

THE FUTURE OF HR

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Understanding Knowledge
Management for Motivation,
Negotiation, and Influence

BY

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INVESTOR IN PEOPLE

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Preface

This is a textbook in management and leadership courses. In this book we have developed 74 student reflection tasks followed by some case letters to help students understand the material in the book, and hopefully become better leaders. The student reflection tasks are based on process pedagogy.¹ This means here that the students learn by working in teams with the reflection tasks in the book.

Due to the student reflection tasks and case letters in the book, it is suitable for use in online courses, where students work in groups and meet on campus for discussions, guidance and presentation of the student tasks in the book.

This book focuses on key elements of positive psychology and how these can be used in positive leadership. It also explores how positive leadership can be used in situations where negotiation and influence are important aspects of leadership.

Positive psychology is the theoretical foundation for the new positive leadership. Positive psychology is already used in organisational psychology. Some researchers state that classical psychology no longer has anything to offer in the field of leadership and organisational psychology.

¹Process pedagogy is explained in the Appendix.

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Chapter 1

An Introduction to the Book

1.1. Learning Goals

- How leaders can improve organizational performance by applying positive psychology.
- Facilitate leaders' application of positive psychology in their leadership practice.
- Evaluation of learning goals through the student tasks 1–11.

1.2. Introduction

Classical organizational psychology has been criticized for no longer having anything to offer to organizational change projects (Burnes & Cooke, 2012). According to Lewis, this is a situation where positive psychology may assist and have new knowledge to offer for a new era (2015, pp. 329–338). According to Cameron (2013, p. 149), positive psychology is about implementing various practices that will help individuals and organizations to achieve optimal performance.

The question is why don't all organizations apply positive psychology, if it has proved to be so effective in practice? There are two reasons:

- (1) People have a tendency to focus more on negative factors of an organization than the positive ones. This is because “bad is stronger than good” (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001, pp. 323–370).
- (2) In academic milieus, within which leadership training is conducted and among the leaders who should be applying organizational psychology in practice, there is little or no competence in the area of positive psychology.

The everyday activities of many organizations are dominated by crises, hazards, threats, challenges and problems; as Cameron explains (2013, p. 149),

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businesses are preoccupied with problem-solving. Accordingly, they focus on weaknesses and threats, which means that organizations view possibilities and opportunities from the perspective of being under threat. These everyday problems in turn focus attention on negative factors. This can be one of the reasons why the importance of positive psychology is downplayed.

Some of the consequences of applying positive psychology in an organization are the increased abilities of individuals to master their roles, and their attitudes, moral courage, enthusiasm and curiosity become more focused. In order to achieve these outcomes, it is crucial that leaders learn to give negative feedback in a positive manner. Helping others to master their roles is thus an important function in this new kind of leadership. Mastering a role also has an effect on the individual such that he/she dares to stand up for his/her moral values and takes moral responsibility. The consequences of applying positive psychology in an organizational context include recognition of the moral courage and self-belief of the individual. The fact that the individual stands up for his/her values in this manner also has an effect on their attitudes. This focus on role mastery, moral courage and attitudes, along with the growing demand for creativity and enthusiasm to foster innovation within an organization, means that organizations need to develop a new type of leader role.

1.2.1. Student Reflection Task 1

1.2.1.1. Case Letter

The new leadership role should have an understanding of how to lead members of Generation Y. Generation Y is made up of people, also known as “millennials”, who were born around the turn of the century (Espinoza & Ukleja, 2016). These new people in the workplace can be described, quite simply, as digital anarchists. For this generation, creativity and innovation are not just goals but necessary criteria for work (Martinson, 2016). Some of the content of this new leadership role in relation to Generation Y is a growing demand that employees exercise autonomy, self-management and self-organization, together with growing demands in the surrounding world that leaders must be “authentic”. To achieve this “authenticity”, the new leader must restructure his or her organization in a way more like a frontline organization than a classical hierarchical organization. In practice, this means that those employees who are in contact with the customer, user, patient, student, etc. are given more attention, decision-making authority, information and remuneration (Reinmoell & Reinmoeller, 2015).

Student task: Develop a step-by-step strategy of how to handle Generation Y.

1.2.1.2. How to Make a Difference

Since the beginning, positive psychology took the strengths of the individual as its starting point, and then built further on what the individual had already successfully mastered (Seligman, 2003). Accordingly, positive psychology will

harmonize well with the demands that members of Generation Y place on workplaces and business leaders.

It can often be difficult to know – both for the individual and for the person(s) responsible for leading them – where an individual’s strengths lie. As a rule of thumb, an individual may be more likely to succeed in activities at which he or she excels and has a burning desire to make a difference (Lewis, 2015, pp. 332–333). Successful identification of these areas will improve the performance of both the individual and the entire organization. Leaders who understand this small point will be able to transform their organizations from “good” to “outstanding” and will also bring out the best in Generation Y, because these people are motivated by the results that they can create in a freely anarchic digital universe (Espinoza & Ukleja, 2016; Martinson, 2016). Generation Y can be characterized as an extremely creative generation whose members are motivated primarily by new things they can bring to the world: new concepts, creative solutions and innovations. If one is to lead these people, classical organizational psychology, classical motivational psychology and hierarchical leadership models all represent very poor choices (Martinson, 2016).

The development of positive psychology from 1998 onwards has created many areas of application, tools and techniques. We discuss some of the areas here. In this introductory chapter, we focus on how business leaders can come to terms with the following question: *how can I improve organizational performance by applying positive psychology?*

Before we answer this question, we have to focus on four sub-questions.

- (1) How can *I* apply *mastery* among employees in order to improve organizational goal achievement?
- (2) How can *I* apply *attitudes* among employees in order to improve organizational goal achievement?
- (3) How can *I* apply *enthusiasm as motivation* in order to improve organizational performance?
- (4) How can *I* apply *mindfulness as motivation* in order to improve organizational performance?

The main question and the five sub-questions are illustrated in Figure 1.1.

Figure 1.1 also shows how this chapter and the rest of the book are structured. We begin with a brief description of classical workplace and organizational psychology. Next, we describe, analyse and discuss positive psychology in relation to workplace and organizational psychology. We move on to consider mastery, attitudes, enthusiasm and mindfulness as motivational factors in relation to the positive psychology of leadership.

1.3. Reflections upon Classical Organizational Psychology

The majority of people spend their working lives in an organization, company or institution. How they are managed, how they work together and how the

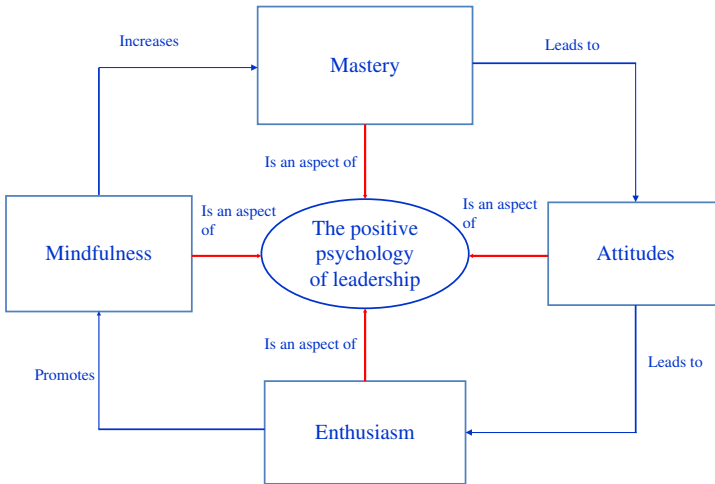


Figure 1.1: Aspects of the Positive Psychology of Leadership.

work is structured will have an impact far beyond the organization, company or institution’s boundaries. Society and families are greatly affected by how organizations perform. For instance, take the case of a hospital. If the hospital is not organized and managed well, it will negatively affect the individual patients and their families, as well as society. Consequently, it is not inconsequential how we organize and manage people, rather, this has huge social consequences far beyond the walls of a particular organization.

Organizational psychology deals with the study of the organization and management of organizations. It focuses on understanding the behaviour of individuals and teams in an organization (Jex & Britt, 2014, p. 1) with the aim of increasing the efficiency so that the organization performs better. When an organization is more productive, it also has an improved working environment, but this is not necessarily the case and the reality could be the other way around (Espinoza & Ukleja, 2016). We are accustomed to thinking that the work environment affects the performance of an organization or business. Although this may often be the case, it may be equally correct to think that if productivity, performance or earnings are increased or the quality of service is improved, then the work environment may also be positively affected. In other words, no matter how one views the relationship between the working environment and performance, everybody wins by improving both the elements. There may not necessarily be a linear relationship between the work environment and organizational performance. It may rather be circular or interactive; for instance, you could start with improving performance by introducing new technologies. Such relationships involve work and organizational psychology, and can be approached through systemic thinking (Johannessen, 2016).

This book provides students with an understanding of how the new organizational and leadership psychology can contribute to improving how organizations are managed and organized without ignoring the importance of classical organizational psychology. Both the classical and new organizational psychologies can make important contributions in this context, which we should reflect upon and apply in practice.

A classic and ground-breaking book on organizational psychology, *The Social Psychology of Organizations*, was written by [Katz and Kahn \(1966\)](#). The development of organizational psychology in the 1900s and twenty-first century can be briefly described as follows.

In the early 1900s, “scientific management” evolved as a dominant theory of management aimed at improving labour productivity and efficiency by analysing workflows, among other things; scientific management is also referred to as Taylorism, and is also related to Fordism.

Since the 1920s and till the early 1930s, productivity received even more emphasis. The classic Hawthorne studies showed that workers are more productive when they are given more attention. This can be described as management theory’s first rule: employees want to be seen. The managerial consequence of this rule is that managers need to provide continuous feedback to employees so that they feel that they are valued.

In the 1960s and 1970s, there was a greater focus on stress in the workplace, and the relationship between home and leisure.

Globalization, which began around the time of the 1980s, led to a new understanding of what constitutes work. Greater emphasis was given to results and less to how activities were performed.

After the turn of the new century and towards 2010, the use of new information and communication technology (ICT) led to a greater focus on the work and home situation.

Since 2010, organizational psychology has paid more attention to the age and ethnicity of employees, the consequences of globalization and the impact of internet on work practices.

After the economic crisis of 2008, job security gained much interest in organizational psychology theory.

After 2016, Generation Y or the “Millennials” gained more attention ([Espinoza & Ukleja, 2016](#)).

1.3.1. Student Reflection Task 2

1.3.1.1. Case Letter

The main difference between classic and the new organizational and leadership psychology can be expressed as follows:

- (1) Classic organizational psychology focuses on removing negative conditions.
- (2) The new organizational psychology focuses on strengthening the individual and the team in what they are good at and passionate about.

Student task: Discuss the difference between classic organizational psychology and the new positive psychology of leadership. Name at least five points which make a difference.

1.4. Positive Psychology: The New Organizational and Leadership Psychology

Classic psychology uses “the big five” to measure the strength of personality traits. These five factors are: emotional stability, extraversion, openness to experience, agreeableness and conscientiousness. Each of these factors is composed of six components (Carr, 2011, p. 50).

Positive psychology has developed what is called “values in action” (Peterson & Seligman, 2004). The focus here is on the virtues and strength of character. While classic personality psychology has a history dating back to Gordon Allport’s *Personality: A Psychological Interpretation*, published in 1937, the research on “values in action” was mainly done in the 2000s. The “values in action” that positive psychology emphasizes are the following (Peterson & Park, 2011, p. 28):

- Wisdom: acquisition and use of knowledge. Characteristics: creativity, curiosity, open-minded to new ideas and perspectives, learning;
- Courage: strength of will and perseverance to complete work and projects that have been started even when met with problems. Characteristics: authenticity, tenacity, perseverance, desire;
- Humanity: understanding other people. Characteristics: kindness, love, emotional and social intelligence;
- Justice: the strength of one’s social involvement. Characteristics: fairness, leadership, teamwork;
- Temperance: avoiding extremes. Characteristics: forgiveness, modesty, caution, self-regulation; and
- Transcendence: extending oneself beyond one’s personal limits. Characteristics: recognition of excellence, gratitude, hope, humour, spirituality.

Among other things, positive psychology focuses on the kind of society we want to live in, and the kind of organizations and institutions we want to work in. It also provides us with a deeper understanding of the impact other people can have on your life. This idea was expressed succinctly by (late) Chris Peterson, one of the founders of positive psychology, when he said, “Other people matter” (Joseph, 2015, p. xi).

Burnes and Cooke (2012, p. 1416) raised the question of whether classic organizational psychology has any relevance today when examining organizational development and change processes; this applies particularly to the new generation of this millennium (Espinoza & Ukleja, 2016; Martinson, 2016). Lewis (2015, pp. 329–340) states that positive psychology offers a new perspective for

understanding organizational development and change processes that can help managers to cope with increasing creative diversity in the workplace.

The application of positive psychology in organizations can promote a positive climate that focuses on the development of well-being and the good working life in organizations (Csikszentmihaly, 2013). This can develop positive spirals, which help to shape positive networks within and outside the organization, says Meadows (2015). Such a development opens up the possibility of understanding that job satisfaction, well-being, engagement and the good working life can exist in the organization you work in (Seligman, 2003). This understanding, however, assumes a new leadership role (Reinmoell & Reinmoeller, 2015) referred to here as positive leadership. It does not focus on crises, threats, dangers and problems, but emphasizes mastery, attitudes, engagement and mindfulness to promote creativity and innovation, among other things.

1.4.1. Student Reflection Task 3

1.4.1.1. Case Letter

In classic organizational psychology, optimism is viewed as a sign of immaturity, naiveté and a weakness of character, and is associated with cultivating illusions (Carr, 2011, p. 83). By considering the optimistic person sceptically, one may create an image of his/her positive optimistic behaviour as something that threatens the fundamental working norms and values of the organization. The optimistic “illusions” and the positive belief in the future could also threaten the established power structures. On the basis of this understanding, one may argue that classic organizational psychology served as a balancing mechanism for the status quo, so that behaviour was channelled into accepted forms.

Student task: Discuss the implication of the case letter.

1.4.1.2. Optimism

The negative view of optimism was thoroughly challenged by positive psychology. Seligman’s book *Learned Optimism* (2006) particularly gave impetus to the debate about whether optimism was something that implied naiveté, or something that could be associated with improving working environments.

However, there was also a great deal of research on cognitive psychology before Seligman’s book, which changed views on optimism as being something associated with immaturity and naiveté; for instance, Martin and Stang’s (1978) review of research in this field. They showed that our thinking is basically optimistic. It is often the case that those people who are consistently pessimistic suffer from anxiety and depression (Tiger, 1979). Empirical studies have also shown that optimism positively correlates with a good immune system, which in turn positively affects attendance in organizations (Seligman, 2011, p. 5).

1.4.2. Student Reflection Task 4

1.4.2.1. Case Letter

Optimists have been shown to make an extra effort and fight for their own and organization's future because they believe things can improve as long as they are enthusiastic, dedicated and creative. Based on this research, it seems reasonable to argue that optimism is strongly linked to a positive belief in the future. Optimism in the context of leadership is related to the belief that you can create your own and the organization's future, instead of adapting to what others have designed. An expression for a new understanding of optimism could be: "Plan your own future, or be victim of someone else's plan."

Student task: Discuss the two statements:

- (1) "Plan or be planned for."
- (2) "Create your organization's future."

1.4.3. Student Reflection Task 5

1.4.3.1. Case Letter

Positive psychology led to a greater focus on emotional and social skills. In positive psychology, an important research direction is related to the question: how do supportive social relationships facilitate an individual's mastery skills? (Bono, Krakauer, & Froh, 2015).

Goleman (1995, 2007) is credited with making the concept of "emotional and social intelligence" more widely known, largely by popularizing the research on the subject by Mayer (Mayer, DiPaola, & Salovey, 1990), Salovey (Salovey & Mayer, 1990) and Gardner (1983). Bono and Ilies (2006) refer to several empirical studies substantiating the claim that leaders who express positive emotions encourage the same behaviour in their employees. Other studies show that this behaviour also promotes increased productivity among employees (Fry, Vitucci, & Cedillo, 2005).

Emotional and social intelligence, and consequently emotions, have become important elements of leadership. Rationality and professional experience have traditionally been important characteristics of leaders. However, this has been modified with the new focus on emotional and social intelligence. Now leaders' ability to understand other people and take on their perspectives has been put on the agenda. Goleman's books (1995; 2007) considers empathy, emotional and social intelligence as key characteristics of a leader. Goleman's main argument is that in order for leaders and others to function well in work situations, emotional and social intelligence are just as important as traditional intelligence (as measured in IQ tests). Another point made by Goleman is that while IQ was largely related to genetic factors, emotional and social intelligence could be taught because it is acquired through socialization, education and experience. In the context of leadership,