

# Myth or Science?

## “Entrepreneurs Are A Breed Apart”

This statement is true. A review of 23 studies on the personality of entrepreneurs revealed significant differences between entrepreneurs and managers on four of the Big Five: entrepreneurs scored significantly higher on conscientiousness, emotional stability, and openness to experience, and they scored significantly lower on agreeableness. Though of course not every entrepreneur achieves these scores, the results clearly suggest that entrepreneurs are different from managers in key ways.

A fascinating study of MBA students provides one explanation for how entrepreneurs are different from others. Studying male MBA students with either some or no prior entrepreneurial experience, the authors found that those with prior experience had significantly higher levels of testosterone (measured by taking a saliva swab at the beginning of the study) and also scored higher on risk propensity. The authors of this study concluded that testosterone, because it is associated with social dominance and aggressiveness, energizes individuals to take entrepreneurial risks. Because individual differences in testosterone are 80 percent inherited, this study adds more weight to the conclusion that entrepreneurs are different from others.

What’s the upshot of all this? An individual who is considering a career as an entrepreneur or a business owner might consider how she scores on the Big Five. To the extent that she is high in conscientiousness, emotional stability, and openness and low in agreeableness, such a career might be for her.

### **Class Exercise**

Place the students in teams of five.

1. Have one set of teams brainstorm specific traits essential to being a good professor.
2. Another set of teams should brainstorm job tasks handled by a good professor.
3. Have the teams record their criteria on the board.
4. As a class, create one set of five traits and five tasks for a professorial position.
5. Ask students what questions or teaching artifacts students would ask or review in matching professorial candidates to their jobs.

# International OB

## A Global Personality

Determining which employees will succeed on overseas business assignments is often difficult because the same qualities that predict success in one culture may not in another. However, researchers are naming personality traits that can help managers zero in on which employees would be suited for foreign assignments.

You might suspect that, of the Big Five traits, openness to experience would be most important to effectiveness in international assignments. Open people are more likely to be culturally flexible—to “go with the flow” when things are different in another country. Research is not fully consistent on the issue, but most does suggest that managers who score high on openness perform better than others in international assignments.

James Eyring, Dell’s director of learning and development for Asia agrees personality is important for success in overseas assignments. “I’ve seen people fail the openness test—they worked exactly as they would in the U.S. They just weren’t open to understanding how things work in a different culture,” says Eyring.

What does the research mean for organizations? When it comes to choosing employees for global assignments, personality can make a difference.

Source: Based on M. A. Shaffer, D. A. Harrison, and H. Gregersen, “You Can Take It with You: Individual Differences and Expatriate Effectiveness,” *Journal of Applied Psychology*, January 2006, pp. 109–125; and E. Silverman, “The Global Test,” *Human Resource Executive Online*, June 16, 2006, [www.hreonline.com/hre/story.jsp?storyid=5669803](http://www.hreonline.com/hre/story.jsp?storyid=5669803).

### **Class Exercise**

Divide students into groups of three to five each. Have each group go to <http://ezinearticles.com/?International-Business---Preparing-For-An-Overseas-Assignment&id=824508> Ask the groups to prepare a study paper on the elements of preparation for overseas assignment. Each group should present its conclusions to the class and open discussion about differences should be made.

## OB In The News

### Are U.S. Values Different?

(This component is not in the 14th edition of the book. But, you may want to use it as the basis for discussion in class.)

People in the United States are used to being criticized. After all, it was more than a century ago when the Irish playwright George Bernard Shaw wrote, “Americans adore me and will go on adoring me until I say something nice about them.”

But as a result of the Iraq War and the fact that the United States is the world’s lone remaining superpower, its citizens are taking unprecedented criticism abroad. One critic sneered, “The American pursuit of wealth, size, and abundance—as material surrogates for happiness—is aesthetically unpleasing and ecologically catastrophic.” And many Europeans think that U.S. adults are obsessed with work. Some have even argued that the United States and Europe are becoming increasingly polarized.

Overall, the United States is wealthier than Europe and has higher productivity. But what’s wrong with that? Well, some stats are not very positive. For example, compared to Europe, the United States is much more violent; it has 685 prisons for every 100,000 people, compared to 87 in the European Union. The United States has also increasingly seemed to reward power with money. For example, in 1980, the average CEO in the United States earned 40 times the annual income of the average manufacturing employee. Today, that ratio is 475:1! By comparison, the ratios are 24:1 in the U.K., 15:1 in France, and 13:1 in Sweden. Finally, the United States contains 5 percent of the world’s population, but it is responsible for 25 percent of the world’s greenhouse gas output—which is, many scientists argue, responsible for global warming.

Values may account for some of these differences. For example, in a study of people in 14 countries, those in the United States were more likely than others to see natural resources as elements at their disposal. And compared to Europeans, U.S. adults are more likely to believe that war is often necessary, that it is right to kill to defend property, and that physical punishment of children is necessary.

Do you think U.S. values are an underlying factor behind some of these social phenomena? Or is this academic U.S. bashing?

*Based on: T. Judt, “Europe vs. America,” New York Review of Books, February 20, 2005, [www.nybooks.com/articles/17726](http://www.nybooks.com/articles/17726); P. W. Schultz and L. Zelezny, “Values as Predictors of Environmental Attitudes: Evidence for Consistency Across 14 Countries,” *Journal of Environmental Psychology*, September 1999, pp. 255–265; and A. McAlister, P. Sandström, P. Puska, A. Veijo, R. Chereches, and L. Heidmets, “Attitudes Towards War, Killing, and Punishment of Children Among Young People in Estonia, Finland, Romania, the Russian Federation, and the USA,” *Bulletin of the World Health Organization* 79, no. 5 (2001), pp. 382–387.*

#### **Class Exercise**

This class exercise can help introduce the concept of “ethnocentrism” as it relates to value systems. It also may elicit some significant debate concerning the value system of “Americans” and others in the global economy. It is important to attempt to have students examine the arguments from a global perspective.

1. Have students break into small groups. In each group have students examine each of the issues raised in the vignette (e.g. work obsession, crime and violence, executive compensation, utilization of natural resources).
2. Have students develop a value-based argument defending the position of the United States in terms of each of the issues.
3. Have students then take the same issues from a different global perspective. For example, you may wish to assign each group as a different “culture” (e.g. China, Japan, European Union, etc).
4. Have students report to the class. You may have an opportunity to encourage interesting debate of the issues. You should also incorporate Hofstede’s and GLOBE’s cultural analyses in the discussion.

# An Ethical Choice

## What If I Have The “Wrong” Personality?

You might think personality presents no ethical choice. After all, you are who you are. Yet organizations tend to want you to behave a certain way, and that does present ethical choices. Indeed, most personality traits are clearly what researchers call “socially desirable.” That is, most people, if given the choice, would prefer to be highly conscientious, agreeable, open, emotionally stable, and extraverted. It’s also clear that employers value socially desirable traits in employees—especially conscientiousness, emotional stability, and agreeableness.

So what can—or should—you do if you score low on these traits?

1. Put your best foot forward. We all vary in how conscientious we are, depending on the situation (we may keep our offices fairly neat but leave our bedroom a mess) and the time (we all go through periods in which we are more reliable or disciplined than others). Remember, as important as personality is, it is not synonymous with behavior. If your employer is big on conscientiousness, make an extra effort to be that way. In the workplace, your “true” level of conscientiousness is less important than how conscientious you act.
2. Find an organization that suits you. Not all organizational cultures are for everyone. The right job for you is not just one that fits your skills or pays well but also one where your personality matches the culture of the organization and the nature of the work. Big corporations tend to be “tilted” toward extraverts, so a highly introverted person may constantly struggle to keep up. But that tilt depends on the specific company—you need to find the organization that works best for you.
3. Remember: Time is on your side. As people age, their scores on conscientiousness and agreeableness increase rather dramatically, and neuroticism decreases substantially (the results for openness and extraversion are more complex). It may be comforting to realize your personality is likely to become more socially desirable over time.
4. Realize that all traits have upsides— and downsides. Extraverted people are more impulsive and more likely to be absent. Conscientious individuals adjust less well to change. Agreeable individuals are less successful in their careers. Open people are more likely to have accidents. So, even if you think you don’t have the “right stuff” for a particular job, remember every dog has his day, and even seemingly undesirable scores can produce benefits.

Source: Based on B. W. Roberts and D. Mroczek, “Personality Trait Change in Adulthood,” *Current Directions in Psychological Science*, no. 1 (2008), pp. 31–35; J. Welch and S. Welch, “Release Your Inner Extrovert,” *Business Week* (December 8, 2008), p. 92.

### Class Exercise

1. Ask each student to go to <http://www.humanmetrics.com/cgi-win/JTypes2.asp>
2. Complete the online survey.
3. Note the score and personality category.
4. Was any student surprised at his or her category?
5. Does the student see any difficulties raised by the categorization in context of planned career choice?

# Point/CounterPoint

## Traits are Powerful Predictors of Behavior

### Point

The essence of trait approaches in OB is that employees possess stable personality characteristics that significantly influence their attitudes toward, and behavioral reactions to, organizational settings. People with particular traits tend to be relatively consistent in their attitudes and behavior over time and across situations.

Of course, trait theorists recognize that all traits are not equally powerful. They tend to put them into one of three categories. *Cardinal traits* are those so strong and generalized that they influence every act a person performs. *Primary traits* are generally consistent influences on behavior, but they may not show up in all situations. Finally, *secondary traits* are attributes that do not form a vital part of the personality but come into play only in particular situations. For the most part, trait theories have focused on the power of primary traits to predict employee behavior.

Trait theorists do a fairly good job of meeting the average person's face-validity test. Think of friends, relatives, and acquaintances you have known for a number of years. Do they have traits that have remained essentially stable over time? Most of us would answer that question in the affirmative. If Cousin Anne was shy and nervous when we last saw her 10 years ago, we would be surprised to find her outgoing and relaxed now.

Managers seem to have a strong belief in the power of traits to predict behavior. If managers believed that situations determined behavior, they would hire people almost at random and structure the situation properly. But the employee selection process in most organizations places a great deal of emphasis on how applicants perform in interviews and on tests. Assume you're an interviewer and ask yourself: What am I looking for in job candidates? If you answered with terms such as *conscientious*, *hardworking*, *persistent*, *confident*, and *dependable*, you're a trait theorist.

### Counterpoint

Few people would dispute that there are some stable individual attributes that affect reactions to the workplace. But trait theorists go beyond that generality and argue that individual behavior consistencies are widespread and account for much of the differences in behavior among people. There are two important problems with using traits to explain a large proportion of behavior in organizations. First, organizational settings are strong situations that have a large impact on employee behavior. Second, individuals are highly adaptive, and personality traits change in response to organizational situations.

It has been well known for some time that the effects of traits are likely to be strongest in relatively weak situations and weakest in relatively strong situations. Organizational settings tend to be strong situations because they have rules and other formal regulations that define acceptable behavior and punish deviant behavior, and they have informal norms

that dictate appropriate behaviors. These formal and informal constraints minimize the effects of personality traits.

By arguing that employees possess stable traits that lead to cross-situational consistencies in behaviors, trait theorists are implying that individuals don't really adapt to different situations. But there is a growing body of evidence that an individual's traits are changed by the organizations that individual participates in. If the individual's personality changes as a result of exposure to organizational settings, in what sense can that individual be said to have traits that persistently and consistently affect his or her reactions to those very settings? Moreover, people typically belong to multiple organizations that often include very different kinds of members. And they adapt to those different situations. Instead of being the prisoners of a rigid and stable personality framework, as trait theorists propose, people regularly adjust their behavior to reflect the requirements of various situations.

### **Class Exercise**

1. Divide the class into two groups—one group to take on the issues raised in Point, the other group to take on the issues raised in Counterpoint. You may want to divide each half into smaller groups to enable all class members to participate in the group's discussions.
2. Ask the class to act as an organization's management team. Their job is to make a recommendation as to what types of testing they will use in their organization when selecting employees for hire or promotion using the issues assigned by the Point/Counterpoint arguments. Which types of testing will be used and why? (You may want to give students time to do some research—either Internet or Library—on this topic. There are several exercises in the *Exploring OB Topics on the World Wide Web* section at the end of this chapter.)
3. Have students present their recommendations to the class and make a decision as to what is the best argument for testing, type of test, etc. What gains do they expect as a result of the testing?
4. Have them list the recommendations and benefits on the board for the class to evaluate during the discussion.
5. You may want them to research the cost of implementing these tests in an organization. Does the cost of testing offset the benefits?