What if applied psychology mattered in the world? ¹

Michael Frese

Dear President of Greece,
Ladies and gentlemen,

What If Applied Psychology Mattered in the World?

Michael Frese
University of Giessen
President of the International Association of Applied Psychology (IAAP)
Homepage: WWW.IAAPSY.org
www.frese.org
e-mail: michael.frese@psychol.uni-giessen.de

Athens

What would happen if there were no applied psychology and no International Association of Applied Psychology? Who would shed tears?

¹ Thanks to Doris Fay, Avi Kluger, and David Hofmann who have helped me improve this talk
It is fitting to pose the question **What if applied psychology mattered in the world?** here in Greece 2300 years after Aristotle developed his a systematic approach towards both basic and applied science …

… and 100 years after Hugo Münsterberg has started applied psychology.
My general thesis is: Applied Psychology matters because it is doing fabulous research. However, we are not good in translating this research into policies and to implement these policies. It is the translation from good research and good practice into effective policies that Applied Psychology can improve. I want applied psychology to play a bigger role in the world.

What is the state of applied psychology in the world? **GOOD NEWS**

Brazil adds more than 10,000 psychologists to its workforce every year. There are enormous increases in most countries, e.g., Israel, Spain, Lithuania, South Africa, Philippines.

Three “challengers” for Applied Psychology:

1) Pseudoscience
2) Medicine
3) Economics

But at the same time we are also faced with three challenges for applied psychology:

There is 1), pseudoscience, 2) there is medicine 3) there is economics

These challengers all have a high impact on society and on policy making. That is most clearly the case for economics. It is also higher for medicine than for psychology.
Unfortunately, even the charlatans, pseudoscientists, and quacks are getting an enormous share of TV time, public acknowledgment and even attention by politicians.

My thesis is that all of these areas have an easier time to produce policies, with Economics being probably the most successful of all.

**Example: Economics as a Challenger: A Famous Economist on Behavior**

Edward P. Lazear, published in *Journal of Political Economy*, 1997 – preface:

« I hope that this analysis will bolster the argument, made most convincingly by Gary Becker, that economics is a very powerful discipline that can shed light on almost all aspects of behavior. »

Same author in *Journal of Economic Perspectives* 1991:

« The economic approach is more rigorous, more rational and probably better for prediction than the one by industrial psychologists….Psychologists have concepts and data which would be useful for economists. A number of their ideas have already made their way into economics and more will follow. »

A famous economist Edward Lazear says on behavior: “I hope that this article will bolster the argument made most convincingly by Gary Becker that economics is a very powerful discipline that can shed light on almost all aspects of behavior.” (p. 1, *Journal of Political Economy* – unpublished version 1997)

And we always thought that psychology was the science of behavior, didn’t we?

And the same author says in a different article: “The economic approach is more rigorous, more rational, and probably better for prediction than the one by industrial psychologists.
AND HE CONTINUES ON … Psychologists have concepts and data that are useful for economists. A number of ideas have already made their ways into economics and more will follow.” P. 89 (Journal of Economic Perspective 1991).

It is this combination of feeling of superiority and readiness to take over concepts that is a challenge for applied psychology. Therefore, Economists start publishing on issues that were once clearly in the domain of psychology, such as decision making, well-being, group dynamics, and even job satisfaction.

7-Point Program

To counter these tendencies I want to suggest a 7-point programme to make applied psychology matter more in the world

\textit{An 7-Point Program to Make Applied Psychology Matter in the World}

1) Complement money and develop a psychological currency: Psychological well-being
2) The «President’s Council of Psychological Advisors»
3) Applied Psychology – more strongly policy oriented
4) All policy needs an idea of how to implement change – psychology of change
5) Effective strategies when advocating policy
6) Evidence-based psychology and (policy) decision making
7) Emphasize unique value of applied psychology in comparison to basic psychology

Athens
1) Complement money and develop a psychological currency: Psychological well-being of individuals and nations

Economists have a currency that is widely used: money and gross national product to compare nations. When economists influence policy, they use their currency to justify their recommendations.

*Psychology’s Currency: Individual or National Well-Being/Happiness*

• Reason for money? To produce well-being. Then happiness/well-being – should be measured directly!
• No direct relationship between money and happiness and well-being
• For nations, money stops to be related to well-being beyond 8 – 10,000 $/per capita


Psychology needs a currency that is as important and respected as much as money. This is a suggestion by Diener and Seligman: well-being and happiness as a psychological currency.

I believe they are right: Well-being and happiness could be our currency because they are key constructs in applied psychology and they make a contribution that is distinct from money. A few examples:
Why do people want money in the first place. Most often to buy things that produce some kind of well-being. If well-being is the end-result, why not measure it directly?

But well-being cannot replace money, it adds something to understand the quality of people’s lives. Money is related to happiness but the relationship is not direct, both on the individual and on the national level of analysis.

For example, across nations there is a relationship between money and well-being, but that relationship levels off at 10,000 dollars. The incremental effect of wealth on well-being is then reduced. If you look at Japan as an extreme example, then you see that indeed Japan has essentially a flat curve of well-being between 1958 and 1986, even though the real per capita income multiplied fivefold.

And in one of the most successful countries in terms of the development of the economy, Ireland, there is actually a clear reduction of well-being between 1973 and 1986.

Thus, more than money is needed: Well-being and happiness may be useful concepts to understand the situation of a country and the quality of people’s lives.
Of course, there are also problems with the concepts of well-being or happiness.

**Problems of The Concepts of Well-Being or Happiness**

1) Happiness and reduction of aspirations
2) Cultural relativity of happiness – US American concept?
3) Set-point of happiness/well-being – genetic influence
4) Happiness may be conceptualized too passive: In contrast Aristotle’s Eudaimonia

One can increase happiness and well-being by reducing aspirations – this has been studied in job satisfaction: One can resign, reduce aspirations, and the result may be higher job satisfaction.

Happiness may be a very American concept. There may be cultural orientations, philosophies, and religions which do not put so much emphasis on happiness, e.g., collectivistic cultures, philosophies like Schopenhauer, or Buddhism as a religion. Thus, it is a concept that does not have the same importance and maybe not exactly the same meaning in different cultures. We have to be open to measures that are even more comparable across cultures.

There may be also something like a set-point: A large part of well-being is genetically determined. Once happiness is disturbed or changed, either up- or down-wards, it gets back to
its “normal” set-point after a while. Thus, any change has only a transitory effect on well-being.

Happiness can be conceptualized to be passive, as bodily pleasures. Fortunately, Martin Seligman and others have used the concept by Aristotle; for him happiness is Eudaimonia, a gratification that comes along with doing the right actions - An active concept of engagement. Happiness is not just bodily pleasure.

So what to do?

**Use of the Concepts of Well-Being or Happiness – Agreement Necessary**

1) Develop adequate measures
2) Agree on these measures – international task force (IAAP and IUPsyS)
3) Develop adequate controls, e.g., general positive affectivity
4) Develop specific measures

First, we have to develop a set of measures.

Second, the most important issue is that we agree on these measures and that many psychologists use them internationally. Psychologists are worried about meanings attached to concepts: What does it mean to be happy? This may be different in different
cultures. Economists are less worried about this. We have to emulate economists here:
Psychology has to allow a certain loss of precision of meaning to be able to get a common currency.

To determine agreement, a task force should be instituted by international associations, such as IAAP and IUPsyS. Once we have an agreement, we should stick to it until we have a better one. After all, economics has developed a measure of Gross-national product and is using this measure in spite of the many problems of this concept.

Third, we have to develop a set of adequate controls that may get rid of the genetic component of well-being. In this way, the measure would be more sensitive to environmental changes and we would get around the set-point problem to some extent. Again, it is important that there is some kind of professional and international agreement on this.

Fourth, we may have to develop more specific measures, e.g. well-being at work, in marriage, etc.

I believe that developing the currency well-being and happiness may eventually get the respect and acceptance similar to money or GNP. For nations it is a superb indicator of their problems and prospects and for individuals this currency is an excellent indicator of their life quality.
2) The «President’s Council of Psychological Advisors»

An 7-Point Program to Make Applied Psychology Matter in the World

1) Complement money and develop a psychological currency: Psychological well-being
2) The «President’s Council of Psychological Advisors»
3) Applied Psychology – more strongly policy oriented
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Council of Economic Advisers, USA, March, 6th 2006

Edward P. Lazear is sworn in as chairman of the Council of Economic Advisers
Let me show you an overhead of the Council of Economic Advisors. Such Councils exist in many countries. The Chairman in the US is Edward Lazear by the way – this was the economist whom I quoted in the beginning of my talk and who said that economics explains behavior better than applied psychology.

Why do I show you this picture?

Because I think it is time that we develop a President’s Council of Psychological Advisors.

History in the Making

The past, current, and future presidents of IAAP are met by President Bush to constitute the Council of Psychological Advisers

Unfortunately President Bush is unlikely to institute such a Council of Psychological Advisors.

Therefore, we have to start to introduce such councils ourselves
I suggest that each national organization, and, where necessary international organizations start to develop Councils of Psychological Advisors.

These councils should present the well-being of the nation every two years or so and should look at potential problems and prospects for its well-being.

These councils should look e.g., at these questions: What are recent psychological problems that have arisen? What are the psychological costs, e.g. of unemployment or dissolution of the family? And which policies might lead to potential gains.

Also: why is Ireland reducing its well-being while its GNP increases dramatically?

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Fig. 10.2. Percentage of population "very satisfied with their lives in general," nine European countries, 1973-89. (Data from Inglehart and Reif 1992. The question asked is, "Generally speaking, how satisfied are you with your life as a whole? Would you say that you are very satisfied, fairly satisfied, not very satisfied, or not at all satisfied?" Ordinary least squares regressions yielded time trends that were not statistically significant for five countries, significant and positive for two, and significant and negative for two.)
3) Applied Psychology needs to be more policy-oriented

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In comparison to other disciplines psychologists have to be more courageous to take a stand in policies. To be quite honest, I am a true psychologist. I sometimes cringe, I shudder when other disciplines quickly point out policy implications. And I always think about alternative explanations that necessitate additional studies. I tend to say, we don’t know enough yet; we need these additional studies before we can present our ideas on policy implications. Sometimes I even have the feeling that I might make my hands dirty by presenting the results in terms of policy implications too quickly.

I am sure, there are many among you, who feel like me. However, I have changed from Saulus to Paulus in the meantime
Two personal accounts:

- Research of entrepreneurship in South Africa by economists. Far-reaching policy implications and recommendations: How to change culture.

- Scientists talked to politicians in Germany. Only one person - a neuroscientist - gave policy implications. Basis were experiments with mice; suggestions on how to organize learning in school settings.

These were the situations that led me to change:

a) I am interested in entrepreneurship because it is an area in which psychology can contribute to the economic development of nations - particularly in developing nations where an increase in economic output still increases wellbeing. Moreover, entrepreneurs have to show behaviors that are important for employees in the future, as well.

Therefore, I read the literature in this area; I once stumbled across an article on research on entrepreneurship in South Africa. The study made policy recommendations, among others how to change culture, so that South Africa would become more entrepreneurial. To be quite honest, I was outraged when I read this article and I thought: How dare they!! They don’t really know anything about change in culture. How do they dare to make policy recommendations?
To be honest, I now tend to think that it is our fault. It should have been us who made policy recommendations on changing culture. But as long as we do not do it, we cannot disallow other disciplines to just throw together their own tool box of change. It is us who should say: These are the ten most important principles of changing, for example, organizational and national culture.

b) The second incident was when I gave a talk with other scientists to a number of high level politicians in Germany. The one scientist who presented strong recommendations was a medical neuroscientist. He studied mice and suggested from these studies how schools should reorganize learning. Again, I was outraged. I thought, how dare he to use his simple experiments that involved no clear relationships to what he was suggesting. But now I think: It is probably our fault, because we are not giving these recommendations. Where is a summary that people can find on the Internet, in which psychology presents the most important principles of learning and their implications for school systems?

Thus, let’s be more courageous and force ourselves to be more courageous.

In my view, the series: Psychological science in the public interest – published by the Association for Psychological Science (APS) is a major step in the right direction – although one would still need some more popular executive summaries of these scholarly treatments.

Other good examples can be found in the Psychological Monitor of APA.

And as IAAP we can be very proud that we have looked at important issues in terms of our policy subgroups and these will be reported in the appropriate symposia here in Athens. We need to do more of this. We have to collaborate with other associations that are interested in
this area and we have to look at the important issues: Immigration, health, globalization, human capital, demographic changes, etc.

4) All policy needs an idea of how to implement change – psychology of change

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Policy needs ideas of how to implement changes – one needs to know, how to get things out of the door. And again, applied psychology is central for this issue.

We actually know the psychology of change that helps people to understand how values, attitudes, skills, organizations, and national culture can be changed.

Here are the Millennium Goals of the United Nations:
UN- Millenium Goals

1) Eradicate extreme poverty and hunger
2) Achieve universal primary education
3) Promote gender equality and empower women
4) Reduce child mortality by two thirds among children under five.
5) Improve maternal health (reduce by three quarters the maternal mortality ratio)
6) Combat HIV/AIDS, Malaria, and other diseases
7) Ensure environmental sustainability (particularly safe water and improve life of 100 million slum dwellers by 2020)
8) Develop a global partnership for development (including open trading system, addressing the least developed countries' special needs, etc.)

All of these goals are high and specific goals. Thus, psychology and Ed Locke, over here, and Gary Latham have already influenced how it is done. These are very good goals.

When you look at them in some detail: All of them are related to behavior. Whenever it comes to changing things, we need to change behavior. This is obvious for AIDS prevention, poverty reduction often means that people start their own firms – again the psychology of entrepreneurship is essential for poverty reduction, changing gender roles – all these are behavioral issues.
And Psychology is the Science of Behavior and Psychology of Change is Applied Psychology! It is upon psychology to specify the behavioral changes that these goals imply and how these behavioral changes can be put into action.

5) **Effective strategies when advocating policy**

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**Strategies for Being Effective in Policy Orientation**

- via Economists (suggestion by Daniel Kahneman): Only economists have real clout
- via political activism (Prof. Susan Pick): gettings policies implemented with persistence and creative, unorthodox strategies
One answer is given by Daniel Kahneman, the Nobel laureate who gave the introductory speech 2 years ago in Beijing and who says in another talk: Psychology will never be effective. The only science that is really effective in suggesting policies is economics. So let’s just influence economists who will then influence policies.

This is one strategy. Susan Pick, who gets the highest award of IAAP has another answer.

Her area is sex education. Sex education is of great importance for AIDS prevention, for empowering women, to reduce unwanted pregnancies and to reduce child and mother mortality.

Susan Pick found that the Mexican kids did not like the technical sex education that existed in Mexico. She developed an alternative program.

She knew she had to talk to the Minister of Education because he is in charge of introducing new elements into school programs. How do you get an appointment with the Minister of Education? It is not easy and she did not get an appointment.

Those who know Susan Pick, also know that she has a way of getting an appointment nevertheless. She actually was waiting in front of the Minister’s office every day. She essentially had moved her work there and camped there for three weeks, every day.

And after three weeks she was let in to see the Minister of Education. After five minutes of her talking about all the important things that she needed to say, the Minister cut her off and said: In the meantime, we know who you are. Talk to the Undersecretary for Basic Education and if he signs in, you have my signature as well.
The undersecretary wanted more evaluation. He also wanted an example of how she could actually get teachers involved. She did all of that in spite of enormous opposition.

Susan Pick’s idea was to deliver a more skill-based, practice and competency-based sex education with role-plays and with ideas that were immediately important for the life of young kids.

In the beginning the teachers were very much against it, but she could turn them around in a training session, partly because the teachers themselves learned something that they could use.

She used some unconventional strategies on her way. For example, she tried to move public opinion by influencing a TV series that did what she thought was important in terms of sex education, etc.

I have interviewed a number of people for this talk. All of them used a different approach to reach relevant goals. I don’t want to play the one strategy against the other. I think Susan’s strategy of persistence and her creative unorthodox strategies fit with her personality and make sense, but then Kahneman’s approach has also been successful. The best way is probably to do what fits you best. But we ALL have to attack the problem.

However, we should also know that policy orientation means publicity – and sometimes unwanted publicity, as APA only knows too well since Psychological Bulletin published a meta-analysis on child abuse some years ago. Without being able to talk about it in detail: We need to be sophisticated in how we communicate with the public.
6) Evidence-based psychology and evidence based (policy) decision making

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Evidence-based psychology and evidence-based policy decision making.

On 26th of December 2004, a Tsunami killed more than 200,000 people in countries around the Indian Ocean – one of the biggest catastrophes of modern times. Stories were told of parents whose children were ripped out of their hands by the force of the flood. Psychologists all over the world wanted to help. The reflex was: Why don’t we just go there and immediately do disaster relief to prevent post traumatic stress disorders.

IAAP also deliberated how it should help. For me, this was a high point of wanting to help and using science. Many of us read the latest meta-analyses on psychological debriefing. Here evidence-based psychology was at its best. Evidence-based medicine helped - the so-called
Cochrane Foundation. Meta-analyses showed that psychological debriefing is not effective. It may actually even have negative long-term effects.

I usually go into evidence-based medicine, whenever I have to go to a physician.

I am so excited about this idea that I have founded a group on evidence-based entrepreneurship in Germany because I think that is precisely what we have to do.

Fortunately, there is a great tradition in applied psychology – the use of meta-analyses to develop cumulative evidence (Frank Schmidt). The only problem that we still have is that the access to these meta-analyses is not as well organized as it is in medicine with the Cochrane Foundation. Where everyone can go on the internet and can see an abstract on the evidence for a specific question, e.g. whether an operation actually leads to positive effects.

Fortunately, there is an attempt to do this in the area of applied psychology, as well: The Campbell Collaboration, a sister organization of Cochrane.
IAAP and other organizations should encourage developing evidence-based psychology networks and sites so that psychologists all over the world can have quick access to the cumulative knowledge in areas of applied psychology.

7) Emphasize unique value of applied psychology in comparison to basic psychology

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We need to rethink the role of applied psychology vis-à-vis basic psychology. If we do that we will note that we can emphasize the unique value of applied psychology.
Wolfgang Schönpflug wrote a landmark article in Applied Psychology: An International Review more than 10 years ago. He called into question the classical idea of cooperation between basic and applied psychology – the two-stage model which implies that some general knowledge is developed first in experimental basic psychology and then this knowledge is applied.

This model is frequently wrong: Just one example: intelligence testing was not developed within this two-stage model.

Schönpflug shows that there are two separate traditions from Greek philosophy onwards. One tradition involved a fundamental ontological orientation – basic phenomena are studied for their own sake.
Relationship between Applied Psychology and Basic Psychology (Schoenpflug) – 2 –

• Application needs to develop its own theories geared towards pragmatic usefulness – this is a different philosophical tradition and stands sometimes in contrast to basic ontological psychology (at least since Xeonophon’s Oikonomikos around 300 BC)

• Alternative to Two-Stage-Model: Applied and Basic Psychology are two strategies of gaining knowledge that develop separately, but can stimulate each other and profit from each other

And then, there is also a second tradition: The pragmatic orientation. The latter started with Xeonophon’s book on Oikonomikos, written more than 300 years B.C.. This is the tradition of applied psychology. This does not mean that there cannot be a fruitful interaction between basic and applied psychology. But knowledge in Basic Psychology is not the prerequisite of Applied Psychology.

There is a lot more to say about the relationship between basic and applied psychology. But one clear message emerges: Applied psychology is often required to develop its theoretical ideas itself. It cannot just rely on Basic Psychology to supply them.

And: There is certainly no cause for Basic Psychology to look down on Applied Psychology as second rate – that clearly is a result of philosophical confusion rather than based on useful concepts.
Conclusion

Applied Psychology has a strong research tradition. We really have done enormously good work. We have developed new methods of evaluation for interventions and to accumulate findings with meta-analyses. Psychological interventions have been shown to be useful and to improve human conditions. All of this is really useful.

However, we have not been very effective to use this knowledge to influence policy makers and the public. We have tended to restrict ourselves to small circles instead of going out into the world and to help it change.

To do this, we need to be more pragmatic; we can be a little faster in pronouncing where we already have a high degree of knowledge and we can be more courageous in telling others, what we know.

I am not arguing that we can do all alone. We also have to collaborate with other disciplines – such as medicine and economics. However, as our discussion has shown, medicine and economics need us as much as we need them.

However, nobody advances the contribution to behavior and implementation of change better than us. Nobody else does our work. And nobody else puts psychology on the agenda, but us.
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We need to develop an applied psychology that is strongly policy-oriented and the 7-point program is meant to be a source of ideas to achieve this. We should develop policy ideas in the area of psychology of change, strategies of being effective in advocating policy. Evidence-based psychology exists and needs to be more influential in policy making.

If we don’t do more to make applied psychology matter in the world, the world will suffer.

We know much more about behavior and implementing change than any other discipline. So effectiveness will increase, if we make ourselves heard more clearly.

Let’s start working on these tasks now. Thank you.