD.

Focus 14.1 External forces that lead to a need for organizational development

- Socioeconomic factors include international competition, unemployment, low productivity, low economic growth, and crime.
- Customer expectations regarding quality products and safety and health.
- Government factors, such as laws and regulations.
- Technological advancements, such as new information technology.
- Stakeholders' expectations for high dividends and return on their investment.
- The changing nature of expectations of employees and unions.
- Globalization and increased competition.

These changes imply that organizations should focus on adding value. This manifests in a tendency to move from autocracy to democracy in organizations, flatter organization structures, a focus on core business, a tendency to split up into business units and the use of self-regulating workgroups.

Video 14.1 Organizational change and transformation

Watch the following video and answer the question that follows:

https://www.ted.com/talks/jim_hemerling_5_ways_to_lead_in_an_era_of_constant_change?utm_campaign=tedspread&utm_medium=referral&utm_source=tedcomshare

Question 1: What are the five strategic imperatives referred to in the video?

Question 2: How can organizations put people first??

Characteristics of organization development

Organization development (OD) has the following characteristics (Brown, 2011; French and Bell, 1999):

- *Planned change*. OD is a planned strategy to bring about organizational change. The change effort aims at specific objectives and is based on a diagnosis of problem areas.
- *Collaboration*. OD involves a collaborative approach to change, which includes the involvement and participation of those organization members most affected by the changes.
- *Performance*. OD programmes include an emphasis on ways to improve and enhance performance and quality.
- *Humanistic values*. OD relies on a set of humanistic values about people and organizations, aiming to gain more effective organizations by opening up new opportunities for increased use of human potential.
- *Systems*. OD represents a systems approach concerned with the interrelationship of various divisions, departments, groups, and individuals as interdependent subsystems of the total organization.
- *Scientific approaches*. OD is based on scientific approaches to increase organizational effectiveness.

The organization as a sociotechnical system

Organizational development may be referred to as a systems approach to change (Weick, 2000). An organization is an open sociotechnical system of coordinated human and technical activities. The organizational processes and functions are not isolated but react to and influence other system elements. According to Brown (2011), an organization is an open system consisting of five components (see Focus 14.2)

Stages in organization development

Organization development programmes are based on a systematic analysis of problems and top management actively committed to the change effort. Many organization development programmes use the action research model (Cummings and Worley, 2005). Action research involves collecting information about the organization, feeding this information back to the client system, and developing and implementing change programmes to improve system performance.

Action research provides at least two benefits for organizations. First, it is problem-focused. The change agent objectively looks for problems, and the type of problem determines the type of change

action. Many change activities are solution-centred rather than problem-centred. The change agent has a favourite solution – for example, implementing teams or management by objectives – and then seeks out problems his or her solution fits. Second, because action research so heavily involves employees in the process, resistance to change is reduced. Once employees have actively participated in the feedback stage, the change process takes on a momentum of its own. The employees and groups who have been involved become an internal source of sustained pressure to bring about change.

Focus 14.2 Characteristics of an open system

1 The structural subsystem includes the formal design, policies, and procedures of the organization. It is set forth by the organization chart and includes the division of work and patterns of authority.
2 The technical subsystem includes the primary functions, activities, and operations, including the techniques and equipment used to produce the system's outputs.
3 The psychosocial subsystem includes the network of social relationships and behavioural patterns of members, such as norms, roles, and communications (i.e., the organizational culture).
4 The goals and values subsystem includes the vision and mission of the organization (e.g. profits, growth, and survival).
5 The managerial subsystem spans the entire organization by directing, organizing, and coordinating all activities towards the primary mission. The managerial subsystem is vital in integrating the activities of the other subsystems.

Stage 1: Anticipating change

Before an OD programme can be implemented, the organization must anticipate the need for change. The first step is the manager's perception that the organization is somehow in a state of disequilibrium or needs improvement. The state of disequilibrium may result from growth or decline or from competitive, technological, legal, or social changes in the external environment. In addition, there must be a felt need since only felt needs convince individuals to adopt new ways. Therefore, managers must be sensitive to changes in the external environment.

Stage 2: Developing the consultant–client relationship

After an organization recognizes a need for change and a consultant contacts the system, a relationship begins to develop between the consultant and the client system. The development of this relationship is an important determinant of the probable success or failure of the OD programme. As with many interpersonal relationships, the exchange of expectations and obligations (the formation of a psychological contract) depends to a high degree on a good first impression or match between consultant and the client system. The consultant may be a manager or other member of the organization,

referred to as an internal consultant, or an outside source referred to as an external consultant. The consultant attempts to establish a pattern of open communication, a relationship of trust and an atmosphere of shared responsibility. Issues dealing with responsibility, rewards, and objectives must be clarified, defined, or worked through at this point.

The consultant must decide at what point to enter the system and what his or her role should be. The consultant may intervene with the organization's management sanction, with or without the support of lower-level members. On first entering the client system, the OD consultant begins evaluating its readiness for organization development. It is a mistake to assume that they must have one because most organizations can benefit greatly from an OD programme. Answers to the following questions will help to assess the client's readiness for OD (Brown, 2011):

- Are the learning goals of OD appropriate?
- Is the cultural system of the client ready for OD?
- Are the key people involved?
- Are members of the client system adequately prepared and oriented to OD?

Stage 3: Organizational diagnosis

After the consultant has intervened and developed a working relationship with the client, the consultant and the client start to gather data about the client system. Data collection is a crucial activity providing the organization and the client with a better understanding of client system problems.

Diagnosis is a systematic approach to understanding and describing the present state of the organization. The purpose of the diagnostic phase is to specify the nature of the exact problem requiring a solution, identify the underlying causal forces, and provide a basis for selecting effective change strategies and techniques. Focus 14.3 shows the issues which are critical in organizational diagnosis (Brown, 2011).

One rule for the consultant is to question the client's diagnosis because the client may be biased. After acquiring data relevant to the situation perceived as disequilibrium, the consultant and client analyse the data to identify problem areas and causal relationships. A weak, inaccurate, or faulty diagnosis can lead to a costly and ineffective change programme. The objective of the diagnostic phase is to determine the exact problem that needs a solution, identify the causal forces in the situation, and provide a basis for selecting effective change strategies and techniques.

Two other concerns are essential in organizational diagnosis. First, it is vital to use a diagnostic model when diagnosing organizations. A diagnostic model is a representation of how organizations function and is crucial in understanding organizations. Diagnostic models include the analytical model of Lawrence and Lorsch (1986), the sociotechnical systems model and the force field analysis model. Although these models are not discussed here, they should be used as a point of departure when approaching an organization for a diagnosis. Second, the data collection process should be considered. The most obvious step in data collection is defining the goals and objectives of the change programme. This step is necessary to determine which information is relevant. The next step is to identify the central variables involved in the situation (e.g. production, turnover, culture and values). The last step is to select a data-gathering method. Although organizations generate a large amount of 'hard' data, it may

present an incomplete picture of organizational performance. Therefore, the consultant and client may decide to increase the range and depth of the available data by using interviews, direct observation, and questionnaires as a basis for further action programmes.

Focus 14.3 Critical issues in organizational diagnosis

- *Simplicity*: keep data as simple as possible and use simplicity in the presentation.
- *Visibility*: use visible measures of what is happening.
- *Involvement*: emphasize participation and involvement of organization members in diagnosis.
- *Primary factors*: use the undistorted collection of primary operating variables in diagnosis.
- *Measure what is important*: pursue the straightforward assessment of variables that are critical to success.
- *Sense of urgency*: during diagnosis, gain an overall sense of urgency for change.

Stage 4: Interventions

The diagnostic phase leads to a series of interventions, activities, or programmes to resolve problems and increase organizational effectiveness. An intervention is defined as an instrument or tool that will enact and accomplish a state or goal (Burke, 2005). Intervention is part of the implementation phase of an organization change, which is the core of an organization change effort. Interventions aim to change some aspects of an organization (e.g., its climate, employees, structure, or procedures) to improve the health or functioning of the client system.

The definition of intervention includes various essential elements (French and Bell, 1999). First, intervention refers to something that happens in an organization's life. Interventions include educational activities, methods, techniques, observations, interviews, and questionnaires to improve organizational functioning. Second, intervention refers to different levels of activities, for example, a single task, a sequence of related tasks, related but also different activities, and an overall plan for the improvement of the organization. Third, an intervention implies joint collaboration between an organization and a client. For organization development interventions to be successful, the interdependencies between various sub elements of the organization must be considered.

Argyris (1970) distinguished between three tasks of an intervener, namely to generate valid and useful information, to help the client to make free and informed choices, and to assure the client's internal commitment to choices made:

- Generating valid and useful information regarding the factors and their interrelationships and how that create problems for the client system.
- Helping the client to make free and informed choices. The second task of the intervener is to help the client system make free, informed choices and provide the client with alternatives for action.
- Assuring the client's internal commitment to choices. The third task of the intervener is to assure that the client is committed to the choices made.

Interventions can be categorized based on the target group, namely: a) personal and interpersonal interventions, b) team interventions, c) intergroup interventions and d) organizational interventions (Brown, 2011).

Personal and interpersonal interventions

The central theme of personal and interpersonal interventions is learning through the examination of underlying processes. These interventions also focus on individuals and their development and growth within the organization.

- *Sensitivity training laboratories*. Sensitivity training groups are also known as training groups (T-groups). T-groups is an approach to human relations training that provides individuals with the opportunity to learn more about themselves and their impact on others, particularly to learn how to function more effectively in face-to-face situations.
- *Transactional analysis*. Transactional analysis involves a system of interaction analysis, which assists people to understand their feelings and behaviour, which helps them form satisfactory interpersonal relationships.
- *Behaviour modelling*. Behaviour modelling is a structured, effective, and reliable method that can be used to train people in interpersonal skills. The rationale of behaviour modelling is that external stimuli shape behaviour, that behaviour is learned through the observation of other persons (models), that behaviour is shaped and maintained by the consequences thereof, and that behaviour is repeated because of the reinforcement of similar behaviour in the past.
- *Life and career planning interventions*. Life and career planning interventions are used to assist individuals to focus on their life and career goals so that they can be empowered to exert better control over their destinies.
- *Well-being promotion and stress management interventions*. Stress management interventions have embedded a range of practices that offer opportunities for individual development and employee well-being.
- *Counselling and coaching*. Counselling is used to help employees cope with personal problems which are interfering with their work. Coaching is used to help employees perform new tasks and improve their performance of old tasks or skills.

Team/group interventions

Team/group interventions are focused on group development and the interaction between individuals within groups or teams. Team interventions can be applied to family groups (i.e., intact work teams) and special groups (i.e., special project teams). The following team-building designs are applicable to work teams (Dyer *et al*., 2013):

- *The family group diagnostic meeting*. This type of team intervention is used to analyse and evaluate the current functioning of the team and to identify problems that the team should work on.
- *The family group team-building meeting*. The family group team-building meeting is used to improve the effectiveness of the group by focusing on task accomplishment, relationships in the team and group processes.
- *Process consultation interventions*. Process consultation is a philosophy of helping which involves joined diagnosis by client and consultant. Schein (1969: 11) defines process consultation as a ‘set of activities on the part of the consultant that help the client to perceive, understand, and act upon the process events that occur in the client’s environment in order to improve

the situation as defined by the client'. A process consultant helps the client to become aware of and improve group and interpersonal processes.

- *Role analysis team building*. Role analysis team building is used to clarify roles in a team when: a) a unit is new, and team members do not know what others do and what others expect of them; b) changes and reassignments have been made in the members are not sure how functions fit together; c) job descriptions are outdated; d) conflict and interpersonal disruptions in the team are increasing, and the manager engages primarily in one-to-one management.
- *Role negotiation team building*. Role negotiation team building is used when the causes of a team's effectiveness are based on people's behaviour that they are unwilling to change. Using this technique, team members ask each other to change behaviours that will make it possible for the other person to do his or her job more effectively.

Intergroup interventions

Intergroup interventions are necessary when teams are interdependent; teams have conflicting objectives; a power imbalance is perceived between groups; or when role conflict, ambiguity, or personality conflicts exist.

- *Intergroup team-building interventions*. In intergroup team-building interventions, key members work on issues of interface. The meeting typically involves five steps, namely:
  - Working separately, the two workgroups make lists of how they see themselves, how they think the other group sees them, and how they see the other group.
  - The two groups meet, and a person from each group presents their lists.
  - The two groups meet separately to discuss.
  - Subgroups are formed by mixing members of the two groups, and these groups develop action plans.
  - A follow-up evaluation meeting is held.
- *Organizational mirror interventions*. These give feedback to teams on how other elements of the organization view them. Units meet to process data with the objectives of identifying problems and formulating solutions.
- *Third-party peacemaking interventions*. A third-party peacemaking intervention is a technique that can be used to resolve the conflict between two or more people. Confrontation is an essential feature of third-party peacemaking (French and Bell, 1999). The parties involved in the conflict must be willing to confront the fact that conflict exists and should realize that it has implications for their effectiveness.

Organizational interventions

- *Confrontation meeting*. Richard Beckhard developed the confrontation meeting as an organizational development intervention as a one-day meeting of the entire management of an organization in which they take a reading of their organizational health.
- *Strategic planning intervention*. Strategic interventions link the internal functioning of the organization to the larger environment and transform the organization to keep pace with changing

conditions (Cummings and Worley, 2005). Therefore, organization development practitioners should become experts in strategic management processes and thoroughly understand strategic management content (French and Bell, 1999).

- *Survey feedback*. Survey feedback intervention is the most effective if the organization wants to include a large group of people. This type of intervention is mostly used to diagnose situations that need attention and plan and implement organizational improvements. This organization development approach surveys the unit of analysis through questionnaires and feedback to all the relevant role-players.
- *Grid OD*. The Grid was designed by Robert R. Blake and Jane S. Mouton as a six-phase programme that will last about three to five years. The programme utilizes many instruments, enabling individuals and groups to assess their strengths and weaknesses; it focuses on skills, knowledge, and processes necessary for effectiveness at the individual, group, intergroup and total-organization levels. The Grid OD programme is effective because it showed greater profits, lower costs, and less waste.
- *Job design*. Job design incorporates tasks and responsibilities into jobs to make them more meaningful, productive, and satisfying. Various models can be used to redesign jobs, including the job characteristics model (Hackman and Oldham, 1976), the job demand-control model (Karasek, 1979) and the interdisciplinary approach of Campion and Berger (1990).
- *Quality circles*. Quality circles are focused on customer satisfaction through continuous improvement and teamwork.
- *Management by objectives*. Management by objectives is based on the philosophy that the manager and employee ought to negotiate or collaborate on defining the objectives that the worker is to pursue over the following period (Drucker, 1954; Odiorne, 1965).
- *Sociotechnical systems*. According to Trist *et al*. (1963), a sociotechnical system design is based on the premise that an organization or a work unit combines social and technical parts open to its environment. Therefore, a sociotechnical system focuses on interdependencies between and among people, technology, and the environment to optimize organizational social and technical elements. In addition, the social system aims to design a work structure that is responsive to the psychological needs of employees.

The OD consultant should consider the following three aspects in selecting the appropriate intervention (Brown, 2011; French and Bell, 1999). First, the potential results of the technique of the intervention should be considered. The interventions should solve the intended 'problems' and result in positive outcomes. Second, the possibility to implement the interventions should be considered. Third, the expected costs of interventions should be weighed against the potential benefits thereof. Last, it is crucial to assess clients' willingness to participate in the interventions beforehand.

Stage 5: Self-renewal, monitoring, and stabilizing action programmes

Once an OD programme is implemented, the next step is to monitor the results and stabilize the desired changes. This stage concerns the assessment of the effectiveness of change strategies in attaining stated objectives. Each stage of an OD programme needs to be monitored to gain feedback on member reactions to change efforts. The system members need to know the results of change efforts to determine whether they ought to modify, continue or discontinue the activities.

Once a problem has been corrected, and a change programme implemented and monitored, means must be devised to ensure that the new behaviour is stabilized and internalized. If this is not done, the system tends to regress to previous ineffective modes or states. Thus, the client system needs to develop the capability to maintain innovation without outside support.

Management of change

According to Kurt Lewin (1952), any change process consists of three phases, namely unfreezing the status quo, movement to a new state (change), and refreezing the new change to make it permanent (see Figure 14.1).

The status quo can be considered to be an equilibrium state. Unfreezing is necessary to overcome the pressures of individual resistance and group conformity and to move from this equilibrium. It can be achieved in three ways (see Figure 14.2). Driving forces, which direct behaviour away from the status quo can be increased. The restraining forces, which hinder movement from the existing equilibrium, can be decreased.

Organization members should be unfrozen to overcome resistance to change. Individuals must be prepared for change and release physical and psychic energy for it (Anderson, 2020). Dissatisfaction with the status quo can be created to encourage employees to experiment with new behavioural forms. Focus 14.4 shows that dissatisfaction can be generated by engaging in specific behaviours (Anderson, 2020).

Figure 14.1 Lewin's three-step change model

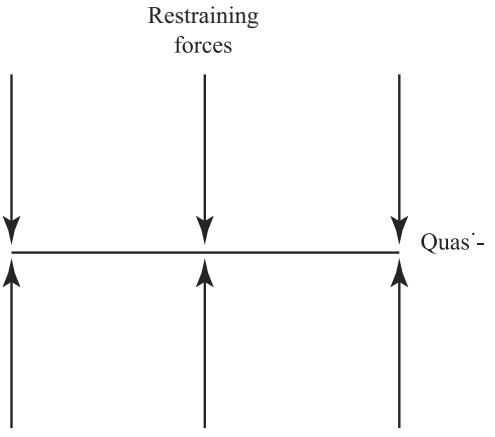

Figure 14.2 Force field analysis (Kurt Lewin)

As soon as employees understand the necessity of change, they must be convinced that the proposed changes are workable. This can be facilitated by pilot projects involving employees, indicating that the assumptions underlying changes are valid. Pilot projects will promote feelings of security, which will help employees to change.

Focus 14.4 Creating dissatisfaction with the status quo

- Make employees aware of the need for change by presenting the reality of the situation to them (e.g., a decrease in sales figures, an increase in costs, high labour turnover and rate of absenteeism). It is easier to generate motivation for change if a competitive crisis is present.
- Disclose the differences between the present and the desired situation.
- Describe a more desirable future situation, i.e. develop a vision of a future state that could energize people. Leaders should be more concerned about the determination of a desired state than how to get there.
- Communicate positive expectations regarding the change. Expectations of employees may serve as a self-fulfilling prophecy and encourage them to invest energy in change programmes which they expect to succeed.
- Inform employees about the expected advantages of changes for them.

Manage the change process

Change implies learning new attitudes and behaviour by making the person aware of new sources of information or by helping him or her look at old information in a new way. Change can occur in two ways: a) by identifying with a role model, mentor, friend, or other person and by learning to see things from his or her frame of reference, and b) by scanning the environment to find a specific problem. It is challenging to manage the change process because people seldom react as was planned. Organizational politics are also involved, and people's perceptions, emotions, and behaviour are affected by changes.

Stabilizing the change ('refreezing')

Refreezing involves stabilizing changes by helping the person integrate the new activities in his or her routine activities. Various mechanisms can be used to stabilize changes (Anderson, 2020), namely:

- The individual should be allowed to determine if the new attitudes and behaviour fit his or her self-concept, are congruent with other parts of his or her personality and if they can be integrated comfortably.
- The individual should be allowed to test if others will accept and confirm the new attitudes and behaviour. It is important to tell people which things would not change. The latter serves as an anchor to provide stability to manage changes. The reward system can be used to reinforce behaviour. Formal and public acknowledgement of employees who help move the organization in the desired direction may help specify what acceptable behaviour is. Guardians may be employed to serve as role models and norm carriers of the new culture and changes.

Organizational culture

Definition of organizational culture

Organizational culture is defined as how things are done around here (Anderson, 2020). As employees work together, specific procedures or ways in which work is done, problems are handled, and decisions are made become established, and in time these procedures and ways become the accepted way in which such actions are performed (Cartwright *et al*., 2001). Schein (1990: 111) defined organizational culture as follows:

> a pattern of basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore is to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

Organizational culture is not necessarily the overt behaviour that can be observed when visiting an organization. Instead, the written policy or values and the basic assumptions influence offices' behaviour, architecture, and layout (Armstrong and Taylor, 2014; Schein, 1985). In addition, organizational culture includes traditions, events, and established practices that created patterns of relating and problem-solving. Finally, the rules and guidelines prescribe to participants how to participate, act, and what they should not do.

Organizational culture should not be confused with organizational climate. Organizational climate (compared to culture) can be observed and measured more directly and has a long research history (Schein, 1990). Organizational climate can be described as a psychological state strongly influenced by organizational factors such as systems, structures, and management behaviour.

Components of organizational culture

Organizational culture consists of the following four components (Anderson, 2020; Armstrong and Taylor, 2014):

- *Assumptions*. Assumptions describe what is important and how problems in the organization are solved. These assumptions could be studied through intensive observation, focused questions, and intensive self-analysis. Unfortunately, people are generally unaware of these assumptions.
- *Values and beliefs*. People cannot easily become aware of their values and beliefs. Values describe the things which are important for organization members. Values can be studied by using interviews, observation, and questionnaires. A questionnaire is less useful in measuring values because it makes assumptions about the dimensions which should be studied.
- *Behavioural norms*. Behavioural norms are unwritten behavioural rules of which people can be aware. These norms prescribe how people should behave in specific situations.
- *Artefacts*. Artefacts are the highest level of cultural awareness and refer to visual manifestations of other cultural levels. They include the observable behaviour of employees, dress, structures, systems, policies, procedures, rules, records, annual reports, and physical layout of the organization. It is, however, difficult to judge artefacts accurately – they are not necessarily a reliable indicator of how people behave.

Video 14.2 Organizational change and transformation

Watch the following video and answer the question that follows:

https://www.ted.com/talks/chris_white_3_ways_to_create_a_work_culture_that_brings_out_the_best_in_employees?utm_campaign=tedspread&utm_medium=referral&utm_source=tedcomshare

Question 1: How can organizations create a culture that brings out the best in employees?

The development of organizational culture

Organizational culture develops as a result of previous crises, achievements, successes and failures in an organization. These aspects lead to assumptions regarding the following aspects: reality, truth, time, human nature, and human relations (Schein, 1990). The founders of an organization traditionally have a significant impact on the organization's culture (Schein, 1985). The culture develops as employees identify with the leader as a role model. Once an organization's culture is started and begins to develop, several practices can help solidify the acceptance of core values and ensure that the culture maintains itself. These practices include:

- *Selection of entry-level personnel*. The first step is to select candidates whose characteristics and values fit those of the organization. Evidence indicates that those candidates who have a realistic job preview of the culture will turn out better.
- *Placement in the job*. New personnel are subjected to a series of different experiences, the purpose of which is to question the organization's norms and values and decide whether or not they can accept them.
- *Job mastery*. Once the initial cultural shock is over, the next step is to master his or her job.
- *Measuring and rewarding performance*. The next step of the socialization process consists of meticulous attention to measuring operational results and to rewarding individual performance.
- *Adherence to important values*. The next step involves careful adherence to the organization's most important values. Identification with these values helps employees reconcile personal sacrifices brought about by their membership of the organization.
- *Reinforcing the stories and folklore*. The next step involves reinforcing organizational folklore. This entails keeping alive stories that validate the organization's culture and way of doing things. Folklore helps to explain why the organization does things in a particular way.
- *Recognition and promotion*. The final step is to recognize and promote individuals who have done their jobs well and serve as role models to new people in the organization.

Hofstede *et al*. (2010) distinguished various dimensions of national culture that might affect organizational culture.

- Power distance. The degree to which the less powerful members of a society accept and expect unequal power distribution. How a society handles inequalities among its members is at issue here.

- Individualism versus collectivism. Individualism can be understood as a preference for loosely-knit social structures in which individuals are obliged to keep themselves and their nearest families in mind. On the other hand, the concept of collective responsibility represents the desire for a tight-knit structure and an expectation that relatives and members of a particular ingroup will look after an individual in exchange for unquestioning loyalty.
- Masculinity versus femininity. Masculinity is characterized by achievement, heroism, assertiveness, and material rewards for success. Femininity is characterized by cooperation, modesty, care for the weak, and quality of life.
- Uncertainty avoidance. Uncertainty avoidance refers to the degree to which a society feels uncomfortable with uncertainty and ambiguity.
- Long-term versus short-term orientation. The goal of a long-term orientation is to foster virtues oriented toward future rewards. On the other hand, a short-term orientation encourages virtues related to the past and present, including respect for tradition and fulfilling social obligations.
- Indulgence versus restraint. Indulgence means recognizing the natural human drive to enjoy life and have fun relatively free of any punishment, restrictions, or constraints. Conversely, a society that restricts gratification of needs through strict social norms is known as a restrained society.

Changing organizational culture

Before an organization can change its culture, it should become aware of the current culture. Organizations that do not know their culture are vulnerable, mainly because of the covert nature of organizational culture. Awareness could be regarded as the first step which is necessary to facilitate change. Outsiders can play a vital role in helping organizations to become aware of their culture.

Brown (2011) points out that culture change requires a change in the hearts and beliefs of employees. Motivation to change can be enhanced by creating dissatisfaction with the status quo and encouraging employees to believe that the change is possible and wanted. Cultural change should not be forced on people. A participative approach is required to influence the deepest level of culture. A top-down approach to change may be used when a single culture exists or focuses on changing norms rather than assumptions. Strategies that could be implemented to change organizational culture include developing a shared vision and mission, defining objectives and target behaviour, and implementing and evaluating interventions. The proactive involvement of the manager and management staff is crucial for cultural change. Employees should be encouraged to change, and a fair performance appraisal and reward system should be used to recognize performance.

Summary

- Organizational structure is characterized by four dimensions: hierarchy of authority, division of labour, spans of control, and line and staff positions.
- Types of organizational structures include mechanistic versus organic structures and matrix organizations.
- There are no good or bad structures. A poor structure is one that is inappropriate for the specific goal that the organization wants to achieve.

- Organization development is a long-range effort to improve an organization's ability to cope with change and its problem solving and renewal processes through effective organizational culture management.
- Organization development aims to improve the organization's effectiveness and its members through a systematic change programme.
- Forces that lead to a need for organization development include socioeconomic factors, customer expectations, government factors such as laws and regulations, technological advancements, stakeholders' expectations, the changing nature of expectations of employees and unions, and globalization and increased competition. Organizational development has six characteristics: planned change, collaboration, performance, humanistic values, a systems approach, and a scientific approach.
- The stages in organization development are anticipating change, developing the consultant-client relationship, organizational diagnosis, interventions, self-renewal, monitoring and stabilizing action programmes and managing change.
- Organizational culture includes traditions, events and established practices that created patterns of relating and problem-solving. It is the rules and guidelines prescribing to participants how they should participate, act, and what they should not do. It consists of four components, namely assumptions, values and beliefs, norms, and artefacts.
- Organizational culture develops due to previous crises, achievements, successes, and failures in an organization.
- Before an organization can change its culture, it should become aware of the current culture. Motivation to change can be enhanced by creating dissatisfaction with the status quo and encouraging employees to believe that the change is possible and wanted. A participative approach is required to influence the deepest level of culture.

Key concepts and terms

- Anticipating change
- Behaviour modelling
- Centralization
- Change
- Coaching
- Collaboration
- Complexity
- Confrontation meeting
- Consultant–client relationship
- Coordination
- Counselling
- Division of labour
- Hierarchy of authority
- Humanistic value
- Inter-group interventions

- Intervention
- Life and career planning
- Management by objectives
- Matrix organization
- Organic structure
- Organization
- Organizational design
- Organization development
- Organizational diagnosis
- Performance
- Planned change
- Quality circle
- Refreezing
- Scientific approach
- Sensitivity training laboratories
- Sociotechnical system
- Span of control
- Staff positions
- Strategic planning
- Survey feedback
- System
- Transactional analysis
- Unfreezing
- Wellness promotion

Sample essay titles

- Which changes necessitate organization development?
- How can organizational change be effectively managed?
- What are the differences between organizational climate and culture?
- What are the dimensions of organizational culture?
- How can organizational culture be studied?

Further reading

Books

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