Chapter Overview

Personality and values are major shapers of behavior. In order for managers to predict behavior, they must know the personalities of those who work for them.

Chapter Objectives

After studying this chapter, the student should be able to:
1. Explain the factors that determine an individual’s personality.
2. Describe the Myers-Briggs Type Indicator personality framework.
3. Identify the key traits in the Big Five personality model.
4. Explain how the major personality attributes predict behavior at work.
5. Contrast terminal and instrumental values.
6. List the dominant values in today’s workforce.
7. Identify Hofstede’s five value dimensions of national culture.

Suggested Lecture Outline

I. INTRODUCTION

Understanding personalities, national culture and personal values can help managers increase organizational outcomes and better predict behavior.

II. PERSONALITY

Personality: The sum total of ways in which an individual reacts to, and interacts with, others – measurable traits that a person exhibits.

A. Personality Traits. OB studies personality traits to help managers select appropriate employees and better match workers to jobs.

Personality Traits: Characteristics that describe an individual’s behavior which are exhibited in a large number of situations.
Two of the dominant approaches for describing relevant personality traits are the MBTI and the Big Five Model. Both of these use questionnaires to determine personality type.

1. **The Myers-Briggs Type Indicator (MBTI).** This is the most widely used instrument in the world. Respondents are asked a series of situational questions and their answers are categorized on four scales to determine personality type.

   a. **Four Classification Scales:**

      1) Extraverted/Introverted. People scoring higher on the extraverted side of the scale are more outgoing, social and assertive while those on the introvert side are quiet and shy.

      2) Sensing/Intuitive. Sensing individuals are practical, enjoy order and are detail oriented. Intuitive people are more “big picture” oriented and rely on “gut” feelings.

      3) Thinking/Feeling. This scale is important in decision-making: thinkers use reason and logic while feelers use emotions and their own personal values to make decisions.

      4) Judging/Perceiving. Judgers are control oriented and enjoy structure and order. Perceivers are more flexible and spontaneous.

   b. **Sixteen Personality Types:** the first letters of the name of the dominant side of each scale (except that N is used for Intuitive) are combined to create a personality type. For instance, ENTJ is a person who is extraverted, intuitive, thinking and judging. This type of person is called “Entrepreneur.”

   There are sixteen possible combinations of these four scales. These personality types are used to determine the best match-ups in terms of friends, spouses, co-workers and the like. Unfortunately, the MBTI has been shown to be unrelated to job performance and should not be used as an employment selection tool.

2. **The Big Five Model.** This instrument (particularly one factor, conscientiousness) has been shown to be positively related to job performance and might be used as an employment selection or screening tool.
a. **Five Factors:**

1) Extraversion. Deals with the comfort level with relationships. Like the MBTI, this is contrasted with introversion. Scoring high in this factor means the respondent is more outgoing and assertive. Extraverts tend to be happy in their jobs but may be impulsive and absent themselves from work to take on some other, more sensational tasks.

2) Agreeableness. Measures deference. High scorers are cooperative and trusting while low scores are “colder” and antagonistic. Agreeable workers are less likely to be involved in drugs and excessive drinking.

3) Conscientiousness. Measures reliability. High scorers are responsible, organized, dependable and persistent. Low scorers are unreliable. Not surprisingly, this is the key determinant of job performance and organizational citizenship behavior (OCB) on the Big Five. However, conscientious people also tend not to take risks and may find organizational change difficult to handle.

4) Emotional Stability (or Neuroticism – its opposite). Measures ability to handle stress: the more stable a person, the better he or she can handle stress. People with high emotional stability tend to have higher life and job satisfaction. Low emotional stability people surprisingly make better and faster decisions when in a bad mood than do stable people.

5) Openness to Experience. Measures the range of interests and fascination with novelty, a proxy for creativity. People who score low on this factor tend to be conventional and enjoy familiar circumstances. People high in this factor deal better with organizational change and are more adaptable.

b. **Use of the Big Five for Job Selection.** While conscientiousness is a powerful overall measure of the potential value of an employee, the other factors can also be helpful, depending on the performance criteria and occupational group of the vacancy. For instance, successful salespeople tend to score high in
extraversion, which makes sense as the job requires an ability to develop relationships and deal with strangers.

B. **Major Personality Attributes Influencing OB.** Certain personality attributes above and beyond personality type do have influences on job performance and behavior.

1. **Core Self-Evaluation.** Positive core self-evaluators like themselves and see themselves as being capable and in charge of situations. Two elements determine this attribute:

   a. **Self-Esteem.** Individuals with high self-esteem see themselves as capable and able to influence the environment around them. Low self-esteem individuals tend to seek external approval and often benefit from training programs.

   **Self-Esteem.** An individual’s degree of liking or disliking him or herself and the perceived level of self-worth.

   b. **Locus of Control.** There are two types of people in this category: those with an internal and those with an external locus of control. Internal individuals believe that they are in charge of their own life and its outcomes; they are in control of events. External individuals think that they have no control over their lives. They believe that luck, chance, or fate controls the outcome and no amount of extra effort on their part will have any effect. External locus of control often indicates a lack of confidence or negative core self-evaluation.

   **Locus of Control.** The degree to which people believe that they are masters of their own fate.

   People with positive core self-evaluation find more satisfaction in their jobs and tend to seek jobs that are more challenging. They feel they are control of situations and believe that any positive outcome was the direct result of their actions. These people perform better in the job because of their ability to set tough goals and stick with the effort required to achieve them.

2. **Machiavellianism (Mach).** Individuals high in Machiavellianism are pragmatic, emotionally distant and believe that the ends justify the means. They tend to win
more often, be more manipulative and are harder to persuade than are people with low Mach.

Situational factors greatly influence the performance of high Mach individuals. Situations that are most positively related to successful outcomes with high Mach people are those in which:

a. The high Mach person must interact face-to-face rather than indirectly,

b. There are a minimum of rules and regulations, and

c. When emotional involvement with details is not relevant to the situation.

3. Narcissism. A person with high narcissism has a grandiose sense of his or her own importance, requires excessive admiration, has a sense of entitlement and tends to be arrogant. Narcissists are selfish, often difficult to work with, and may have a false sense of their effectiveness.

4. Self-Monitoring. High self-monitors show a strong ability to adapt their behaviors to fit external, situational factors. People with low self-monitoring tend to have high behavioral consistency while high self-monitors can appear chameleon-like to their co-workers.

High self-monitors tend to get better performance ratings, take leadership positions, are more mobile and take up central positions in their organizations, even though they have less commitment to their organization.

5. Risk Taking. High-risk takers tend to make decisions faster and with less supporting information than do low-risk takers. The need for high-risk acceptance behavior must be linked to the requirements for the job.

6. Personality Types. There are two basic types of personalities in this model.

a. Type A. These people are very competitive and have a strong sense of urgency. They work well in moderate-to-high levels of stress. Type As are fast workers who may not be too interested in the quality of their output. They are infrequently creative and often make poor decisions because of their focus on time. This type of
individual is highly prized in North America but may not be seen as positively in other societies.

b. **Type B.** The opposite of Type A people, Type Bs have far less time urgency and less competitive natures. Type As do better in getting hired, but the work situation itself may indicate that a Type B person would be an overall better fit.

7. **Proactive Personality.** Individuals with this type of personality tend to identify opportunities, show initiative, take action, and persevere until meaningful change occurs. People with this personality attribute are highly prized by organizations for obvious reasons. They are often leaders or change agents and will challenge the status quo. Proactive people tend to have successful careers but may not be a good match for organizations who do not value change.

C. **Personality and National Culture.** An important consideration in the global environment is whether or not these personality frameworks translate well across cultures.

1. **Big Five Model.** This instrument has been used in many studies and while it does appear to work in many cultures, the factors that get the greatest attention vary dramatically between cultures. One environmental variable, *collectivism* (people prefer to act as members of groups rather than individuals), has been shown to devalue the importance of the conscientiousness and agreeableness factors for some cultures.

   Prediction ability of the Big Five model appears to work best in individualistic cultures (the opposite of collective cultures). The model itself has shown good predictability in the developed nations.

2. **Dominant Personality Types.** No personality type has been shown to be dominant in any culture. But culture does affect the personality characteristics of its population. Two of the attributes that show this cultural basis most clearly are the locus of control and Type A personality.

III. VALUES

Values are related to personality, but they are not the same as personality. Values deal with beliefs rather than behaviors. Values require judgment.
Values. The basic, enduring convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence.

A. Attributes of Values. There are two attributes of values that can be used to rank order an individual’s values into a hierarchical value system.

1. Content. This is how important the mode of conduct or end-state of existence is to the individual.

2. Intensity. This is how important this value is in relation to other values.

B. Types of Values. There are two typologies for values, the Rokeach Value Survey and work cohorts.

1. Rokeach Value Survey (RVS). This instrument consists of two sets of values each with 18 value items. The sets are terminal and instrumental values.

   a. Terminal Values. Focuses on desirable end-states; goals a person would like to achieve.

   b. Instrumental Values. Lists preferable modes of behavior or means of achieving terminal values.

Results have shown that people in the same occupations or categories tend to hold similar beliefs. This can explain some of the conflict shown when members of different categories attempt to negotiate with each other over common concerns.

2. Contemporary Work Cohorts. The nature of the society in which the employee grew up also affects values. The following are descriptions of the major cohorts of employees in the U.S. workforce.

These cohorts, and the descriptions of them, are intuitive and should not be taken as universal traits. Still, the observations may be useful in describing general trends in the U.S. population. Understanding that an individual’s values differ from, but tend to reflect, the societal values of the period in which they grew up can be a valuable aid in predicting behavior.
a. **Veterans/Traditionalists.** Entered workforce during the 1950s through 1960s. They believe in the value of hard work, maintaining the status quo, and respect authority figures. They work hard and are practical. There is a heavy emphasis on the RVS terminal values of a comfortable life and family security.

b. **Baby Boomers.** The largest cohort, these people entered the workforce from 1965 through 1985. Tend to distrust authority and place a great deal of emphasis on achievement and material success. They are hard working pragmatists. RVS terminal values emphasized are sense of accomplishment and social recognition.

c. **Generation X.** These employees started from 1985 through 2000. They value flexibility, life options, and job satisfaction. Family and relationships are very important and they are very skeptical people, especially toward authority. They like money but value increased leisure time. Gen Xers are less willing to sacrifice for employers. RVS emphasis is true friendship, happiness, and pleasure.

d. **Nexters/Generation Y.** Starting in 2000, the most recent cohort has high expectation and expects meaning from their work. Very motivated by money and material possessions, Gen Yers like teamwork but they are very self-reliant. High scores in RVS on freedom and a comfortable life.

C. **Values, Loyalty, and Ethical Behavior.** The perceived decline in business ethics has been linked by some authors to cohorts. The veterans, who had high organizational loyalty, began leaving management at about the time that ethics were seen to decline in the late 1970s. Since managerial behaviors are one of the strongest influencers of organizational ethics, changing from a loyal cohort to one more driven by their own needs, (i.e., the baby boomers), may explain the drop in ethical standards. It is possible that standards will rise when Generation X managers take over as they value loyalty in relationships.

D. **Values Across Cultures.** There are two main frameworks that can be used to better understand the differences in cultures and thereby better predict behavior of employees from those cultures.
1. **Hofstede’s Framework for Assessing Cultures.** Examines five value dimensions of national culture. While there are many criticisms of this framework, it is one of the most widely read and accepted in OB.

   a. **Power Distance.** *The degree to which people accept that power in institutions and organizations is distributed unequally.* High power distance means that great inequities in power and wealth are tolerated. Low power distance cultures stress equality and upward opportunities.

   b. **Individualism/Collectivism.** Individualistic cultures primarily value the individual while in collective societies; the group is the dominant value.

   c. **Masculinity/Femininity.** *The value a culture places on traditional gender roles.* Masculine societies have men dominating society and separate roles for men and women. Feminine cultures value equality among the sexes.

   d. **Uncertainty Avoidance.** *The degree to which people in a culture prefer structured over unstructured situations.* High uncertainty avoidance cultures are anxious over ambiguity and uncertainty, they emphasize law and controls. Low cultures accept a greater variety of opinion and higher levels of risk while relying less on rules.

   e. **Long-Term/Short-Term Orientation.** *Degree of long-term devotion to traditional values.* Long-term cultures are future-oriented and value tradition. Short-term cultures are immediate and accept change more readily.

2. **Global Leadership and Organizational Behavior Effectiveness (GLOBE) Framework for Assessing Cultures.** A relatively recent program of research, this framework uses nine dimensions of national culture. It can be seen as an extension of Hofstede’s framework.

   a. **Assertiveness.** *The extent to which people are encouraged to be tough, confrontational, assertive, and competitive.*

   b. **Future Orientation.** *The extent to which future-oriented behaviors are encouraged and rewarded.* (Equivalent to Hofstede’s long-term/short-term orientation.)
c. **Gender Differentiation.** *The extent to which society maximizes gender differences.* (Equivalent to Hofstede’s masculine/feminine.)

d. **Uncertainty Avoidance.** *Reliance on social norms and procedures to remove uncertainty.* (Equivalent to Hofstede’s dimension of the same name.)

e. **Power Distance.** *The degree to which unequal power is acceptable.* (Equivalent to Hofstede’s dimension of the same name.)

f. **Individualism/Collectivism.** *The degree to which individuals are encouraged to be integrated into groups.* (Equivalent to Hofstede’s dimension of the same name.)

g. **In-Group Collectivism.** *Extent to which people take pride in membership in small groups (family, friends, and work organizations).*

h. **Performance Orientation.** *The degree to which group members are rewarded for performance improvement and excellence.*

i. **Humane Orientation.** *The degree individuals are rewarded for fair, generous, and altruistic behaviors.*

IV. LINKING AN INDIVIDUAL’S PERSONALITY AND VALUES TO THE WORKPLACE

Managers have become concerned with matching both the personality and the values of an employee with those of the organization. The hope is to identify workers who are both flexible and committed to the organization.

A. **Holland’s Personality-Job Fit Theory.** Holland identified six personality types and proposed that job satisfaction and propensity to leave depend on how well the job and personalities are matched (congruency). Social individuals belong in jobs requiring social skills and so on.

The six personality types (or fields in Holland’s terminology) are laid out on a hexagon. Fields that lie adjacent to each other are similar; those diagonally opposite are highly dissimilar. Appropriate jobs for that personality (that is, those jobs that are congruent to the field) are listed either within the field’s segment of the hexagon or in a separate document.
B. **Person-Organization Fit.** Similar, but broader to the Person-Job fit discussed earlier in the text, the understanding that a person must be a good match to the organization itself has become increasingly important to managers. This concept argues that employees are more likely to leave an organization when their personalities do not match the organizational culture rather than when their skills or personalities are a good match with a particular job.

The alignment of an employee’s personality and values with an organization’s culture is positively related to increased job satisfaction, lower turnover and higher organizational commitment. By testing and selecting based on this concept, managers can increase organizational outcomes. Some general rules, using Big Five terminology are:

1. If the organization’s culture is aggressive and team-oriented, hire people high in extraversion.
2. If the organization’s culture is supportive, hire people high in agreeableness.
3. If the organization’s culture is innovative, hire people high in openness to experience.

V. IMPLICATIONS FOR MANAGERS

A. **Personality.** Managers need to evaluate the job, the work group, and the organization in order to determine what the optimum personality would be for a new employee.

B. **Values.** While values don’t have a direct effect on behavior, they do strongly influence attitudes, behaviors and perceptions, so knowing a person’s values may help improve prediction of behavior.

Additionally, matching an individual’s values to organizational culture can result in positive organizational outcomes.