



Attention: FINDR

Presented by: Lexie Kirsch, Industrial/Organizational Psychologist

May 4th, 2017

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Dear FINDR,

Thank you for selecting me as a finalist in guiding your new organization as you embark on this ambitious program.

In this report you will find a list of all the areas in which I can assist, as well as how I intend to do so.

I look forward to hearing your feedback.

Sincerely,

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Recruiting and Selecting Employees

FINDR is a relatively new organization, so it is understandable that FINDR's body of employees is small; however, FINDR is also a growing organization, making it imperative that the employees who are selected to work at FINDR are a good fit. Here's what I would do:

1. Recruit many applicants

- **WHY?** The larger the pool of applicants, the more likely FINDR is of finding the best candidate.
- **HOW?** Emphasize the many perks of working at FINDR! For example, employees of FINDR are not just employees; they're *FINDERS*. This gives employees a sense of identity and a sense of belonging to a group. Additionally, working at a startup means the employees will have plenty of opportunities to learn new skills and master new challenges. FINDR is paving its own path!

2. Seek potential

- **HOW?** There are many valid predictors of success.
 - In structured situational interviews, the interviewer asks the applicant questions regarding actual job-related situations to assess the applicant's situational judgment, which is correlated with actual job performance.
 - In assessment centers, the interviewer observes group discussions, oral presentations, and role-playing activities to assess the applicant's interpersonal skills, leadership qualities, and decision-making abilities.

3. Seek quality

- **WHY?** FINDR shouldn't just want someone who has the potential to succeed in general; FINDR should want someone who has the potential to succeed *at FINDR*.
- **HOW?** In order to find the right person *for FINDR*, I need to identify FINDR's values. Does FINDR value cognitive ability or personality? Is the ideal FINDR employee someone who has an aptitude for work or someone known for their integrity? I can conduct job and worker analyses to help identify these values and also the psychological tests that will measure them objectively and validly.

4. Seek interest

- On one hand, FINDR should provide realistic job previews so the applicants have accurate information about the positive and negative aspects of the job for which they are applying.
- On the other hand, FINDR should hire applicants who have "done their homework" before the interview. By asking good questions about the company, applicants show that they are not just interested in a job... they're interested in a job *at FINDR*.

5. Congratulations! FINDR is ready to select applicants

Training Employees

FINDR already appears to have an effective training program through its use of job rotations and business games; however, I'd be happy to conduct a needs assessment to determine FINDR's other goals and help select appropriate training programs to achieve them, if you think such measures are necessary.

Here's what to expect: once I identify the objectives of training (e.g., behavior modification, diversity training, etc), I will determine the best method of training (e.g., on-the-job training, vestibule training, etc), and then I will help design those training programs.

Appraising Employee Performance

Employees may think that getting a job at FINDR was difficult, but adapting to the FINDR workplace may also pose some challenges. Employee performance appraisals benefit both employees and managers because they help get everyone on the same page with regard to performance expectations at FINDR. These appraisals also help validate the employee selection criteria, advise training programs, and help managers determine promotions and pay raises. Here are my tips on employee performance appraisals:

1. **Set specific goals**

- Managers and employees should work together to develop specific goals and discuss how to achieve them. This is known as management by objectives (MBO). When goals are specific and measurable, progress is easier to track, and performance is easier to assess.

2. **Communicate**

- Appraisals are not just for the managers! It is critical to provide feedback to employees about their strengths and weaknesses (but remember to communicate the latter with sensitivity).
- Communication is a two-way street. It is also important to allow employees to participate in their ratings.

3. **And repeat. Often.**

- These appraisals should be conducted frequently, so neither employee nor manager loses sight of their goals.

Keep in mind these appraisals can be short and informal. Some managers conduct appraisals in only three minutes. I can lend FINDR my copy of "The New One Minute Manager" by Blanchard and Johnson for more information on that technique.

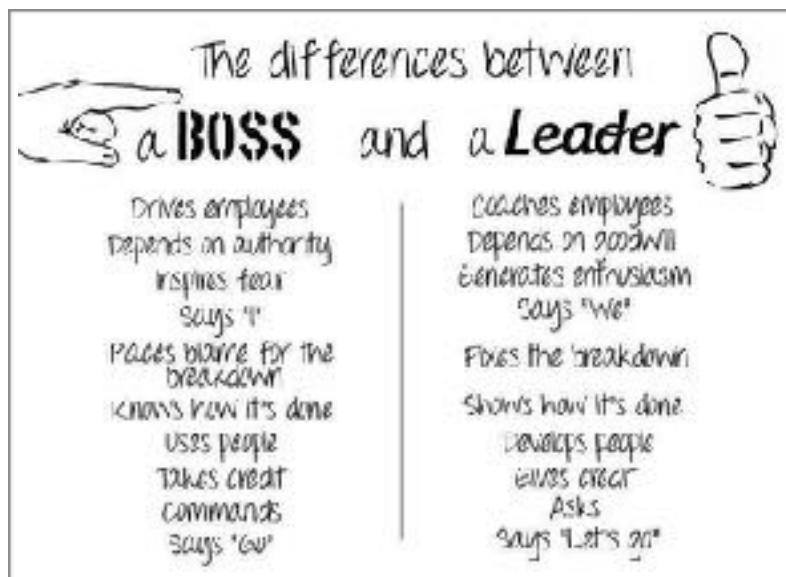
Leadership

I loved meeting FINDR's leader. He is what we industrial-organizational psychologists call a "Theory Y" leader. According to Douglas McGregor who coined the term, Theory Y leaders believe their employees are self-motivated, creative, and seek responsibility, instead of seeing them as people who dislike work and avoid it whenever possible (Theory X). This faith—and interest in satisfying the personal growth needs of employees—gives FINDR employees the freedom they need to make decisions and feel empowered at FINDR.

Another positive quality of FINDR's leader is his **leader-member exchange** (LMX), or how he interacts with subordinates. This LMX is high at FINDR, which is associated with high job satisfaction and job performance!

Finally, FINDR's leader has the charisma and intellect to make him a **transformational** leader, as opposed to a transactional leader. This is important for *inspiring* employees at FINDR. His high expectations for FINDR's employees actually affects their behavior. This is through a psychological concept called the self-fulfilling prophecy, and it is known as the Pygmalion effect.

The only concern I have about FINDR's leader is that he shows many consideration behaviors. Although it is critical to be concerned with subordinates' feelings, the most effective leaders prioritize power and achievement over affiliation. These human relations skills are more important in first-line supervisors than executives.



Motivation

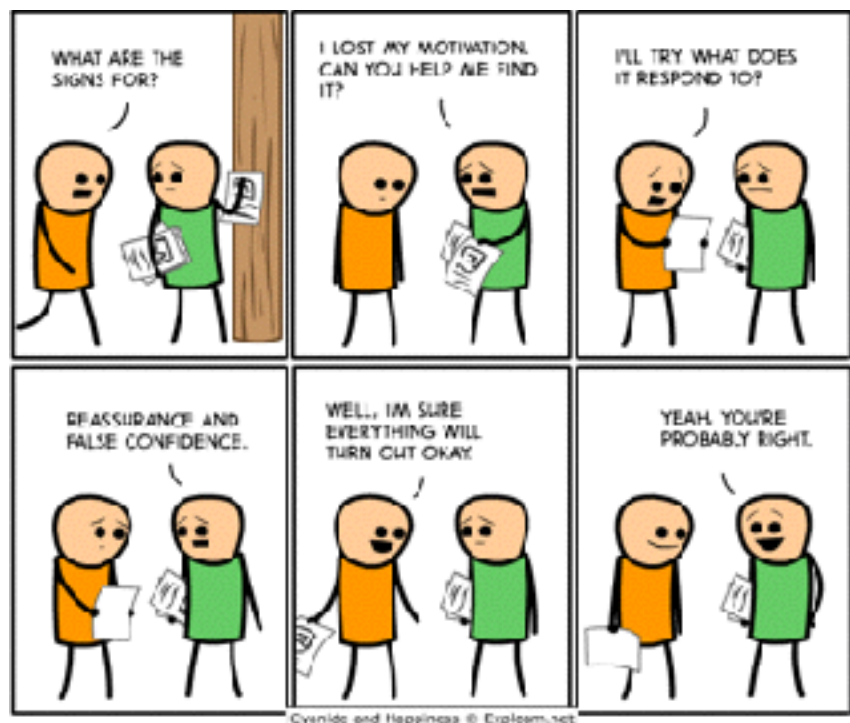
Motivation is key to job satisfaction and job performance. Employees who are motivated are less likely to procrastinate or avoid tasks and more likely to meet deadlines. Although this behavior can be affected by situational factors, such as the norms at FINDR, there are also ways that FINDR can motivate its employees.

First, according to Herzberg's Two-Factor **Motivator-Hygiene Theory**, the key to motivation is meeting motivator needs instead of hygiene needs. Motivator needs are about the nature of the work and the employee's level of achievement and responsibility. Hygiene needs are about aspects of the work environment such as pay and supervision. Maximizing motivator factors leads to job enrichment.

Second, according to Hackman and Oldhaus' **Job-Characteristics Theory**, certain characteristics such as skill variety, significance, autonomy, and feedback increase motivation as well as performance and satisfaction in employees with a high need for growth.

Third, according to Locke's **Goal-Setting Theory**, employees are motivated to achieve their goals because it is enjoyable to get things done and cross things off a to-do list. The first step is setting goals that are SMART: Specific, Measurable, Attainable, Realistic, and Time-Oriented; the next step is setting implementation intentions, specifying how these goals will be accomplished; and the final step is simply achieving those goals!

Since FINDR has a small issue with turnover, I recommend making efforts to increase job involvement and commitment, promotion opportunities, and pay. Turnover is fine when it is the lowest performers who are leaving, but low performers may become high performers with the right motivators!



Organizational Psychology

When it comes to the organization as a whole, there are seven steps involved in organizational development:

1. Be **aware**. You need to notice a problem to have a need for change.
2. Hire a **change agent** (such as an I-O psychologist, like myself).
3. **Collect information**. This includes performance data (output, waste) and worker data (turn-over rate, absenteeism rate).
4. **Diagnose** the problem.
5. Develop an **intervention**.
6. **Implement** the intervention.
7. **Evaluate** the intervention. If it's successful, then you're done! If it's not, return to step three and repeat the process until the problem is solved!

The first thing I will assess as a change agent is FINDR's **organizational style**. Although a bureaucracy is the classic organizational style, bureaucracies do not adapt easily to technological change, which I imagine FINDR will frequently experience. Instead, I recommend a participatory approach, involving more concern with the employees and their input. In fact, letting employees contribute in making decisions increases their commitment and support for those decisions.

The next thing I will assess is **person-organization fit**, the congruence between the personalities and values of FINDR's employees with the cultures and values of FINDR. A good fit increases group cohesiveness, which leads to higher job performance and satisfaction. A bad fit increases social loafing, which leads to worse job performance as employees don't work as hard as they would individually. One way to increase cohesiveness is to refrain from holding meetings online, regardless of how many employees are using computers, as this increases social isolation.



Working Conditions

On the whole, I am impressed with FINDR's working conditions. Employees seemed rather content. However, I did notice two significant issues regarding FINDR's vacation policy and parental leave policy.

The first issue is FINDR's vacation policy. Currently it seems rather unclear. I recommend implementing an **Unlimited Paid Vacation Policy** for three main reasons. First, its freedom and flexibility will foster employee trust and attract new employees to FINDR. Second, taking vacations will help employees relax, which will improve their health and wellness. Third, FINDR will not have to waste money on unused vacation days! The only relevant foreseeable problem with this policy is that employees might not know how much time is socially acceptable to take off. Luckily there is an easy solution: let them know. Lead by example; help them plan their vacations; maybe even require a minimum number of days to take off, so employees are not concerned that they are spending too much time away. Of course, there is such a thing as too much time off. Ensure that employees understand that their time-off is contingent on them getting their work done. Finally, tie the policy to FINDR's values. Emphasize that FINDR offers this benefit because FINDR trusts its employees and values their wellbeing. If this policy is not ranked as the most valued benefit by employees after a year, FINDR can change it, but I think it is at least worth a shot.

The second issue is FINDR's parental leave policy; namely, it doesn't exist. **Paid parental leave** may not be guaranteed by the federal government, but that does not mean it cannot or should not be provided by FINDR. Benefits of paid parental leave include increased morale and productivity, and reduced turnover rates. The only problem is deciding the specifics of the policy: who qualifies for it and what are the benefits or compensation they will receive. I think one of the best ways to determine this policy is to consult with other startups on how they have handled the issue and whether or not their method has been successful. I would be happy to take on this task if FINDR gives me its blessing.



Employee Safety and Health

Despite FINDR's lack of toxic chemicals, workplace violence, alcoholism, etc, I did notice one significant safety and health issue: prolonged computer use. This can cause carpal tunnel syndrome and other work-related musculoskeletal disorder symptoms. Fortunately, these issues can be easily prevented with frequent breaks. I was very impressed to see employees taking advantage of FINDR's sit-stand workstations; taking frequent breaks to stretch and vary your work posture has many important health benefits, all of which I am sure were covered during FINDR's training programs. Keep up the good work on that end!



Stress in the Workplace

Another factor in illness is stress. Stress can also reduce productivity and increase absenteeism and turnover. A common source of stress is work overload or work underload. This can be evaluated during performance appraisals; managers should check in on how employees are feeling and adjust their work accordingly to prevent burnout or boredom. Another common source of stress is role ambiguity and role conflict. This can be fixed with a clear definition of employee roles. As for other sources of stress—work-family conflicts, computer use, etc—social support, stress management programs, and wellness and physical fitness programs have been shown to be good coping techniques.

Consumer Psychology

Lastly, although I am an industrial-organizational psychologist, I know much about consumer psychology and can transfer my skills to that realm as well. Specifically, I can help conduct research including focus groups and observations to help FINDR identify the effectiveness of its advertising and also identify ways to appeal to consumers. Pro tip: one of the keys to achieving excellence is *listening* to customers and not trying to guide them. Please let me know if that is something FINDR would be interested in. I am at your service.

Thank you for your consideration.