



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING & FINANCE

UNIVERSITY EXAMINATION FOR:

BACHELOR OF COMMERCE

BHR 4202: INDUSTRIAL PSYCHOLOGY

END OF SEMESTER EXAMINATION

SERIES: DECEMBER 2016

TIME: 2HOURS

DATE:Pick DateSelect MonthPick Year

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attemptquestion ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

QUESTION ONE

- a) Industrial psychologists recognize that there is an inherent conflict between the needs of organizations and the needs of individuals. Organizations seek regularity and attempt to reduce human behaviour to predictable patterns. Humans, on the other hand, do not take well to having their behaviour reduced to acts required by a job, preferring to add spontaneity and expression to the equation.

Required

- i.) Define the term Industrial Psychology (**4marks**)
- ii.) Discuss the characteristics of Industrial Psychology (**8 marks**)
- iii.) Discuss the importance of industrial Psychology to organizations (**6 marks**)

- b) Describe the influence of Industrial Psychology on TWO human resource management functions. **(6marks)**
- c) Discuss TWO aspects of productive behaviour and their effect on organizational productivity. **(6marks)**

QUESTION TWO

- a) Describe FOUR major types of stress (**12 marks**)
- b) Discuss the characteristics of people who possess high emotional intelligence (**8 marks**)

QUESTION THREE

- a) Write shot notes on any TWO learning theories (**8 marks**)
- b) Discuss THREE elements that are important and likely to affect the ultimate outcome of any negotiation process (**12 marks**)

QUESTION FOUR

- a) Discuss THREE components described by Sigmund Freud which a very influential in understanding personality (**6 marks**)
- b) Discuss any FOUR application areas of community psychology. (**8 marks**)
- c) Attitude plays an important role in employee performance. Discuss three components of attitude that impact the workplace (**6marks**)

QUESTION FIVE

- a) Critical review the contributions of Abraham Maslow and Fredrick Herzberg to theories of motivation. Do you think that they have any relevance to the new generation of workers? (**12 marks**)
- b) Explain the process of managing organizational change with the aid Kurt Lewin's model (**8 marks**)



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QUESTION ONE

a) Describe the following terms

- i. Ergonomics (**3marks**)
- ii. Community Psychology (**3marks**)

b) ABC Technologies has advertised for the position of Industrial Psychologist. Describe the responsibilities to be undertaken by the successful candidate (**10 marks**)

c) Discuss the following approaches to explaining human behaviour. (**6marks**)

- i. Behavioral perspective (**3marks**)
- ii. Cognitive perspective (**3marks**)

d) Describe the influence of Industrial Psychology on the following human resource management Functions (**8marks**)

QUESTION TWO

- a) Describe the major factors that contribute to occupational stress. **(12marks)**
- b) Explain FOUR organizational strategies which can be used to manage stress in a 21st century organization **(8marks)**

QUESTION THREE

- a) Discuss THREE advantages of informal communication to an **organization** **(6marks)**
- b) In psychological models of communication, for human communications to be effective both the source and the receiver are influenced by FOUR major components. Describe those components. **(8marks)**
- c) Discuss any THREE external forces of change. **(6 marks)**

QUESTION FOUR

- (a) Describe the characteristics of Type-A and Type-B personality. **(12 marks)**
- (b) Describe FOUR third party negotiation approaches **(8 marks)**

QUESTION FIVE

- a) Describe the influence of the following theories of motivation on human behaviour. **(12marks)**
- b) Describe the requirements for effective Learning **(8marks)**

MARKING SCHEME – SPECIAL/SUPPLEMENTARY –

INDUSTRIAL PSYCHOLOGY

UNIT CODE: BHR 4202:

QUESTION ONE (Compulsory)

e) Describe the following terms (6 marks)

iii. Ergonomics

Ergonomics is part of industrial/occupational psychology, concerned with ‘fitting the job to the person’. More generally, it is the study of the efficiency of people in their working environment. It is also known as human engineering.

Ergonomics is studies of human interaction with tasks, equipment, tools, and the physical environment. Through ergonomics, an attempt is made to fit the machine and work environment to the person, rather than requiring the person to make the adjustment. Ergonomics includes all attempts to structure work conditions so that they maximize energy conservation, promote good posture, and allow workers to function without pain or impairment. Failure to address ergonomics issues results in repetitive stress. **(3 mark)**

iv. Community Psychology

Community Psychology: Community psychology is fundamentally concerned with the relationship between social systems and individual well-being in the community context. Thus, community psychologists investigate the array of social and mental health problems and they do so through research and intervention in both public and private community settings. Community psychology deals with the relationship of the individual to communities and the wider society. it seeks to understand the quality of life of individuals, communities, and society. The aim is to enhance quality of life through collaborative research and action. **(3 mark)**

f) ABC Technologies has advertised for the position of Industrial Psychologist. Describe the responsibilities to be undertaken by the successful candidate (10 marks)

- i. *Scientific selection of workers* — The selection and training of individuals for jobs and vocational guidance, which often involves giving aptitude tests and tests of interest. Industrial psychology offers a whole arrangement of

tests such as, systematic depth interviews and psychological tests of intelligence, aptitude, skills, abilities and interest, personnel characteristic etc. By these tests candidates are measured and properly selected and placed on the job.

- ii. *Proper division of work* — one of the scopes of industrial psychology is the work should be properly divided according to the abilities, skills and aptitude of the workers so they may feel comfortable and satisfied. It may also lead higher production.
- iii. *Designing training schemes* — as part of ‘fitting the person to the job’, this is particularly important at a time when new technology is replacing old methods and sometimes taking over totally the jobs done by particular workers.
- iv. *Fitting the job to the person (human engineering or ergonomics)* — whereby applications from experimental psychology are made to the design of equipment and machinery, in order to make the best use of human resources and to minimize accidents and fatigue.
- v. *Personnel efficiency* — advising on working conditions so as to maximize productivity as another facet of ergonomics (the study of efficiency of people in their working environments). Occupational groups involved include computer operators, those working on production lines and air traffic controllers.
 - i. *Minimizing the wastage of human efforts* — Industrial psychology tries to minimize the wastage of human power. It studies psychological factors causing fatigue or accident and give feasible suggestions to prevent them. The techniques of **motivation and morale** are used for this purpose.
 - ii. *Promoting labor welfare* — It promotes the welfare of the labor by introducing adequate working environment through which job satisfaction, work efficiency increases and also state the provisions of higher incentives.
 - iii. *Enhancement of human relations* — Human relations are the relation among individuals in an organization and the group behavior that emerge from their relations. Most of problems arise in the industries are connected to human relation. If workers feel ease with the surrounding then automatically they get motivated and productivity will be higher. Industrial psychology has made significant contribution in framing the techniques of leadership, worker participation, and communication.
 - iv. *Developing industrial relations* — Industrial psychology studies the attitude of the employer and employees. Individuals differ from each others in their thoughts, thinking, behavior and other parameters. Therefore, different measures may be adopted in solving the problem relating to each

individual like transfers, promotions, grievances etc. This helps in developing industrial relationship among workers' and management.

- v. *Increase production* — It helps in attaining the major objective of the organization, that of getting the best output from the existing resources. The production is automatically increased if proper selection is made, the work will be properly distributed, accident prevention and safety measures suggested. This will improve and promote individual as well as industrial relations.
- vi. *Communications* — helping the flow of communication between departments or sections in government institutions or industrial relations in commerce and industry (often called organizational psychology). Here the emphasis is on the social, rather than the physical or practical aspects of the working environment.
- vii. *Advertising and promotion* — helping to sell products and service through advertising and promotions. Many psychologists are employed in the advertising industry, where they draw on what experimental psychologists say about human motivation, attitudes and cognition.
- vi. *Industrial rehabilitation* — which is helping people who, for reasons of illness, accident or redundancy, need to choose and retrain for new careers. **(Any 5 @ 2 marks)**

g) Discuss the following approaches to explaining human behaviour. (6marks)

i. The Behavioral Perspective

Behavioral psychology is a perspective that focuses on learned behaviors. Learning implies a fairly permanent change in a person's behavior. The learning process permeates most other subdivisions of psychology. This is partly a reflection of the impact of behaviorism on psychology as a whole, since learning plays a central part in behaviorist theory where it is studied in the form of conditioning. Today, the behavioral perspective is still concerned with how behaviors are learned and reinforced. Behavioral principles are often applied in mental health settings, where therapists and counselors use these techniques to explain and treat a variety of illnesses.

Behaviorism is different from most other approaches because they view people (and animals) as controlled by their environment and specifically that we are the result of what we have learned from our environment. Behaviorism is concerned with how environmental factors (called stimuli) affect observable behavior (called the response).

The behaviorist approach proposes two main processes whereby people learn from their environment: namely classical conditioning and operant conditioning. Classical conditioning involves learning by association, and operant conditioning involves learning from the consequences of behavior.

Key features:

- Emphasizes the importance of the environment in guiding behavior
- Behavior is the result of learned associations between stimuli and response to them.
- The main theories are of classical (Pavlov) and operant (Skinner) conditioning.

ii. The Cognitive Perspective

It is the scientific study of cognition. Cognition refers to the process of knowing, and cognitive psychology is the study of all mental activities related to acquiring, storing, and using knowledge. Other topics that fascinate cognitive psychologists include creativity, intelligence and how people learn, understand and use language.

It can also be said “it is the study of internal processes which include thinking, memory, concept formation and processing of information.” Behavior is composed of mental events, internal representations, desire, beliefs and thoughts. Cognitive approach is the study of mental process. Cognitive psychologists believe that if we want to understand why people act as they do, we need to understand how they think, remember and reason. They are interested in how we interpret and make sense of the world around us.

This area of psychology focuses on mental processes such as memory, thinking, problem solving, language and decision-making. A great deal of learning is closely related to cognitive processes, such as language and perception. Cognition means knowing, so cognitive (or mental) processes refer to all those ways in which knowledge of the world is attained, retained and used, including attention, memory, perception, language, thinking, problem solving, reasoning and concept formation (‘higher order’ mental activity). Cognitive psychologists are interested in questions such as, how does the mind represent reality? How do people learn? How do people understand and produce language? Cognitive psychologists also study reasoning, judgment, and decision making. Cognitive and perception psychologists frequently collaborate with behavioral neuroscientists to understand the biological bases of perception or cognition or with researchers in other areas of psychology to better understand the cognitive biases in thinking of people with depression, for example.

Cognitive psychologists have discovered that mental activities that seem simple and natural are, in fact, extraordinarily complex. For example, most children have no trouble learning language from their parents. But how do young children decode the meaning of sounds and grasp the basic rules of grammar? Explaining these puzzles has proved very difficult, and attempts to duplicate true language ability in machines have failed. Even the most advanced computers have trouble understanding the meaning of a simple story or conversation (2- 3marks)

h) Describe the influence of Industrial Psychology on the following human resource management Functions (8marks)

i. Personnel recruitment and selection

Industrial-Organizational (I-O) psychologists typically work with HR specialists to design (a) recruitment processes and (b) personnel selection systems. Personnel recruitment is the process of identifying qualified candidates in the workforce and getting them to apply for jobs within an organization. Personnel recruitment processes include developing job announcements, placing advertisements, defining key qualifications for applicants, and screening out unqualified applicants.

Personnel selection is the systematic process of hiring and promoting personnel. Personnel selection systems employ evidence-based practices to determine the most qualified candidates. Personnel selection involves both new hires and individuals who can be promoted from within the organization. Common selection tools include ability tests (e.g., cognitive, physical, or psychomotor), knowledge tests, personality tests, structured interviews, the systematic collection of biographical data, and work samples. *(I-O) psychologists* must evaluate evidence regarding the extent to which selection tools predict job performance, evidence that bears on the validity of selection tools.+

(I-O) psychologists not only help in the selection and assessment of personnel for jobs, but also assist in the selection of students for admission to colleges, universities, and graduate and professional schools as well as the assessment of student achievement, student aptitude, and the performance of teachers. Increasingly, *(I-O) psychologists* are working for educational assessment and testing organizations and divisions.

ii. Performance appraisal and management

Performance appraisal or performance evaluation is the process of measuring an individual's work behaviors and outcomes against the expectations of the job. Performance appraisal is frequently used in promotion and compensation decisions, to help design and validate personnel selection procedures, and for performance management. Performance management is the process of providing performance feedback relative to expectations and improvement information (e.g., coaching, mentoring). Performance management may also include documenting and tracking performance information for organization-level evaluation purposes.

An Industrial-Organizational (I-O) psychologist would typically use information from the job analysis to determine a job's performance dimensions, and then construct a rating

scale to describe each level of performance for the job. Often, the *(I-O) psychologist* would be responsible for training organizational personnel on how to use the performance appraisal instrument, including ways to minimize bias when using the rating scale, and how to provide effective performance feedback. Additionally, the *(I-O) psychologist* may consult with the organization on ways to use the performance appraisal information for broader performance management initiatives (2- 4marks)

QUESTION TWO

c) Describe the major factors that contribute to occupational stress.(12marks)

Corporate culture (4 mark)

i. Leadership

- An autocratic manager who permits little or no input from subordinates may create a stressful environment.
- A weak manager may encourage subordinates to compete for power, resulting in internal conflicts.

ii. Organization policies

- Policies that emanate from the top of the organization without the participation or involvement (input) of the subordinates may have a negative effect when it comes to stress.
- Competition encouraged by the organization's reward system for promotion, pay increases, and status may add to stress.

iii. Personality

- Employee personality types vary, and combined with differing values, and beliefs systems they may so impair communication that stress is inevitable.

b) The job itself (4 mark)

- i. **Role ambiguity** exists when an employee does not understand the content of the job. The employee may feel stress when he or she does not perform certain duties expected by the supervisor, or when he or she attempts to perform tasks that are a part of someone else's job. Role ambiguity is a condition that can easily lead to conflict with one's boss or co-workers. It can be quite threatening to an employee and produce feelings of insecurity.
- ii. **Role conflict** exists when an individual is placed in the position of having to pursue opposing goals. For example, a manager may be expected to increase production while at the

same time decreasing the size of the workforce. Attaining both goals may be impossible, and stress is likely to result.

- iii. **Workload variance** involves dealing with both job overload and job under-load.
 - **Job overload:** When employees are given more work than they can reasonably handle, they become victims of job overload. A critical aspect of this problem is that the best performers in the firm are often the ones most affected. These individuals have proven that they can perform more, so they are often given more to do. At its extreme, work overload results in burnout (incapacitating condition in which individuals lose a sense of the basic purpose and fulfillment of their work).
 - **Job under-load:** It may occur when employees are given menial, boring tasks to perform. Individuals who constantly seek challenge in their jobs may experience stress when this happens.

c) Working Conditions (4 mark)

Working conditions, including the physical characteristics of the workplace and the machines and tools used, can also create stress. Overcrowding, excessive noise, poor lighting, poorly maintained work stations, and equipment that does not work properly can all adversely affect employee morale and increase stress. Working conditions that do not provide workplace flexibility may also produce excessive stress.

d) Explain FOUR organizational strategies which can be used to manage stress in a 21st century organization (8marks)

Organizational strategies for managing stress

- i. Encouraging more of organizational communication with the employees so that there is no role ambiguity/conflict. Effective communication can also change employee views. Managers can use better signs and symbols which are not misinterpreted by the employees.
- ii. Encourage employees' participation in decision-making. This will reduce role stress.
- iii. - Grant the employees greater independence, meaningful and timely feedback, and greater responsibility.
- iv. The organizational goals should be realistic, stimulating and particular. The employees must be given feedback on how well they are heading towards these goals.

- v. Encourage decentralization.
- vi. Have a fair and just distribution of incentives and salary structure.
- vii. Promote job rotation and job enrichment.
- viii. Create a just and safe working environment.
- ix. Have effective hiring and orientation procedure.
- x. Appreciate the employees on accomplishing and over-exceeding their targets.
(Any 4@2marks)

QUESTION THREE

d) Discuss **THREE** advantages of informal communication to an organization (6marks)

- **Effective Communication:** In the absence of any definite course, it is an effective system of communication, Messages can be quickly conveyed from one place to another with the help of this system
- **Fulfils Social Needs:** In the informal organization, people having similarity of thoughts and ideas form a group of their own. All the people in the group stand by one another in all organizational or personal matters.
- **Fulfils Organizational Objectives:** Here there is no pressure of formal organization. In the informal organization, the subordinates put their ideas before the superiors without any fear or hesitation, It helps the superiors to understand their difficulties and immediate solution of the problem is sought out. Since the problems are easily solved it becomes easier to achieve the objectives of the organization (3@2marks)

e) In psychological models of communication, for human communications to be effective both the source and the receiver are influenced by **FOUR** major components. Describe those components. (8marks)

- Communicational abilities,
- Attitudes,
- Knowledge and
- Social-cultural system to which it belongs (4@2marks)

f) Discuss any **THREE** external forces of change. (6 marks)

- **Globalization:** Multinational and transnational organizations are heavily involved in changes. Many of the organizations are pursuing joint ventures with firms from other countries.
- **Workforce Diversity:** The whole workforce continues to see increased participation of female persons with physical challenges, and persons from many different cultures, as well as a rise in the mean age of workers. All of these trends are expected to continue well into the next decade.
- **Technological Change:** Technical changes after the way in which we perform work, communication technology and information systems that allow for virtual

teams and radio frequency identification tags that are significantly faster, more flexible and carry more information than bar codes.

- **Managing Ethical Behaviour:** Society expects organizations to behave in an ethical manner in all their activities, both internal and external. Ethical dilemmas are sometimes highly visible, public issues, but more often they are issues that arise in everyday lives of employees. Success in this area requires that organizations establish a pervasive culture of ethical behaviour that all employees embrace. (any 3@2marks)

QUESTION FOUR

- (a) **Describe the characteristics of Type-A and Type-B personality. (12 marks)**

Type-A personality

- i. They try to do very many things at the same time (multitask).
- ii. They try to do everything themselves, to ensure things work right.
- iii. They have high need for control of situations.
- iv. They need to do more and more in less and less time in an apparent tireless pursuit of everything.
- v. They have time urgency and a sense of competitiveness.
- vi. They delegate less and prefer to work alone.
- vii. They jump into action to avoid time wastage and aggressively push others.
- viii. They set for themselves very high goals and work too hard to achieve them.
- ix. They always prefer to do something useful. Leisure is considered a waste of time.
- x. They are highly prone to stress and are often described as stress junkies. (Any 3@2marks)

Type-B personality

- i. They tend to have less need to control a situation.
- ii. They are patient.
- iii. They are relaxed and in general have an easy going approach to life.
- iv. They are moderately ambitious.
- v. They have an accommodating attitude.
- vi. They are cooperative.
- vii. They focus on quality over quantity.
- viii. They are relatively stress-free people and don't burnout. (Any 3@2marks)

- (b) **Describe FOUR third party negotiation approaches (8 marks)**

- i. A Mediator is a neutral third party who facilitates a negotiated solution by using reasoning and persuasion and suggesting alternatives. In mediation the conflicting parties must be motivated to bargain and resolve their

conflict. It is important that the mediator is perceived by both parties to be neutral and non-coercive.

- ii. An Arbitrator is a third party with the authority to dictate an agreement. Arbitration can be voluntary or compulsory. The authority of the arbitrator varies according to the rules set by the negotiator. The advantage of arbitration over mediation is that it always results in a settlement.
- iii. A conciliator is a trusted third party who provides an informal communication link between the negotiator and the opponent. In practice, conciliators typically act as more than mere communication conduits. They also engage in fact-finding, interpreting messages and persuading disputants to develop agreements.
- iv. A consultant is a skilled and impartial third party who attempts to facilitate problem solving through communication and analysis, aided by knowledge of conflict management. In contrast to the previous roles, the consultant's role is not to settle the issues but rather, to improve relations between the conflicting parties so that they can reach a settlement themselves. Instead of putting forward solutions, the consultant tries to help the parties learn to understand and work with each other. Therefore, this approach has a longer-term focus to build new and positive perceptions and attitudes between the conflicting parties (4@2marks)

QUESTION FIVE

c) Describe the influence of the following theories of motivation on human behaviour. (12marks)

i. Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs (1943) was applied to offer an explanation of how the work environment motivates employees. In accordance with Maslow's theory, employees strive to satisfy their needs in a hierarchal order. People have needs of varying levels and these must be met at lower levels so that they may pursue higher levels (motivation is to satisfy these needs)

At the most basic level, an employee is motivated to work in order to satisfy basic physiological needs for survival, such as having enough money to purchase food. The next level of need in the hierarchy is safety, which could be interpreted to mean adequate housing or living in a safe neighborhood. The next three levels in Maslow's theory relate to intellectual and psycho-emotional needs: love and belonging, esteem (which refers to competence and mastery), and finally the highest order need, self-actualization.

ii. Goal-setting

People will work more effectively if they have a goal as a focus of action. Fewer goals but which are challenging are more motivating, especially if they are achievable.

There are several reasons why goals are motivating: they direct attention, lead to task persistence and the development of task strategies for accomplishing the goal. In order for a goal to be motivating, the employee or work group must first accept the goal. While difficult goals can be more motivating, a goal still needs to appear achievable, which in turn will lead to greater goal acceptance. The person or group should have the necessary skills and resources to achieve the goal, or goal acceptance could be negatively impacted. Specific goals that set a performance expectation are more motivating than those that are vague. Similarly, more proximal goals have greater motivation impact than those that are very long range or distal goals.

iii. Motivation–Hygiene Theory

These are hygiene factors (psychological) that need to be provided for before the motivating factors can be effective in influencing desired behavior.

Herzberg's Motivation–Hygiene Theory holds that the content of a person's job is the primary source of motivation. In other words, he argued against the commonly-held belief that money and other compensation is the most effective form of motivation to an employee. Instead, Herzberg posed that high levels of what he dubbed hygiene factors (pay, job security, status, working conditions, fringe benefits, job policies, and relations with co-workers) could only reduce employee dissatisfaction (not create satisfaction). Motivation factors (level of challenge, the work itself, responsibility, recognition, advancement, intrinsic interest, autonomy, and opportunities for creativity) however, could stimulate satisfaction within the employee, provided that minimum levels of the hygiene factors were reached. For an organization to take full advantage of Herzberg's theory, they must design jobs in such a way that motivators are built in, and thus are intrinsically rewarding. (3@4marks)

d) Describe the requirements for effective Learning (8marks)

Learning is more likely to be effective if the following five requirements are met:

1. *The learner is motivated to learn.* This may be self-motivated or motivated as a result of the encouragement or stimulation of another person – a manager, a mentor or a trainer.

2. *The culture of the organization encourages and supports learning.* The concept of a learning organization which emphasizes that the organization should aim to develop a culture and processes which encourage learning.
3. *Learners will benefit from guidance, encouragement, support and feedback.* All learners, even those who are largely self-motivated, will benefit if they are helped to define and satisfy their learning needs.
4. *Learning will be enhanced if note is taken of the lessons provided by learning theory.* This means paying attention to the concept of the learning curve (learning is a gradual and possibly step-by-step process) and key factors of learning psychology.
5. *Learning will be most effective when it satisfies the learner's needs.* People are capable of learning in many different circumstances if they expect that it will meet their needs for achievement, growth, recognition and employability.