Personality Model in Human Resources Management

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ABSTRACT - *This paper presents the new „Personality model" of managing human resources in an organisation. The model analyses administrative personnel (usually called management) in an organisation and divides them into three core categories: managers, executives and advisors. Unlike traditional models which do not recognise advisors as part of an organisation, this model gives to advisors the same ranking as managers and executives. Model traces 11 categories of personality traits for every employee, rates them accordingly and gives the average rate for the position the employee occupies in the organisation. The model is tested in three empirical cases and results offer the additional value which may be created by proper management of human resources in an organisation.*

Traditional models

Every organisation's most valuable resources are employees. Organisation structure is a result of the process of human resource management. According to traditional models all organisational activities are divided to managerial and executive. Managers are those employees who organise business operations as long the others are executives. Graph 1 shows a simple theoretical model which may be applied in every corporation.

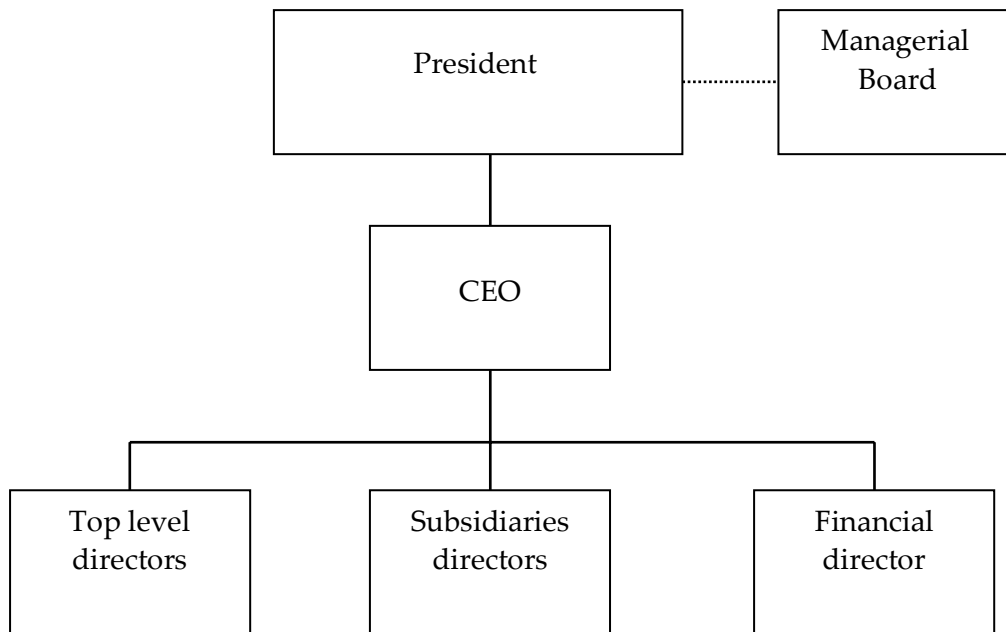*Graph 1 – Corporate executive and managerial activities*
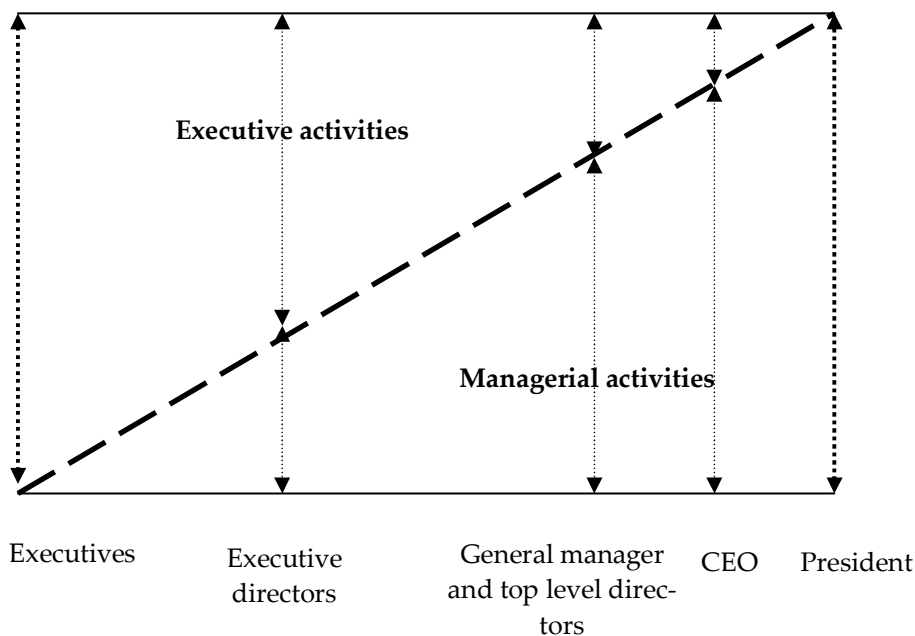
Relationship between managers and executives in every company and on every position in an organisation may be allocated on graph 1. The structure and the volume of either activity define the position one occupies in the company.

Typical corporate macro organisational structure is shown in graph 2. Company president should perform 100% of his activities as a manager. In many corporations because of the improper

delegation of work and operational activities this is not the case. Many presidents move downward along the curve in graph 1 and so their real occupation is CEO or even General Manager. Similarly top level directors have much more of executive activities than their position requires. In that way they do not have sufficient time for research and development of new jobs, markets and customers. On the other hand executive directors and executives usually have more managerial activities than their position requires. Their position is often unclear and they are not certain to which category they belong.

Graph 2 – Typical managerial corporate macro-organizational structure

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        ┌──────────────────────┐        ┌──────────────┐
        │      President        │········│  Managerial  │
        │                       │        │    Board     │
        └──────────┬───────────┘        └──────────────┘
                   │
            ┌──────┴───────┐
            │     CEO      │
            └──────┬───────┘
                   │
       ┌───────────┼───────────────┐
 ┌─────┴─────┐ ┌───┴──────┐ ┌──────┴─────┐
 │ Top level │ │Subsidiaries│ │ Financial  │
 │ directors │ │ directors │ │  director  │
 └───────────┘ └───────────┘ └────────────┘
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Role of advisors

According to traditional models administration in a corporation is divided to Managers and Executives. The "Personality Model" includes advisors as third type of administrative activity in an organisation.

In order to simplify the analysis of personnel, we give the role of Managers in an organisation to (as on graph 2):

- o President– the leader and strategy maker in an organization.
- o CEO – chief executive officer, unlike president is more oriented to organization, goals and control
- o Top level directors– whose competence, authority and responsibility are directed to their sectors as profit centres. They are key managers of autonomous business units.
- o Subsidiaries' directors – independent in their work. They have high level of competence, authority and are responsible directly to head office.
- o Financial director – responsible for expenses control and business planning, projecting and budgeting.

All other directors and chiefs as middle and lower management in company most of their activities perform as executives who perform tasks set by "Managers" and should be treated as „Executives".

Improper allocation of executives in corporations created a problem of what role they really perform. Are they managers or they are executives depends on different points of view.

The role of advisors in an organisation is permanently increasing in the last decade. Administrative personnel occupying positions like deputy general manger, GM assistants and advisors, internal auditor, quality control manager and similar are traditionally misallocated either to managerial or executive positions. Usually advisors should be employees with huge experience in company but with no promotional potential left. In practice most of their activities is advising managers. For that reason in Personality Model they are observed as "Advisors".

Modelling

„Personality model" gives value to quality of administrative personnel by giving them grades 1 to 10 for the following eleven categories of personality traits (skills):

1. Authority and hierarchy obedience
2. Resourcefulness
3. Frankness and fulfilling obligations
4. Work quality and responsibility
5. Promptness and Organizational skills
6. Initiative and proactive
7. Promotion potential
8. Adaptability and learning
9. Loyalty
10. Team work
11. Accuracy

Grading has to be performed by at least 4 independent interviewers. For each employee it is possible to analyze all 11 categories and in such way to get general overview of one's abilities. In order to get maximum of the model, according to what position one occupies in an organization most relevant skills for that position have to be analyzed. That would enable review of how efficiently have administrative personnel been allocated in an organization.

Skills relevant for "Managers" are:

o Work quality and responsibility
o Initiative and proactive
o Adaptability and learning
o Loyalty
o Team work

Skills relevant for "Executives" are:

o Authority and hierarchy obedience
o Frankness and fulfilling obligations
o Promptness and Organizational skills
o Promotion potential
o Team work

o   Accuracy

Skills relevant for "Advisors" are:

o   Resourcefulness

o   Work quality and responsibility

o   Promptness and Organizational skills

o   Team work

o   Accuracy

It has to be mentioned that team work is the only category relevant for all administrative personnel observed by this model. In every analysis of human resources one company has, team work has to be trait that must be valued at most.

Empirical analysis – Three cases

Personality model has been tested in three corporations. Two of them are privately owned companies and one is state owned. Since the testing was confidential the names of organizations and grades for single persons will not be given. Organizations will be called Company A, Company B and Company C, and for personnel the average grades will be used.

Companies' details

Company A is large privately owned corporation with 600 employees. It has 3 divisions and 2 subsidiaries. **Managers** in the company according to delegation of authority in Personality Model are: General Manager, Divisions' Directors and one subsidiary Director. **Executives** are: Financial director, Chiefs of finance, legal and logistics department and second subsidiary Director. Finally, the **Advisors** in company A are: chief of Quality Management Systems, Internal Auditor and Deputy General Manager.

Average grades in Company A for all fifteen interviewed administrative personnel ranges from 5.9 to 8.0 in different categories (see table 1). Average grade in Team Work is 6.5 and it is the third lowest of all eleven categories.

Company B is large state owned company with 1200 employees divided in 5 divisions. **Managers** in the company according to delegation of authority in Personality Model are: General Manager, Deputy General Manager, Marketing Director and on Division Director. **Executives** are: four division directors, deputy chief of finance, chief and deputy of legal department, two chiefs of production and chief of logistics department. Finally, the **Advisors** in company B are: Director of finance, Director of legal department and Chief Engineer.

Average grades in Company B for all seventeen interviewed administrative personnel ranges from 3.5 to 8.8 in different categories (see table 1). Average grade in Team Work is 7.1 and it is higher than average of all eleven categories.

Company C is recently privatized company with 400 employees divided in one production division and several support sectors. **Managers** in the company according to delegation of authority in Personality Model are: General Manager, and Technical Director. **Executives** are: Financial and Commercial Director. Finally, the **Advisors** in company C are: IT manager and Chief of Production.

Average grades in Company C for all six interviewed administrative personnel ranges from 3.5 to 8.8 in different categories (see table 1). Average grade in Team Work is 7.8 and it is higher than average of all eleven categories.

Skills Rating

In table 1 there is a cross analysis of three companies administrative personnel with average grades by skills.

Table 1 – Companies A, B and C average grades of administrative personnel

Skills	Company A	Company B	Company C
Number of persons	13	17	6
Authority and hierarchy obedience	7,5	7,0	8,8
Resourcefulness	6,2	6,7	7,2
Frankness and fulfilling obligations	8,0	6,9	7,4
Work quality and responsibility	7,9	8,2	8,5
Promptness and Organizational skills	7,2	5,6	7,6
Initiative and proactive	5,9	3,5	6,1
Promotion potential	6,5	5,8	6,9
Adaptability and learning	7,2	5,8	7,6
Loyalty	7,4	8,8	8,1
Team work	6,5	7,1	7,8
Accuracy	7,8	6,4	6,8
AVERAGE	7,1	6,5	7,5
Managerial	7,0	6,7	7,6
Executive	7,2	6,5	7,5
Advisory	7,1	6,8	7,6

Note that for all 13 persons in Company A average Managerial skills are rated 7.0, Executive 7.2 and Advisory 7.1; in Company B for 17 persons average Managerial skills are rated 6.7, Executive 6.5 and Advisory 6.8.; and in Company C for 6 persons average Managerial skills are 7.6, executive 7.5 and advisory 7.6.

If grades are calculated for skills relevant to position administratives occupy in companies the results are shown in tables 2 through 4.

Table 2 – Companies A, B and C average grades for Managers

Skills	Company A	Company B	Company C
Number of persons	5	4	2
Work quality and responsibility	8,4	7,7	6,9
Initiative and proactive	8,0	6,0	4,8
Adaptability and learning	7,0	3,7	5,3
Loyalty	7,4	9,0	6,9
Team work	7,0	6,0	6,3
Managerial	7,6	6,5	6,0

Table 3 - Companies A, B and C average grades for Executives

Skills	Company A	Company B	Company C
Number of persons	5	10	2
Authority and hierarchy obedience	7,5	7,2	9,0
Frankness and fulfilling obligations	8,5	7,1	7,0
Promptness and Organizational skills	6,8	5,5	8,5
Promotion potential	6,5	4,9	7,8
Team work	7,3	6,8	8,3
Accuracy	8,2	6,1	7,0
Executive	7,5	6,3	7,9

Table 4 - Companies A, B and C average grades for Advisors

Skills	Company A	Company B	Company C
Number of persons	3	10	2
Resourcefulness	5,0	4,3	7,9
Work quality and responsibility	7,0	8,0	9,5
Promptness and Organizational skills	6,8	6,0	8,8
Team work	5,0	9,0	9,0
Accuracy	7,8	7,0	7,5
Advisory	6,3	6,9	8,6

If we compare results from table 1 to tables 2-4 it is obvious that allocation of personnel in Company A is efficient regarding Managers and Executives, since their average grades are 7.6 and 7.5 respectively in Tables 2 and 3 are higher than grades 7.0 and 7.2 from Table 1. Even if we compare single grades by skills it is notable that Managers and Executives have higher grades than all 13 persons in average, like for example "Initiative and proactive" which in Company A have given lowest average of 5.9, for Managers who require that skill in performing their activities, the grade is 8.0.

Problem of Company A are the advisors. Grades from Table 4 are by every category lower than in Table 1. Categories "Resourcefulness" and "Team work" for three advisors have been rated as low as 5.0 which is much below it is expected for persons occupying those positions.

In Company B unlike Company A, the best allocated personnel are advisors. They have slightly higher average grades for their required skills than all 17 persons interviewed. Looking on personal data, which is confidential and not shown in this paper it is more than notable that personnel in Company B could have been reallocated differently so as to reach average in Managers to 8.0, Executives to 8.5 and Advisors to 7.7. Main problem of company B is skill of managers "Adaptability and Learning" which is rated by only 3.7.

Finally in Company C Executives and Advisors have been perfectly allocated, but with Managers there is a significant problem. Average grade of 6.0 is much lower than 7.6 from table 1.

Further research in Company A has shown that three advisors have been given improper orders by managers. Two of them were advised to change their position and become Executives and one to been sent to training for improving some of the skills.

In Company B analysis of personal data shown that there is a need for several repositioning and specifically change in systematization and organization of the company.

In Company C there is a need for change of positions between advisors and managers, or possibly recruiting new technical director.

Additional value in managing human resources by personality

Several skills analyzed in this model are subject to change in time. Persons may learn in many of them either by experience, in specific courses or in the process of self learning. These are:

- Authority and hierarchy obedience
- Frankness and fulfilling obligations
- Work quality and responsibility
- Promptness and Organizational skills

- Team work
- Accuracy

Other skills (traits) are given by birth and are very difficult to change:

- Resourcefulness
- Initiative and proactive
- Adaptability and learning
- Promotion potential
- Loyalty

Loyalty is the only trait which is given but possible to change by different types of benefits, which may be called "bribing".

Knowing all this and having analysis of personnel done properly enable the company stakeholders to reorganize their human resources and improve company operations. As seen in three empirical cases no company has HR manager. It is highly advisable for every company to employ experienced manager on that position who will be able to use several existing models to analyze what changes in organization may be made without high costs. HRM should set the employment standards which would differ from the one which has been in practice in last decades that values candidates according to elementary skills (education, foreign languages, computer skills etc) and no analysis of personality traits.