



Correlation Between Leadership Effectiveness and Personality Preferences at a Hungarian Independent Financial Advisor Company

Aranka MÉSZÁROS, Ildikó BUDAVÁRI-TAKÁCS

meszaros.aranka@gtk.szie.hu,

budavari-takacs.ildiko@gtk.szie.hu

(Szent István University, Gödöllő, Hungary)

Received: 10.05.2015; Accepted: 17.07.2015

Abstract: *The main focus of our research is to study, with the help of the dimensions of the Myers-Briggs Type Indicator (hereinafter: MBTI) the personality preferences of those leaders at the financial advisor company who are successful already. In the present study first we introduce the preferences of MBTI. Then we go on to define our hypothesis regarding the typical preferences of the leaders, focusing on the main leadership tasks of the company.*

Keywords: Myers-Briggs Type Indicator, MBTI method, Jung, personality

Background

The MBTI method is based on the theory of typology by C. B. Jung. This theory uses the combination of basic functions and preferences that determine the development of the personality to explain the differences of human behavior. The preference pairs are settled along four dimensions: Extroversion (E) – Introversion (I), Sensing (S) – Intuition (N), Thinking (T) – Feeling (F), Judging (J) – Perceiving (P). The introduction of the preferences is based on the study of Mészáros (2006).

1. *Dimension: Extroversion and Introversion (E-I):* The difference between the preferences is based on the source of the energy the person draws from: whether drawn from the outside world or from within the self?

1.1 *Main characteristics of Extroverted persons (E):* orientation to the outside world, several relationships, sociability, interactions, superficial,

actions, fast, diversity, opened communication, team player (Kroeger & Thuesen, 1988).

Extroverted people adapt easily and fast to new situations, also have a strong need to meet demands of other people as well as to be accepted by them. They easily make comments on any topics, and think out loud.

In their jobs, extroverted persons seek for feedback from others (mostly from their bosses), they like to be recognized. This type of employee typically likes being in the spot light, enjoys public appearance, not afraid of giving a speech or a performance in front of many people. They are real team players, and interested in several different issues.

1.2 Main characteristics of introverted persons (I): turning towards their internal and private life, deepness, concentration, substantial, few but deep relationships, reactions, mature.

Introverted people are more interested in their internal world and experiences; also gain their energy and sense of balance from their thoughts, feelings and ideas. They do not seek for other people's approval; their actions are driven by their own intuitions, and feelings. Usually they have clear and settled points of view and values which only change in case of time consuming and carefully processed arguments. They think first and talk later. They only share their thoughts and feelings with people they trust in (Erős & Jobbágy, 2001).

2. Dimension: Sensing (S) and Intuition (N): This preference pair is based on the way the person collects information from his environment

2.1 Sensing characters mainly collect information through their senses (eyes, ears, hands, etc.) and trust in the accuracy of the information they receive. They observe the occurrences around them, and take in the things in a concrete way without paying attention to the abstract meaning or correspondences; they do not prefer theories either. They only consider data "right here and right now", their motto is "I only believe it if I can see it!" They focus on concrete and small details, are very good at observations, and remember exact facts. They are truly realistic, able to recognize the practical benefits in different situations and perform well in routine tasks (Daniels, 1998).

2.2 The Intuitive character senses the facts first, then immediately concentrates on correspondences among those facts, looks for the opportunities in actions, deep meanings and focuses on overall connections (DiRienzo et al., 2010). They read between the lines without any real proof of the existence of their ideas, and intuit the opportunities behind actions. Describing them in few words: anticipation, inspiration, flying, fantasy, speculation, future oriented, inventive, rich imagination (Daniels, 1998).

3. Dimension: Thinking (T) and Feeling (F): the two different types of people are characterized by the preference pairs of the ways of the decision making process.

3.1 Thinking(T) people are the group of individuals who are described as non-personal people who make purely objective decisions. They perceive the reality through analysis and logical conclusions, and are willing to follow only their brain. They keep their feelings aside, make decisions by considering pragmatic, reasonable, objective facts, and they are neutral. They prefer to be fair than emotional, always follow the rules, the protocols and methods in order to achieve their goals. They often can

be critical, but are also able to accept the well-founded opinions (rational, proved with acceptable facts) of others. However, on the other hand, it is very hard to come to conclusions with them. Their strength is the ability of recognizing errors or the cause of an error. They apply this skill in the problem solving process. Characteristics: clear senses, solidity, objectivity, clearness, facts, analysis, respecting rules, criticism (Kroeger & Thuesen, 1988).

3.2 Feeling (F): The feeling function works by the personal attraction and repulsion. The person makes a decision by observing its impact on other people. The Feeling type considers his personal values as a base of his decisions. More interested in the people than the task itself. They need harmony, connection, acceptance and unity. The phrase “He only listens to his heart” describes them properly. They structure information considering values in a personal way. They have a great emphatic skill. Characteristics: warm, caring, understanding, sympathetic, supportive, easy to convince them about sorted things, however they make a great impression on other people as well (Hajdrik, 2000).

4. Dimension: Judging (J) and Perceiving (P): Considering a person’s lifestyle, problem solving skills and speed of the decision making process, there are two types of preferences: the Judging and the Perceiving type.

4.1 Judging (J): The focus is on the decision making process in the case of these types of people, which, in turn, can be based on both thinking and emotions. They are able to make decisions fast, considering few facts only as they are confident, trust themselves and are happy after it was made. Furthermore, decisions turn into actions quite fast as well. They enjoy finishing what they started. They always keep the deadlines and try to avoid being in a situation when last-minute actions are required. This type of people aim to live an organized, regulated, planned, disciplined life. They often prepare “to do” lists of the daily tasks, which is quite useful for them in succeeding to manage to complete them all. They prefer a planned environment, which is also organized in time and space, as they want to have control over their lives. They also like the rules to be stable and things to never change. Characteristics: sturdy, organized, systematic, methodical, structured (Kroeger & Thuesen, 1988).

4.2 Perceiving (P): The Perceiving person tends to make decisions slowly. If they have a chance, they would keep waiting to make the final decision until the last minute, when they have all the information they need, they have asked for some second opinion, considered all possible outcomes of the situation, thought about all possible consequences and also was opened to contradicting data (they are also open to controversial facts). Therefore they usually make the decision in the last possible minute. Even though, if they find new information after the decision was made, they have no problem in reconsidering it. They try to avoid deadlines; wait until the last moment to complete a task, but the pressure of these last minutes make them energetic. They are flexible and open to changes, which they consider to be a new chance. They rather want to understand life than to control it. Characteristics: open minded, spontaneous, unstructured, thinking in alternatives, experimental, likes options (Kroeger & Thuesen, 1988).

The examined main tasks of the leaders at the financial advisor company. To gain knowledge of the financial products and to sell them, make insurance contracts, optimize own achievements, keep contact with clients. Other side, team building, develop employees, share experience with them, instruct the process of negotiation, support co-workers.

Hypothesis

1. We assume that leaders with *Extroverted personality are more successful*, because they are able to make contact with present and future clients, enjoy to be in spot light and are great team players.

2. We believe that leaders with *Intuitive preference are more successful* as well, because they are future oriented, have great imagination and are able to consider different ways of problem solving.

3. Most likely the *leaders are mainly Feeling types* of people as they are able to keep good relationships, understand others and pay attention to the feelings and needs of their employees.

4. Leaders with *Judging preferences are more successful* because they are organized and structured, are able to set their goals and achieve them. Planning is a key skill to prevent future risks which makes the leader a great professional.

Methods

In our analysis we used the questionnaire, provided in the book Kiersey's (1998) book titled: *Please Understand Me*, in which the persons involved in the analysis had to grade each statement along a Likert – scale. Respondents indicated the degree of their being in agreement or disagreement with the statement, where the meaning of „1” is „not typical at all”, „2”: somewhat typical, „3”: moderately typical, „4”: highly typical, „5”: typical to the fullest extent.

The responses given to the questionnaire describe the persons involved in the analysis along the four personality dimensions of the MBTI discussed earlier.

Collection of data

Data were collected from December 2014 through January 2015. The target group reviewed were leaders at a Hungarian independent financial consulting firm and they received the questionnaire electronically. We sent the questionnaire to 94 leaders altogether and 68 appraisable were returned, the results of which are being described herein.

Results

After processing the results of the research with 68 leaders at the financial advisor company, the following conclusions can be made (1. Table shows the results in percentage):

Results are corresponding with the first hypothesis, as there are more Extroverted leaders at the firm who are successful because of their social skills.

There were 68% of leaders with Sensing preference which contradicts the second hypothesis. This result suggests that being a leader at this field requires to be more exact and to be able to match the small details, than finding relations between things and to be intuitive.

The third hypothesis was not confirmed by the results either. The 44% of the leaders were Thinking types while the 36% had Feeling preferences. In conclusion, objectivity and being rational make leaders more successful than being emotional.

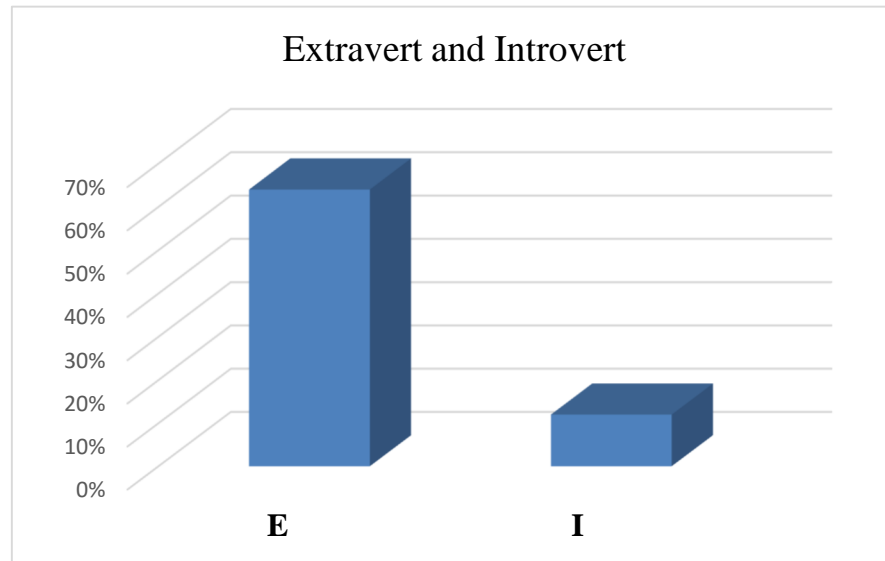
The 88% of the leaders have Judging preferences while only 8% are Perceiving type. Thus the fourth hypothesis was confirmed, skills like being organized and punctual more likely lead to success at the financial field.

Table 1. Percentage of the preferences of the leaders

<i>Codes of the preferences</i>	<i>Percentage</i>
E	68%
I	12%
N	28%
S	68%
T	44%
F	36%
J	88%
P	8%

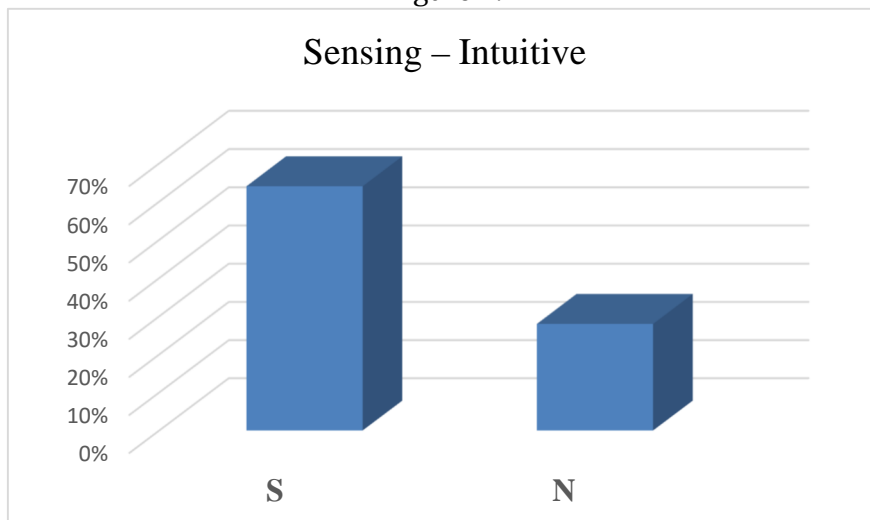
The first dimension examined is the *Extravert (E) and Introvert (I)* pair of preferences, the results of which are shown in Figure 1. 64% of the leaders assessed are Extravert, 12% are Introvert, and 24% of them could not be clearly assigned to either preference, which means that leadership positions at this consulting firm is taken by financial consultants, who obtain energy from their environment, who are mindful of the people around them, who are sociable and easy in connecting with others, love working in a team, and being among people. These leaders love public appearances and are not disturbed when they have to speak in front of many people. They are at ease when they take up a conversation and can pay respect to the other person.

Figure 1.



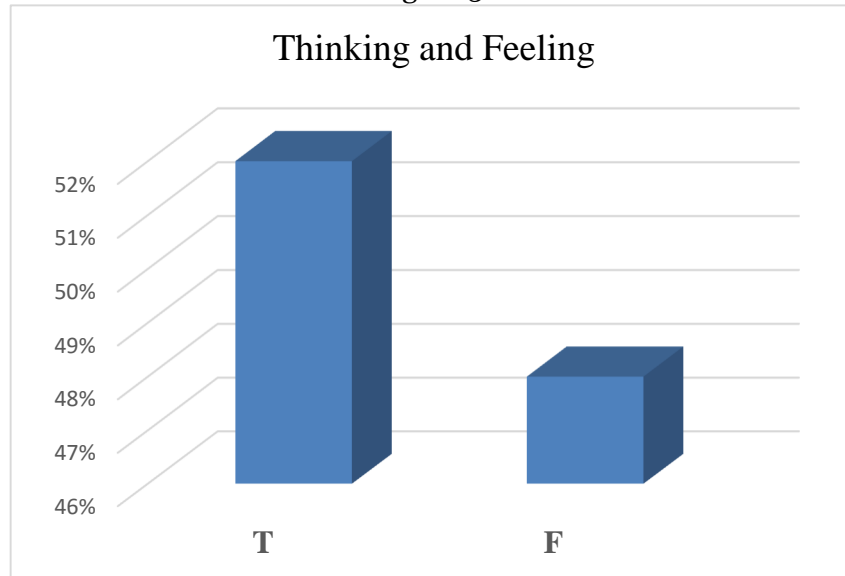
The next dimension is the *Sensing (S) – Intuitive (N)* pair. Results are shown in Figure 2. 28% of the leaders approached are Intuitive, while 64% of them are Sensing; 28% of them did not reveal any clear preference. The majority of successful leaders therefore is Sensing (S), which means that successful will be those primarily who collect information through their senses, and build on their experiences. They avoid risk. They follow up and analyze all information they have to pass on in their work

Figure 2.



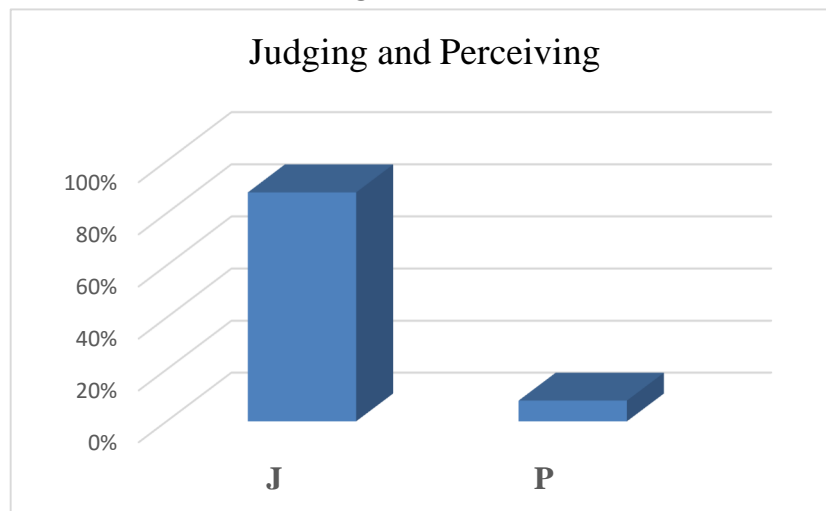
Dimension 3 is that of *Thinking (T) – Feeling (F)*. In the course of the analysis it is in this dimension that the difference is the smallest among the leaders examined, which is only 4%. (Figure 3) , i.e. there is no difference or the difference is only slight among leaders at this firm. The success and faster advancement of a financial consulting firm does not depend on emotionally based but rather on rationally made decisions.

Figure 3.



The most conspicuous difference has been revealed while analyzing the 4th dimension. This dimension shows the preference pair of Judging (J) – Perceiving (P) (Figure 4). 88% of the leaders asked are Judging, and only 8% of them are Perceiving (6% of them could not be clearly assigned to either). So the leaders at the firm reviewed typically take decisions quickly and compliance with deadlines and precision is very important to them. They plan their work, they are organized and structured.

Figure 4.



Conclusions

The results clearly lead to the conclusion that on the basis of the analysis performed at the firm a person being Judging (J) and Extravert (E) as well as Sensing (S) can become a successful leader in the financial consulting profession more easily and quickly. These preferences can be improved by conscious focusing so leadership effectiveness can be improved through self-awareness training sessions. The results can be useful in the following fields in the financial industry:

- Recruiting employees
- Self-awareness: realizing areas where development needed
- Planning corporate developmental trainings
- Conflict resolution at work

The consequences of the results we have received: in the profession of financial advisors one is more likely to quickly and easily become a successful leader if one's attitude can be characterized as: Extraverted (E), Thinking (T) and Judgemental (J).

One outcome of our research has shown that when an independent financial advisor is open to meet new people, likes to socialize, easily expresses his feelings in front of others then one can attain success sooner. In this profession communication is a key-element therefore if a person with an Introverted (I) type of personality becomes a leader it is highly recommended to sign him up for a training to improve his communicational skills, such as how to express himself verbally, how to create and maintain relationships, how to make a phonecall, ways to express his needs and thoughts.

We have understood that one with a Thinking (T) personality preference is more likely to reach success. Hence if a new hire falls into the Feeling (F) psychological type it is necessary for the leader to highlight the importance of objectivity and the advantages of rational thinking.

Resources on lifestyle came up showing that for a new hire it is recommended to learn how to plan his work, his career, even his plans, also how to create an agenda and how to keep deadlines. Besides, it is advised to understand how to keep their records and documents neat and in order as the successful leaders are also known by their Judgemental (J) rather than Perceiving (P) personality types.

To sum up, it is very important that someone who has Introvert (I), Feeling (F) or Perceiving (P) personality characters does not have to create new personality preferences however raising their attention that creating and mastering certain new habits and skills might help them in becoming a successful leader in a swift and hassle free way.

For leaders it is well worth it to be aware of their strength and areas that need improvement, self-recognition is a key to success.

References

- Daniels, M. (1998). *Útjelző szavaink – Önmagunk felfedezése a jungi úton*. Budapest: Osiris.
- DiRienzo, C., Das, J., Synn, W., Kitts, J., & McGrath, K. (2010). The relationship between MBTI® and academic performance: A study across academic disciplines. *Journal of Psychological Type*, 70 (5), 53-66.
- Erős, I., & Jobbágy, M. (2001). A Myers-Briggs TípusIndikátor (MBTI) Magyarországon. *Alkalmazott Pszichológia*, (4), 35-51.
- Hajdrik, Á. (2000). *Személyiség típusok és a team – a Myers-Briggs típusjelző felhasználási lehetősége a csapatalkotás során*. [MA Thesis]. Gödöllő: SZIE.
- Kiersey, D. (1998). *Please Understand Me II*. Prometheus Nemesis Book Company.
- Kroeger, O., & Thuesen, J. M. (1988). *Type Talk at work*. Bantam Doubleday Dell Publishing Group.
- Mészáros, A. (2006). *A munkahely szociálpszichológiai jelenségvilága I*. Budapest: Z-Press Kiadó Kft.