

productivity. While conducting these experiments, the results weren't at all what he expected. It appeared that no matter what he did, the employees improved their production speed, even if he only gave them low candlelight to work by. After post-analysis, Landsberger discovered that the employees were performing better because there were people around them wearing white coats, carrying clipboards, interested in what they were doing. Thus, work conditions had been trumped by employee feelings about someone being interested in what they were doing.

The Rise of Testing

Any business that has had profits increased by some sort of testing or interview process owes its success to how World War I and II occurred. Because both of these conflicts occurred without the United States being prepared for them, huge numbers of incoming soldiers needed to be placed in jobs they were best suited for as quickly as possible. Psychologists used their knowledge of testing to sort people into different jobs based on brief, massed assessments and did so with great accuracy. When these psychologists returned from the wars, they brought their knowledge home with them and applied their new knowledge of selections to businesses. What we see today in almost every aspect of testing for selections is an outgrowth of this era in history.

Human Capital Becomes Important

Studies like Landsberger's and the new knowledge of how to select employees started to change industrial psychology. This also began to cause industrial psychologists and businesses to think of employees as resources to be managed and retained, instead of thinking about them as tools that could be replaced if they weren't performing properly. The shift wasn't necessarily an ethical change where businesses suddenly acted out of an interest in humanism instead of profits. This shift was primarily because of the evidence that industrial psychologists provided, showing that employee retention and management was more profitable. All of these changes have led to where industrial psychology and business have come to be today.

APPLICATIONS/USES OF INDUSTRIAL PSYCHOLOGY

Since Industrial Psychology is the study of people at work and is concerned with the entire spectrum of human, its scope is the entire process of management dealing with people at work.

Sometimes called Maslow's Hierarchy of Needs, the concept illustrates human needs, arranged in order of importance. The lower needs on this pyramid must be fulfilled before one can achieve the next higher level:



This chart is important for entrepreneurs and leaders to understand. For example, if an employee is lacking self-esteem or self-fulfillment in their life, there is little chance of them becoming an extremely remarkable addition to your team. You must recognize and create solutions for your staff to become truly satisfied in their life before you can achieve the results you desire.

- **Motivator-Hygiene Theory**

Also called the Two-Factor Theory, the Motivator-Hygiene Theory isn't backed by a lot of supporting data in the psychology/research world. But it has transformed many organizations in terms of employee motivation. The concept is based on the suggestion that an employee has two needs:

1. **Motivator Needs** – These produce job satisfaction and are considered higher needs. They can be satisfied by providing stimulating, challenging and absorbing work. Meeting these demands will result in job satisfaction. *However, the lack of a challenging job will not create job dissatisfaction.*
2. **Hygiene Needs** – These produce job dissatisfaction and are considered lower needs. A few examples of these needs are a company policy, working conditions, wages paid and other external factors that can directly affect a worker such as their supervisor. Meeting these needs does not result in job satisfaction but rather prevents job dissatisfaction.

The take away from this concept is that as you oversee your organization, it is important to emphasize job enrichment. Put in other words, be sure to maximize the potential of every single employee by consciously recognizing the opportunities to promote satisfaction and demote dissatisfaction in the workplace.

- **Equity Theory**

Ensuring that your employees feel equal amongst their peers is extremely important when creating a motivated workforce. The equity theory describes how workers assess their efforts and outcomes on the job by calculating a “productivity ratio.” They then (most likely unconsciously) compare their ratio to the perceived ratios of their coworkers.

Further studies have expanded on this theory by classifying three types of equatorial behaviors:

1. **Benevolent** – These workers feel satisfied when under-rewarded compared to coworkers and feel guilty when equally or over-rewarded.
2. **Equity-Sensitive** – These workers believe everyone should be rewarded fairly. They dislike when they are under-rewarded and guilty when over-rewarded.
3. **Entitled** – These workers feel they should be over-rewarded in comparison to their coworkers and dislike anything less.

The important idea here is that you must keep a careful eye on the workforce’s perceptions in regards to pay and rewards.

- **Goal Setting Theory**

The goal setting theory is somewhat common sense but it reinforces the fact that a worker’s motivation shares a direct relationship with their goals. This theory was developed by Edward Locke and illustrates that by setting specific and challenging goals for your team motivation will provoke extreme productivity. From profit goals for your sales force to timeframe goals for your research team, your overall business will benefit greatly by implementing this strategy.

- **Valence-Instrumentality-Expectancy (VIE) Theory**

This theory may be one of the most important concepts for motivation – *but is often overlooked by most businesses*. The VIE theory states that people are motivated to perform as expected

contract, an employee may believe that if he or she works hard and receives favorable performance evaluations, he or she will receive an annual bonus, periodic raises and promotions, and will not be laid off. Since the “downsizing” trend of the past 20 years, many commentators have declared that the psychological contract is violated more often than not.

Relationships at Work

Two strong predictors of our happiness at work and commitment to the company are our relationships with coworkers and managers. The people we interact with, how friendly they are, whether we are socially accepted in our work group, whether we are treated with respect by them are important to our happiness at work. Research also shows that our relationship with our manager, how considerate the manager is, and whether we build a trust-based relationship with our manager are critically important to our job satisfaction and organizational commitment. When our manager and overall management listen to us, care about us, and value our opinions, we tend to feel good at work. When establishing effective relationships with employees, little signals that you care about your employees go a long way. For example, in 2004 San Francisco’s Hotel Carlton was taken over and reworked by a new management group, Joie de Vivre Hospitality. One of the small things the new management did that created dramatic results was that, in response to an employee attitude survey, they replaced the old vacuum cleaners housekeepers were using and started replacing them every year. It did not cost the company much to replace old machinery, but this simple act of listening to employee problems and taking action went a long way to make employees feel better.

Stress

Not surprisingly, the amount of stress present in a job is related to employee satisfaction and commitment. Stressors range from environmental ones (noise, heat, inadequate ventilation) to interpersonal ones (organizational politics, conflicts with coworkers) to organizational ones (pressure to avoid making mistakes, worrying about the security of the job). Some jobs, such as intensive care unit nurse and military fighter pilot, are inherently very stressful.

Another source of stress has to do with the roles people are expected to fulfill on and off the job. Role ambiguity is uncertainty about what our responsibilities are in the job. Role conflict

4. Human Relations:

Effective motivation creates job satisfaction which results in cordial relations between employer and employees. Industrial disputes, labour absenteeism and turnover are reduced with consequent benefits. Motivation helps to solve the central problem of management, i.e., effective use of human resources. Without motivation the workers may not put their best efforts and may seek satisfaction of their needs outside the organisation.

The success of any organisation depends upon the optimum utilisation of resources. The utilisation of physical resources depends upon the ability to work and the willingness to work of the employees. In practice, ability is not the problem but necessary will to work is lacking. Motivation is the main tool for building such a will. It is for this reason that Rensis Likert said, "Motivation is the core of management." It is the key to management in action.

Approaches to motivation

Five different approaches to explain motivation are:

- **The instinct approach**

Animals, including humans are born with a set of behaviour that steer us to act a certain way so that we could produce certain ends. These are called instincts. Some of these instincts are essential to our survival. This approach suggests that we are born to be motivated. However, there are many questions that this approach cannot answer, e.g. what and how many instincts exist.

- **The drive-reduction approach**

This approach suggests that our body has a tendency to act in such a way that a steady internal state is maintained. This tendency is called homeostasis. For example, if you are hungry, you are motivated to look for food to reduce your hunger drive.

There are 2 types of drives:

- 1) Primary drives – these are related to our biological needs, e.g. hunger, thirst, etc.
- 2) Secondary drives – these are related to our prior experience and learning, e.g. achievement.

- **The arousal approach**

This approach came about because there were situations which the drive-reduction approach could not explain. In some way, this approach is similar to the drive-reduction approach. The arousal approach to motivation suggests that if our excitement level is too high, we try to reduce it. If our excitement level is too low, we try to increase it by seeking stimulation.

- **The incentive approach**

Simply put, we are motivated to get what we want. For example, students want good grades so they study hard.

- **The cognitive approach**

The cognitive approach to motivation suggests that we are motivated by our thoughts, expectations and goals.

There are 2 types of motivations:

- 1) Intrinsic motivation; We do things because we enjoy doing them. For example, we exercise because it feels good to exercise.
- 2) Extrinsic motivation; We do things because of the tangible rewards, e.g. good grades, money, etc. For example, we exercise because we want to lose weight.

We should be highly motivated if we get paid to do what we love, right? This is not necessarily true because extrinsic motivation can sometimes undermine intrinsic motivation. In one study, children who really enjoyed drawing were either promised or not promised a reward for their drawing. It was found that children who were promised a reward were less likely to draw again later.

expansion over time; feels bored and uninterested with life; feels unable to develop new attitudes or behaviors.

Employee Stress

What is stress?

Stress is your body's way of responding to any kind of demand or threat. When you feel threatened, your nervous system responds by releasing a flood of stress hormones, including adrenaline and cortisol, which rouse the body for emergency action. Your heart pounds faster, muscles tighten, blood pressure rises, breath quickens, and your senses become sharper. These physical changes increase your strength and stamina, speed your reaction time, and enhance your focus. This is known as "fight or flight" or the mobilization stress response and is your body's way of protecting you. There is also a "freeze" or immobilization response that occurs if we become traumatized.

Stress within your comfort zone can help you perform under pressure, motivate you to do your best, even keep you safe when danger looms. But when stress becomes overwhelming, it can damage your mind and relationships and lead to a host of serious mental and physical health problems. The trouble is that modern life is so full of frustrations, deadlines, and demands that many of us don't even realize how stressed we are. By recognizing the symptoms and causes of stress, you can take the first steps to reducing its harmful effects and improving your quality of life.

When stress is within your comfort zone, it can help you to stay focused, energetic, and alert. In emergency situations, stress can save your life—giving you extra strength to defend yourself, for example, or spurring you to slam on the brakes to avoid an accident. Stress can also help you rise to meet challenges. Stress is what keeps you on your toes during a presentation at work, sharpens your concentration when you're attempting the game-winning free throw, or drives you to study for an exam when you'd rather be watching TV. But beyond your comfort zone, stress stops being helpful and can start causing major damage to your mind and body.

The effects of chronic stress

Every professional should have some level of career management plan – especially those on the professional & executive level where this is an absolute must-have. The need for a plan is heightened by the exposure and risk you take in your career or job. For example, a fifth grade teacher who has taught for 30 years who has contributed greatly to the lives of students may not need this; an educator who has developed leading-edge programs and initiatives and is seeking that next level in their educational career would be a candidate. The business owner ready to cash out, sell their business and pursue other options is clearly a candidate; many skilled craftspeople likely would not have a need as their plan is largely dictated by the profession.

The Process of Career Management Planning

Defining the process of engaging and developing a career management plan can be summarized in three distinct elements: *Discover, Plan & Act*.

- *Discover* -Accomplished through 1-on-1 discussion, assessment, situation analysis and market studies, the initial focus is discovering skills, core competencies and future opportunities aligned with personal and professional goals.
- *Plan* - The process then moves to developing the plan inclusive of goals with specific timelines (Position – Role – Responsibility – Compensation – Culture) and planned actions to achieve the goals.
- *Act* – It is then time to act. Working again 1-on-1, short term goals and actions are planned with measurable accountability reviewed through coaching & mentoring executive sessions normally scheduled on a monthly, quarterly or semi-annual basis, depending upon needs.

Each need is unique and therefore, the process utilized is planned to align with goals and needs.

The Elements of a Career Management Plan

Like a financial plan, a career management plan is inclusive of:

- Inventory of Assets, Skills and Core Competencies

Hulin and Blood (1968) define *Job enlargement* as the process of allowing individual workers to determine their own pace (within limits), to serve as their own inspectors by giving them responsibility for quality control, to repair their own mistakes, to be responsible for their own machine set-up and repair, and to attain choice of method. Frederick Herzberg referred to the addition of interrelated tasks as 'horizontal job loading'.

3. Job enrichment

Job enrichment increases the employees' autonomy over the planning and execution of their own work. Job enrichment has the same motivational advantages of job enlargement; however it has the added benefit of granting workers autonomy. Frederick Herzberg viewed job enrichment as 'vertical job loading' because it also includes tasks formerly performed by someone at a higher level where planning and control are involved.

4. Scientific management

Under *scientific management* people would be directed by reason and the problems of industrial unrest would be appropriately (i.e., scientifically) addressed. This philosophy is oriented toward the maximum gains possible to employees. Managers would guarantee that their subordinates would have access to the maximum of economic gains by means of rationalized processes. Organizations were portrayed as rationalized sites, designed and managed according to a rule of rationality imported from the world of technique.

5. Human Relations School

The *Human Relations School* takes the view that businesses are social systems in which psychological and emotional factors have a significant influence on productivity. The common elements in human relations theory are the beliefs that

- Performance can be improved by good human relations
- Managers should consult employees in matters that affect staff
- Leaders should be democratic rather than authoritarian
- Employees are motivated by social and psychological rewards and are not just "economic animals"
- The work group plays an important part in influencing performance

Low paying jobs typically offer minimal opportunities to utilize one's skills and come with a host of negative outcomes. *Underemployment is associated with decreased self-esteem, increased alcohol use, and elevated rates of depression, as well as low birthweight among babies born to underemployed women* (Dooley & Prause, 2004).

The stress of unemployment can lead to declines in the *well-being of spouses and to changes in family relationships and in outcomes for children*. Research dating back to the Great Depression found that men who experienced substantial financial loss became more irritable, tense, and explosive. Children often suffered as these fathers became more punitive and arbitrary in their parenting. Such paternal behavior, in turn, predicted temper tantrums, irritability, and negativism in children, especially boys, and moodiness, hypersensitivity, feelings of inadequacy and lowered aspirations in adolescent girls

Unemployment may even impact decisions about marriage and divorce. Unemployed or poor men are less likely to marry and more likely to divorce than men who are employed or who are more economically secure (McLoyd, 1990).

- **Community effects.**

The impact of unemployment extends beyond individuals and families to communities and neighborhoods. High unemployment and poverty go hand in hand, and the characteristics of *poor neighborhoods amplify the impact of unemployment* (Wilson, 1996).

Inadequate and low-quality housing, underfunded schools, few recreational activities, restricted access to services and public transportation, limited opportunities for employment - all characteristics of poor neighborhoods - contribute to the social, economic, and political exclusion of individuals and communities, making it more difficult for people to return to work.

Occupational networks are also impacted. Coworkers who have not lost their jobs may suffer from *anxiety that they, too, will soon be fired, and from a heavier work load, as*

component is an indicator for behavioral intentions towards a job such as getting to work in time, working hard, etc.

Approaches to job satisfaction

In explaining job satisfaction and measuring the level of employees' satisfaction three different approaches have been developed.

The first approach turns its attention to the characteristics of the job and it is called the "***information processing model***". According to this model employees gather information about the job, the workplace and the organisation and cognitively assess these elements in order to determine the level of satisfaction.

The second approach suggests that the measurement of the level of job satisfaction is founded on "***social information***" –information based on past behaviour and what others at work think. It shifts its attention to the effects of the context and the consequences of past behaviour, rather than to individual predispositions and rational decision-making processes (Pennings 1986 p. 65).

Therefore, job satisfaction is dependent on how others at work evaluate the workplace. This approach is called the "***social information processing model***" (Salancik and Pfeffer 1978). The third approach indicates that job satisfaction relies on the characteristics or the dispositions of the employee. These dispositions can be based on experience or genetic heritage or on both.

In summary, job satisfaction can be seen as a function of:

- The features of a job,
- The view of others,
- The employee's personality

Job satisfaction and commitment

job satisfaction can affect a person's level of commitment to the organization, absenteeism, and job turnover rate. It can also affect performance levels, employee willingness to participate in problem-solving activities, and the amount of effort employees put in to perform activities outside their job description. When people are satisfied with the work they are doing, then their

2. Job Location

It refers to the name of the department where the job under consideration exists in the organization.

3. Job Summary

Job summary tells about a brief history of job. It is a short paragraph which explains the tasks and activities to be performed by an incumbent. It is a statement which explains what the job entails.

4. Duties

Duties refer to the task performed by an employee. It is necessary to mention the task of the employee because it helps him to estimate the percentage of time that is devoted to the performance.

5. Machines, Tools and Equipment

The machines, tools and equipment used by an incumbent for the performance of tasks are included under this head.

6. Materials and Form Used

It includes all input requirements and the method of application in the production process.

7. Working Environment

The working environment is concerned with the actual work place. It defines working condition in terms of heat, light, noise level etc.

8. Job Hazards

Job hazards are obstacles and obstructions that may arise during actual performance of the task.

Concept and Meaning of Job Specification and Contents of Job Specification Statement

Job specification is a document or statement which spells out the minimum levels of qualification, skills, physical and other abilities, experience, judgement and attributes required to

Working toward well-being

Soon-to-be retirees should consider whether or not to continue to work in some capacity. Many people take on new jobs after retiring from their primary careers with part-time work, a temporary job or self. While working has obvious financial perks, it may also offer health and mental health benefits. A 2009 study led by Mo Wang, PhD, of the University of Florida, found that people who pursued post-retirement bridge employment in their previous fields reported better mental and physical health than those who retired fully (*Journal of Occupational Health Psychology*). The Working in Retirement report found that employed retirees report levels of health, well-being and life satisfaction on par with those who have not yet retired — despite age differences. The report also found that working retirees tend to rate their workplaces more positively than those not yet retired.

The 6 Stages of Retirement

Most major life-changing events, such as marriage and divorce, involve an ongoing process of emotional adjustment. Retirement is no exception. Marriage, divorce and other family-related issues have been the focus of decades of research and analysis by both clinical therapists and religious institutions.

Unfortunately, the emotional and psychological frontier of retirement has remained virtually unexplored until recently. However, while research on this subject has barely begun, it is clear that the psychological process of retirement process follows a pattern similar in nature to the emotional phases accompanying other areas of transition. Read on to discover the six stages of retirement and what you can do to prepare for this important life transition.

Retirees must face what is essentially the last transition in their lives. The first transition comes when we leave the security of home to begin our school life in kindergarten, and after school we have the rest of the day to ourselves. Another major transition comes when we join the working world. Now we work all week but still have the weekend to ourselves. Then finally comes retirement, a time when careers are over and the work is done. Retirees have the rest of their *lives* to themselves. The transition into retirement can be broken down into six main phases. Let's take a closer look at each of these phases.

When you see someone smile, frown, cry, stand, sit, walk, bow, hunch, leap, or any other motor movement, neurons in your brain start to do the same thing. Your mental mimicry may even result in the same action.

If someone smiles at you, you are more likely to smile back. Why? You may tell yourself that it is because you're trying to be polite. Actually, your brain primed your body for smiling the instant you saw that person's face break into a smile.

How does this apply to the negotiation table? Mirroring another person's actions develops an underlying sense of empathy between the two people.

If the person across the table from you folds their arms over their chest, you might, a few moments later, do the same thing. If, on the other hand, one person at the table leans forward with her elbows on the table others may start to do the same after a few minutes.

If you want to be perceived as responsive, engaging, sympathetic, or understanding, traits that may improve your persuasion potential, then you should make a conscious effort to mirror the actions, facial expressions, and attitudes of the other party.

3. Cross your arms to indicate inflexibility.

Body language can be just as powerful as verbal language in a negotiation.

One of the most powerful moves is folding one's arms. It's a power move, and in some situations, you shouldn't do it. Why not? Because it "signals defensiveness and resistance" according to a Forbes piece on body language.

If your intent in the negotiation is to say "no" to a proposal then go ahead and cross your arms. If you've given them your final number or a deal breaker line item, cross your arms.

You must be aware that crossing your arms says something definitive and consequential.

4. Spread your arms to indicate openness.

Most postures have some level of meaning, although you don't want to take it too far.

If your intent is to indicate openness to negotiation, then spread your arms, or at least leave them at your side. An open mentality is reflected in an open physical posture.

5. Dress to impress.

It's cliché to advise "dress to impress." Worn-out as it sounds, there is powerful psychology behind one's appearance.

First, and most forgotten, is that dressing up affects your mind. The better you feel about your appearance, the better you act. You are more likely to act in a confident, impressive, and powerful way.

Equally important is the impression it makes on the other person. She perceives you as someone who exhibits good taste, a concern for self, a concern for others, and overall competence in life.

Dressing nicely can change the entire tenor and outcome of the negotiation process. "Dress the message."

CHAPTER ELEVEN CONCLUSION

Each of these tactics requires you to say nothing. Each of the tactics are formed or performed in the mind, and their impact is subtle and unstated.

That is precisely why they are so effective. A negotiation process is about changing one's mind, about minds connecting in agreement. It is important to understand how the mind functions in order to improve your chances of success.

What psychological knowledge has made you a successful negotiator?

Essential Negotiation Strategies

1. You Can Negotiate Anything

The first thing you should know about negotiating is that everything is fair game, not just cars and houses. At stores, we tend to look at price tags and presume that the offer is final. It rarely

ever is. At the very minimum, you should always ask the clerk if they have any coupons available or if any other discounts apply.

2. Ask to Speak With a Manager or Owner

Most sales clerks don't really care if you make a purchase or not. They're getting paid minimum wage, and your purchases won't put any more money in their pocket. So the second step is to find the person at the store who will directly benefit from the sale. Ideally, you will want to speak with the owner of a small store, but that is impossible with most bigger retailers.

In those cases, look for the manager, whose compensation is most often tied to store sales and customer satisfaction. Ask him if they will offer a discount if you purchase more than one of the item, or if you're a regular customer, ask for a small percentage off retail as a loyalty reward. The key is to let them know that the sale is dependent on their response, otherwise they have no incentive.

3. Keep a Poker Face

If you see an item you want and exclaim loudly that it's perfect and that you've been seeking it for all of your life, there is little incentive for the other party to negotiate. Always keep your cool and don't display any unusual interest in the item. When asked, limit your enthusiasm while unfavorably comparing it to other products. Then suggest that you might still be interested for the right price.

The strength of your negotiating position relies on your actual alternatives to this deal. As a buyer, you should never fixate on a single product; always shop around and keep your options open. As a seller, you should always be prepared to seek more potential buyers.

4. Don't Make the First Offer and Don't Negotiate with Yourself

Whether you are buying or selling, you never want to make the first offer. Why? Because the other party may offer a price that is a much better deal than what you initially had in mind. If you're buying, consider the starting point to be the list price, but make it clear that the price is