



Introducing Organizational Psychology in Business Curriculum

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Abstract: A significant increase in multidisciplinary research is both timely and relevant in the 21st century. The past decade has witnessed major transformation in academia. In the current scenario, principles of organizational psychology remain a cornerstone of management and businesses. Human behavior is more nuanced than ever before. At the same time, global organizational culture has contributed to cross cultural awareness. Areas of leadership, organizational politics and workplace designs need better micro level understanding for efficient output in the concerned areas. Knowledge economy requires boost and adequate resource allocation. Interaction potential and interaction complexity require deeper analysis to assist greater coordination and task completion. Increasing time constraints and deadlines act as additional stressors, significantly hampering motivation levels of the employees. Strategic planning and systematic stress management techniques, both part of organizational psychology offer key insights into tackling these recurrent issues. A plethora of research highlights how job characteristics and workplace motivation are interrelated. Research has also consistently shown how incorporating the appropriate human resource practices motivates employees of all ages not only to perform well, but to also succeed in their job roles. This reaffirms how organizational psychology and business are highly interactive fields, suggesting the need for a more profound integration of the two disciplines. The result will be a stronger and more ethical organizational culture.

Keywords: *Interaction complexity, interaction potential, knowledge economy, organizational politics, workplace motivation*

1. Introduction

In the 21st century, the continuous attempts aimed towards cross-sectoral growth have rendered a substantial amount of interdisciplinary research. With the viewpoint of growth and collaboration in mind as the key factors, the application of much needed psychological principles across various fields has become a common phenomenon. One of the most widely benefited fields in this regard is business and management. This is due to its interrelatedness to the field of organizational psychology.

Business education has evolved into a complex discipline today. If one were to compare its present state with that of the yesteryears, it can be concluded that a lot has been either added, updated or changed (Frese & Gielnik, 2014). It is no longer merely about machinery and technology but about a reciprocal interaction between humans and the technological domain, which creates a specific type of ‘situation.’ This ‘situation’ is a matter of concern only if individuals perceive it (Hogan, 2009). But once perceived, it creates an environment for individuals to engage in both conscious and unconscious phenomenon (Bowes, 1981) and additionally impacts the cognitive, affective and behavioural domains of people involved.

Since human behavior has become more nuanced due to such interactions, long term physical and mental repercussions have been observed (Endler, 1981). Along with the direct effects of the work environment, indirect effects loom over the lives of individuals and may impact the overall functioning of the concerned individual in other areas of life, such as family, community involvement, personal interest and health. (Rao, 2010).

1.2 Definitions

Organizational Psychology

Dolan and Gabel-Shemueli (2015) defined organizational psychology as “a field of study and research in which scientific principles of psychology and methods are developed, applied, and practiced in the workplace. It deals with various aspects of people’s behavior and attitudes and connects them to functions and productivity in an organizational setting.”

Business Education

Osuala (1998) explained that business education is “a program of instruction, which consists of office education, which is a vocational education program for office career workers through initial refresher and upgrading education.”

Igwe (2017) defined business education as “a subject of vocational education which provides the recipient with skills, competencies, attitude and general knowledge to enable the individuals live, function, imbibe and appreciate the present.”

The aim here is to establish a review of the (a) instances recorded through research about how businesses and management have always used psychological principles (b) to understand nuances of human behavior and ways in which these might affect the workplace environment and (c) adequate resource allocation to cater to the dynamics of business organizations to extract maximum benefit from principles of organizational psychology.

2. Review of Literature

2.1 Global Organizational Culture and Leadership

The role of culture cannot be denied in any organization, be it allied to business or some other ventures. A robust organizational culture lays the foundation for a successful working staff, one which fosters a sense of identity within the organization (Schein, 2011). This ultimately has shown to motivate people to pursue organizational goals with more readiness, which in turn aids in strengthening the values of the organization (Ahmed & Shafiq, 2014; Divyarajaram, 2014).

Since leaders are at the forefront of every setting, a lot of research has been conducted on leadership. Time and again, it has been emphasized that being able to influence oneself is a necessary precondition for leading others (Deloitte, 2019). This highlights another important point that self-regulation is a prerequisite to leading a group since it ensures that the leader is in command of his actions and has ways to tackle obstacles that might come along the way to success. A great level of organizing and planning is involved while practicing self-leadership. It creates an environment where outcomes are in accordance with the ‘self-influence’ that is exerted by a specific individual in the organization, with increased job satisfaction and workplace performance being key indicators (Harari et al., 2021; Knotts et al., 2022).

These provide an in-depth understanding of human behavior as it operates within an organizational context. This ultimately impacts business in an organization, making it an effective learning tool and worthy of being incorporated in the business curriculum.

2.2 Organizational Politics and Motivation

While some people in an organization might achieve targets smoothly, for others it might not be a smooth sailing due to the organizational politics. The reasons for engaging in the same

could be evolutionary as well as driven by the culture in an organization (Vredenburg & Shea-VanFossen, 2010). Either way, the motivation behind politics in organization is thought to be power striving (Nicholson, 1997). Navigating it is tricky but at the same time extremely essential, as the dearth of it might lead to self-serving behaviors among employees (Vigoda-Gadot & Drory, 2006) lowering their levels of motivation and ultimately decreasing the output at the organizational level. This negatively impacts the interpersonal bond the employees share in a particular business venture or an organizational setting.

Due to a complex environment in today's day and age, the need for a high performing team is necessary, one which strives to move past the politics and thrive in the face of challenges. The team should have the morale and the motivation to engage in tasks that have perplexity and are way different from daily work within the organizational setup (O'Neill & Salas, 2018). This will help in ensuring that the teammates engage with one another, since a novel task will require extensive deliberation and input from all the members of the team will be taken into consideration. Ultimately, group cohesiveness will be taken care of.

The analyses of previous research in this context yield important information regarding the types of incentives to be provided to the team members (intrinsic vs extrinsic). The backing for this incentive structure can be made possible by applying the theories of motivation relevant in organizations, such as Ryan and Deci's Self-Determination Theory (Deci & Ryan, 1985, 2000; Ryan & Deci, 2017) and Expectancy Theory (Vroom, 1964). Since not all tasks can be categorized as being performed purely for either intrinsic or extrinsic rewards, leaders must note and categories the patterns of behaviors of employees to understand which incentive is valued more and under what conditions. The result will be better and more meaningful employee behavior in the future, which, in the long run will be beneficial to the concerned business.

2.3 Management and Workplace Designs

Macro-level level management techniques in the workplace are sufficient and more in number when compared to micro level techniques. The reasons can be manifold such as covering a broader area of impact ranging from organizational policies and economic strategies. Digital transformation is the new normal in today's day and age. Assimilation of different roles into the work that an individual engages in has changed dynamics and workplace identities (Vaast & Pinsonneault, 2021; Prester et al., 2023). An individual's role is not separate in an organization, rather, it lies on a spectrum along with other roles pertaining to different areas of a person's life.

An important consideration here is also that of digital literacy, which might act as an advantage of hindrance to different employees even within the same organization.

The concepts of Role theory (Solomon et al. 1985) are of utmost importance while creating a workplace that caters not only to an ‘employee,’ but also to her/his patterned behavior, social circumstances and overall social scripts (Biddle, 1986). Adequate workplace designing should also involve remedies and solutions if at all any conflict among roles is encountered, creating a flexible place where boundaries-physical, cognitive, temporal and spatial can easily be traversed. (Mirbabaie & Marx, 2024).

2.4 Knowledge Economy and Resource Allocation

All the tasks at hand for inculcating psychological principles into business curriculum cannot manifest into reality without appropriate resources being allocated to the concerned areas. Be it workplace designing, organizing seminars and workshops, disseminating and building effective leadership strategies or increasing employee efficiency and satisfaction, the essentialities must be made available by the concerned authorities.

Archibugi and Lundvall (2001) in “The Globalizing Learning Economy” define knowledge-based economy as “an economy more dominated by the global influences and by the speed, often in real time, of the communications and information, no matter what the distance.” Knowledge based economy, which operates at a macro level, involves four basic pillars. These include,

- a) ***Education and workforce:*** A knowledge-based economy requires workers who are skilled and educated, can think critically and adapt to new changes
- b) ***Innovation System:*** A country’s progress can be aided by encouraging research, creativity and new ideas to foster innovation,
- c) ***Information and Communication Technology:*** Access to technological and communication resources and lastly
- d) ***Supportive economic and institutional environment:*** Creation of policies and laws by the government that encourage businesses to invest in knowledge and innovation.

Thus, strengthening these four pillars of knowledge-based economy will not only increase the knowledge pool, but will also maximize the productivity and innovation in the concerned country (Tocan, 2012). This, in turn, provides a boost to the business sector.

2.5 Interaction Complexity and Interaction Potential

Interaction complexity, in general, explains that there are several parties in a system interacting with one another. As a result, dynamic interactional patterns and interconnections can be pointed out and established. Same is true for business settings, which do not operate in isolation but exist in an interconnected web of market systems and allied organizations. This makes the entire “situation” a complex one. But complexity is desirable especially when it helps improve performance, efficiency and sustainability. On the contrary, it can be harmful when it exerts unwanted pressures such as time constraints and allied pressures on people (Janlert & Stolterman, 2010).

Input from organizational psychology in such situations is essential since it provides much needed information about work-life balance, addressing interpersonal dynamics in an organization and delving deeper into ergonomics to ensure occupational health. Along with the above-mentioned advantages, another advantage of interaction complexity is interaction potential, which assesses the possibility of interactions which might take place between people. The contingency theories of leadership (Fiedler, 1964) are most fitted here since these provide the best combination of leader and follower characteristics in particular situations, thereby assisting in successful adaptation to the varying situations in an organizational climate.

2.6 Human Resource Practices and Ethical Considerations

To survive it is imperative that an organization has its own set of rules as well as values. Ethical dilemmas are a by-product of any venture where two or more conflicting choices are involved. In such cases, what prevents a person from taking catastrophic decisions are the human resource practices.

Willocks (2024) suggests that ‘leader character’ can be created by providing necessary leadership skills to employees, helping them to exceed in their role, so that they become better equipped to deal with unprecedented organizational challenges. This is where both human resource development and ethics find a common ground. Ethics form the very essence of all psychological enquiry, including organizational psychology. Social and economic justice are amongst the most important considerations in organizations (Lefkowitz, 2017). With every action taken, a moral high ground is either formed or destroyed. Application of ethics helps ensure the former.

These practices create a strong foundation on which the entire set up is built. The stronger the foundation, the greater the longevity of the set-up, including businesses and organizations.

3. Conclusion

The above review offers insights into the potential areas of business and organizations that can benefit from the principles of organizational psychology. The correct application and implementation of these has shown to have yielded growth when applied in business setups, thereby, making these inputs worth incorporating in business curriculums. Future studies can focus more on longitudinal analyses for better understanding of both micro and macro level management techniques relevant to businesses and the subsequent management of such setups.

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