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COMMENTARY

Industrial-organizational psychology research is useful for small businesses

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Zhou et al.'s (2024) central claim is that industrial-organizational (I-O) psychology research is overly focused on large businesses, and as such, tends to produce irrelevant theories and impractical recommendations for small businesses. I disagree and argue instead that the I-O literature has produced numerous insights into workplace behavior that are relevant to organizations of all sizes. More so, many of the recommendations gleaned from the I-O literature can be easily implemented, require few (if any) financial resources, and are accessible to both large and small businesses alike. I provide examples from two fundamental domains of organizational functioning: hiring and managing employees.

Examples of I-O research that is relevant for small businesses

Any business with employees, regardless of size, faces two fundamental challenges. First, businesses have an interest in hiring employees who are likely to succeed. Second, managers need to ensure that employees stay on track and engaged in the behaviors needed to accomplish organizational objectives. The I-O literature contains a great deal of guidance regarding these issues. Importantly, this guidance is based on scores of empirical data, meaning there is strong evidence for the efficacy of these techniques across a wide range of work contexts. More so, many recommendations from the I-O literature represent changes in managerial behaviors that can be implemented at little-to-no cost to the organization. Therefore, although I accept Zhou et al.'s premise that larger firms have access to more resources that smaller firms, I do not believe this precludes firms of any size from putting many findings from the I-O literature to use. Instead, the findings reviewed below can be implemented by any manager who has the knowledge and motivation to do so.

Hiring new employees

Personnel selection involves gathering information about applicants that is available at the time of hire, using the information to make a prediction about how well an individual is likely to perform on the job, and ultimately making a hiring decision based on this information. Some techniques discussed in the personnel selection literature may be out of reach for many small businesses, such as creating work simulations or administering standardized tests to large pools of applicants. However, firms of all sizes are likely make use of preemployment interviews to make hiring decisions (e.g., Wilk & Cappelli, 2003), as there are virtually no barriers to doing so. Conducting interviews is inexpensive and straightforward. Importantly, the I-O literature provides a great deal of guidance regarding how businesses—both large and small—can most effectively use interviews to make hiring decisions.

Decades of I-O research indicates that highly structured interview techniques produce more valid predictions compared to relatively unstructured interviews (e.g., McDaniel et al., 1994). Small businesses can put this research to use by following a few simple rules when conducting interviews. These include ensuring questions are job relevant, that all applicants are asked the same questions, that each question is scored (rather than scoring the interview as a whole), and the same scoring scheme is used for all applicants (Levashina et al., 2014). Of course, large firms may have the resources to hire I-O consultants (or others with interview expertise) to help them design their interview process. However, the interview literature indicates that even implementing the few simple rules outlined above will dramatically increase the quality of information that is collected, relative to the information gleaned from the free-flowing, unstructured conversations typical of many interviews. This requires only a small investment of time and effort, and thus can be done by anyone making hiring decisions, including individuals working in small firms with limited resources available to devote to hiring.

Managing employee performance

Even when hiring is done well, most employees still require at least some degree of guidance and supervision. Managers need to communicate to their employees what work needs to be completed, how the work should be done, and whether the work was completed satisfactorily. This is true of all organizations, regardless of size. The I-O literature provides well vetted and easy to implement guidance for effectively managing this need.

Specifically, employee performance can be managed via goals and feedback. With regard to the former, assigned goals direct employee attention and effort toward tasks needing to be accomplished (Locke & Latham, 2002). More so, a great deal of research indicates that assigning difficult, specific goals results in greater employee performance, relative to vague goals, or telling employees to "do their best" (Wood et al., 1987). Managers in both large and small organizations can benefit from this research finding. Doing so requires only the time needed to quantify performance standards and communicate them with subordinates.

Likewise, providing feedback to subordinates is critical for effectively managing employee performance. For many work tasks it can be difficult to determine if one's performance meets organizational standards. Similarly, the effectiveness of the behaviors and strategies used to meet work goals is often unclear, and individuals can benefit from receiving input from an external source. To this end, a great deal of research indicates that strong feedback environments—which are characterized by the availability of timely, specific, and courteous feedback (Steelman et al., 2004)—are associated with numerous beneficial outcomes, including subordinate performance and well-being (Katz et al., 2021). That is, feedback is most effective when it is part of informal, ongoing, day-to-day conversations between managers and subordinates. Again, these research findings can be used by any manager to improve their subordinates' outcomes, regardless of organization size or resource availability.

Concluding remarks

Zhou et al. argued that I-O research is often irrelevant to small businesses, and that recommendations from I-O articles are generally too impractical for small businesses to apply. I do not doubt that there are I-O articles that more or less fit this pattern. However, I also do not believe this article-by-article approach is appropriate for addressing the science–practice gap. Instead, closing the gap requires reviewing the literature as a whole. Any given article will address a specific issue, adding nuance and caveats to larger problems. Yet, across dozens (or hundreds) of articles, important patterns emerge. In this commentary I demonstrated this using hiring and performance management as examples, but there are many others (e.g., training, workplace safety, fairness perceptions). Thus, as data accumulate, I-O psychology is able to make well-grounded

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recommendations for addressing fundamental workplace problems that are relevant to businesses of any size. More so, these recommendations can often be boiled down to basic managerial behaviors. As such, the only barriers to their implementation are the managers' knowledge of these behaviors, and willingness to carry them out. It is here that the efforts to reduce the science–practice gap should be focused.

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