

“Blending Research with Application”

Lies, Lies and Damn Business Psychology

- ❖ Rather than lies, we are looking at mistruths. An admission of the weaknesses in the field of I/O Psychology.
- ❖ In an atmosphere such as this, it is safe to explore and analyse the foundations of our discipline.
- ❖ It's about knowing what you don't know.

- ❖ The field of I/O Psychology is changing, and OPRA are ensuring that they are at the forefront.
- ❖ We should all want to be in a position to talk with integrity about the solutions we provide.
- ❖ Cannot deny the influence of commercialisation and that the environment in which we operate has changed. The question is whether or not our discipline is progressing???

❖ Focus here on 5 mistruths

- ⇒ Education;
- ⇒ Measurement;
- ⇒ Validity;
- ⇒ Evaluation; and
- ⇒ Ethical Base.

Universities are producing business ready,
critical thinking, I/O Psychologists

- ❖ Critical thinkers.
- ❖ Extensive and cutting edge knowledge base, including an understanding of business.
- ❖ Understand fundamental principles of psychology. Depth of knowledge.
- ❖ Able to apply knowledge practically.
- ❖ Trained using the Scientist/Practitioner Model by true scientist/practitioners.

- ❖ Non-commercial.
- ❖ Scientists-Practitioners teaching.
- ❖ Links between teaching and the 'real world' application.
- ❖ Teach students to truly challenge and think critically. Real depth of understanding rather unquestioning acceptance of knowledge.
- ❖ Cutting edge knowledge.

- ❖ Universities are commercially driven institutions which have an incentive to avoid failing students.
- ❖ As a result education can be thought of as an exercise in tenacity.
- ❖ Can be argued that many students are coming through without the necessary depth of understanding.

- ❖ I/O Psychology students can get through without having vital understanding in the disciplines of economics, accounting, sociology, philosophy and biology.
- ❖ Students do not appear to be learning the realities of the application of theory.

- ❖ The absence of a true Scientist/Practitioner model. Students do not understand what it takes to practice until they get there. Often lacking in business acumen.
- ❖ Often a regurgitation of old theory.
- ❖ As a result, currently, I/O graduates are not coming out of Universities ready to 'hit the ground running' and add value.

I/O Psychology professionals are
differentiated by their focus on
measurement

- ❖ Axioms of measurement.
- ❖ Appropriate quantitative models.
- ❖ Scientific process adhered to.

- ❖ The axioms of measurement are fundamental, yet most I/O Psychologists overlook this. Psychological constructs have no true zero, and are not additive.
- ❖ Practitioners often do not fully understand the measurement model on which this whole discipline has become based.
- ❖ As they do not understand it, they have avoided a critique of it. We call ourselves scientists, however have failed to apply our own scientific principles to a critique of our own methods.

- ❖ Michell (2000) calls this the “Pathology of Science”.
- ❖ The ‘science’ of psychometrics is based on an unproven assumption which we have unquestioningly accepted; that what we are measuring can be quantified.

- ❖ Differ from most natural sciences in that the variables that interest us are latent or unobservable (Barrett, 2002).
- ❖ However, we have made quantitative methods fit, perhaps out of the desire to be considered a science.
- ❖ But avoid many of the hard questions, such as, “what exactly is it that we are measuring?” and “How do we operate with these tools in a way that constitutes measurement?”

- ❖ Comes down to a lack of knowledge in many cases. Many I/O practitioners are unaware of what they do not know.
 - IRT and validity
 - Theory of science
 - Models of personality

- ❖ I/O Psychologists are not admitting how messy the field of human difference and human prediction is, and ignoring the fact that there may be more effective ways to understand it than quantification and measurement.

Measurement, science, and best practice all too often ‘fall out the window’. It simply does not often exist in the real world:

- ❖ **Competencies**
- ❖ **Ipsative Measurement**
- ❖ **Career Theory**
- ❖ **Job Analysis**

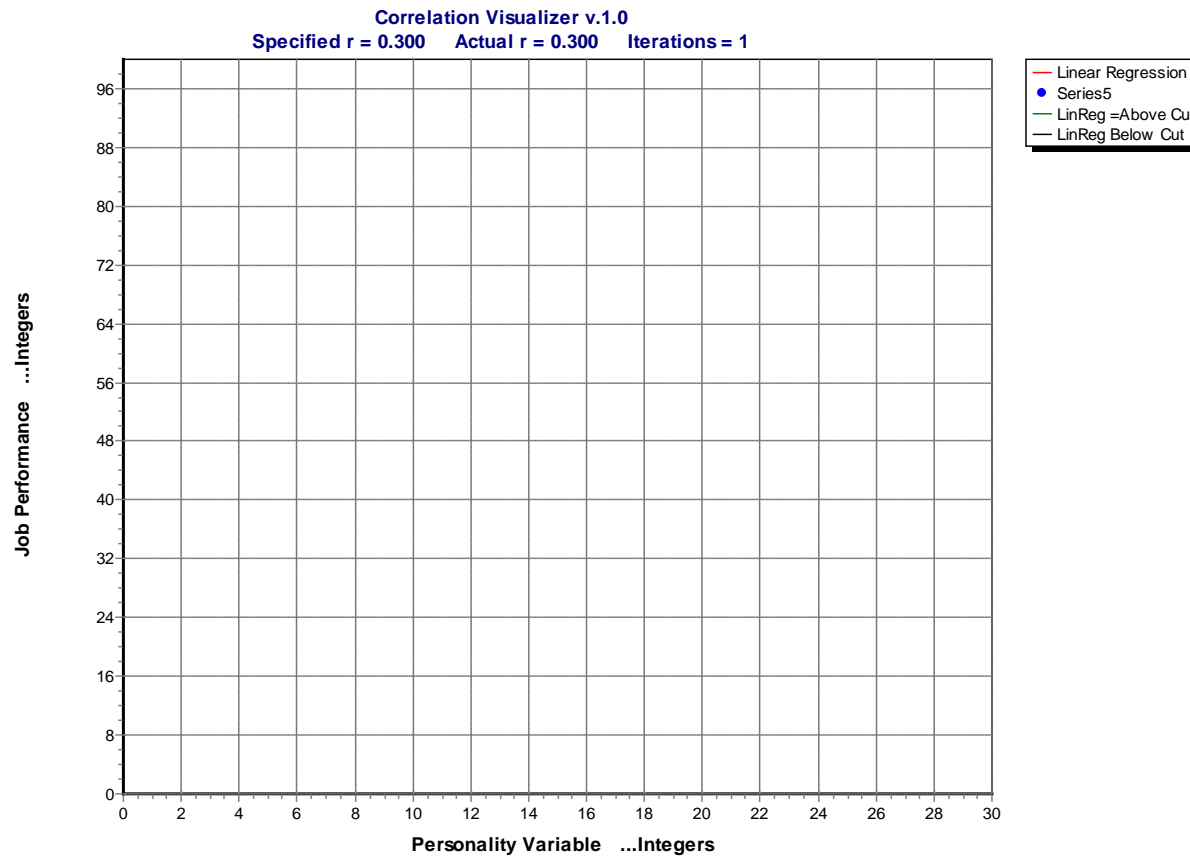
Concepts of Validity

What is Validity?

- ❖ To have criterion related validity would mean that the interventions which I/O Psychologists implement, have a relationship to some criterion in the real world.
- ❖ Valid interventions would make a real and demonstrable impact within a *PARTICULAR* organisation.

- ❖ The evidence base for I/O Psychology is that of imprecise correlations and pseudo ROI.
- ❖ As the discipline of I/O cannot produce any high degree of accuracy, I/O practitioners often hide behind shoddy correlations, and all too often make the assumption that they are generalisable.

Correlation $r = 0.3$ (Test Scores)



- ❖ Why do Psychologists persist in using single scale linear correlation as supporting evidence in tests before then going on to ignore the results in practice?
- ❖ Where is the theory building that is fundamental to science and falsifiability?
- ❖ Where is the systems approach – Environmental context?
- ❖ The fact that predictive validity does not necessarily generalise is often overlooked.
- ❖ Why do I/O Psychologists often persist in trying to find overarching generalisable findings, disregarding that every organisation, role and individual are different?

- ❖ Need to rely on theory building and an individualised approach. Kelly (1955) applied to organisations.
- ❖ We cannot deny the variation in context both external and internal, organisational and individual.
- ❖ Psychology does not lend itself well to linear single construct models.

- ❖ Smarter people are more likely to perform well (Schmidt & Hunter, 2004).
- ❖ Those who work hard, are goal oriented and have an eye for detail, tend to perform well (Barrick, Mount & Judge, 2001).

Thank Goodness for Psychology because we could never have worked that out!

I/O Psychology is a discipline of
thorough evaluation

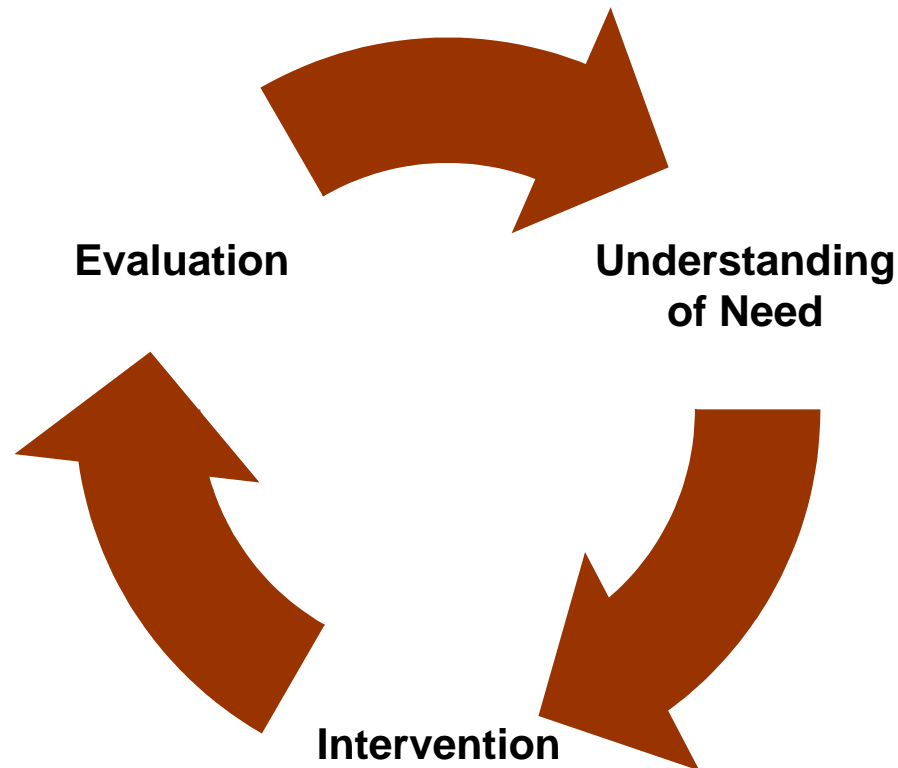
- ❖ Essential step to deciding success of intervention.
- ❖ A recognition of the merit, worth and significance of interventions.
- ❖ Cannot be adequately reflected by a simple number or statistic.

- ❖ Merit of a intervention
 - its inherent worth, the cost.
- ❖ Significance of an intervention
 - is this something worthwhile doing?
- ❖ Evaluation will lead to an understanding of the utility of an intervention or the process.

I/O Practitioners all too often fail to apply an evaluation model to their practice. If we truly thought critically, it often wouldn't work.

- ❖ Diversification
- ❖ Teams
- ❖ 360 Degree Survey
- ❖ "Our study found that some practices such as broad-based training and 360-degree feedback-which conventional wisdom would have us believe are like mom and apple pie-did not add any economic value and, further, were actually associated with a decrease in market value,"
Kay, 1999 –Director of Human Capital, Watson Wyatt

- ❖ Organisations need to take more responsibility in evaluating their interventions.
- ❖ When we do start to evaluate things, they fall down. Need to evaluate in the context of our organisations. Need to complete the loop.



The field of I/O Psychology is driven by Ethical Practice

- ❖ Financial gain not an overriding motivation.
- ❖ Using statistics honestly and appropriately.
- ❖ Relevance of training.
- ❖ Only well validated, reliable tools used in practice.

- ❖ Test publishers go out of the way to show how they are different and then validate their tests and the constructs they use against one another.
- ❖ We are scientists producing universal laws that are then the unique discovery of individual companies.
- ❖ Our driver is the furthering of the science, yet there is a closed approach to data.
- ❖ Quantitative methodologies have long been known to be a failure, yet qualitative methods are difficult to protect and even harder to sell.
- ❖ Robustness is built on sameness, market share is built on difference.

- ❖ I/O Psychology is big business, evident in the number of publicly listed companies involved. Commercial gain will always be an objective of paramount importance.
- ❖ As a result, it is the market will often dictate what is provided, even if ethics have to be compromised.
- ❖ For example – The history of Internet Testing.

The most significant advance in assessment in thirty years. It goes beyond personality, beyond motivation and beyond culture.

A telecom client needed to quickly expand its large business sales force. After determining the success competencies for the global account director position, we assessed internal and external candidates. By hiring just ONE average performer from the ‘Acceptable’ candidates rather than one average performer from the ‘Not Recommended’ group, the client would have increased annual revenue by about \$12,000,000! Now that’s ROI.

“No technology of which we are aware- computers, telecommunications, televisions, and so on- has shown the kind of ideational stagnation that has characterized the testing industry. Why? Because in other industries, those who do not innovate do not survive. In the testing industry, the opposite appears to be the case. Like Rocky I, Rocky II, Rocky III, and so on, the testing industry provides minor cosmetic successive variants of the same product where only the numbers after the names substantially change. These variants survive because psychologists buy the tests and then loyally defend them (see preceding nine commentaries, this issue). The existing tests and use of tests have value, but they are not the best they can be...”.

STERNBERG & WILLIAMS, 1998

Testing has not evolved but marketing has!

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The uncritical acceptance of I/O Psychology interventions

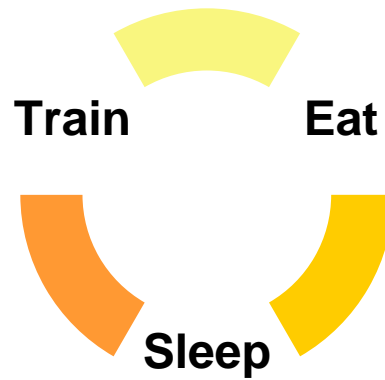
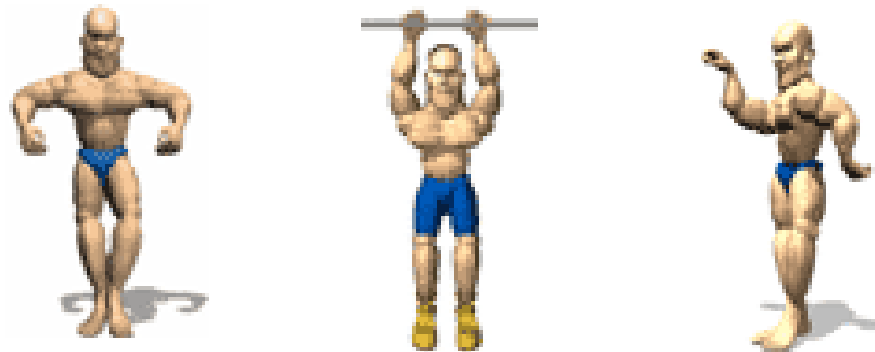
- ❖ Unquestioning the usefulness of solutions, many of which are transactional and disjointed.
- ❖ Lack of understanding around the measurement base of an intervention, so uncritical.
- ❖ Acceptance that validity is generalisable to all businesses and contexts.

- ❖ Uncritical acceptance by both those within and those outside of this industry, is allowing psychologists to practice under the 'guise' of science.
- ❖ The industry of I/O Psychology is on shaky ground if we continue to rely solely on such a guise.
- ❖ I/O Psychology will be, and is beginning to be challenged by a new wave of questioning and innovation.

An Integrated Individualised Approach

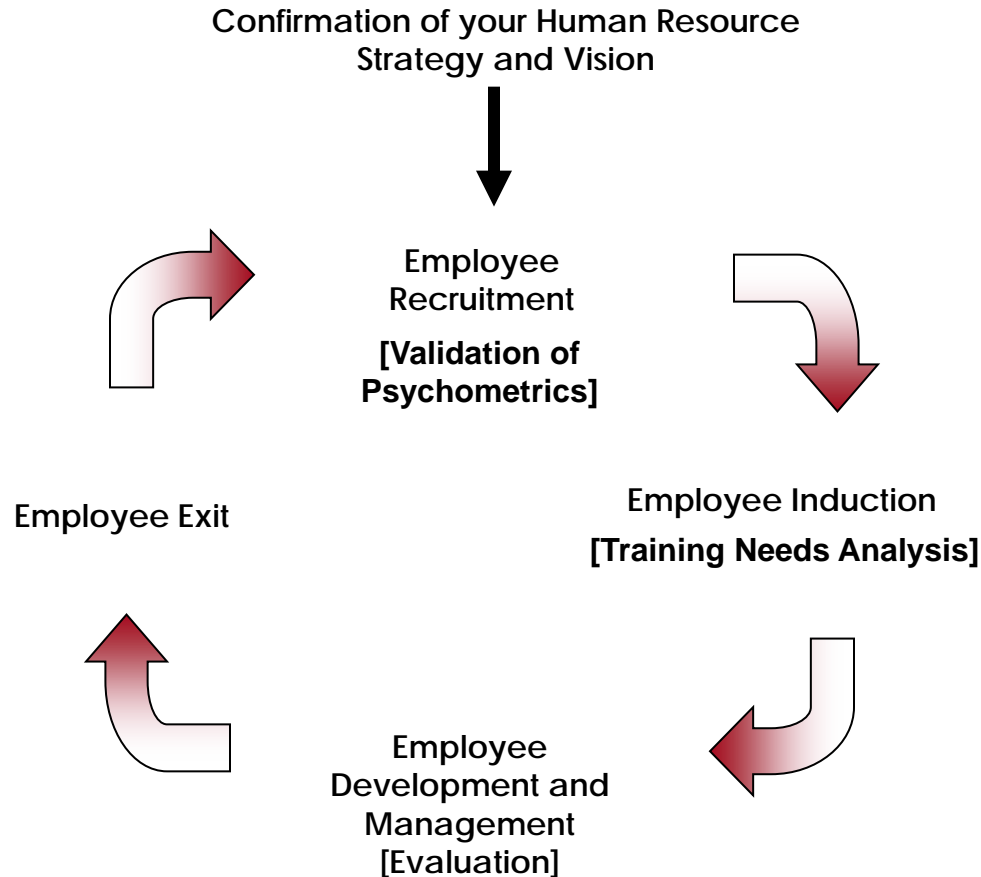
- ❖ An integrated systems approach in which utility is central. As practitioners we need to be thinking in terms of real utility and return on investment (ROI) for our clients. However this must be demonstrated in a complete systems approach not overly simplistic inferences.
- ❖ Concentrate on an entire solution, rather than an intermittent transactional exchange.
- ❖ Do it all right, or may as well do nothing at all.

Body Building Analogy



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Integrative Individualised Approach



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Integrated Individualised Approach



- ❖ **Need high calibre I/O Psychologists who can solve real business problems.**
- ❖ **Solutions need to be individualised through quality consulting. There is no solution out of a box.**

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Integrative Individualised Approach

- ❖ Complete Individualised System – there is no generalisability.
- ❖ Solution cannot just be in products.
- ❖ Each situation will require a solution which will inevitably be in some way unique to that organisation, and provide them with the greatest utility.
- ❖ As a result, we need to see the complete integration of solutions in a way that best suits that organisation, as opposed to the disjointed, transactional approach.

- ❖ These 5 mistruths are sustained by a lack of knowledge.
- ❖ Commercial orientation of I/O Psychology has made these mistruths even more pervasive.
- ❖ I/O Psychologists need to realise what it is they do not know and honestly address our shortcomings.
- ❖ Consumers need to expect more.

- ❖ Solution is fully integrated individualised approaches to organisational issues.
- ❖ Practitioners need to create solutions that work with the unique context of a specific organisation.
- ❖ We need to understand that to make meaningful change, a range of integrated solutions needs to be carefully implemented.
- ❖ We need to be able to demonstrate our usefulness.

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