Relationship between Personality and Managerial Performance

By

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Abstract

The present day stress and high demands at work place create a requirement for managers who are capable enough to deal with the needs of the organization, employees and various other pressures of work, Francis (2007). Therefore, keeping this in mind a study was conducted wherein managers were tested on 20 factors of personality, thereby aiming to find out what differentiates a high performer manager from an average and a low performer manager. The Study conducted therefore denotes that the key attributes that differentiate a high performer from his/her counterparts of average and low performer worker are the factors of foresightedness, optimism and action orientation.
Introduction

The position of a manager in the present day involves a lot of responsibility and stress (Nickols, 2008). Managers today are expected to produce results irrespective of the fact whether the situation are in favor of them are not. Managers need to think of solutions for the various challenges that crop up every now and then. Challenges like limited budget, reassignment of staff, reorganization of units, withdrawal of finance, lack of availability of resources, government policies etc keep cropping up every now and then. According to Cawood (1992) the importance of people who have the ability to lead masses has increased all the more in order to, survive the impact of current challenges and future changes. Kanter (1997) agrees with Cawood (1992) and asserts that for companies to survive, they should pay attention to human factors. The present market situation is very different from what it was earlier. Not just the company’s layout, machinery, and tools etc need to be updated and modified but very importantly the human resource of an organization also has to be assessed and trained at regular intervals. All the concepts and tools such as power, structure, hierarchy, ownership, and incentives that has dominated and shaped our thinking will have to be reexamined (Cawood & Gibbon, 1985). Thereby, denoting how necessary it is to have the right kind of managers who will lead the company towards growth.

The concept of a high performing manager differs from place to place and company to company. An ideal Japanese manager according to Misumi (1989), and Misumi and Peterson (1985) are defined in terms of both performance and maintenance orientations, namely, a manager who not only leads the group towards goal attainment but also preserves its social stability.

Other researchers state that a good manager is one who is a good leader, a motivator and one who manages time and money efficiently. Effective managers according to England and Lee (1974),
Chakrabarti and Kundu (1984), and Howell et al (1997) are one’s who are pragmatic, dynamic, warm hearted, attentive, easygoing, persevering, emotionally mature and stable.

According to various studies conducted, certain essential traits required of a good manager, identified were found as follows:

**People Oriented:** It is extremely important that a manager be “People Oriented” i.e. he/she should focus on building, guiding and motivating the team that he/she is going to lead. McShane and Von Glinow (2000) describe good leadership as the process of influencing people and providing an environment for them to achieve team and organizational objectives. It is also important that they spend sufficient time in building relations and developing bonds. Very often managers are so caught up in attending meetings, putting together reports that they miss out on spending quality time with their teams. Viewing the team as humans rather than source of getting work done would be an indicator of a good manager.

**Thinking Out of the Box:** This quality refers to the ability of coming up with original and novel ideas to solve a problem. Originality of thought as defined by Cougar (1995) is the capacity to produce unusual ideas, solve problems in unusual ways, and use things and situations in an unusual manner. Thinking of alternate approaches to help develop work processes is important. Creatively handling a problem is essential. Guilford (1957) argues that creative steps are necessary in solving new problems.

**Performance Driven:** It is extremely important that a manager understand the Key Performance Indicators of his job. Apart from knowing “What” the different key performance indicators are, it is important that he/she understands “Why” these indicator have been framed and what their importance are. Once this understanding sets in the “How’s “of implementing these indicators are the next most important requirement. Bass et al., (1987) and Avolio (1985) further argue that Transformational
Leaders stimulate their followers’ efforts to be innovative and creative by questioning assumptions, reframing organizational problems, and approaching old situations in new ways, thereby indicating that another essential requirement of a good manager is to motivate the employees to move towards high performance.

Managerial talent is a very important requirement and a major challenge in many organizations. Das (1987) states that an efficient manager is one who sets an example by personal qualities, job knowledge, business acumen, and management ability. A manager with all the above traits can greatly boost employee performance and help in the development of the organization. Organizations nowadays are willing to spend huge amounts on Manager Development course and seminars. A good manager therefore is a real asset to the company.
According to Dave and Rastogi (2004) a manager’s job revolves around three major dimensions of technical, conceptual and human factors. Effective management of all these three factors, especially the conceptual and human dimensions can help increase the productivity of an organization. And since all managers in order to increase productivity have to work through, and with a lot of subordinates require some behavioral skills in order to be successful managers. These authors also state that the performance of a manager can also be assessed by the way they make use of their resources. Miles (1992) suggested an effective and successful manager is one who makes constructive use of authority, thus having the ability to formulate clear goals and taking the necessary steps to achieve them, and getting people to do what is necessary for achieving the targets.

(Herbert, 1976), states that the performance of a manager can be measured by his ability to meet the group and organizations goals. (Sen and Saxena,1999) stated that effective management is a synergy of effectiveness of individual managers in the organization. There have been several researchers who have strived to study what factor actually effects managerial performance, which according to Fitzgerald (1997) is the act of carrying out work in a successful manner.

According to one study conducted by Schmidt & Hunter (1998), reasoning tests have been found to help predict a person’s performance in professional/managerial roles. They also state that reasoning tests help assess if a training program is beneficial to the staff or not. Their research states that staffs with higher reasoning ability benefit more from a training program than those who have low reasoning ability. The theory of multiple intelligences however predicts that reasoning tests assess only one aspect of the many skills and abilities that help determine job performance. And they also
state that these reasoning tests have to be accompanied with other structured interviews, personality
tests and other work sample tests.

According to studies by Barrick, Mount & Judge (2001), Hunter & Schmidt (1998), certain aspects of
personality predict future job performance. And amongst all the personality indicators, it is
conscientiousness that helps predict overall job performance. Barrick, Mount & Judge (2001),
conducted a study in which they explored the relationship between the five factor model of
personality and job performance. And found a consistent relationship between each five factor model
trait and the specific job criteria, for e.g. extraversion was found to predict managerial performance.

In another study conducted by Dave and Rastogi,(2004) an interesting finding was discovered
between managerial effectiveness and personality type. It was found that those Managers who felt no
need to display either their success or achievements and never suffered from a sense of time urgency
were higher on Managerial Effectiveness. Whereas managers who tend to suffer from a feeling of
chronic sense of time urgency and by an excessive competitive drive were low on Managerial
effectiveness.

Studies were further conducted to identify personality characteristics that have high correlations with
leadership. Results denote that intelligence (Mann 1959); dominance (Dyson, Fleitas and Scioli,
1972; Rychlak, 1963); selfesteem (Bass, 1957); task ability (Marak, 1964, Bass 1961); sociability
(Kaess, Witryol and Nolan, 1961) and IQ as reported by Stogdill (1948) to have positive relationship
to leadership in 23 of 33 studies.

According to Kreitner and Kinicki, 2001: 567, Good Leaders ensure that they maintain quality
interactions not only amongst themselves but also their followers. According to Gibson (1997:313)
the leader helps the follower identify what must be done to accomplish the desired results: better
quality output, more sales or services and reduced cost of production. House (1974) sees the leader’s main job as helping employees stay on the right paths to challenging goals and valued rewards.

In the light of above discussion, a study was planned to see the effect of personality on managerial job performance.

The principles of management can be distilled down to four critical functions. These functions are planning, organizing, leading, and controlling. According to Erdogan, Bauer & Carpenter, (1969) this P-O-L-C framework provides useful guidance into what the ideal job of a manager should look like. Erdogan, B. Bauer, T. & Carpenter, M. (1969)

### Planning, Organizing, Leading and Controlling (P-O-L-C)

<table>
<thead>
<tr>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
<th>Verifiable Indicator</th>
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<tbody>
<tr>
<td><strong>I. PLANNING</strong></td>
<td></td>
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<tr>
<td><strong>A. Forecasting</strong></td>
<td>Gathering information regarding work at hand, analyzing historical records, talking to clients</td>
<td>Has good knowledge about the market, is farsighted and whatever prediction that has been made have been favorable to the organization</td>
</tr>
<tr>
<td>(estimating or predicting future conditions on which work will be based) Church(1914)</td>
<td></td>
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<tr>
<td><strong>B. Objective Setting</strong></td>
<td>Submits recommendations on how to perform the job better, strategies and programs to attain work objectives</td>
<td>The objectives set by the manager are in tune with the organizations vision and have been communicated very effectively to the team</td>
</tr>
<tr>
<td>(determining what is to be accomplished)</td>
<td></td>
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</tbody>
</table>
| C. **Programming**  
(establishing steps and prioritizing activities to be followed in achieving objectives) | Identifies activities that enable attainment of work target | Sets realistic goals, which are further broken down into achievable steps, takes risks within an appropriate range of responsibility. |
|---|---|---|
| D. **Scheduling**  
(establishing time sequence for the activities to be followed in achieving objectives) | Sets deadline for each activity | Completes the project within the given time schedule. In spite of unannounced emergencies, effectively handles pressure and finds alternate ways to stick on to the schedule. |
| E. **Budgeting**  
(Completing a given project with the budget allocated) | Ability to carry out a project with the budget given. | Carries of project within the given amount of budget. When funds run low tries to find out alternate ways to raise funds and complete the project. |
| F. **Establishing Procedures**  
(setting up specific procedures and methods) | Establishing procedures / policies | Changes proposed have been in accordance to the changing trends. Communicates convincingly to the team to adapt to these changes, thus being up to date with the work needs. |
| G. **Developing Policies**  
(setting up policies aside from general policies to guide work in unit) | Makes own policies aside from general policies. | Thinks out of the box and sets policies that the team can abide and work with without compromising with the company’s policies. |
## II. ORGANIZING

### A. Developing Organization Structure
(setting up a scheme for work distribution; Fayol, 1949)

Assigns work equitably to staff; gives more challenging work to those people who work well.

Delegating jobs in such a way that employees are able to relate to the job profile and perform the assigned task in a satisfactory manner.

### B. Delegating
(entrusting responsibility, authority to subordinates; Fayol, 1949)

Gives authority to subordinates for decision-making on technical tasks and allows people to learn job on their own.

The employees to whom authority has been assigned by the manager are responsible and are able to perform effectively.

### C. Establishing Relationships
(initiates and coordinates interdepartmental linkages to facilitate work accomplishments)

Encourages staff members to coordinate with each other in undertaking their assignments.

Manager effectively communicates monitors and brings about unity in the team. The team works in a united fashion and brings about the necessary results.

## III. LEADING

### A. Communicating
(establishing understanding among his people and himself on work task and work-related activities / matters; Bower and Bower, 1976)

To attain the goals set by the organization, managers have to convince others by expressing what he thinks, wants or feels without denying the thoughts needs or feelings of others.

Team feels happy working with manager. Team never complains working under this manager. Manager effectively communicates the organization and work requirements to the team.
<table>
<thead>
<tr>
<th>B. Motivating (encouraging people to work well on the job; Mintzberg, 1990)</th>
<th>Encourages suggestions from subordinates; shows appreciation for people who work well; lets subordinate suggest deadlines in implementing their task assignments; recommends for promotion those people who work well</th>
<th>The team under the manager highly motivated to work. Manager constantly monitors the team’s growth and works out miscommunications if there are any.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Selecting People (proper matching of men to jobs)</td>
<td>Placing right people in the right positions</td>
<td>The performance of the people selected by the manager is satisfactory and in accordance to the needs of the job.</td>
</tr>
<tr>
<td>D. Developing People (helping to improve knowledge, skills, attitudes needed at work)</td>
<td>Provides on-the-job training and coaching; looks into appropriate training opportunities for his people</td>
<td>Develops improved procedures, trains staff with regard to handling new procedures. Shares information about new products/systems with the team. Arranges special trainings for the team. Identifies resources who can appropriately train the team.</td>
</tr>
<tr>
<td>E. Decision Making (making judgments, arriving at conclusions and selecting action plans to accomplish work objectives and tasks)</td>
<td>Makes decision himself in his unit; involves subordinates in decision-making</td>
<td>Decision making is a group effort; manager involves subordinates and holds special meetings for making decisions. Decision making is done in accordance to the need of the hour. Discussions and brainstorming sessions characterize decision making time.</td>
</tr>
</tbody>
</table>
### IV. CONTROLLING

#### A. Establishing Performance Standards
(setting standards or criteria by which performance will be assessed; Fayol, 1949)

- Makes sure that performance standards are met
- Establishes realistic performance standards for the subordinates. Continuously monitors performance, helps the subordinates develop skills by sending them to the necessary training programs.

#### B. Measuring Performance
(measuring work accomplished)

- Checks and follows up assigned tasks; discusses performance ratings with subordinates, their strengths and weaknesses
- Holds regular appraisals in which a thorough discussion about past performance and future needs are discussed. Manager takes a genuine interest in the performance of the subordinate and explains every rating allotted.

#### D. Correcting Performance
(checking work and providing feedback regarding accuracy and adequacy of work accomplished)

- Think of ways in detecting irregularities in his unit; discusses performance of subordinates with them, ostensibly to suggest remedial measures.
- Identifies areas of weakness and communicates it to the subordinate in a non-condemning manner. Sends the employee for training so that he can work on his area of weakness. Checks hostile behavior that may harm team work.
Method

Objective

The aim of this research is to identify links between CTPI-Pro scores and managerial performance/success on job.

Research Design

In order to bring fruit to a hypothesis, data is collected and studied in two ways – (1) Qualitative Study: According to Creswell (1994:2) qualitative study can be defined as an "inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting." And (2) Quantitative Study can be defined as "an inquiry into a social or human problem, based on testing a theory composed of variables, measured with numbers and analyzed with statistical procedures, in order to determine whether the predictive generalizations of the theory holds true." In the case of this research, data was collected and studied through the quantitative study approach.

Sample

Judgment sampling was used as the type of purposive sampling method for the purpose of this research. Sample members selected for this study were chosen in such a way so as to conform to a criterion i.e. the sample comprised of managers from two renowned companies of Hyderabad. Managerial experience is the common attribute of the sample selected. This implies that the sample selected consists of individuals who are in a position and authority to delegate tasks, lead teams, establish performance standards and monitor teams.
Tools Used

**CTPI-Pro:** This questionnaire consists of 160 questions. It would take nearly 25-30 minutes to fill in this questionnaire. Questions would be in the Multiple Choice Question format.

**Procedure:** The method of online data collection was used in order to collect information for this research. The study was conducted in two renowned companies of Hyderabad.

Companies were contacted and the purpose of study was put forth to them. The companies were given the assurance that no information regarding their employees and their performance would be shared. Permission to administer CTPI was asked for. Also, the companies were asked to send a list of managers with their Email Id’s and a categorization of their performance i.e. A rating of whether the employed was a high, low or average performer.

Company 1: Sent across a list of 116 managers, out of which 49 of them participated in the survey.

Company 2: Sent across a list of 50 managers, out of which 29 of them participated in the survey.

A total of 78 managers participated in the study.

Therefore this study was conducted on a sample of 80 managers. Once the companies sent across the list, the researcher sent across mails to the managers requesting them to participate in the survey. After they filled in the questionnaire a detailed report of their results was sent across to the management first and then to the managers individually.
In case of one of the company the management themselves distributed individual reports to the respective managers.

**Results**

The aim of this study was to identify personality differences amongst the three type of managerial performers i.e. High, Low and Average Performers. The researcher wanted to study what factors differentiate a High Performer from an average and Low Performer.

Table 1: Denotes Analysis of Variance done on High, Low and Average Performers of both the companies.

Table 2: Denotes Post Hoc Analysis conducted on the factors that were found significant in Table I.

Table 3: Denotes descriptive data of the high, low and average performers of SKS.

Table 4 denotes the analysis of variance done on the results of CTPI of high, average and Low performers of one of the company.

Results: The Sig. values in Table 1 for the factors-foresightedness, Optimistic and Action Orientation is .045, .044 and .016 respectively, with p<0.05. Because of which we can conclude that there is a statistically significant difference between the mean performance levels of High, Low and Average Performer managers with regards to these above three mentioned factors.

Further Post Hoc comparisons on personality and performance denote that there is a significant mean difference (MD) of .80657$^*$ p=0.40, on the factor of foresightedness between High Performers and Low Performers. There was not much difference found on foresightedness between High performers
and Average Performers, with a MD= .45725; p=.210. Also, a very negligible difference of means i.e. MD=0.7426, p=.981 was found between High and Low performers on the factor of Optimism. However, a significant difference of M.D= -1.22346; p=.027 was found between High and Low performers on the factor of Action Orientation.

A one way ANOVA represents a significance of 0.41, with p<0.05, on the data of SKS employees denoting that there is a significant difference in the personality of High, low and average performers, with regards to the factor Action Orientation. A post Hoc analysis further denotes a MD of -1.47236, p=0.33 between Low and High performers, signifying that low performers are more action oriented than High Performers.
Table 1: Denotes Analysis of Variance done on High, Low and Average Performers of both the companies.

<table>
<thead>
<tr>
<th>Factors</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement-oriented</td>
<td>.322</td>
<td>.726</td>
</tr>
<tr>
<td>Adaptable</td>
<td>2.043</td>
<td>.137</td>
</tr>
<tr>
<td>Affiliative</td>
<td>1.875</td>
<td>.160</td>
</tr>
<tr>
<td>Self-assured</td>
<td>.675</td>
<td>.512</td>
</tr>
<tr>
<td>Assertive</td>
<td>.050</td>
<td>.951</td>
</tr>
<tr>
<td>Controlling</td>
<td>.932</td>
<td>.398</td>
</tr>
<tr>
<td>Conscientious</td>
<td>1.197</td>
<td>.308</td>
</tr>
<tr>
<td>Diplomatic</td>
<td>.421</td>
<td>.658</td>
</tr>
<tr>
<td>Emotionally Stable</td>
<td>.995</td>
<td>.375</td>
</tr>
<tr>
<td>Foresighted</td>
<td>3.232</td>
<td>.045</td>
</tr>
<tr>
<td>Imaginative</td>
<td>.844</td>
<td>.434</td>
</tr>
<tr>
<td>Individualistic</td>
<td>1.261</td>
<td>.289</td>
</tr>
<tr>
<td>Lively</td>
<td>.785</td>
<td>.460</td>
</tr>
<tr>
<td>Optimistic</td>
<td>3.252</td>
<td>.044</td>
</tr>
<tr>
<td>Action-oriented</td>
<td>4.385</td>
<td>.016</td>
</tr>
<tr>
<td>Experimenting</td>
<td>.193</td>
<td>.825</td>
</tr>
<tr>
<td>Rule-conscious</td>
<td>.149</td>
<td>.862</td>
</tr>
<tr>
<td>Sensitive</td>
<td>.034</td>
<td>.966</td>
</tr>
<tr>
<td>Tolerant</td>
<td>1.146</td>
<td>.323</td>
</tr>
<tr>
<td>Vigilant</td>
<td>.523</td>
<td>.595</td>
</tr>
</tbody>
</table>
Table 2: Denotes Post Hoc Analysis conducted on the factors that were found significant in Post Hoc Tests

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Level</th>
<th>(J) Level</th>
<th>Mean Difference (I-J)</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foresighted</td>
<td>High Performers</td>
<td>Average</td>
<td>.45725</td>
<td>.210</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Performers</td>
<td>.80657*</td>
<td>.040</td>
</tr>
<tr>
<td>Optimistic</td>
<td>High Performers</td>
<td>Average</td>
<td>.76439</td>
<td>.063</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Performers</td>
<td>.07426</td>
<td>.981</td>
</tr>
<tr>
<td>Action-oriented</td>
<td>High Performers</td>
<td>Average</td>
<td>-.06361</td>
<td>.985</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Performers</td>
<td>-1.22346*</td>
<td>.027</td>
</tr>
</tbody>
</table>

* The mean difference is significant at the 0.05 level.

Table 3 denotes the analysis of variance done on the results of CTPI of High, Average and Low performers of one of the companies.

<table>
<thead>
<tr>
<th>Dependant Variable</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement-oriented</td>
<td>.467</td>
<td>.630</td>
</tr>
<tr>
<td>Adaptable</td>
<td>.310</td>
<td>.735</td>
</tr>
<tr>
<td>Affiliative</td>
<td>1.238</td>
<td>.299</td>
</tr>
<tr>
<td></td>
<td>(I) Level</td>
<td>(J) Level</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Action-oriented</td>
<td>High Performers</td>
<td>Average Performers</td>
</tr>
<tr>
<td></td>
<td>Low Performers</td>
<td></td>
</tr>
</tbody>
</table>
* The mean difference is significant at the 0.05 level.
Discussion

Personality plays a major role in job performance. Several researches have been conducted to study the relationship between personality and performance. High Performers were considered to possess certain personality traits that helped contribute, in helping them being successful managers. Results analyzed show that high performers differ from low and average performers on the factors of foresightedness, optimism, and action orientation. High Performers are more concerned with impact of decisions in long term. They have a high preference for anticipating and imagining alternative scenarios in the future. And they tend take a long term view and strategic perspective of situations around them. Results on the factor of optimism indicates that High Performers have a tendency to feel that all events are ordered for the best and they tend to take a favorable view of life and are always assured about the most favorable outcome, making the more willing to take risks. Results on Action orientation indicates that high performers have an inclination to put thoughts into action, to make things happens and to complete a task. They actively seeks resources to do the task rather than waiting for them to come. They have excellent skills in mobilizing things and implementing solutions and they often take the initiative to identify and solve problems.

Miles (1992) stated that an effective and successful manager is one who makes constructive use of authority, thus having the ability to formulate clear goals and taking the necessary steps to achieve them, and getting people to do what is necessary for achieving the targets. These results of this study also go in accordance to the findings of Miles (1992), where in order to be a high performer; a manager has to be foresighted and action oriented. Action Orientation, however, with regards to one of the company studied was not considered to be a important predictor of a high performer, on the contrary a high performer manager was required to be more idea oriented. Barrick, Mount & Judge (2001) found conscientiousness to be an important predictor of good job performance, however as per
this study optimism, i.e. a positive attitude and a willingness to explore were found to be a major predictor of a high performer manager.

**Conclusion**

The research therefore conducted denotes that in order to be a high performer manager, one need to be foresighted, optimistic and action oriented. This study denotes that an individual with the above personality traits can be a successful high performer manager.
References


House, R. J. (1974). Notes on the path-goal theory of leadership. Unpublished manuscript, University of Toronto


