



I-O Psychology in the Global Workplace: Emerging Activities and Implications for Our Field

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In this column, I consider the role of I-O psychology in the global workplace in greater detail. That is, what kind of global activities will I-O psychologists be involved with in the future? What are the implications for I-O psychology? What has spurred my thinking recently about this topic is an article I read by Donald Dowling, an attorney, regarding “multijurisdictional” human resource initiatives. Although Mr. Dowling focuses on the legal perspective, the topics he addresses also have implications for I-O psychologists who work in a global context. I begin, however, with a background, sharing my thoughts about the degree to which I-O psychology has become a global science.

Background: Is I-O Psychology A Global Science?

First, I begin with the premise that in the last 50 years, most (but not all) of the major developments in I-O psychology have taken place in North America. Indeed, when we look at some of the most significant I-O practices, such as structured interviewing and Behaviorally Anchored Rating Scales, to name just a few, as well as scientific methods (e.g., meta-analysis), they were developed and largely refined in North America. (I do want to point out that there are increasing numbers of I-O psychologists nowadays in areas outside of North America who are producing excellent research in our field.) What this tells me is that much of the field of I-O psychology may be culture bound to a large extent. The North American culture is highly achievement oriented, individualistic (rather than collectivist), short-term focused (rather than long-term), and we place a heavy emphasis on quantitative results. These are just a few of the characteristics of North American culture. Nevertheless, we as I-O psychologists seem to focus little on specific aspects of culture and how they may affect our practice of I-O psychology in different cultures. I would assert that we need to be cautious in seeing the world through our own cognitive filters. Indeed, we may need to go through extensive training in order to become aware of our cultural biases before we can help others (i.e., non-I-O psychologists) become aware of their cultural biases.

In addition, at the 2006 SIOP conference, I attended several sessions on the globalization of I-O psychology. At the risk of generalizing, my sense was that our practices were applied to other countries with more “tweaking” than “major overhauls.” However, in performing a recent review of literature, I found good support for the argument that culture does affect areas such as compensation, performance management, and so forth. However, the extent to which this calls for new theories to be developed is unknown. Perhaps rather than new theories, new variables need to be added to our models. An example is in order here. Training is one area where one can expect that practices may need to differ, depending on the particular culture one is dealing with. My recent reading on training people from different cultures suggests a variety of ways in which training may be affected by culture. Given limited space, I will just note two of the interesting points that I have learned:

1. In general, different people from different cultures react differently to different training methods. Some cultures prefer a highly unstructured approach to training, but people from other cultures prefer a highly structured training experience. The methods of training may need to vary therefore depending on the culture.

2. Symbols, language, and even gestures that are used may differ from culture to culture, and therefore communicating with people from another culture can cause confusion and even misunderstandings. Did you know that to “table” an issue has a different meaning in the U.S. than it does in the U.K.?

These points are interesting and certainly require consideration by anyone doing training in a different culture. But what about the more fundamental question as to whether training methods that are successful in, say, a North American context are equally effective in other cultures? As an example, is behavioral model training effective throughout the world? I am not aware of research on this question, which leads me to conclude that at best, I-O psychology as a *global* science remains in its infancy.

Emerging Global Activities

If I-O psychologists are to be of value to organizations, we need to consider how we can contribute to important global activities. Towards that end, Dowing (2006) listed a number of business globalization trends, which have interesting potential implications for I-O psychologists as well. These trends include:

- Offshoring various functions (e.g., call centers);
- Cross-border mergers, restructurings, and downsizing;
- Corporate ethics, workplace human rights, and sweatshops;
- Global codes of conduct and equal employment opportunity policies;
- Global compensation and benefit plans;
- Increasing demand for expatriates;
- Global HR information systems and the implications for data privacy laws.

Dowling (2006) emphasizes that these projects increasingly require not just foreign experts but local experts as well. The degree to which local expertise is needed, according to Dowling, depends on the nature of the project. A global benefits project, for example, may require extensive support from local employee benefits specialists, as regulations are likely to vary from country to country. Developing a global equal employment opportunity policy, however, may require less intensive local expertise as discrimination laws generally support, rather than conflict, with a global organization's policies.

Dowling (2006) also described some of the most common international employment law compliance challenges. Although his focus is on the legal aspects, several of these challenges have the potential to involve I-O psychologists and therefore they deserve some discussion. Next, I discuss several of those challenges that are more pertinent to I-O psychology and conclude with a discussion of the implications for I-O psychologists.

Multicountry reductions in force. Besides a myriad of laws that may affect terminations, which are likely to differ from country to country, policies and practices must be developed and implemented. Communication processes must be determined (e.g., how terminations are announced), criteria for the terminations must be decided (e.g., are past performance appraisals, future skill assessments, or some combination thereof to be used? How will seniority be used?), timetables for the decisions must be calculated, and severance/outplacement programs must be examined. All of these decisions need to be made with cultural differences in mind. I-O psychologists have the potential to contribute a great deal to these assignments.

Global mergers and acquisitions (M&A). Although involvement in M&As is hardly a traditional activity for I-O psychologists, this does not reduce its importance. Dowling notes a number of tasks that comprise an M&A, including the need to plan in advance how various HR practices will be implemented. For instance, Dowling notes that the buying company will need to determine how it will integrate the new employees into its workforce. Will there be layoffs? As pointed out above, the buying company will need to realize that other countries have differing laws regarding terminations and these need to be carefully researched. If the newly acquired employees will be retained, but currently have a superior reward package, a process for effectively communicating change, and addressing problems that arise, should be determined.

Global workforce restructurings. Dowling (2006) observes that there are several potential legal implications of global restructuring, including the need to compensate workers in some countries for lost rights. I-O psychologists have much to offer in terms of the design and process of restructuring an organization. Again, however, I-O psychologists must keep in mind that culture may play a profound role here. In a culture with high power distance, for example, a restructuring that empowers lower level employees and reduces the decision making of supervisors may cause considerable discomfort to those affected.

Implications for I-O Psychology

There are a number of implications of the emerging assignments described above for I-O psychology. First, it is possible that more traditional I-O psychology activities, such as selection, testing, performance management, and employee surveys, may become less dominant in a global setting. That is not to say that these activities will no longer be important. Second, I-O psychologists are likely to find that as a result of these new assignments, new knowledge and skill sets will become important. Background seminars in the employee aspects of M&A issues, for example, may become helpful for I-O psychologists. Finally, with the advent of these new assignments, I-O psychologists may play a more strategic role than they have in the past. This is particularly important, as companies increasingly outsource (or offshore) basic HR functions, thereby freeing I-O psychologists to engage in other, higher level activities. Moreover, some have argued that strategic activities garner more respect, and are valued more highly, by top management.

Which leads me to my last thought, namely, whether I-O psychology is perceived to provide value to employers in a global context. Given the relatively limited understanding, let alone appreciation, that many line managers may have of our field, I question whether there will be much push to involve I-O psychologists in global issues. I believe it will therefore be increasingly important for I-O psychologists to demonstrate their value in a global context and prove the worth of their skills in this context.

In sum, our field will experience increasing globalization in the future. It behooves us to expand our knowledge and skill base in this area and provide training opportunities to I-O psychologists. Although there are certainly challenges in this domain, I believe that the opportunities clearly outweigh the threats to our field. I expect that 10 years from now, global knowledge will be a core competency for I-O psychologists. As a result, every successful I-O psychologist will have a strong global background, as well as a thorough grasp of I-O content areas.

Reference

Dowling, D.C. (2006). International HR best practice tips: Multi-jurisdictional HR initiatives in the era of full legal compliance. *International HR Journal*, 15, 3, 3–9.