THE IMPORTANCE OF PROCESSES AND CONTEXTS IN ORGANIZATIONAL PSYCHOLOGY
This is a conceptual, prescriptive article analyzing current trends and suggesting a redirection necessary for the advancement of organizational psychology. Two divergent but possibly complementary approaches—the conservative and the radical—are outlined as accomplishing such a redirection in the field. The conservative approach emphasizes four needs requiring attention: (1) improved construct validity, (2) more careful selection and measurement of dependent variables, including a change in those deemed important, (3) new applications of longitudinal and longitudinal paradigms.
THE IMPORTANCE OF PROCESSES AND CONTEXTS IN ORGANIZATIONAL PSYCHOLOGY

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Introduction

I believe there are two approaches that one can take toward both the description and prescription of trends in organizational psychology in the 1980s. One of these I will label as essentially a conservative approach. The second is essentially a radical approach toward both the description of trends and the prescription of recommendations to advance the field of organizational psychology in the coming decade.

These two approaches should not be viewed as contradictory to one another. It is possible that the conservative and the more radical posture toward the '80s can supplement one another. It is also likely that different teams of researchers will advance the conservative approach on the one hand and the radical posture on the other. As I will note subsequently, it is unlikely that the philosophical and the methodological requirements for advancing organizational psychology via the conservative approach will push the radical frontier. It is likewise unlikely that the paradigm shifts necessary to advance via the radical posture will be enhanced by the conservative approach to the advancement of organizational psychology.

The Conservative Stance

The conservative stance toward advancement of organizational psychology essentially argues that a great deal more can be and should be learned about the issues and phenomena we have studied through more rigor and more careful attention to methodological and design issues. The conservative stance in essence postulates that no major shift in paradigm or philosophical approach toward knowledge within our field is necessary.
Within this framework, four needs are emphasized as worthy of our attention in organizational studies during the coming decade. Each of these focuses on a process or a method of study for the 1980s; not on a shift in the major substantive content areas of the field.

**Improved Construct Validity**

Probably the most important advancement likely in the 1980s through the conservative approach will be the improved construct validity of many of the measures that we use within our field (Schwab, 1980). Just a few examples will suffice to indicate that trends in this direction are beginning to appear. First, the construct of job satisfaction has received considerable emphasis in the latter half of the 1970s. Much of this emphasis has been upon clarification of the relationships among constructs like job satisfaction, job involvement, and organizational climate. I would argue that this development has been essentially an exploration of construct validity as it applies to one of the central concepts in our discipline.

A second area of great importance within organizational psychology focuses upon leadership processes and leader behaviors. As we all know, the study, and more particularly the results produced by the study, of leadership has been a major disappointment for many of us working within organizational psychology. I would argue that one of the central reasons for this disappointment has been inadequate attention devoted to questions of construct validity in the study of leadership. Several authors have recently noted this problem and have suggested that it may be reasonable to be optimistic about movement toward more construct valid assessments of leader behavior (House and Baetz, 1979).
More Careful Selection and Measurement of Dependent Variables

I expect that we will see in the decade of the '80s less attention given to several of the common or standard dependent variables upon which much of organizational psychology has focused its attention. For example, studies predicting dependent variables such as absenteeism, turnover, and performance on simple jobs by lower level employees will decrease in frequency (Staw and Oldham, 1978).

A different set of dependent variables appears to be emerging as central to the research programs of several active scholars in organizational psychology. Examples are the focus upon the consequences to individuals and organizations of turnover (Steers and Mowday, in press); the determinants of the perceptions of jobs as assessed through the incumbents of those jobs (O'Reilly and Caldwell, 1979); the study of the perceptions of organizational structure and design processes as a conceptually distinct variable from the physical design or the objective design of that structure (Blackburn and Cummings, 1980); the study of the processes and designs that facilitate constructive change in organizations (Goodman, 1979; Bandura, 1977); a reemergence of the study of group processes that enhance member satisfaction and performance and that contribute to the quality of group decisions (Hackman and Morris, 1978; Zander, 1979).

I believe that the focus upon these slightly changing dependent variables will remain one of increased validity and reliability of measuring instruments and a more careful and rigorous use of theoretical paradigms to study these variables. It may well be that the paradigms used in such studies will draw increasingly from established fields within psychology but outside of the usual boundaries of organizational psychology. Particularly likely candidates in this regard are theoretical frameworks
from the fields of personality and social psychology. I do not, however, view this utilization of established frameworks from other subfields of psychology as representing a major paradigm shift. At most, it represents a form of intelligent and creative borrowing of established frameworks which have proven useful in other subfields of psychology.

Longitudinal and Experimental Research Designs

A third area within the conservative stance that will surely see increasing emphasis and utilization during the 1980s will be the careful use of longitudinal and experimental research designs as applied to areas where such designs have been lacking in the past. There is clearly a continuing interest in establishing the cause-and-effect relations that exist among variables and within networks of variables within our discipline. Of course, this concern with establishing causal relationships has been a continuing concern in our field for many years.

I believe the use of research designs that have some chance of eliminating causal hypotheses will be applied to an increasing number of established research areas within organizational psychology. The most likely candidates for application are the study of the effects of changes in job design; the effects of leader behavior; and the effects of varying organizational structures as these develop over time in field settings or as they are simulated in laboratory experimental designs.

Appropriate Use of Multivariate Statistical Analyses

Paralleling the continued emphasis and the increased application of longitudinal and experimental research design will be the increased and more appropriate use of multivariate statistical analyses.
The 1980s will emphasize such a trend because of two underlying currents that were beginning to appear in the late 1970s. First, organizational psychologists are beginning to realize that real organizations are not static phenomena. That is, organizations develop and change over time and they exert their impacts upon the dependent variables that we have studied as a system of components. The field is beginning to realize the need to recognize such realities in the analyses of our data. This realization rapidly forces us to multivariate analyses both with regard to the independent and dependent variables included within our studies. This accounts for the increasing use which we have seen, and which I suspect will continue, of techniques such as MANOVA and the associated issues of the appropriate second-stage analyses given significant effects found through the application of MANOVA (Borgen and Seling, 1978). Second, the realization that organizations impact dependent variables through systems of components brings us to the bruising reality of the multicolinearity among many of our cherished independent variables (Billings and Wroten, 1978). It is clearly obvious that much of our knowledge in organizational psychology in the 1980s will be dependent upon our ability to disentangle the effects of a number of independent variables which operate as a system. The last half of the 1970s witnessed the beginnings of major improvements in that regard. Important examples are the study of the joint effects of job design and leadership upon satisfaction and performance (Griffin, 1979). Another important example appearing late in the 1970s is the study of the joint effects of structural design at multiple levels of analysis simultaneously; e.g., the effects of job design and organizational structure as they jointly impact employee performance, motivation, and satisfaction (Rousseau, 1977, 1978).
A More Radical Perspective

A more radical posture toward the prescription of useful trends in organizational psychology for the 1980s argues that the continued study of the same issues, the same phenomena, even if done more carefully and more rigorously, is a dead end. The argument is that new foci, new paradigms, and newly applied methodologies within the area of organizational studies are essential for moving the field forward and for reversing the trend toward more rigorous studies as applied to smaller and smaller issues of less and less reality (Mitroff and Kilmann, 1978).

The basic premise of the radical stance is that we have been studying the wrong phenomena if we truly wish to understand the growth, the development, and impact of organizations upon people.

The constructive argument is that we need to study three content areas more thoroughly. Certainly these three are not exhaustive of our needs in the 1980s, but they are suggestive of the general nature of the needs of the field as seen through this different perspective.

Organizations as Social Constructions of Reality

The first tenant of the radical perspective is that the only way to understand organizations and their effects is to study them as social constructions as opposed to objective realities (Frank, 1979). Organizations are essentially phenomenological in essence (Weick, 1979). They exist only in the patterning and clustering of participants' perceptions.

Thus, to understand the effects that organizations exert upon individuals, one must shift the typical paradigm in organizational analysis to a focus upon the detailed, fine-grained analysis of these perceptions.
This orientation toward organizations as social realities is likely to exert its impact in several areas of study in the 1980s. The most likely examples are the continued use of attribution models to study phenomena of leadership, performance appraisal, and job and organizational design (Calder, 1977; Green and Mitchell, 1979; Mitchell, Green and Wood, in press; Feldman, in press). This perspective is also likely to continue to bring into question the relative viability of models of rationality versus justification in understanding managerial action (Staw, 1980). Finally, the emphasis upon the social construction and social transmission of the definition of realities in organizations gives added emphasis to information processing models as they apply to most phenomena that organizational psychologists are likely to study. Of course, we have seen the beginnings of that trend in the literature on task design (Shaw, 1980; Salancik and Pfeffer, 1978; White and Mitchell, 1979; Weiss and Shaw, 1979), communication and organizational design (Tushman and Nadler, 1978), and motivation (Zedeck, 1977).

The Symbolic Nature of Management as a Process

A second area of new perspective implied by a more radical framework is to emphasize the essentially symbolic nature of management as a process (Pfeffer, in press). This theme brings forth the importance of myths and stories in the management of organizations. In particular, the emphasis is likely to be on the importance of these phenomena in the creation and perpetuation of control systems within organizations.

Organizational psychology is very likely in the 80s to increasingly study the processes of how these stories are collected and how the myths
are created and transmitted from one generation of organizational participants to the next.

We will see increasing focus by organizational psychologists on the role that these myths, stories, and histories of organizations play in the socialization of new members entering organizations and on the decision-making processes that characterize the strategic levels within organizations.

I would argue that one of the reasons that many strategic-level managers in organizations have not found the work in organizational psychology to be of high relevance to their needs is the absence of our focus upon these types of processes as they impact behavior in organizations. Thus, as we move toward the change of focus that I am outlining here, I think it will enhance the chances that strategic-level executives in organizations will find organizational psychology relevant to their needs. And in particular, I would expect to find such managers to be receptive to utilizing our understanding of how these social definitionist and myth-creation and communication processes can be managed effectively for purposes of organizational control, prediction, and effectiveness.

Processes Linking Levels of Analysis

The third tenant of this alternative perspective is that organizational psychology will be most advanced by focusing on processes that operate across levels of analysis which have been traditional within our field (Roberts, Hulin and Rousseau, 1978). For example, increasing emphasis is likely to be given to the context of individual behavior within organizations. A second example is that we are likely to see more intersection of the frameworks traditionally used in organizational sociology and the perspective of organizational psychology in studying the impact of environments upon organization. There has been work
completed in the late 1970s suggesting that it is important to examine the processes that link levels of analysis. Certainly, topics in organizational psychology such as employee socialization, decision making, the behavioral modeling of leadership processes, and the transmission of values and decision premises across levels within organizations all call for understanding the processes that link individual and social system levels of analysis.

**Emerging Importance of Contexts and Processes**

Regardless of whether one views the most likely scenario for the 1980s as being a conservative or a more radical perspective, it is very likely that as we look back on the 80s in 1990, we will see that the roles of contexts and processes in research and application of organizational psychology have been influential.

**Contexts as Contingencies**

The formulation of contexts as contingencies is closely related to the third of the radical perspectives discussed earlier. When conceptualizing the contexts of behavior, one is forced to examine the processes that link multiple levels of analysis as these contexts influence employee responses.

Contextual analysis is essentially best approached as formulating it as an issue of level of analysis. In contextual analysis we are essentially looking at the effects of change in variable X as a function of the states of variable Y. In this case Y becomes the context of X where Y is at a higher level of aggregation than X.

This formulation of research problems is likely to impact several areas of scholarship in organizational psychology in the decade ahead.
There are several suggestive trends emerging out of the 70s that make this prediction reasonably secure. I will describe just a few of these trends which emphasize the importance of contextual analysis.

First, I think it is likely that we will see a reemergence of the cross-cultural examination of employee values, beliefs, and motivational profiles. Certainly, the work of Triandis (1980) is suggestive of this trend. Second, it is very likely that we will also see the cross-cultural examination of organizational design in industries with the same or similar products, markets, and technologies. Certainly, the early 1980s are likely to see important advances in understanding the cross-cultural contexts of organizational design and the impact of alternative designs on employee responses (Lammers, 1978; Peterson, 1979). The works of Child (in press) and Maurice, Sorge, and Warner (1980) are suggestive in this regard. Third, we are very likely to see a major research focus upon the study of employee attitudes and behaviors as a function of antecedents at varying levels of analysis (Rousseau, 1978; Pierce, Dunham and Blackburn, 1979; Oldham and Hackman, 1980). Each level of analysis will provide the context for the next level. For example, the activities that are required of a person on a job can only be understood when those activities are looked at as a set of integrated activities in a task. In turn, the effects of that task and the design or redesign of that task are likely to be fully understood only when the relationships among that task and other tasks in the position are fully understood. And, finally, the effects of that role or position upon an individual are likely to be best understood when the relationships among the positions within units or departments of organizations
are taken into full consideration. A fourth example, which I think is predictive of what we will see in the 80s, is the consideration or reformulation of the concept of attitude as a context or schema in organizational psychology (Calder and Schurr, in press). Of course, this positioning of the construct of attitude continues to be an active, scholarly interest subject to debate within personality and social psychology. The most important trend will be the conceptualization of attitude as a context for processing stimuli that impact on individuals as opposed to a more traditional conception of attitude as a stable, dispositional construct that is positioned as a determinant of behaviors.

Finally, we are likely to see the increasing emphasis on the study of the creation and the impact of phenomenological contexts for interpreting employee and organizational reactions. This will be exemplified by the increasing study of legitimacy, of rationalization, and of sense-making as phenomena which help us understand the context within which decisions are made and implemented by managers in organizations. I think this trend in particular and this focus upon the psychological context of management is likely to be one of the major areas of active organizational psychology as it intersects with research and practice on strategic policy making (Lyles and Mitroff, 1980). It is clear that organizational psychology has not to date had a major impact upon the field of strategic policy and planning in organizations. I suspect that a contextual analysis of many of the processes and phenomena of interest to organizational psychology will enhance this intersection during the 1980s.

Processes as Fundamental to Understanding

The second underlying current that is likely to exert a major impact
on scholarship in organizational psychology in the 1980s is increasing emphasis upon understanding the mechanisms or the psychological phenomena through which variable X impacts some dependent variables. In a sense, this is a prediction of and an appeal for a closer linkage to the basic psychological processes through which organizational phenomena impact participants.

There are several areas of research in organizational psychology and organizational studies where we can catch a glimpse of what is likely to be a clearer and more developed emphasis in the 80s. First, some would argue that the major advances likely in the study of leadership are through the application of attributional and reactance processes to understanding the influence of and reactions to leader behavior. That trend has already exhibited a very active beginning (Calder, 1977; Mitchell, et al, in press). Second, it is clear that our understanding of job design and reactions to job redesign are being enhanced by focusing on information processing and social comparison processes within organizations (O'Reilly and Caldwell, 1979; Weiss and Shaw, 1979; Shaw, 1980). Third, the recent resurgence and likely continued interest in performance appraisal is partially due to the application of attributional phenomena and processes of perceptual defense and distortion to the understanding of performance appraisal in organizations (Feldman, in press; Ilgen, Fisher and Taylor, 1979). And, finally, even in the area of organizational design we are beginning to see arguments for applying the perspective of psychological processes to understanding how organizations are designed and the effects produced by various organizational designs (Ranson, Hinings and Greenwood, 1980). It is very likely in this regard that the most stimulating intellectual issue of
the next five years in organizational design may very well be our increased understanding of the processes of structuring as they occur in organizations. I am not thinking here of structuring as a management function. Rather I am referring to the cognitive processes through which individuals come to perceive the dimensions of their organization. There is, of course, a long history of attempts to develop organizational structure taxonomies and typologies in organizational sociology. These have been developed without significant inputs from cognitive and perceptual psychologists. Thus, the typologies and taxonomies that have emerged and that currently guide the organizational literature, and in some cases management practice, are, in fact, without foundation in underlying perceptual and cognitive processes as they operate within organizations.

Industrial and organizational psychologists have, to date, made little or no contribution to understanding and improving organizational design in a structural sense. However, the emergence of emphasis upon the structuring processes as one of cognition and perception opens the door for important contributions from psychology to the theory and practice of organizational design and organizational structure.

In the broadest and most fundamental sense, I think we are likely to see a shift in the perspective from which processes are viewed in organizational psychology. I think this shift will be reflected most strikingly in two ways. First, while our traditional focus has been on processes of individual and organizational growth and munificence, I suspect that the 1980s will see increasing attention being given to understanding the processes of shrinkage, scarcity, and reactions to stress and threat. As organizational psychologists, we know relatively
little about organizational and individual reactions to such processes as they are currently relevant in many contemporary environments. Second, our focus has been heavily upon processes that are assumed to be generated within and by the environments of individuals and organizations. I think we will see a shift toward processes that are in a sense self-generated by individuals and organizations and an examination of how these processes impact a wide range of dependent variables. Three examples of this second fundamental shift in focus upon processes are likely. First, is the study of feedback. Our primary tradition has been to attempt to understand how people react to feedback and knowledge of results that are generated by their environment, whether that environment be operationalized as a superior, a performance appraisal system, or a budgeting system (Ilgen, Fisher and Taylor, 1979; Conlon, 1980). It is likely that we will increasingly see the study of behaviors that seek feedback, that proactively pursue information from the environment in order to enhance and regulate behavior. This perspective on environmental determinism has also been evident in the research on goals and goal setting (Locke, Shaw, Saari and Latham, 1980). I think it is very likely that the decade of the 80s will see a shift in focus to understanding the individual and organizational conscious determinants of goals and intentions and the processes by which goals are thereby set and impact behavior. Finally, I think our focus on processes by which judgments of success and failure are formulated will be gradually replaced by an increasing emphasis upon processes which establish a sense of efficacy of persons in organizations and esteem on the part of individuals in organizations (Bandura, 1977).
In each of these cases, the emphasis will be shifting from a re-active to a proactive stance vis-a-vis the environments within which individuals and organizations operate.

Conclusion

Staw and Oldham (1978) provided a suggestive beginning by emphasizing the importance of regenerating the intellectual stimulation of organizational psychology through reorienting the dependent variables examined by our discipline.

Clearly, it is time to take that suggestion seriously. As I have noted, the last two years have exhibited the beginnings of movement in that direction through increasing focus on basic processes and the comparative and contextual study of phenomena.

Some might exclaim, "Oh! But where's the reality?" The practical? "Will not the movement predicted make our field even less relevant to the problems of the nonacademic world?"

I doubt it! Nearly ten years ago Meyer (1972) argued that the future of industrial and organizational psychology rested upon increased relevance. But continued research via the conservative paradigm has not attracted the attention of strategic-level executives.

Two years ago, Gordon, Kleiman and Hanie (1978) exhibited that the organizational side of industrial/organizational psychology leads to many findings and conclusions that are readily available to the consciousness of the psychologically untrained. I suspect the major reason for this has been our preoccupation with studying merely the associations between states that "real world" variables assume; (e.g., leadership satisfaction, compensation performance) and lack of attention
to focusing research on the study of underlying, more fundamental processes.

If we do that, and I believe there is a gradual shift in that direction, we will, by 1985, have bodies of evidence and theory that are:

a) intellectually exciting,

b) non "commonsensical" and

c) practical.

The practicality will derive from the fact that we will be able to speak to issues of strategy, effectiveness, and survival at the organizational level and with meaning to the movers of organizations.

We do not want to see the organizational side of industrial/organizational psychology evolve toward a discipline of many explorers but few settlers (to paraphrase Ring's 1967 characterization of social psychology). To the extent that that emerges, the history of organizational psychology will not be a legacy of few flourishing interlocking intellectual communities, but rather of bland, quiet, ghost towns (Ring, 1967, pp. 119-120).


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