Chapter 4

INDIVIDUAL DIFFERENCES: PERSONALITY, SKILLS, AND ABILITIES

Chapter Outline

Personality: Its Basic Nature
Major Work-Related Aspects of Personality: The "Big Five," Positive versus Negative Affectivity, and Core Self-Evaluations
Additional Work-Related Aspects of Personality
Abilities and Skills: Having What It Takes to Succeed

Special Sections

- How to Do It
  Increasing Self-Efficacy Among Employees

- In a Diverse World
  Achievement Motivation and Economic Growth Around the World

- Making Sense Out of Common Sense
  Is Job Performance Linked to Cognitive Intelligence?
After reading this chapter, you should be able to:

1. Define personality and describe its role in the study of organizational behavior.
2. Identify the Big Five dimensions of personality and elements of core self-evaluations and describe how they are related to key aspects of organizational behavior.
3. Distinguish between positive and negative affectivity and describe its effects on organizational behavior.
4. Describe achievement motivation and distinguish among learning, performance, and avoidance goal orientations.
5. Describe Machiavellianism and the difference between morning and evening persons and their role in work-related behavior.
6. Differentiate among cognitive intelligence, emotional intelligence, and practical intelligence and explain their influences on behavior in organizations.

Preview Case

Charles Schwab Brings Back Charles Schwab

In the early 2000s, even the savviest of Wall Street investors was in for a rough ride. The easy-to-come-by gains of the previous decade were only a memory, and the brokerage firm Charles Schwab was feeling the pinch. Between 2000 and 2002 assets plummeted from almost $700 million to only $100 million. Something had to give, and what would give way, the firm’s board of directors decided, was the job of CEO David Pottruck. After five years in office, he was asked to step down, paving the way for the return of the company’s founder and namesake. Charles Schwab, everyone believed, was special and the company that bore his name once again begged for his special touch.

Schwab founded the firm with a single office in Seattle back in 1977. Unlike his competitors at the time (including giants like the venerable Merrill Lynch), which charged sizable fees on stock trades to customers—primarily companies and wealthy individuals—Schwab had a maverick idea: Charge much lower commissions so that the average person could invest in the stock market with modest amounts of cash, bringing Wall Street to Main Street. Lower commissions, though, required higher sales volume. To make this viable, Schwab made another bold, bet-the-company move: He invested in a mainframe computer system designed to streamline transactions. This was in 1979, when computers were major expenses (often requiring huge, temperature-controlled rooms) and were not in widespread use.

The investment really began to pay off in 1984, when the first personal computers were introduced. That’s when Schwab debuted The Equalizer, a now-prehistoric (DOS-based) computer program for everyday investors, which eventually pointed the way toward an online future. Shortly thereafter, long before the Internet trading frenzy of the late 1990s—before the Internet was developed, in fact—Schwab made online investing available to CompuServe subscribers, reaching out to his new market: individual investors who knew what financial products they wanted to purchase and who didn’t require much advice. Soon, the novelty wore off, competition for discount brokerage services set in, and when times got tough, navigating the stock market successfully required professional know-how. This is when everyday people became disenchanted (and much poorer), causing the company to lose customers.

This was in 2004, when the visionary Schwab was handed back the reins of the now-stumbling company and asked to rework his magic on it. What he found was not the same prestigious firm he left earlier. Throughout the company, morale was low. “We lost the
emotional connection with our clients,” he observed. The firm had antagonized clients by raising some fees and marketing products in an impersonal manner. The firm lost momentum, Schwab believed, because it became disconnected with its customers. Realizing this almost immediately, he lowered commissions and changed operations and policies so as to regain those precious connections. Only 18 months into his second term as CEO, not only has Charles Schwab, the man, gotten the company to regain its dominance in the field, but he grew Charles Schwab, the firm, to $1.2 trillion in assets through the first half of 2006.

Today, it’s no longer advances in technology that Schwab is using to strengthen its business. Everybody has the latest computers. Rather, Schwab’s secret weapon through 2010 is much more old-fashioned: people. “I’d like to have every client of Schwab have the sense that they have a relationship with Schwab,” he says, “which includes that they have somebody that they can trust, that they can talk to.” And this, he emphasizes in egalitarian fashion, “goes from the largest clients we have to even some of the smallest.”

If you were to describe Mr. Schwab, what terms would you use? Would you say he’s dedicated? Innovative? A visionary? A risk-taker? Surely, he’s all these things and more. He’s also highly sensitive to people—both his employees (whose low morale he observed) and his customers (whose dissatisfaction he noted). No matter how you put it, Charles Schwab is quite special and a highly successful businessperson, to say the least. Many of us surely find it difficult to relate to such a unique individual. That makes sense. However, in our own ways—even if we aren’t the founders or CEOs of giant brokerage firms—we are each unique. After all, each of us has a one-of-a-kind mix of traits, characteristic, skills, and abilities—a combination that makes us different, in various ways, from every other human being on the planet.

Scientists refer to the ways in which people differ from one another as individual differences, and such unique qualities can have major influences on our thinking and behavior as well as our lives and careers. Because such factors play a role in many aspects of behavior in work settings, they have long been of interest to experts in the field of organizational behavior. As such, in this chapter we provide a broad overview of this knowledge.

Our plan is as follows. First, we focus on personality, one very important aspect of individual differences. Here, we first consider the matter of how various facets of personality combine with elements of the work environment to influence behavior. This is important, of course, because according to the popular interactionist perspective to organizational behavior, how we behave is based on both who we are (i.e., individual influences) and the contexts in which we operate (i.e., situational influences). Following this, we turn to the question of how personality can be measured. Since traits and abilities are not physical quantities that can be observed readily, this is not the easiest thing to do, but, as you’ll see, something scientists are able to do quite effectively. Then, after describing these measurement methods, we describe a wide variety of personality variables that have been found to have important effects in the workplace. Finally, in another major section, we’ll examine several abilities (mental and physical capacities to perform various tasks) and skills (proficiency at performing specific tasks acquired through training or experience) and their effects on various aspects of organizational behavior.

**Personality: Its Basic Nature**

*Deep down, I’m pretty superficial.* (Ava Gardner, American actress, 1983)

That’s a fairly devastating self-description by a famous movie star of the 1940s and 1950s. How would you describe your own personality in a single sentence? Admittedly, that’s a very difficult task, because what makes each of us unique is complex and hard to put into words. But personality involves more than just uniqueness—it has other important features, too. Since understanding the nature of personality is crucial to appreciating
its potential role in organizational behavior, we begin by taking a closer look at this important concept.

**What Is Personality?**

As we noted earlier, we are all, in some ways, unique—that is, we all possess a distinct pattern of traits and characteristics not fully duplicated in any other person. Further, this pattern of traits tends to be stable over time. Thus, if you know someone who is optimistic, confident, and friendly today, then chances are good that he or she also showed these same traits in the past and that this person will continue to show them in the future. Together, these two features form the basis for a useful working definition of **personality**—the unique and relatively stable pattern of behavior, thoughts, and emotions shown by individuals (see Figure 4.1).2 Just how stable are various aspects of personality—or individual differences in general? Evidence suggests that they are quite stable.3 For instance, consider job satisfaction, a topic we’ll examine in Chapter 6. Interestingly, scientists have found that although some people are satisfied under almost any working conditions, others tend to be dissatisfied under almost any conditions (even when these are truly excellent).4 Such individuals are difficult to satisfy. This doesn’t imply that job satisfaction cannot be changed or that it is not affected by working conditions; as you will see in Chapter 6, this is not the case. However, this scientific observation does illustrate a key point: Stable individual differences play an important role in job satisfaction—and, as we will see, in many other aspects of organizational behavior.

**Personality and Situations: The Interactionist Approach**

Earlier, we noted that personality often combines with situational factors to influence behavior. This is a key point, so we’ll clarify it now. What it means is that although people possess stable traits and characteristics that predispose them to behave in certain ways, these qualities by themselves do not completely determine how someone will behave in any given situation. Situations also introduce forces that affect how one is likely to behave. Together, both the personal factors and the situational factors influence behavior. In other words, behavior usually is the result of both characteristics possessed by an individual (his or her knowledge, abilities, skills, and personality) and the nature of the situation in which that person operates. This approach, known as the **interactionist perspective**, is very popular in the field of OB today.5

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**FIGURE 4.1**

**Personality: Defining Characteristics**

When we speak of personality, we are referring to each individual’s unique blend of traits that is relatively stable over time.
Let's consider an example. Someone with a quick temper may be predisposed to act aggressively, but he or she may refrain from expressing anger (e.g., by screaming at a coworker) because of the negative consequences of doing so in that setting (e.g., losing a job, getting into legal trouble). In this case, the situation imposes demands to hold aggression in check. It's also possible, of course, that someone's aggressive tendencies are so strong that they override the demands of the situation, leading to tragic consequences. It's useful to think of the interactionist perspective as illustrated in Figure 4.2, as a combined set of forces—individual and situational—that can tip the balance so as to influence behavior in a certain way at any given time.

With respect to organizational behavior, for instance, the question of whether various aspects of personality affect job performance has long been of interest. As we will note later in this chapter, certain aspects of personality are indeed related to job performance. Although this is important, it doesn’t tell the whole story, however. The strength of the effects of personality depends on many situational factors. These may include such factors as job demands (i.e., the set of tasks and duties associated with a specific job that motivate people to behave in certain ways; see Chapter 7) and social norms (i.e., pressures to go along with others in one’s group; see Chapter 8). Overall, both personality and situational factors can serve as facilitators—factors encourage certain behaviors, or constraints—factors that discourage certain behaviors.

We present these in generic form in Figure 4.2, but let's now consider some specific scenarios. First, as depicted in situation 1, suppose you are a very quiet person, someone who is inclined to keep quiet most of the time. This would discourage you from saying anything, but you would be even more strongly disinclined from saying anything if you perceive the organization as discouraging people from speaking their minds (e.g., by punishing those who speak up at meetings). Now, consider situation 2, in which things are opposite. Here, suppose you are a very expressive person, someone who is inclined to speak up when things occur. This would facilitate speaking up, but you would be especially likely to speak up (and to do so strongly) when organizational norms and culture (see Chapter 14) also send strong signals that this is acceptable. As you might suspect, it's easy for people when they encounter situation 1 or situation 2 because all forces lead them in the same direction. Both who they are as individuals and the demands of the situations they face lead them in the same directions.

However, things are more difficult in situations 3 and 4, in which one’s personality encourages one to behave one way whereas the demands of the situation encourage one to behave another. In these cases (illustrated in the two diagrams in the lower half of Figure 4.2), people are likely to be conflicted. Here, the balance can be tipped slightly in either direction, depending on which force is stronger, the inhibiting influences or the constraining influences. So, for example, a quiet person in a situation that places a high premium on speaking up (situation 3) and an expressive person in a situation in which expression is discouraged may go ever so slightly one way or another if the balance is tipped. Of course, the balance will not go too far because the opposite force will keep it from doing so. As a result, we wouldn’t expect to find particularly high degrees of expressiveness or of quietness under such conditions. As you might imagine, these are highly conflicting situations for people, and they find it uncomfortable to be in settings in which who they are is at odds with the demands of the situation.

This brings up a key consideration involved in selecting certain career options (see Appendix 2)—person-job fit. This term refers to the degree to which a person’s unique blend of characteristics (e.g., personality, skills) is suited to the requirements for success on a particular job. As you may suspect, the more closely individuals’ personalities, traits, and abilities match those required by a given job, the more productive and satisfied they tend to be on those jobs. Fortunately, through interacting with others, people often receive feedback suggesting the particular jobs that best fit their personalities (see Figure 4.3).

For an example of person-job fit at its best, consider Jonathan Lee Iverson, ringmaster for Ringling Bros. and Barnum & Bailey Circus. He landed this unusual job at age 22, shortly after graduating from the Hartt School of Music in Hartford, Connecticut, reflecting the excellent match between his talents and the abilities needed for this demanding job. Sometimes the ringmaster must sing, and Iverson is blessed with a wonderful voice with a
The Interactionist Perspective

This popular approach to the study of personality suggests that behavior in almost any context is a joint function of both characteristics of the individuals being considered and aspects of the specific context in which they are behaving. Various ways in which personalities and situations may either constrain or facilitate behavior are summarized here.
By virtue of the qualities they bring to the jobs they perform, people’s personalities predispose them in varying degrees toward success on particular jobs—a concept known as person-job fit. Hopefully, this is not one such example of good person-job fit.

Source: www.CartoonStock.com

great range, which suits him for the job. Also, he is friendly and outgoing. And of course, he is simply not afraid to control the entire show—three rings with 180 performers and 80 animals. Clearly, not everyone could do this job, but Iverson, who has now been with Ringling Bros. for several years, has precisely what the job takes—and as a result, loves it and is highly successful at it.

How Is Personality Measured?

Physical traits such as height and weight can be measured readily by means of simple tools. Various aspects of personality, however, cannot be assessed quite so simply. There are no rulers that we can put to the task. How, then, can we quantify differences between individuals with respect to their various personality characteristics? Several methods exist for accomplishing this task. In this section, we’ll describe two of the most important and will then consider some of the essential requirements that all procedures for measuring individual differences must meet.

Objective Tests: Paper-And-Pencil Measures of Who We Are. Have you ever completed a questionnaire in which you were asked to indicate whether each of a set of
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statements is true or false about yourself, the extent to which you agree or disagree with various sentences, or which of several pairs of activities you prefer (e.g., attending a football game versus reading a book)? If so, chances are good that you have completed what is known as an **objective test**—a paper-and-pencil inventory in which people are asked to respond to a series of questions designed to measure one or more aspects of their personality. Objective tests are the most widely used method of measuring both personality and mental abilities (such as intelligence).

People’s answers to the questions on objective tests are scored by means of special answer keys. The score obtained by a specific person is then compared with those obtained by hundreds or even thousands of other people who have taken the test previously. In this way, an individual’s relative standing on the trait or ability being measured can be determined. This can then be used to predict various aspects of behavior, such as success in specific kinds of job or training. Such tests are considered “objective” because they are scored by comparing individuals’ answers to special scoring keys; subjective judgments by the test-givers do not play a role.

**Projective Tests.** A very different approach to measuring personality is adopted in what are known as **projective tests**. These tests present individuals with ambiguous stimuli—for instance, a drawing of a scene in which it is not clear what the persons shown are doing. Individuals taking such tests then report what they perceive, and their answers are used as a basis for reaching conclusions about their personalities. Presumably, one reason why different people report “seeing” different things in the ambiguous stimuli they examine is that they differ with respect to personality; and such differences then, supposedly, become visible in their responses.

Do such tests really work—do they really provide insights into personality? There is considerable controversy over this issue so except for a few widely used tests (e.g., one that measures the need for achievement), projective tests are not very popular among researchers in the field of OB. Instead, most prefer to use the objective tests described earlier. Now, let’s turn to questions that relate to all measures of personality—questions about whether these measures really allow us to accurately assess the variables we want to measure.

**Reliability and Validity: Essential Requirements of Personality Tests.** Imagine that you weigh yourself on your bathroom scale every morning. One day, the weight reads “150 pounds.” The next day, it reads “140 pounds.” Although you may be happy with the result, you would probably suspect that something is wrong because you could not possibly have lost 10 pounds overnight. Instead, it is much more likely that there is something wrong with the scale. It is not recording your weight accurately. More formally, we would say that it is not measuring your weight in a **reliable** manner.

Clearly, if we are to have confidence in something we measure—weight, various aspects of personality, or anything else—we must be able to do so reliably. The **reliability** of a measure refers to the extent to which it is stable and consistent over time. As you might imagine, a measure of personality must have a high degree of reliability in order to be useful. Only those tests that show high degrees of reliability are used in research in the field of OB. After all, tests that do not yield reliable results may tell us little—or, even worse, they may be misleading.

In addition to being reliable, a test must also be **valid**—that is, it must really measure what it claims to measure. To understand, think about those “tests” that often appear in popular magazines, such as ones with the provocative title, “Are You Compatible with Your Mate?” Considering that this is an interesting question, you go through the questions, check a few boxes, and then go to the scoring key to see if you’ll be enjoying a life of bliss or if you’ll end up in divorce court. Although you might find this exercise interesting and fun, and it might cause you to think about important things in your relationship, chances are good that this so-called test is not valid. In other words, such an exercise probably hasn’t been tested by scientists to see if people’s scores really do predict how their relationship ends up. In this case, we would say that the measure is low in **validity**. The term **validity** refers to the extent to which a test really measures what it claims to measure. Naturally, we seek tests that have

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**objective tests**
Questionnaires and inventories designed to measure various aspects of personality.

**reliability**
The extent to which a test yields consistent scores on various occasions, and the extent to which all of its items measure the same underlying construct.

**validity**
The extent to which a test actually measures what it claims to measure.
high degrees of validity because we can be confident of what their scores mean. Tests that are low in validity, however, are essentially useless.

How do we assess a test’s validity? In actual practice, the process is complex, requiring many steps and sophisticated statistical procedures. In essence, though, a test’s validity is established by demonstrating that scores on it are related to other aspects of behavior that already are known to reflect the trait being measured. In other words, a test of a personality trait is valid to the extent that what it measures is closely related to the “true” measure of that trait, as assessed by other established tests. For instance, a test of sales ability would be valid to the extent that successful salespersons score high on it whereas those who are unsuccessful score low. Only to the extent that its validity has been so established would it be useful for selecting potential employees—ones likely to succeed at selling. Scientists refer to this type of validity as predictive validity. This term refers to the extent to which scores on a test administered at one time are correlated with scores on some performance measure assessed at a later time (see Figure 4.4).

Another example of predictive validity can be seen in the test you might have taken for admission into college, graduate school, or professional school. Such tests are considered highly valid because the individuals who score high on them tend to perform better in school. This positive correlation between the test score and a measure of success is an indication of its predictive validity. And this, of course, is precisely why colleges and universities rely on such tests. After all, if they didn’t help predict success in their programs, there’d be no reason to use them.

At this point, we should note that all of the traits and abilities considered in this chapter are measured by tests known to be both reliable and valid. Thus, you can have confidence in the findings we report concerning their effects on important aspects of organizational behavior.

Do Organizations Have Personalities Too?

If you ask people what qualities come to mind when they think of Microsoft, chances are good that they’d say things like “arrogant” and “dominant.” However, if you asked them about the Walt Disney Company, they’d likely say “family-oriented” and “friendly.” Such responses seem to suggest that people think of organizations, much like people, as having certain traits—unique, stable characteristics that set them apart from other organizations—that is, distinct personalities. Can this be true? In one sense, it cannot. After all, organizations are not living entities and do not possess emotions, thoughts, or memories. In another sense, though, there is no doubt that we often think about organizations as though they do have distinct personalities (see Figure 4.5).

**FIGURE 4.4**

*Predictive Validity*

When a test has a high degree of predictive validity it is able to predict performance assessed at some later point in time. The positive correlation between the test score and the measure of job performance shown here provides evidence of a high degree of predictive validity. This is desirable because it makes it possible to predict how someone will behave in the future based on tests administered in the present.
If organizations have personalities, then what particular traits describe them? A recent study examined this question. In this research, hundreds of business school students were asked to rate several familiar companies (e.g., AT&T, Ford, McDonald’s, Kroger, Walmart, Subway, Bob Evans, JC Penney, Disney, Microsoft, Reebok, and Nike) on various traits. Interestingly, several distinct clusters emerged, with various companies rated highly on each. These clusters, traits describing them, and some of the companies rating highly on them are as follows:

- **Boy Scout**: friendly, attentive to people—Disney, Bob Evans
- **Innovative**: interesting, unique—Nike, Disney
- **Dominant**: successful, popular—Nike, Microsoft
- **Thrifty**: poor, sloppy—Bob Evans, JC Penney
- **Stylish**: modern, contemporary—Nike, Reebok

It’s interesting that some companies rated highly on more than one cluster of characteristics. This shouldn’t be too surprising because, just as individuals may possess high amounts of more than one personality characteristic, so too may organizations. For example, that Nike was perceived to be innovative, dominant, and stylish may square well with your own perception of this company.
Clearly, different companies are viewed as possessing different clusters of traits, but are these related to anything important? Do they really matter? The researchers who conducted this study predicted that organizational personalities would be linked to organizational attractiveness—the extent to which individuals perceive organizations as attractive places in which to work. To test this prediction, they prepared descriptions of a fictitious company (Stage Clothing Downtown) that depicted it possessing high amounts of the characteristics associated with each cluster (e.g., to make the company appear stylish, it was described as a place in which people concerned about fashion would shop). Participants were shown one of these descriptions and were asked to rate the company’s personality and their attraction to it as a place in which to work. Results were clear: Ratings of the company’s personality corresponded to the descriptions provided. Also, companies depicted as high on the Boy Scout, innovative, and stylish dimensions were rated as the best places in which to work.

In sum, it appears that we do tend to think about organizations as having personalities, and that our perceptions in this regard influence our interest in working in such companies. Clearly, then, even if organizational personality does not exist in the same sense as individual personality, it can have important effects—ones savvy organizations should consider carefully when planning their advertising and recruitment campaigns.

Major Work-Related Aspects of Personality: The “Big Five,” Positive versus Negative Affectivity, and Core Self-Evaluations

Now that we have defined personality and described how it is measured, we will consider several aspects of it that have been found to be closely linked to important aspects of organizational behavior. In this first section, we’ll consider aspects of personality widely considered to be especially important because they influence many aspects of behavior in work settings. After that, we’ll consider several additional aspects of personality that also have important implications for behavior in work settings, but whose effects may be somewhat less general in scope.

The Big Five Dimensions of Personality: Our Most Fundamental Traits

How many different personality traits can you list? Would you believe 17,953? That’s the number of personality-related words found in a search of an English language dictionary in a study conducted over sixty years ago. Even after combining words with similar meanings, the list still contained 171 distinct traits. Does this mean that we must consider a huge number of traits to fully understand the role of personality in organizational behavior? Fortunately, the answer is no. A growing body of evidence suggests that there are five key dimensions to consider. Because these same five dimensions have emerged in so many different studies conducted in so many different ways, they are often referred to as the Big Five dimensions of personality.

These are as follows:

- **Extraversion**: A tendency to seek stimulation and to enjoy the company of other people. This reflects a dimension ranging from energetic, enthusiastic, sociable, and talkative at one end, to retiring, sober, reserved, silent, and cautious on the other.
- **Agreeableness**: A tendency to be compassionate toward others. This dimension ranges from good-natured, cooperative, trusting, and helpful at one end, to irritable, suspicious, and uncooperative at the other.
- **Conscientiousness**: A tendency to show self-discipline, to strive for competence and achievement. This dimension ranges from well organized, careful, self-disciplined, responsible, and precise at one end, to disorganized, impulsive, careless, and unpredictable at the other.
- **Neuroticism**: A tendency to experience unpleasant emotions easily. This dimension ranges from poised, calm, composed, and not hypochondriacal at one end, to nervous, anxious, high-strung, and hypochondriacal at the other.
openness to experience
A tendency to enjoy new experiences and new ideas; one of the Big Five personality dimensions.

- **Openness to experience**: A tendency to enjoy new experiences and new ideas. This dimension ranges from imaginative, witty, and having broad interests at one end, to down-to-earth, simple, and having narrow interests at the other.

These five basic dimensions of personality are measured by means of questionnaires in which the people whose personalities are being assessed answer various questions about themselves. Some sample items similar to those on popular measures of the Big Five dimensions are shown in Table 4.1. By completing them, you gain a rough idea of where you stand on each of these dimensions.

The Big Five dimensions of personality are very important and they are related strongly to work performance. This is the case across many different occupational groups (e.g., professionals, police, managers, salespersons, skilled laborers), and several kinds of performance measures (e.g., ratings of individuals’ performance by managers or others, performance during training programs, personnel records). In general, **conscientiousness** shows the strongest association with task performance: The higher individuals are on this dimension, the higher their performance. Many companies are aware of this relationship. For instance, a major university offers the following guidelines to managers regarding information to be imparted to incoming employees.

Establish attendance and punctuality expectations at hiring interviews and during orientation. Make sure applicants and employees understand that maintenance of good attendance is a condition of employment. Explain that sick leave should only be used for legitimate illness or injury and should be stockpiled for potential serious conditions. Explain that excessive unscheduled absences disrupt the department workflow, cause a burden on co-workers and may limit the department’s ability to meet customer service demands. Note that sick leave taken on a repeated basis may be viewed as abuse of the system, and may affect consideration for promotions, transfers and pay raises.

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**TABLE 4.1 The Big Five Dimensions of Personality**

The items listed here are similar to ones used to measure each of the big five dimensions of personality. Answering them may give you some insight into these key aspects of your personality.

**Directions**: Indicate the extent to which you agree or disagree with each item by entering a number in the space beside it. Enter 5 if you agree strongly with the item, 4 if you agree, 3 if you neither agree nor disagree, 2 if you disagree, and 1 if you disagree strongly.

**Conscientiousness**:
- ___ I keep my room neat and clean.
- ___ People generally find me to be extremely reliable.

**Extraversion**:
- ___ I like lots of excitement in my life.
- ___ I usually am very cheerful.

**Agreeableness**:
- ___ I generally am quite courteous to other people.
- ___ People never think I am cold and sly.

**Emotional Stability**:
- ___ I often worry about things that are out of my control.
- ___ I usually feel sad or “down.”

**Openness to Experience**:
- ___ I have a lot of curiosity.
- ___ I enjoy the challenge of change.

**Scoring**: Add your scores for each item. Higher scores reflect greater degrees of the personality characteristic being measured.
Similar recognition of the importance of this basic aspect of personality is present in many other organizations. Another Big Five dimension, emotional stability, also is related to task performance (although not as strongly or consistently): The more emotionally stable individuals are, the better their task performance.\textsuperscript{15}

Other dimensions of the Big Five also are linked to task performance, but in more specific ways. For instance, agreeableness is related positively to various interpersonal aspects of work (e.g., getting along well with others). And for some occupations—ones requiring individuals to interact with many other people during the course of the day (e.g., managers, police officers, salespeople)—extraversion is related positively to performance. The Big Five dimensions also are related to team performance. Specifically, the higher the average scores of team members on conscientiousness, agreeableness, extraversion, and emotional stability, the higher their teams perform.\textsuperscript{16} Overall, then, it appears that the Big Five dimensions are indeed one determinant of job performance for teams as well as individuals.

In addition, the Big Five traits also are linked to other important organizational processes.\textsuperscript{17} For example, several of the Big Five dimensions play an important role in determining who becomes a leader (for a thorough discussion of leadership, see Chapter 13).\textsuperscript{18} People scoring high in extraversion, in openness to experience, and in agreeableness (e.g., the tendency to trust others, at least initially) are more likely to become leaders than others who score low on these dimensions.\textsuperscript{19}

It’s also interesting that the Big Five dimensions influence business success among entrepreneurs. Specifically, the higher entrepreneurs are in conscientiousness, the longer their new ventures tend to survive—and, of course, the longevity of new ventures is linked closely to their financial success.\textsuperscript{20}

### Positive and Negative Affectivity: Tendencies toward Feeling Good or Bad

It is a basic fact of life that our moods fluctuate rapidly—and sometimes greatly—throughout the day. An e-mail message containing good news may leave us smiling, while an unpleasant conversation with a coworker may leave us feeling gloomy. Such temporary feelings are known as mood states and can strongly affect anyone at almost any time. However, mood states are only part of the total picture when considering the effects of how our feelings and emotions can affect our behavior at work.

As you probably know from your own experience, people differ not just in terms of their current moods—which can be affected by many different events—but also with respect to more stable tendencies to experience positive or negative feelings.\textsuperscript{21} Some people tend to be “up” most of the time whereas others tend to be more subdued or even depressed; and these tendencies are apparent in a wide range of contexts. In other words, at any given moment people’s affective states (their current feelings) are based both on temporary conditions (i.e., ever-changing moods) and relatively stable differences in lasting dispositions to experience positive or negative feelings (i.e., stable traits) (see Figure 4.6).

These differences in predispositions toward positive and negative moods are an important aspect of personality. In fact, such differences are related to the ways in which individuals approach many events and experiences on their jobs and in their lives in general. Some people, as you know, are generally energetic, exhilarated, and have a real zest for life. You know them to be “up” all the time. Such individuals may be said to be high in positive affectivity. They may be characterized as having an overall sense of well-being, seeing people and events in a positive light, and usually experiencing positive emotional states. By contrast, people who are low in positive affectivity are generally apathetic and listless. Another dimension of mood is known as negative affectivity. It is characterized at the high end by people who are generally angry, nervous, and anxious, and at the low end by those who feel calm and relaxed most of the time.\textsuperscript{22} As indicated in Figure 4.7, positive affectivity and negative affectivity are not the opposite of each other, but rather, two separate dimensions.

As you might suspect, people who are high in positive affectivity behave differently from those who are high in negative affectivity with respect to several key aspects of organizational behavior—and in undesirable ways. In fact, 42 percent of office workers responding to a recent survey indicated that they worked with people who could be...
High Positive Affectivity (joy, enthusiasm)
Low Positive Affectivity (apathy, sluggishness)
Negative Affectivity
High Negative Affectivity (fear, nervousness)

CHAPTER 4 • INDIVIDUAL DIFFERENCES: PERSONALITY, SKILLS, AND ABILITIES

FIGURE 4.6
Positive and Negative Affectivity: An Important Aspect of Personality

Everyone experiences changes in mood throughout the day. But individual differences in stable tendencies to experience either positive affect or negative affect also exist. These stable differences in affective state have been found to be related to important aspects of organizational behavior.

Not only do such individuals perform poorly themselves, but their negativity also interferes with the performance of others. In other words, they create an atmosphere that reduces productivity and that, of course, can be costly. Among the forms this takes are the following.

- **Decision making**—People with high levels of positive affectivity make superior decisions than those with high levels of negative affectivity.24
- **Team performance**—Work groups that have a positive affective tone (those in which the average level of positive affectivity is high) function more effectively than groups that have a negative affective tone (those in which the average level of negative affectivity is high).25
- **Aggressive behavior**—Because they tend to be very passive in nature, people who are high in negative affectivity are likely to be targets of aggression from others in their organizations.26

FIGURE 4.7
Positive and Negative Affectivity

Positive affectivity and negative affectivity are two independent dimensions. The mood state associated with high levels and low levels of each are shown here.
In view of these findings, it’s little wonder that positive and negative affectivity are considered important personality traits when it comes to understanding organizational behavior.

**Core Self-Evaluations: How Do We Think of Ourselves?**

What is your image of yourself? To what extent is your self-concept positive or negative? Although most of us tend to view ourselves in positive terms, not everybody does so to the same degree. Moreover, the particular way in which we view ourselves is not indicative of a single personality variable, but rather, four distinct elements of personality known as **core self-evaluations**. These refer to people’s fundamental evaluations of themselves, their bottom-line conclusions about themselves.²⁷

People’s core self-evaluations are based on four particular personality traits (see Figure 4.8). These are as follows:

- **Self-esteem**—The overall value one places on oneself as a person.
- **Generalized self-efficacy**—A person’s beliefs about his or her capacity to perform specific tasks successfully.
- **Locus of control**—The extent to which individuals feel that they are able to control things in a manner that affects them.
- **Emotional stability**—The tendency to see oneself as confident, secure, and steady (the opposite of neuroticism, one of the Big Five personality variables).

Individually, each of the four dimensions of core-self evaluations has been researched extensively, and each is associated with beneficial organizational outcomes. For example, take self-esteem. Individuals with high levels of self-esteem tend to view opportunities to perform challenging jobs as valued opportunities and enjoy rising to the occasion. Not surprisingly, they also put forth a great deal of effort and perform at high levels. By comparison, people who have low self-esteem perceive difficult work situations as threats and dislike them. As a result, they either try to avoid such tasks or don’t give it their full effort because they expect to fail, and as a result, they tend to perform poorly.²⁸ In view of this, it’s important to consider how to raise self-esteem on the job. For some suggestions in this regard, see the *How to Do It* section on page 147.

Now, let’s consider generalized self-efficacy. Individuals who have high amounts of this trait are confident that they can do well at whatever they do. This, in turn, encourages them to take on such challenges and because they believe they will succeed they are unlikely to give up when things get rough. As a result, they tend to be successful at these jobs. Then, because they associate the work with success, they are inclined to be satisfied with the jobs themselves.
Locus of control also is related positively to job satisfaction and performance. Specifically, someone with a highly internal locus of control is likely to believe that he or she can do what it takes to influence any situation. He or she feels confident in being able to bring about change. As a result, individuals with a high internal locus of control tend to be satisfied with their jobs because they either make them better or seek new ones (not remaining in bad jobs because they believe their fates are sealed). And as a result of making situations better, they tend to perform at high levels as well.
Finally, emotional stability also makes a difference. As we noted earlier, in conjunction with the Big Five dimensions of personality, emotional stability is the opposite of neuroticism (i.e., they are opposite ends of the same personality dimension). Somebody who is high on emotional stability is predisposed to have low levels of negative affect, which takes its toll on their general well-being. As we noted earlier, people with high levels of negative affect tend to experience low levels of job satisfaction and also tend to perform poorly on those jobs.

It’s important to note that these individual effects tend to be particularly strong when taken together. In the aggregate, core self-evaluations are “among the best dispositional predictors of job satisfaction and performance.” As a result, it’s not surprising that OB scientists have paid a great deal of attention to core self-evaluations in recent years.

**Additional Work-Related Aspects of Personality**

Although many experts on personality consider the dimensions we have considered so far to be the most important, these are not the only ones with implications for organizational behavior. We’ll now examine several others that have also been found to affect important forms of behavior in work settings.

**Machiavellianism: Using Others to Get Ahead**

In 1513, the Italian philosopher Niccolò Machiavelli published a book entitled *The Prince*. In it, he outlined a ruthless strategy for seizing and holding political power. The essence of his approach was *expediency*: Do whatever is required to defeat others or gain an advantage over them. Among the guiding principles he recommended were the following:

- Never show humility; arrogance is far more effective when dealing with others.
- Morality and ethics are for the weak; powerful people feel free to lie, cheat, and deceive whenever it suits their purpose.
- It is much better to be feared than loved.

In short, Machiavelli urged those who desired power to adopt an approach based totally on expediency or usefulness. Let others be swayed by friendship, loyalty, or beliefs about decency and fair play; a truly successful leader, he suggested, should always be above those factors. He or she should be willing to do whatever it takes to win.

Clearly (and fortunately!), the vast majority of people with whom we interact don’t adopt Machiavelli’s philosophy. But some do seem to embrace many of these principles. This fact has led some researchers to propose that acceptance of this ruthless creed involves yet another dimension of personality—one known, appropriately, as Machiavellianism. Persons high on this dimension (high Machs) accept Machiavelli’s suggestions and seek to manipulate others in a ruthless manner. In contrast, persons low on this dimension (low Machs) reject this approach and do care about fair play, loyalty, and other principles Machiavelli rejected. Machiavellianism is measured by means of a relatively brief questionnaire known as the *Mach Scale*. Items similar to the ones in this scale are shown in Table 4.2.

**The Characteristics of High Machs.** What are persons who score high on the Machiavellianism scale like? Research suggests that in general, they are smooth and charming, lie easily, have no qualms about manipulating or conning others, have little remorse or guilt over harming others, and are callous and show little empathy toward others. In addition, they also tend to be impulsive, irresponsible, and prone to feeling bored. If this description sounds to you like the “con artists” we often read about in the news, you are correct: People scoring high in Machiavellianism show precisely these characteristics.

For example, consider Eric Stein, who bilked more than 1,800 investors out of more than $34 million in the late 1990s. From his jail cell, he confessed several things about his activities during an interview with the *Wall Street Journal.* Apparently, his scheme for becoming rich was simple: He arranged with telemarketers to phone thousands of prospective victims.
and tell them about a wonderful new investment—buying shares in a company that was developing commercials for television. Investors were told that they were being called because the company needed investors to expand its operations; they were promised a 25 percent return in 90 days. How were the prospective targets chosen? Their names were purchased from companies that specialize in identifying people nearing retirement—a prime group for telemarketing investment scams. These people know that they are running out of time and want to build their retirement funds as quickly as possible, so they tend to accept the claims they hear even though their common sense tells them they are too good to be true. Mr. Stein’s scam, like many others, was a so-called Ponzi system: Early investors were indeed paid, using money from later ones. All such systems come crashing down eventually, though, and this is precisely what happened to Mr. Stein. Did he feel pangs of guilt over bilking retirement-age people out of their life savings? As he describes it, “Not at the time. But now, I regret it every day . . . I’m taking those energies and creativity that was used to create that scam and putting it toward something more positive and trying to repay these people.”

Clearly, Mr. Stein, like many other confidence artists, shows all the characteristics of high Machiavellianism. Is he sincere about wanting to make amends for his previous betrayal of people who trusted him and his team of telemarketers? Only time will tell; but as a general rule, confidence artists don’t usually reform—they claim that they have “seen the light” but often go back to their old patterns of bilking others as soon as they can.

**Machiavellianism and Success.** If high Machs (and we assume that Mr. Stein is one) are willing to do whatever it takes to succeed, you might expect that they would tend to be successful. However, this is not always so. How well they do depends on two important factors—the kind of jobs they have, and the nature of the organizations in which they work.

First, research has shown that Machiavellianism is not closely related to success in the kinds of jobs in which people operate with a great deal of autonomy. These are jobs—such as salesperson, marketing executive, and university professor—in which employees have the freedom to act as they wish. This gives them good opportunities to free themselves from the clutches of high Machs or to avoid interacting with them altogether.34 On the
other hand, high Machs tend to be quite successful in organizations that are loosely structured (i.e., ones in which there are few established rules) rather than those that are tightly structured (i.e., ones in which rules regarding expected behavior are clear and explicit). Why? Because when rules are vague and unclear, it is easy for high Machs to “do their thing.” When rules are clear and strict, in contrast, high Machs are far more limited in what they can do. So while high Machs are always a danger, they are more likely to do harm to their coworkers in some environments than others.

Achievement Motivation: The Quest for Excellence

Can you recall the person in your high school class who was named “most likely to succeed”? If so, you probably are thinking of someone who was truly competitive, an individual who wanted to win in every situation—or, at least, in all the important ones. Now, in contrast, can you think of someone you have known who was not at all competitive—who could not care less about winning? As you bring these people to mind, you are actually focusing on another important aspect of personality—one known as achievement motivation (also known as need for achievement). It refers to the strength of an individual’s desire to excel at various tasks—to succeed and to do better than others. Individual differences on this dimension are measured in several ways, but some of these involve the kind of projective tests described earlier in this chapter—tests in which individuals are shown ambiguous scenes and asked to describe what is happening in them. Their answers can then be used to measure their need for achievement, and several other aspects of personality as well.

Need Achievement and Attraction to Difficult Tasks. One of the most interesting differences between persons who are high and low in the need for achievement involves their pattern of preferences for tasks of varying difficulty. As we will note, these differences may have important effects on managerial success.

Because high need achievers so strongly desire success, they tend to steer away from performing certain kinds of tasks—those that are very easy and those that are very difficult. Very simple tasks are not challenging enough to attract high need achievers, and especially difficult ones are certain to result in failure, an unacceptable outcome. Not surprisingly, high need achievers are most strongly attracted to tasks that are moderately challenging, and thereby prefer tasks of intermediate difficulty. In contrast, the opposite pattern occurs among people who are low in achievement motivation. That is, they much prefer very easy and very difficult tasks to ones that are moderately difficult. Why is this so? The explanation goes something like this. Persons low in achievement motivation like to perform easy tasks because success is virtually certain. At the same time, they also prefer tasks that are very difficult because if they fail, this can be attributed to external causes and does not threaten their self-esteem. In contrast, failure on a moderately difficult task may be the basis for making unflattering attributions about oneself (see Chapter 3), so low need achievers prefer to avoid such tasks (see Figure 4.9). Although these differences between persons high and low in need achievement are interesting by themselves, their real value becomes apparent when considering the role they play in managers’ success.

Are High Need-Achievers Successful Managers? We have described people high in achievement motivation as having a highly task-oriented outlook. They are strongly concerned with getting things done, which encourages them to work hard and to strive for success. But do they always succeed, especially in managerial positions? As in the case of so many other questions in the field of OB, the answer is far from simple.

Given their intense desire to excel, it seems reasonable to expect that people high in achievement motivation will attain greater success in their careers than others. This is true to a limited extent. Research has shown that people high in achievement motivation tend to gain promotions more rapidly than those who are low in achievement motivation, at least early in their careers. Their focus on attaining success “jump starts” their careers. However, as their careers progress, their unwillingness to tackle difficult challenges becomes a problem that interferes with their success. Further, they tend to be so highly
FIGURE 4.9
Achievement Motivation and Attraction to Tasks
People who are high in achievement motivation are attracted to tasks of moderate difficulty, whereas people who are low in achievement motivation are attracted to tasks that are extremely easy or extremely difficult.

Learning goal orientation
The desire to perform well because it satisfies an interest in meeting a challenge and learning new skills.

Performance goal orientation
The desire to perform well to demonstrate one’s competence to others.

Avoidance goal orientation
The desire to achieve success to avoid appearing incompetent and to avoid receiving negative evaluation from others.

Achievement Motivation and Goal Orientation: Do People Differ in the Kind of Success They Seek? So far, our discussion has implied that the desire to excel or achieve is an important dimension along which people differ. But individuals also differ with respect to the kind of success they seek. In fact, individuals can have any one of three contrasting goal orientations when performing various tasks. These are as follows:

- Learning goal orientation—The desire to perform well because it satisfies an interest in meeting a challenge and learning new skills
- Performance goal orientation—The desire to perform well to demonstrate one’s competence to others
- Avoidance goal orientation—The desire to achieve success to avoid appearing incompetent and to avoid receiving negative evaluations from others

The existence of these three different goal orientations (contrasting reasons for wanting to do well in various tasks) has important implications for performance in work settings. For
instance, a learning goal orientation is related strongly to general self-efficacy, which we
described earlier as a particular element of core self-evaluations. The higher one’s learn-
ing goal orientation, the greater is his or her general self-efficacy. Since self-efficacy exerts
strong effects on performance, it is clear that a learning orientation can be very helpful when
it comes to performing many jobs.

Similarly, a learning goal orientation also may be helpful with respect to benefiting
from on-the-job feedback. Specifically, people high in this orientation want to receive
feedback and pay careful attention to it since it will help them to learn. In contrast, neither
a performance goal orientation nor an avoidance goal orientation seems to offer similar
benefits. So overall, organizations should strive to select people who have a learning goal
orientation or to encourage such an orientation among their employees.

This raises a key question: How can a learning goal orientation be attained? The
answer lies in part by giving employees an opportunity to acquire new skills on their jobs
and by rewarding them for doing so—not just for being competent at what they already
know. For instance, United Technologies promotes a learning goal orientation by encour-
aging employees to take advanced courses in their specialty, or in management. Indeed,
United Technologies, as well as many other companies, actually cover the entire cost of an
MBA for individuals they consider to be on the “fast track” in their careers.

That achievement motivation influences the success of individuals is far from sur-
prising. But can it also contribute to the economic growth and well-being of entire
societies? For information suggesting that it can, see the OB in a Diverse World section
on page 153.

**Morning Persons and Evening Persons**

According to the U.S. Department of Labor, about 15 percent of people in the U.S. labor
force work at night or on rotating shifts. Unfortunately, this can be costly given that the
health and well-being of many individuals suffer when they work at night. Yet, as you
probably know from experience, there are some people who seem to thrive on “the grave-
yard shift” and actually prefer it. (In fact, if you are up late at night reading this, you may
be one of them!)

The suggestion that there may be individual differences in the times of day at which peo-
ple feel most alert and energetic is supported by evidence showing that such differences do,
in fact, exist and that they are stable over time. Specifically, it appears that most people fall
into one of two categories—either they are **morning persons**, who feel most energetic early
in the day, or they are **evening persons**, who feel most energetic late in the day or at night.

Presumably, evening persons would find the task of adapting to night work less stress-
ful than morning persons and, consequently, would do better work when exposed to such
conditions. Evidence indicates that this is indeed the case. For example, consider a study
involving college students asked to keep diaries in which they reported the times each day
when they slept and when they studied. In addition, information was obtained from uni-
versity records concerning the students’ class schedules and their academic performance.
All participants also completed a brief questionnaire measuring the extent to which they
were morning or evening persons.

Results revealed intriguing differences between participants who were classified
as morning persons or evening persons. As might be expected, morning persons
reported sleeping primarily at night and studying in the morning, whereas evening
persons reported the opposite pattern. Similarly, class schedules for the two groups
also indicated interesting differences: Students classified as morning persons tended to
schedule their classes earlier in the day than those classified as evening students.
Perhaps most interesting of all, morning students did better in their early classes than
in their later ones, while the opposite was true for students classified as evening per-
sons (see Figure 4.10, p. 154).

These findings and those of many other studies suggest that individual differences in
preferences for various times of day are not only real, but also that they are very important
when it comes to job performance. Ideally, only individuals who are at their best late in
the day should be assigned to night work; this would constitute a good application of the
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OB In a Diverse World
Achievement Motivation and Economic Growth Around the World

Economists have demonstrated that a wide variety of factors—including the price and availability of natural resources, labor costs, and government policies that encourage or discourage growth—contribute to national differences in economic expansion. However, these factors do not tell the whole story. Indeed, it appears that an aspect of personality, too, may play a role: national differences in achievement motivation. Although achievement motivation, strictly speaking, relates to individuals, considerable evidence suggests that it also varies across different cultures. What’s more, these differences are related to important economic variables.

This point is illustrated dramatically in a classic study in which researchers analyzed children’s stories from 22 different cultures with respect to the degree to which they contained themes of achievement motivation (e.g., the story “The Little Engine That Could,” which was read by millions of children in the United States, reflects a great deal of achievement motivation). The investigators then related the levels of achievement motivation indicated by these stories to key measures of economic development (e.g., per capita income and per capita electrical production). Their findings were impressive: The greater the emphasis placed on achievement in the children’s stories in various nations, the more rapid was the economic growth in these nations as the children grew up!

Interestingly, these findings are not just a fluke; similar results have been reported in other research. For example, a massive study involving more than 12,000 participants in 41 different countries has confirmed the idea that national differences in achievement motivation can be quite real and that they are related to differences in economic growth. Specifically, it was found that various attitudes toward work, such as competitiveness, were different across countries, and that those countries whose citizens were most competitive tended to be those that had higher rates of economic growth.

But how, you may be wondering, can this be so? How can achievement motivation, which is a characteristic of individuals, influence economic activity? One possibility is as follows. First, economic trends are, ultimately, the reflection of actions by large numbers of individuals. Second, in societies where the average level of achievement motivation is high, and an individualistic cultural orientation exists (that is, much emphasis is placed on individual performance), entrepreneurship may be encouraged. In other words, a high average level of achievement motivation, coupled with the view that individual accomplishment is appropriate, may encourage large numbers of persons to start their own companies. And there is growing evidence that the level of entrepreneurial activity in a given society is a good predictor of its economic growth. So the fact that achievement motivation is related to the economic growth of entire societies may not be as mysterious as it at first seems.

At present, this reasoning is mainly conjecture: Direct evidence for it does not exist. But it fits well both with findings concerning achievement motivation and a growing body of evidence concerning the economic benefits of entrepreneurial activity. In any case, existing evidence does demonstrate clearly that achievement motivation is one predictor of economic success not only for individuals, but for entire societies, too, and we view that, in itself, as a very thought-provoking fact.

principle of person-job fit, which we described earlier in this chapter. According to this principle, the closer the alignment between individuals’ skills, abilities, and preferences and the requirements of their jobs, the more successful at these jobs they will be. The results of following such a policy might well be better performance, better health, and fewer accidents for employees—outcomes beneficial both to them and to their organizations.

Abilities and Skills: Having What It Takes to Succeed

To do easily what is difficult for others is the mark of talent. To do what is impossible for talent is the mark of genius. (Henri-Frédéric Amiel, Swiss philosopher, poet, and critic, 1856)

As this quotation suggests, people differ greatly with respect to their abilities—the capacity to perform various tasks—and also differ greatly with respect to specific skills—dexterity at performing specific tasks, which has been acquired through training...
or experience. For example, no matter how hard we might have tried, neither of the authors of this book could ever have made it as a professional basketball player. We are neither sufficiently tall nor athletic to succeed. In other words, we lack the basic physical abilities required by this sport. However, we have other abilities—at least, we like to think that we do!—that have allowed us to have happy lives outside the arena of professional sports.

Both abilities and skills are important, of course, but since abilities are more general in nature and have implications for a broader range of organizational behavior, we’ll pay a bit more attention to them in this section of the chapter. Our discussion of abilities will focus on two major types: intellectual abilities (or simply, intelligence), which involve the capacity to perform various cognitive tasks, and physical abilities, which refer to the capacity to perform various physical actions.

**Intelligence: Three Major Types**

When most people speak about intelligence or intellectual abilities, they generally are referring to one’s capacity to understand complex ideas. Of course, this is certainly very important. To succeed on a job, one must have the mental capacity to undertake the intellectual challenges associated with it. However, this kind of mental prowess is not the only kind of intelligence there is. In fact, on the job, several distinct types of intelligence have proven to be very important. We now consider these.

**Cognitive Intelligence.** “Oh yes, Jessica is very smart,” someone might tell you in reference to the new person hired in your department. But what exactly is meant by “smart”? Traditionally, the term is used to refer to a specific kind of intellectual ability that psychologists term cognitive intelligence. This involves the ability to understand complex ideas, to adapt effectively to the environment, to learn from experience, to engage in various forms of reasoning, and to overcome obstacles by careful thought.
As you know from discussions about intelligence (or IQ) tests in the media, people possess this type of intelligence to varying degrees. You also probably realize that different jobs require contrasting levels of cognitive intelligence for success. As you might suspect, the concept of cognitive intelligence is rather broad; it consists of a wide variety of different cognitive skills and abilities. Among these are abilities involving words, numbers, and visual images, including the following.

- **Verbal comprehension**—The ability to understand written material quickly and accurately
- **Verbal reasoning**—The ability to analyze verbal information so as to make valid judgments on the basis of logical implications of material
- **Word fluency**—The ability to express oneself rapidly, easily, and with flexibility
- **Numerical ability**—The ability to perform basic mathematical operations quickly and accurately
- **Numerical reasoning**—The ability to analyze logical relationships and to recognize the underlying principles underlying them
- **Space visualization**—The ability to visualize three-dimensional forms in space and to be able to manipulate them mentally.
- **Symbolic reasoning**—The ability to think and reason abstractly using symbols rather than words or numbers, to manipulate abstract symbols mentally, and to make logically valid judgments based on them.

It probably comes at no surprise that different jobs require different blends of these abilities. As some obvious examples, writers have to be adept at word fluency, statisticians have to be good at numerical ability and numerical reasoning, and architects have to be skilled at spatial visualization. As you read Appendix 2, you’ll come to appreciate how various aspects of cognitive intelligence (and other types of intelligence too, as we will see), are involved in people’s selections of various career alternatives. Interestingly, it is assumed widely that people who have high amounts of cognitive intelligence have an edge over those who don’t when it comes to job performance. As you will see from the OB: Making Sense Out of Common Sense section on page 156, there is more to this than meets the eye.

**Practical Intelligence: Solving the Problems of Everyday Life.** Consider the following hypothetical incident.

Two people—a business executive and a scientist—are walking in the woods, when they spot a large grizzly bear. The bear starts running toward them, growling angrily, obviously intending to attack. Both the executive and the scientist start running, but after a few yards, the scientist stops, and calls to the executive: “There’s no point in running. I have done the calculations, and there is no way we can outrun that bear.” The executive shouts back over his shoulder: “I don’t have to outrun the bear... I only have to outrun you!”

Although you may find this story a bit unsettling, it provides a clear illustration of individual differences in **practical intelligence**—the ability to devise effective ways of getting things done. Growing evidence suggests that practical intelligence is indeed different from the kind of intelligence measured by IQ tests, and that it is especially important in business settings. In particular, people with high amounts of practical intelligence are very proficient at solving a wide range of business problems. The secret to their success resides in what is known as **tacit knowledge**—knowledge about how to get things done. In contrast to formal academic knowledge, which, as you know, often involves memorizing definitions, formulas, and other information, tacit knowledge is far more practical in nature. Specifically, tacit knowledge includes the following major characteristics.

- **Action-oriented.** It involves “knowing how” to do something as opposed to “knowing that” something is the case. For example, skilled athletes can perform amazing
Is Job Performance Linked to Cognitive Intelligence?

For over a hundred years, psychologists have measured the general cognitive ability of millions of people of all ages and in all walks of life throughout the world. In the U.S. military alone, the general intelligence of more than 1 million people is assessed each year, and along with it, measures of people’s success on just about every imaginable job. As you might imagine, quite an extensive database has been amassed. Careful analysis of this information confirms something that many people already believe: General intelligence predicts job performance. Put differently, people with higher levels of cognitive intelligence are more successful on their jobs than those with lower levels of cognitive intelligence.

"Not surprising” you say? We agree—but, when you consider this not-so-startling finding a bit more closely, some interesting points emerge. For example, is it really the case that people become successful because of their higher intelligence, as you might suspect? Possibly, but not necessarily. In fact, it may not be their innate intelligence that is responsible for the success of people who score highly on tests, but rather the subsequent treatment they receive. Specifically, people who score highly on intelligence tests often are given special opportunities that their counterparts with more modest scores are denied. For example, students and soldiers whose aptitude test scores suggest that they are gifted are put into special classes and are given other unique training opportunities. This special treatment itself may account for their success. Maybe others with more modest scores would succeed as well if they were given these opportunities. But, because they tend to be denied, it’s hard to say.

It’s also important to note that the relationship between job success and general intelligence differs for people in different types of jobs. Because some jobs require more of what cognitive intelligence tests measure than feats on the playing field but may not be able to put into words just how they perform these actions.

- **Allows individuals to achieve goals they personally value.** As such, it is practically useful, focusing on knowledge that is relevant to them.
- **Acquired without direct help from others.** Such knowledge often is acquired on one’s own, largely because it goes unspoken. As such, people must recognize it, and its value, for themselves. For instance, although no one may ever tell an employee that getting help from a more senior person will aid his or her career, this person may recognize this fact and act on it.
People with high amounts of practical intelligence are adept at solving the problems of everyday life, including how they relate to their jobs. Of importance, there is more to intelligence than the verbal, mathematical, and reasoning abilities that often are associated with academic success. Practical intelligence, too, is important and contributes to success in many areas of life—including something that may be of interest to you, success as a manager. Don’t be misled by the term “practical” into thinking that this form of intelligence applies only to people who work with their hands, such as mechanics and plumbers. Clearly, such individuals do have to know how to perform certain physical actions, but they also have to have cognitive skills as well so they can assess problems they confront on the job. At the same time, as suggested in Figure 4.11, people who perform jobs involving high degrees of cognitive intelligence also must have practical intelligence so they can succeed.

**Emotional Intelligence: Managing the Feeling Side of Life.** A third important kind of intelligence that can often play an important role in behavior in organizations is known as emotional intelligence (EI). Originally, emotional intelligence was defined as a cluster of abilities relating to the emotional or “feeling” side of life, and was viewed as involving four basic components: (1) the ability to recognize and regulate our own emotions (e.g., to hold our temper in check), (2) the ability to recognize and influence others’ emotions (e.g., the ability to make them enthusiastic about our ideas), (3) self-motivation (the ability to motivate oneself to work long hours and resist the temptation to give up), and (4) the ability to form effective long-term relationships with others. However, extensive research on EI suggests that a more appropriate model of this kind of intelligence includes the following factors instead:

- **Appraisal and expression of emotions in oneself**—An individual’s ability to understand his or her own emotions and to express these naturally
- **Appraisal and recognition of emotions in others**—The ability to perceive and understand others’ emotions

**FIGURE 4.11**

**Practical Intelligence in Action—Even Where You Least Expect It**

When you think of university professors, you are inclined to think of them as having vast amounts of academic knowledge. However, they also must have practical knowledge, such as awareness of what behaviors are most highly valued on their jobs. Should they work on increasing enrollment in their classes? Should they publish a systematic series of scientific articles in prestigious scholarly journals? Should they make presentations to civic and community groups about the latest advances in their fields? Although all surely are important, the way they decide to spend their time is likely to depend on the values of the institutions in which they work. Sensitivity to this is a key aspect of practical intelligence.
Regulation of emotions in oneself—The ability to regulate one’s own emotions
Use of emotions to facilitate performance—The ability to use emotions by directing them toward constructive activities and improved performance (e.g., by encouraging oneself to do better)

Is emotional intelligence real? Growing evidence suggests that it is predictive of important aspects of organizational behavior. In one study, for example, employees at a large factory in China were asked to rate the EI of their coworkers. Then, these ratings were correlated with the performance ratings by the coworkers’ supervisors. The results were clear: Individuals who had the highest levels of EI (as rated by their coworkers) had the highest levels of job performance (as assessed by supervisors). This suggests that EI is indeed related to on-the-job performance.

Evidence also suggests that EI is related to other aspects of organizational behavior. For instance, entrepreneurs who have considerable ability to “read others” accurately (a basic aspect of EI) earn more money from their businesses than others who are relatively low on this ability. Likewise, scientists who are adept at accurately “reading others,” and who, partly because of this ability, tend to be liked by their colleagues, are more productive than scientists who are lower in this aspect of emotional intelligence. So overall, being high in various aspects of emotional intelligence can be an important determinant of career success.

Obviously, the ability to be keenly aware of others and sensitive to them can be an important contributor to success on many jobs. However, a recent study suggests that there may be more to it than this. Participants in this research were a diverse group of employees at a large university who completed standard measures of cognitive intelligence and of emotional intelligence, and whose job performance was rated along several key dimensions by their supervisors. The relationship between these variables, summarized in Figure 4.12, is very interesting. Employees who scored highly on the intelligence test outperformed those who scored more poorly, but only among those who were low in emotional intelligence. In contrast, people who possessed high degrees of emotional intelligence performed at high levels regardless of their cognitive intelligence. In other words, when it comes to job performance, having high levels of emotional intelligence appears to compensate for having lower levels of cognitive intelligence. In view of these findings, it’s little wonder why emotional intelligence is so very important—and a factor that begs to be given far more attention in organizations than traditionally has been the case.

Physical Abilities: Capacity to Do the Job

When we speak of **physical abilities** we are referring to people’s capacities to engage in the physical tasks required to perform a job. Although different jobs require different physical abilities, there are several types of physical ability that are relevant to a wide variety of jobs. These include the following.

- **Strength:** The capacity to exert physical force against various objects
- **Flexibility:** The capacity to move one’s body in an agile manner
- **Stamina:** The capacity to endure physical activity over prolonged periods
- **Speed:** The ability to move quickly

If we were to consider all jobs that people perform, it might be possible to identify those that require primarily intellectual abilities and those that require primarily physical abilities. For example, being a chemist in a research laboratory of a large company involves mainly intellectual abilities, whereas being a construction worker involves mainly physical abilities. However, such oversimplification can be misleading. Almost all jobs require both cognitive and physical abilities for success. For example, consider a firefighter. Obviously, such individuals must have high degrees of strength, flexibility, stamina, and speed to be able to perform their jobs well. At the same time, however, such individuals also must possess appropriate cognitive abilities so they can assess the complex demands of the scene (e.g., wind velocity, structure of the building on fire, likely presence of victims, sources of oxygen, and so on). In sum, when it comes to assessing
the physical demands of a job relative to the more cognitive demands, it’s safest to consider this a matter not of “which?” but of “how much of each at any given time?”

Social Skills: Interacting Effectively with Others

In Chapter 3, we discussed various kinds of employee training and noted that many companies spend large sums of money training their employees. A major goal of such training is that of equipping employees with new skills—proficiencies in performing various tasks. Because skills are often linked closely to particular jobs or tasks, we cannot possibly examine even a tiny sample of them here. Instead, we’ll focus on one particular cluster of skills that plays a key role in success in many different contexts: social skills—the capacity to interact effectively with others.

Types of Social Skills. What do social skills involve? Although there is far from total agreement on their precise nature, most researchers who have studied social skills and their role in organizational behavior would include the following:

- Social perception—Accuracy in perceiving others, including accurate perceptions of their traits, motives, and intentions (see Chapter 3)
- Impression management—Proficiency in the use of a wide range of techniques for inducing positive reactions in others (see Chapter 3)
**Persuasion and social influence**—Skill at using various techniques for changing others’ attitudes or behavior in desired directions (see Chapter 12)

**Social adaptability**—The ability to adapt to a wide range of social situations and to interact effectively with people from many different backgrounds

**Emotional awareness/control**—Proficiency with respect to a cluster of skills relating to the emotional side of life (e.g., being able to regulate one’s own emotions in various situations and being able to influence others’ emotional reactions; see Chapter 5)

If these particular skills remind you of emotional intelligence, that’s not surprising; there is considerable overlap between EI and social skills. However, social skills are somewhat broader in scope. Social skills are important because they have considerable effects on behavior. For example, people with well-developed social skills tend to make good impressions on job interviews, get positive evaluations of their performance, and perform well when negotiating with others. In fact, a study of over 1,400 employees found that social skills are the single best predictor of job performance ratings and assessments of potential for promotion for employees in a wide range of jobs. In view of these benefits, it’s reasonable to ask how to improve your own social skills. For some suggestions in this regard, see Table 4.3.

**The Importance of Social Skills: A Demonstration.** Social skills have very broad and general effects, helping individuals to perform well in a wide range of contexts and on many different jobs. For instance, consider one recent, revealing study designed to investigate the joint effects of conscientiousness, one of the Big Five dimensions we

<table>
<thead>
<tr>
<th>Suggestion</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Smile</strong></td>
<td>Smiling at someone sends a very pleasant message. This is important because few of us want to interact with anyone having a sour disposition.</td>
</tr>
<tr>
<td><strong>Open posture</strong></td>
<td>By keeping your arms open (maintaining an open posture) when interacting with others, you send the message that you are welcoming the conversation. In contrast, covering yourself with your arms (maintaining a closed posture) sends the message that you are “closed for business,” so to speak—uninterested in interacting with others.</td>
</tr>
<tr>
<td><strong>Forward lean</strong></td>
<td>Leaning forward while talking to others brings you closer to them. It speaks clearly of your engagement in the conversation. Leaning away, however, sends the message that you wish to escape them.</td>
</tr>
<tr>
<td><strong>Touch</strong></td>
<td>In some situations, and for some people, touching someone else is a sign that you are interested in what they have to say. You have to be careful about this, however, because some people may find it inappropriate or offensive, particularly in certain cultures. So, follow this suggestion with caution.</td>
</tr>
<tr>
<td><strong>Eye contact</strong></td>
<td>Looking someone in the eye when you speak to them or listen to them is an essential way to show that you are interested in the conversation. Looking away, however, makes it clear that you really don’t want to be there.</td>
</tr>
<tr>
<td><strong>Nod</strong></td>
<td>As we note in Chapter 9, nodding is very helpful feedback for speakers because it shows that you are listening and understanding them. This keeps the conversation moving along, which, of course, is essential to ensuring a positive relationship.</td>
</tr>
</tbody>
</table>
discussed earlier, and social skills. The researchers hypothesized that people with high levels of conscientiousness will perform well, but only when they have the requisite social skills to succeed. The idea is that highly conscientious people who lack social skills may be seen as unreasonably demanding and inflexible by their coworkers. In other words, without social skills to soften the impact of their highly methodical and task-oriented behavior, they may be perceived negatively, as “driven drudges” rather than as valuable coworkers. And since cooperation and good relations with one’s coworkers is often required for success on many tasks, such individuals may work at below average levels.

To test these predictions, the scientists measured the conscientiousness, social skills, and job performance of a wide variety of workers. As expected, the benefits of conscientiousness were greatest for people high in social skills, smaller for those with average social skills, and weakest for those who were low in social skills (see Figure 4.13). In other words, high levels of conscientiousness translated into excellent performance only for persons who were also socially skilled. For individuals who were low in social skills, in fact, high levels of conscientiousness actually reduced performance slightly. The conclusion is clear: The importance of social skills on the job cannot be overstated.

![FIGURE 4.13](image)

**Social Skills, Conscientiousness, and Task Performance**

As shown here, people who are highly conscientious show higher task performance than those who are low in conscientiousness, but only when they are also high in social skills. Individuals who are high in conscientiousness but low in social skills may come across as unreasonably demanding and inflexible, and this may lead other employees to avoid working with—or helping—them.

*Source: Based on data from Witt & Ferris, 2003; see Note 68.*
Summary and Review of Learning Objectives

1. Define personality and describe its role in the study of organizational behavior.
   Personality is the unique and relatively stable pattern of behavior, thoughts, and emotions shown by individuals. It, along with abilities (the capacity to perform various tasks) and various situational factors combine to determine behavior in organizations. This idea is reflected by the interactionist perspective, which is widely accepted in the field of organizational behavior today.

2. Identify the Big Five dimensions of personality and elements of core self-evaluations and describe how they are related to key aspects of organizational behavior.
   The Big Five dimensions of personality—so named because they seem to be very basic aspects of personality—appear to play a role in the successful performance of many jobs. These are: conscientiousness, extraversion-introversion, agreeableness, neuroticism, and openness to experience. Two of these dimensions, conscientiousness and emotional stability, have been found to be good predictors of success in many different jobs. This is especially true under conditions where job autonomy is high. Core self-evaluations are elements of personality reflecting people’s fundamental evaluations of themselves, their bottom-line conclusions about themselves. These are: self-esteem, generalized self-efficacy, locus of control, and emotional stability (opposite of the Big Five trait, neuroticism). Each of the four dimensions of core self-evaluations is associated with beneficial organizational outcomes.

3. Distinguish between positive and negative affectivity and describe its effects on organizational behavior.
   Positive affectivity and negative affectivity refer to stable tendencies for people to experience positive or negative moods at work, respectively. Compared to people scoring high in negative affectivity, those who are predisposed toward positive affectivity tend to make higher quality individual decisions and are more willing to help others. Negative affectivity on the part of customers can generate negative emotional reactions in service providers, and so reduce customers’ satisfaction with the treatment they receive.

4. Describe achievement motivation and distinguish among learning, performance, and avoidance goal orientations.
   Achievement motivation (or need for achievement) refers to the strength of an individual’s desire to excel, to succeed at difficult tasks and to do them better than others. A learning goal orientation involves the desire to succeed in order to master new skills. A performance goal orientation involves the desire to succeed to demonstrate one’s competence to others. An avoidance goal orientation involves the desire to succeed to avoid criticism from others or appearing to be incompetent.

5. Describe Machiavellianism and the difference between morning and evening persons, and their role in work-related behavior.
   People who adopt a manipulative approach to their relations with others are described as being high in Machiavellianism (known as high Machs). They are not influenced by considerations of loyalty, friendship, or ethics. Instead, they simply do whatever is needed to get their way. High Machs tend to be most successful in situations in which people cannot avoid them and in organizations in which there are few established rules. Morning persons are individuals who feel most energetic early in the day. Evening persons are those who feel most energetic at night. People tend to do their best work during that portion of the day that they prefer and during which they are most energetic.

6. Differentiate among cognitive intelligence, emotional intelligence, and practical intelligence, noting their influences on behavior in organizations, and explain the importance of social skills in the workplace.
   Cognitive intelligence is the ability to understand complex ideas, to adapt effectively to the environment, to learn from experience, to engage in various forms of reasoning,
to overcome obstacles by careful thought. Traditionally, this is what we have in mind when we refer to intelligence. However, other forms of intelligence play important roles in organizational functioning. These are practical intelligence, the ability to come up with effective ways of getting things done, and emotional intelligence, a cluster of abilities relating to the emotional or “feeling” side of life. Social skills play an important role in success in many business contexts because getting along well with others is essential for obtaining positive outcomes, and may even influence the effects of key aspects of personality (e.g., conscientiousness) on performance.

Points to Ponder

Questions for Review
1. Why might two individuals whose personalities are very similar behave differently in a given situation?
2. What is the difference between being in a good mood and having the characteristic of positive affectivity?
3. Suppose you are considering jobs with two different companies. Would your perceptions of the “personalities” of those companies affect your decision? Should it?
4. How does having low self-efficacy interfere with task performance?
5. Would you prefer to hire employees who are high in learning goal orientation or performance goal orientation? Why?
6. Why are social skills so beneficial to many different kinds of careers?

Experiential Questions
1. Have you ever worked for an organization that selected future employees by means of psychological tests? If so, do you think the test made sense—for instance, did it really measure what it was supposed to measure?
2. Have you ever known someone who was high in conscientiousness but low in social skills? If so, was this individual successful in his or her career? Why? Why not?
3. Where do you think you stand with respect to generalized self-efficacy? Are you fairly confident that you can accomplish most tasks you set out to do? Or do you have doubts about your ability to succeed in many situations?
4. Have you ever encountered someone who was very high in cognitive intelligence (the kind IQ tests measure), but low in practical intelligence? How could you tell?

Questions to Analyze
1. Suppose you had to choose an assistant. Would you prefer someone who is high in conscientiousness but low inagreeableness, or someone who is high in agreeableness but low in conscientiousness? Why?
2. Are you a morning or an evening person? When did you first decide that you were one or the other? Has the fact that you are a morning or an evening person affected your career decisions in any way?
3. Many persons who attain very high levels of business success were only below-average students in school. Why this might be so?

Experiencing OB

Individual Exercise

How Good Are Your Social Skills?
As we’ve noted at several points in this chapter, having good social skills—being adept at getting along well with others—can be very valuable to your career. Where do you stand in this respect? Are you high, average, or low in social skills? To find out, complete this brief questionnaire and complete the steps that follow.
Step 1: Complete the questionnaire by answering each of the following questions as honestly as possible using the following scale.

1 = totally untrue
2 = slightly untrue
3 = neither true nor untrue
4 = slightly true
5 = totally true

1. _____ I’m a good judge of other people.
2. _____ I can usually recognize others’ traits accurately by observing their behavior.
3. _____ I can usually read others well—tell how they are feeling in a given situation.
4. _____ I can easily adjust to being in just about any social situation.
5. _____ I can talk to anybody about almost anything.
6. _____ People tell me that I’m sensitive and understanding.
7. _____ People can always read my emotions even if I try to cover them up.
8. _____ Whatever emotion I feel on the inside tends to show on the outside.
9. _____ Other people can usually tell pretty much how I feel at a given time.
10. _____ I’m good at flattery and can use it to my own advantage when I wish.
11. _____ I can readily seem to like another person even if this is not so.

Step 2: Score the questionnaire as follows:

- Add your answers for items 1–3 and divide by 3. This is your social perception score, your ability to “read” others accurately.
- Add your answers for items 4–6 and divide by 3. This is your social adaptability score, your ability to fit into almost any social situation.
- Add your answers for items 7–9 and divide by 3. This is your expressiveness score, the extent to which you express your own feelings and emotions clearly.
- Add your answers for items 10–11 and divide by 2. This is your impression management score, your ability to control others’ impressions of you.

Step 3: Compare your results to those of others.

- Ask two or three of your friends to rate you on the same questions.
- Compare their answers with yours.

Questions for Discussion

1. On what social skills did you score highest? Lowest?
2. Were your own scores similar to the scores when your friends rated you? If they are, you are perceiving your own social skills accurately. If not, you are not as aware of your own social skills as you might prefer.
3. Imagine that you gave this questionnaire to people in different fields or occupations. Do you think you would find differences between these various fields? For instance, among the following persons, who would score highest? Lowest? Engineers; attorneys; university professors; salespersons; actors; physicians. Why do you think this is?
Group Exercise

Machiavellianism in Action: The $10 Game

People who are high in Machiavellianism (high Machs) often come out ahead in dealing with others because they are true pragmatists. That is, they tend to be willing to do or say whatever it takes to win or to get their way. Several questionnaires exist for measuring Machiavellianism as a personality trait. However, tendencies in this direction also can be observed in many face-to-face situations. The following exercise offers one useful means for observing individual differences with respect to Machiavellianism.

Directions

1. Divide the class into groups of three.
2. Hand the three people in each group a sheet with the following instructions.
3. Imagine that I have placed a stack of ten $1 bills on the table in front of you. This money will belong to any two of you who can decide how to divide it.
4. Allow groups up to 10 minutes to reach a decision on this task.
5. Ask each group whether they reached a decision, and what it was. In each group, you probably will find that two people agreed on how to divide the money, leaving the third “out in the cold.”

Questions for Discussion

1. How did the two-person groups form? Was there a particular person in each group who was largely responsible for the formation of the winning coalition?
2. Why did the third person get left out of the agreement? What did this person say or do—or fail to say or do—that led to his or her being omitted from the two-person coalition that divided the money?
3. Do you think that actions in this situation are related to Machiavellianism? How? In other words, what particular things did anyone do that you took as an indicator of being a high Mach?

Practicing OB

Predicting Sales Success

A life insurance company has developed a test believed to measure success at personal face-to-face sales. It has used this test to choose new life insurance agents, believing that persons selected in this way will generate high levels of sales. Yet this has not happened. People who score very high on the test are not outselling the company’s existing agents, who never took the test before they were hired. What’s going on here?

1. Do you think the test of “selling ability” might be at fault? For instance, could it be that this test is not really valid? How would you find out if it is or is not?
2. What other factors might be involved? Assuming the test is valid, could the fact that the new agents lack experience be contributing to their relatively poor performance? If so, would you expect this will improve as they gain experience?
3. If you conclude that the test of selling ability is not really valid, how could you help the company develop a better test—one that really does measure this important ability?
In May 2006, Malden Mills signed a large contract resulting in the sale of $10 million worth of one of its most important products, Polartec synthetic fleece, to a company that was using it in jackets worn by U.S. soldiers in Afghanistan and northern Iraq. Ordinarily, this would be just another deal in the textile business, but an incident occurring a decade earlier makes it appear to be much more—a sign of resurrection for an embattled national hero.

Tragically, in 1996, the company’s facility in Lawrence, Massachusetts, burned to the ground. Like most textile firms in the United States, Malden Mills had suffered through hard times for years, so many observers expected aging owner Aaron Feuerstein to pocket the $300 million insurance settlement, walk away from the business, and retire. But he did not. Instead, he kept all of his employees on the payroll while he sought to gain enough funds, both from the insurance companies and new investors, to continue operations. This almost unheard-of generosity won him public acclaim.

In fact, Feuerstein was featured on the television program Sixty Minutes, where he explained his philosophy of management and the obligations he felt to employees who had worked in his company—founded by his father, Henry, 90 years earlier. As Feuerstein described it, he felt that his employees were “like his family” because, after all, they gave many years of their lives to the company. How, after all this commitment on their part, could he turn his back on them and walk away? He could not; he was more willing to risk his own financial ruin by struggling to keep the company afloat than to sacrifice the welfare of the people who worked so diligently in his factory.

For a while, stimulated by new products and a renewed sense of commitment from grateful employees, Malden Mills prospered. Soon, however, as cheaper textiles from overseas flooded the U.S. market, the company struggled once again to stay afloat. Late in 2001, after another dismal year, lenders forced the company into Chapter 11 bankruptcy. This time, the company was $180,000,000 in debt, partly because of Mr. Feuerstein’s generosity to employees and partly because of losses from operations. Again, almost everyone expected Mr. Feuerstein, who then was 77 years old, to give up. But once more, he surprised the world: Instead of surrendering, he hired a consultant skilled at rescuing sinking companies and redoubled his efforts to save Malden Mills. This time, he faced the daunting task of raising $92 million to prevent creditors from seizing the company and, in all probability, selling off its assets.

In the face of these enormous difficulties, Feuerstein stood his ground, and his employees pitched in to help. They agreed to work for lower wages and they gave up overtime pay. This was a big concession, which when taken along with Feuerstein’s efforts helped to save the company. Every day he got on the phone, seeking to raise the needed money. As he put it: “I’ve got vultures on every side . . . but I’m getting close . . . . I can’t imagine that I won’t succeed with this last $10 million . . . . Every day I think tomorrow will be the day I get it done.” And succeed he did. In October 2003, Malden Mills emerged from bankruptcy, and continues operations today—still providing jobs for many of the same employees Feuerstein vowed to protect.

In recognition of his humanitarian efforts, in 2005 Aaron Feuerstein received the Pace Award from the Ethics Resource Center. In an era in which corporate greed dominated the headlines, this top executive represented a refreshing departure from selfishness. Indeed, Feuerstein’s generosity was the ultimate in selflessness. Today, Malden Mills continues to build business in many ways. In fact it is one of the leaders in the manufacturing of so-called “healthy textiles,” fabrics that are not treated with chemicals.

Questions for Discussion
1. What particular Big Five personality traits and what elements of core self-evaluation appear to characterize Mr. Feuerstein?
2. How do you think Mr. Feuerstein’s social skills may have contributed to his capacity to raise money for his ailing company?
3. What evidence, if any, do you believe points to the possibility that Mr. Feuerstein has a high level of achievement motivation?