

Industrial-Organizational Psychology: A Value-Add to Introductory Business Courses

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The following article is adapted from a similar article on the topic of why I-O psychology should be in Introductory Psychology courses, written by Clemente I. Diaz, M.A. (Baruch College, City University of New York), and Roni Reiter-Palmon, Ph.D. (University of Nebraska at Omaha). That article can be found in its entirety on the [Society for the Teaching of Psychology E-xcellence in Teaching Blog](#).

Psychology and business are often thought of as two very separate fields, although anyone who teaches topics in business (e.g., Management, Organizational Behavior, Entrepreneurship, Human Resources) or who interacts with people in their business career can tell you that psychology is relevant to most aspects of business. But both psychology and business are extremely diverse fields, perhaps making it harder to understand where and how they might

intersect. The diversity of each can be seen in their various subfields as well as the numerous career paths one can pursue. For example someone focused on Finance may have a hard time seeing why human behavior and interaction patterns really matter to them. Similarly, someone studying Clinical Psychology may have a hard time drawing connections to business skills and principles.

However, there is one area of psychology that has clear relevance for business – Industrial-Organizational (I-O) Psychology – often called the “psychology of work.” Humans work for most of our lives, and all of business involves human behavior at multiple levels (micro, meso, and macro levels). Yet despite this, the vast majority of introductory business courses don’t cover I-O psychology, or sometimes even human issues in business. Most business students finish with their degree without any explicit exposure to the broad field of I-O psychology, even though most of them study topics directly related to it – Human Resources (HR) and Organizational Behavior (OB), to name two areas that directly overlap with I-O psychology. In this article, the case is made for why it is beneficial to include I-O psychology in introductory business courses (and throughout the business curriculum perhaps) more explicitly.

Why I-O Psychology Should Be Included in Introductory Business Courses

There are several reasons to include I-O psychology in introductory business courses, the most basic being that working is a fundamental aspect of human life and behavior, and that is precisely what I-O psychology seeks to study. In fact, estimates show that we spend roughly one-third of our lives at work. Additionally, the vast majority of students pursue higher education in hopes of increasing their employment outcomes ([Eagan et. al, 2016](#)).

Fortunately, business students are often exposed to the *topics* in I-O psychology if they get an introduction to management topics, such as HR and OB, but they typically do not realize that is what they are studying, or that there is even a field dedicated to such topics from a more psychological perspective (see Table 1 for an overview of business topics that are relevant to I-O psychology). Introductory business courses are often more general, focusing on strategic, financial, and entrepreneurship issues at the macro level of business. Thus, business students may spend two years in their business school education before they ever get to the upper-level core classes that require them to learn more about the human side of business – the side to which I-O psychology can add value and offer additional career and graduate school options. Some students may be lost to business altogether by that point, not understanding that there are business and psychology degrees that can address the human issues that many of those students may be more interested in, compared to the other issues covered in other business disciplines. Many may leave business by that point, thinking that their only option may be a

career focused on numbers and economic theories, with no consideration for the people in business, if they stay in the business school.

Table 1: Sample business topics relevant to I-O psychology

Employee Selection & Recruitment	Diversity, Equity, & Inclusion
Motivation	Training & Development
Leadership	Innovation & Creativity
Organizational Culture	Workplace Politics
Performance & Evaluation	Organizational Structure & Design

The benefits of mentioning I-O psychology earlier in the business curriculum (or at all) are mainly focused on giving students a more well-informed and well-rounded education as well as exposure to career and graduate school options. I-O psychology is a strong career choice for individuals who do not want a traditional psychology or business career but who are interested in both business and psychology; I-O psychology is truly the intersection of these two fields. I-O psychology graduate programs can be a strong option for these students beyond the MBA or other business-discipline-focused masters program (e.g., HR). Indeed, I-O psychology graduate students come to the field from a diverse array of backgrounds. I-O psychology is a quickly growing field, repeatedly recognized in recent years as in the top 10 of fastest growing careers overall (see [U.S. News' Best Job Rankings](#) and [Cognizant's Jobs of the Future Index](#)). Moreover, results from a 2019 survey suggest that roughly 45% of I-O psychologists in non-administrative academic careers are in business schools ([SIOP Salary Survey, 2019](#)). In sum, the explicit incorporation of I-O psychology and the topics it covers can help business students understand they have more options in business than they may have previously realized.

Mentioning this field and this topic can also benefit future business leaders by exposing them to the contribution I-O psychologists/consultants may make in their future organizations and careers, even if they themselves do not want to go into that field. I-O psychologists/consultants are employed in all types of organizations and all areas within organizations to improve the functioning of organizations. Future business leaders may wish to employ consultants with specialties in recruiting, performance management, training & development, organizational development, employee engagement, and data analytics, to name a few, to improve the functioning of their future organizations, whether that be through hiring consultants or hiring I-O psychologists on staff. But if they do not even know such professionals exist, they and their organizations both miss out on added value. Today I-O psychologists/consultants are working on

a plethora of topics and trends that greatly impact organizations (see Table 2 for a summary of the top 10 trends of relevance to I-O psychology and the workplace as a whole).

Table 2: Society for Industrial and Organizational Psychology (SIOP)'s [Top 10 Workplace Trends of 2022](#)

#1 – Employee engagement and organizational commitment of remote workers	#6 - The “great resignation”
#2 – Ensuring inclusive environments and cultures	#7 – Stress and burnout
#3 – Managing the transition into post-pandemic work	#8 – Creating effective diversity, equity, and inclusion interventions
#4 – Talent attraction and retention in a candidate-driven market	#9 – Employer’s role in employees’ mental health
#5 – Caring for employee well-being	#10 – Enabling organizational culture in a changing workplace environment

Tips for Incorporating I-O Psychology

It is not surprising that I-O psychology is not typically included in introductory business classes. One major reason may be professors teaching those classes may be unaware of the field or may feel they do not know enough about that aspect of business to mention it or even incorporate human issues at all. It is also highly unlikely that any introductory textbook mentions I-O psychology since these books are typically written by a strategy or other business scholar with little to no exposure to psychology. Of course, lack of time is always an issue as well, as there are many topics that could be covered in an introductory business course, and only 16 or so weeks in which to do so.

One easy way to incorporate I-O psychology is to link it to HR and OB issues, simply mentioning its existence as a field offering career and graduate school options when these topics are introduced. This takes little to no additional time but can open the students up to a whole new world of possibilities. As topics are discussed, simply mentioning terms that different fields may use can help students understand ways I-O psychology is related (e.g., staffing versus recruiting versus talent acquisition).

Furthermore, at least one week of the introduction-to-business semester should be dedicated to the human side of business, and in doing so, it is easy to mention the different types of

people and practitioners that are experts in these areas – Management scholars and I-O psychology scholars and practitioners are among the few professionals who have been specifically trained in the topics. Conducting this type of work in a rigorous, legal, and ethical way is essential to the successful functioning of any organization, and I-O psychology can add great value to these efforts. Other strategies include having an I-O psychologist/practitioner guest lecture or providing assignments aligned with I-O psychology theory and practice (e.g., conducting a [job analysis](#), having students complete Department 12's free [I-O mini course](#) and relate the material to the course). SIOP offers a registry of potential guest speakers for these efforts, as well as simply to be a resource for business professors wishing to incorporate these topics with minimal time and effort.

Conclusion

In this article we have made the case for the importance of adding I-O psychology to the curriculum of introductory business. To make incorporating I-O psychology into your course as easy as possible, the SIOP Bridge Builders Committee has curated a list of [free educator resources](#). Resources include a [stand-alone I-O psychology textbook chapter](#), content summaries, PowerPoints, videos, podcasts, a guest speaker directory, and a free, 30 minute mini-course which can be used as an assignment.



The Society for Industrial and Organizational Psychology (SIOP) Bridge Builders Committee, is a subcommittee of the Education and Training Committee tasked with exposing students and educators to the field of I-O psychology (i.e., the psychology of work). Learn more and access free student and educator resources at https://linktr.ee/SIOP_BB.
