

ORGANISATIONAL PSYCHOLOGY

Last month, we learned what psychology is. But before we can discuss organisational psychology, we must define the other word: what is an *organisation*?

The popular concept is a company intended for the purpose of making profits, and indeed, many organisational psychologists focus on the traditional corporate workplace, with hundreds of workers. However, there are many SMEs that employ ten people or less. Even a two-person business can still be called an organisation.

Yet not all places of work are in business: government, NGOs, churches, charities, universities, schools, and other groups are still organisations, and although some may buy and sell to raise money for operating costs, many do not engage in trade at all. These non-profit organisations exist to pursue other goals, be they governing the country, supporting interest groups, spiritual guidance, or education.

The common themes are people at work and shared goals. So an organisation can be viewed as any group of people, from two to twenty thousand or more, working to pursue a common purpose, whatever that may be.

Quick history lesson

Although organisations have been around as long as human civilisation, the study of organisational behaviour is barely a hundred years old. At the start of the twentieth century, psychology as a discipline was only in its infancy. Large companies, from which the first organisational theories emerged, did not exist as workplaces until the early 1900s. Management used to be considered part of economics, not psychology. Frederick Taylor was one of the earliest to study the behaviour of people at work, using his principles of scientific management to make factory workers more efficient.

However, Taylor focused on the individual. Just after the end of the First World War, classical organisational theory developed, which was concerned with the structure of organisations. The Hawthorne Studies at the start of the 1930s showed that informal social interaction and management-employee relations were crucial in the work environment. Later, the human relations movement brought Maslow's famous hierarchy of needs and in 1960, Douglas McGregor introduced his Theory X, where people must be forced to work, and Theory Y, where people want to work if the conditions are right.

Today, it is understood that behaviour in the workplace is too complex to be explained by simple principles. Many of these ideas have their place, but should not be used in isolation. There is a strong functional interdependency of the individual, the organisation, and their environment. Each one interacts with and influences the other.

Experts agree that the contingency approach, where we adapt and change what we do according to the nature of the situation, is the most effective. But we cannot do this without an understanding of the multiple concepts involved.

The many faces of organisational psychology

We can broadly define organisational psychology as the study and application of psychological concepts to the behaviour of people in organisations.

The study of organisational behaviour is unusual in its interdisciplinary approach. Apart from integrating theories of psychology, it has synthesised several other fields of study. From *sociology*, we get the concept of the social system; from *anthropology* come the various definitions of culture, including organisational culture; *political science* helps us examine power, decision making, and conflict management; *engineering* gave us ergonomics, work flow, and job design; *medicine* is concerned with preventing stress, and workplace health and safety; and *economics* provides theories of productivity, labour market dynamics, and the term “human resources”.

In some larger companies, the human resources (HR) department may employ an organisational psychologist to help with recruitment, assessing performance, and keeping people motivated. Career development may include promotion to a management position. Because good management is so crucial to the success of any business, the teaching of it has become very important.

Yet even highly-educated managers are often still searching for that elusive holy grail: the simple, universal management solution. It probably doesn't exist. While some circumstances are similar to others, and can be dealt with in a similar way, contingency theory tells us that every situation needs its own unique approach.

The importance of the people in organisations

Organisational psychology helps us understand and interact more effectively with people at work. How can we influence employee attitudes? In what ways do people behave differently when they are in groups? Why are some people helpful, and some not? What is the difference between management and leadership? How does the structure of an organisation help – or hinder – our work, and can we do anything to improve it? How do we know when an organisation is being fully effective?

Psychology can help us appreciate the changing nature of work and how it affects us. Now that the majority have service jobs, we cannot count “units produced”; how do we measure abstract concepts like “customer satisfaction”? What have mobile communications and the Internet done to our work hours, social relationships, and business strategies? Why do many people endure traffic jams and travel to work when they could telecommute? As technology and knowledge rapidly changes, how can we keep up?

Distance has now become irrelevant to doing business. What kinds of challenges do we face with globalisation? How do we react to other cultures? How can we lead a virtual team, when most of the members are not physically present, or even in our own country?

These are just a few of the questions addressed by the study of organisational behaviour. People are essential for the success of any business, and organisational psychology offers an understanding of the human side of work and management.

Some related links (copy-paste into your browser):

Psychology matters at work

<http://www.psychologymatters.org/workplace.html>

Industrial and organizational psychology

http://en.wikipedia.org/wiki/Industrial_and_organizational_psychology

European Association of Work and Organisational Psychology

<http://www.eawop.org/web/>

For the pedantic: according to the *Oxford English Dictionary*, either spelling – organisation or organization – is correct, although they lean towards *-ize*. We prefer the Australian spelling, which is *-ise*, but use *-ize* when quoting from text that has this spelling.

<http://www.askoxford.com/asktheexperts/faq/aboutspelling/ize?view=uk>

Next month, we will be discussing culture, as it relates specifically to the workplace.

References:

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