

COMMENTARY

# We should also aim higher: I-O psychology applied to sustainable growth and development

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Schneider and Pulakos (2022) suggest that industrial-organizational (I-O) psychology is uniquely positioned to explain organizational effectiveness and argue that an organizational focus will enhance the relevance of the field. We applaud their efforts to raise the field's attention to a level of analysis higher than individuals and teams. Building from this idea, we consider here the potential for I-O psychology to contribute to an understanding of sustainable growth and development at the societal level. The notion of sustainable growth and development captures the interconnectedness between work, well-being, and society. It considers work productivity as a contributing factor to economic growth; decent work as a mechanism underlying quality of life for individuals and communities; and the intricate and important connections among well-being, economic vitality, and the health of the planet in both short and long terms (International Labour Organization, [nd](#); United Nations General Assembly, 2015). Paralleling Schneider and Pulakos, we argue that I-O psychology can make important contributions that go beyond its current level of analysis.

## Bringing it up a(nother) level

Economists have historically viewed growth in terms of maximizing worker and business productivity (The World Bank, 2012). From an economic perspective, this is thought to occur via a set of distal inputs to productivity, including nourishment, education, workforce participation, and institutional structures that encourage people to invest their effort and money (Duflo, 2012; Ray, 1998). Although early notions saw economic growth as a pathway to a prosperous society, decades of rising inequality, work-related causes of ill-being (e.g., the concept of Karosi; the valorization of profit over people), and disasters resulting from environmental externalities have suggested otherwise. More recent notions recognize that economic growth that burns out people or the planet in the process cannot be sustained over time. Moreover, boundless growth can have harmful effects that impede human and environmental thriving (Raworth, 2017).

This leads to questions about how to foster *sustainable* growth, development, and thriving—an economy that enriches and, in turn, is enriched by individual, societal, and planetary well-being. In 2015, the United Nations established 17 sustainable development goals (SDGs), which

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articulate the interrelated factors that lead to sustainable growth and development (United Nations General Assembly, 2015). The SDGs collectively focus on people, planet, and prosperity in addition to peace and partnerships. Examples include an emphasis on decent work and economic growth (SDG #8), peace, justice, and strong institutions (SDG #16), and partnerships (SDG #17), including public–private partnerships.

But what does all of this have to do with I-O psychology? Like Schneider and Pulakos (2022), we argue that I-O psychologists have the perspectives, constructs, and methods to offer an important voice to discussions at these higher levels of analysis. Whereas Schneider and Pulakos are referring to the organizational level, we emphasize economic and societal growth, development, and thriving—the kind that can be sustained over time. To contribute to this objective, I-O psychology needs to bring its thinking, research, and sphere of influence up yet another level.

In some cases, organizations can collectively serve as pathways to a sustainable future, for example, by promoting good health and well-being (SDG #3), quality education (SDG #4), gender equality (SDG #5), decent work (SDG #8), and by reducing existing inequalities (SDG #10). However, if the field seeks to understand and influence these objectives at a societal level, we must expand our focus to considering the interrelationships between characteristics and events across organizations, macrolevel systems, and aggregate human experiences. Research might ask how the wider context of work—policies, practices, regulations, societal ideas about work, and macro-level events—affects individuals, organizations, and society. In turn, how do the experiences of workers, in aggregate, shape the economy and other important societal outcomes (e.g., institutional trust and stability)? For example, research in I-O psychology has linked economic downturns and the Great Recession to aggregate absenteeism, employment insecurity, poor well-being, and lower levels of organizational commitment in the United States (Frone, 2018; Shoss & Penney, 2012). How do these aggregate workforce effects then circle back to shape the resilience of the economy, communities, political institutions, and systems and structures related to work? Why and when do such workforce effects occur and how can “systems of beliefs, policies, and institutions” (MacLachlan, 2017, p. 406) change to mitigate the negative effects of future downturns? These ideas are akin to MacLachlan and McVeigh’s (2021) notion of macropsychology. Especially in light of the COVID-19 pandemic, the time seems ripe for I-O psychologists to lend their voices to these broader discussions and to explore ways to build a more sustainable world of work at both organizational and societal levels.

A wide variety of findings familiar to I-O psychologists can be viewed through this more macro lens. Consider the rich insights into people’s effort allocation decisions (e.g., in which occupations and organizations they choose to work) and the bidirectional relationship between well-being and performance found in the literature (Ones et al., 2018; Pfeffer, 2010). In a similar vein, research also addresses the interconnectedness between work domains and other important societal systems, including government, family, community, health, and environment. For example, the literatures on income and gender inequality demonstrate how work practices give rise to societal-level effects (Bapuji et al., 2020; Roberson et al., 2020). Research on green behaviors captures the interplay between workplace dynamics and behavior related to the environment (Katz et al., 2022). Research on job insecurity links people’s perceptions about the security of jobs to reactions to government (Shoss et al. 2022).

As the focal article noted, leveling up will require an expansion of theory, methods, and practice to consider aggregates (e.g., industries, communities, cities, countries). Indeed, efforts in this vein have already proved successful. Obschonka et al. (2016) linked regions’ aggregate personality to economic resilience in the Great Recession. McClelland (1984) saw aggregate need for achievement as a psychological contributor to national economic growth. A report from Irrational Capital (2021) found that an index of firms developed from aggregated employee well-being data outperforms the NASDAQ, suggesting that the entire economy could benefit (at least by stock market standards) if more companies treated workers well.

In our view, “leveling up” to better connect our science and practice to sustainable growth and development will require some adaptation, including (a) expanding our focus beyond a single bottom line, (b) taking a broader view of organizations, and (c) developing strategic partnerships.

### Expanding beyond a single bottom line

Financial performance and economic growth are necessary (see SDG #8) yet insufficient for sustainable growth, development, and prosperity. This notion is reflected in the Sustainable Development Goals, which encompass elements of “people,” “planet,” and “profit” (i.e., the triple bottom line). To illustrate their point, Schneider and Pulakos (2022) offer a number of useful examples of organization-level research in I-O psychology. Many of them include profitability and other financial indicators as criteria against which to test the efficacy of I-O theories and practice. As we move a level up, it will be important to continue to include such financial indicators and also expand the criteria against which we evaluate I-O psychology’s influence.

A useful set of criteria is offered by the specific subgoals of the 17 SDGs, known as Targets. To illustrate, SDG #4 seeks to “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” (United Nations General Assembly, 2015, p. 17). The fourth Target, 4.4., states that by the year 2030, we will “substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship” (United Nations, 2022, p. 5). This leads to illustrative questions for our field: How can I-O psychology research, theory, and practice enable widespread skill acquisition and transfer among diverse populations? Under what conditions does skill possession translate to decent jobs and entrepreneurship? How can skill development be indexed and tracked over time?

### Taking a broad view of organizations

Schneider and Pulakos (2022) forecast what moving to an organizational level of analysis may look like. They note, for example, “Organizational studies would evaluate the effect of I-O interventions on company-level outcomes, such as customer satisfaction as in Schneider et al. (2009) and financial measures like profitability that business leaders care about as in Pulakos et al. (2019, p. X)”. Although Schneider and Pulakos’s focal article is framed broadly in terms of organizations, words like “company,” “profitability,” and “business” imply a private sector emphasis. There is a great deal to learn from the private sector, which is well positioned to contribute to sustainable growth and development (Foster & Viale, 2020); however, we believe a broader focus on other types of organizations is also in order. This includes nonprofits, governmental institutions, nongovernmental organizations, and multilateral organizations. Already, I-O psychology has a strong track record of research and practice within the U.S. federal government and has been making inroads into other organizations including nonprofits (e.g., Jacobs & Johnson, 2013) and public institutions such as UN entities. Expanding in this manner is essential if we are to move our insights and influence to a more macro level.

### Developing strategic partnership for the goals

SDG #17 emphasizes the necessity of “Partnerships for the Goals” in order to achieve sustainable development. Partnerships can take many forms. We highlight three broad types of partnerships we see as essential. First, as always, there is a need for partnerships between science and practice. Second, multistakeholder partnerships are needed. SDG 17’s seventeenth Target, 17.17, puts this succinctly, emphasizing the need to “Encourage and promote effective public, public–private and civil society partnerships, building on the experience and resourcing strategies of partnerships” (United Nations General Assembly, 2015, p. 27). Third, multidisciplinary partnerships are needed. I-O psychology has a lot to gain by partnering with economists, political scientists, public policy analysts, environmental scientists, and public health specialists, among others. Other fields have valuable theories, insights, methods, and analytical tools to learn from, which can complement the unique expertise that I-O psychology brings to the table. Pursuit of sustainable growth opens up

opportunities for I-O psychologists to work with a variety of different types of disciplines and to help facilitate effective partnerships across organizations.

## Conclusion

In (2016), Michael Frese et al. stated that “Psychology has often shied away from participating in solving ‘grand’ challenges because of its inherent orientation toward individuals” (p. 196). Schneider and Pulakos’s (2022) insightful focal article persuasively argues for the benefits of expanding beyond this individual orientation to include an organizational focus. Moving this argument up another level begins to approach the magnitude of a grand challenge. Is the field of I-O psychology ready for it? We hope so.

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