Global economic crisis:
A role for work and organisational psychology

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Work and organisational psychology has established itself as a worldwide discipline with some degree of influence. The psychological societies in all of the major developed countries have subgroups of professionals who are focused on the application of psychology to people in their work environment and there is no doubt that psychology has a major contribution to make. This contribution is of benefit to both organisations – in terms of improved effectiveness and to the people who work within the organisations. For example, the approaches developed by psychologists, to assess candidates' suitability for different roles in an organisation is one important area that brings benefits to both the organisation and the people who work within it. From the organisation's perspective it is clearly important to make the best choice of who to appoint, from the available field of candidates. It is very clear that selecting more suitable candidates confers significant benefits to the organisation by way of improved performance – and it has been know for decades that better personnel selection can make a major economic contribution (e.g. Schmidt and Hunter, 1998). From the perspective of candidates being matched with a job that is commensurate with their abilities provides the basis for a satisfying and enjoyable working life.

The contribution of work and organisation psychology is not limited to personnel selection and assessment, although for many practitioners this is the most important area of practice. Other areas are also important, including: the quality of working life; job and work design, training and development. Like many psychological societies, the British Psychological Society (through its Division of Occupational Psychology) identifies the major areas of practice and expertise for work and organisational psychologists. These are:
- Human-Machine Interaction;
- Design of Environments and Work: Health and Safety;
- Personnel Selection and Assessment;
- Performance Appraisal and Career Development;
- Counselling and Personal Development;
- Training;
- Employee Relations and Motivation;

Adresa de corespondență:

- Organisational Development and Change.

Reviewing these areas of practice makes it clear that in the current, exceptionally challenging economic conditions, work and organizational psychology has a particularly important contribution to make – but it also suggests that the emphasis and nature of the contribution may be very different from normal times (i.e. when economic conditions are reasonably favourable).

To examine the potential contribution of psychology in the current climate I would like to use a simpler set of categories than the eight areas of practice noted above – and use a very simple three category system to describe the types of contribution that psychologists can make: composition (e.g. changing the composition of people in the work force, through selection processes, redeployment and job placement); development (i.e. developing the people who are already part of the workforce, through training, coaching, feedback and other development activities); and situational engineering (i.e. re-engineering the situation that people work in through job and work redesign, changes in management and supervision and organizational change). These three areas cover all of the main types of interventions that anyone working with people in organizations could hope to make. In addition to focusing on these three generic areas I would also like to focus on what I believe to be the most important area for psychological work in difficult economic times – that of employee well-being and engagement.

Why is employee well-being and engagement particularly important for psychologists in challenging economic times? When the economy is challenged it is inevitable that the level of demand and pressure on people in the workplace increases – this means that maintaining good levels of psychological well-being becomes even more important for people. Psychologists have a major role to play in this. For organizations, psychological well-being and employee engagement are also critical, for several reasons. First, employers have a duty of care towards their employees and will need to be even more conscientious in caring for their employees when demands are increased but it is also clear that organizations are more effective when their employees have higher levels of psychological well-being (see

Robertson, 2008; Robertson and Flint-Taylor, 2009) and are fully engaged (see Macleod and Brady 2008). Employee engagement has become an important issue for most employers and HR Directors across the developed world are striving to find effective ways of ensuring an "engaged" workforce. This interest in engagement is fuelled by findings that levels of engagement in many organizations are not particularly high. For example, Towers Perrin conduct regular surveys of engagement levels on a global. Findings from their 2007-08 Global Workforce Study (Towers Perrin, 2008) revealed:

- Only 21% of workers across 90,000 employees in 18 countries were fully engaged;

- Within the UK this level was 14% (although low, this is similar to other European countries);

Lowest levels of engagement were found in Japan (3%), Hong Kong (5%) and South Korea (8%). Highest engagement levels were found in Mexico (54%), Brazil (37%) and India (36%).

The evidence that engagement levels are important for organizations is compelling. One of the largest studies (Harter, Schmidt and Hayes, 2002), covered Nearly 8,000 separate business units in 36 companies and revealed that engagement/well-being correlated with critical business-unit indicators, including sickness-absence, customer satisfaction, productivity and employee turnover.

An important issue for psychologists to understand concerns the relationships between psychological well-being and employee engagement. In fact, although there is some broad agreement about the type of factors included in employee engagement there is also lack of clarity about its definition and measurement. In general, the items in most engagement surveys focus on the aspects of engagement that are most obviously related to positive employee behaviour and cover established psychological concepts, such as organizational citizenship (e.g. Organ and Paine, 1999) and organizational commitment (e.g. Meyer, 1997). For example, the Utrecht Work Engagement Survey (Schaufelli et al., 2002) concentrates on three factors: vigour, dedication and absorption. The Gallup Workplace Audit (see Harter et al., 2002) focuses on factors such as

clarity – knowing what's expected and control (input & opportunity). These concepts reflect a focus on the aspects of engagement that are likely to be most directly involved in driving positive employee behaviour. As such, they reflect a focus on "Narrow Engagement" – i.e. the factors that are of most direct interest to employers and organizations, since they describe positive employee behaviour.

In addition to this focus on narrow engagement many engagement questionnaires also include at least a few items that focus on employee psychological well-being – but by and large they do not distinguish between employee psychological well-being and the narrow engagement factors. From a psychological perspective this wider focus on psychological well-being is important and better reflects a more rounded view of engagement – "Full Engagement". The concept of full engagement covers both the aspects of narrow engagement that describe positive employee behaviour and underlying employee psychological well-being. I believe that it is important for psychologists to utilize the concept of full engagement, which measures both the narrow engagement factors such as organizational citizenship and employee commitment (which are easily recognized by employers as important) and the aspect of psychological well-being that reflect full engagement.

Research confirms that employee psychological well-being is important for both the employee and the organization. For employees psychological well-being is linked to important individual outcomes, including a range of mental and physical health issues, with lower levels of psychological well-being linked to poorer health. The impact of job strain on the individual has been heavily reported by researchers (see Cooper and Quick, 1999). In the UK a series of research studies (e.g. Ferrie et al., 2005; Griffin et al., 2007) have explored the relationships between job conditions, individual health and other outcomes in a study of government employees. Kuper and Marmot (2008) looked at a cohort of over 10,000 British Civil servants. The results revealed that factors in the job, such as low levels of control and autonomy, were associated with an increased risk of serious illness. So, low psychological well-being caused by workplace factors is literally deadly for employees. Other studies (e.g. Cohen et al., 2006) have shown links with minor physical illnesses, such as the common cold. By contrast, high levels of psychological well-being are associated with a range of positive outcomes. People with higher levels of psychological well-being are less likely to see ambiguous events as threatening (Seidlitz and Diener, 1993; Seidlitz et al., 1997). Processing neutral or ambiguous events as threatening is most unhelpful in an organisational setting where change is taking place, for instance. Evidence also shows that unfavourable feedback is seen as more hurtful by people with lower psychological well-being and positive feedback produces more benefits for people with higher psychological well-being. People with lower psychological well-being also use more contentious interpersonal tactics (see for example, Larsen and Ketelar, 1991; Derryberry and Read, 1994). On the other hand, people with higher levels of psychological well-being learn and problem solve more effectively, are more enthusiastic about change, relate to others more positively and accept change more readily. It is difficult to think of another set of characteristics, apart from job-specific skills, that are more important to an organisation's success.

The role of psychologists in providing support for employers and helping them to understand and achieve the benefits of full employee engagement is more critical than ever in the current economic climate. Psychologists have a role in all three areas mentioned above (composition, development and situational engineering). In relation to the composition of the workforce psychologists can help to ensure that employees are well-suited to the demands that their roles will place on them by advising organisations on matching the employees' characteristics (personality and abilities) with the demands of the role. In terms of development, there is a growing research literature on positive psychology and the development of resilience (e.g. Tugade and Fredrickson, 2004; Yehuda et al., 2006). Psychologists can draw on this literature to develop effective training programmes that build resilience in employees so that they can cope effectively with the stresses and strains of their roles. Finally, when it comes to the situation that people work in, psychologists can help by drawing on the extensive literature on job and work design (e.g. Bond and Bunce, 2001) to help organisations to provide psychologically healthy jobs for employees.

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