

The Impact of Skills, Personality and Psychology on Management and Decision Making: Empirical Study Among Managers and Employees

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Abstract: *This paper summarizes the arguments and counterarguments within the scientific discussion on the issue of the influence of skills, personality factors, and psychology on management and decision-making processes. The systematization of literature on the problem of managerial decision-making has shown the impact of a significant number of internal factors on the effectiveness of corporate governance. The main purpose of the research is to determine whether personality impacts management processes in organizations. The object of the study is 25 managers and 60 employees of companies working in different spheres. The analysis in the paper is carried out in the following logical sequence: at the first stage, the literary sources containing the results of previous studies on this topic were analyzed; based on the obtained results, a survey of managers and employees of companies was conducted, and appropriate conclusions were made. Methodological tools of the research include survey, interview, and statistical methods: cross tabulation with Pearson Chi-square testing. The paper presents the results of an empirical analysis, which shows that most employees and managers think that the efficient managers are the ones who are loved by employees. According to the managers and employees, these are the best skills that an efficient manager should have: communication skills, leadership skills, decision-making skills, professional knowledge and practice. Both employees and managers think that the best managers are extroverts, ambitious and leader-like. According to the managers and employees, the most efficient managers are analytical, active, social, wise and enthusiastic. According to managers, the most efficient managers are characterized as the thinker (melancholic) and socially useful, and according to employees, the most efficient manager is characterized as the doer (choleric) and socially useful. According to managers and employees, a good decision-maker is analytical and wise. The results may be useful for organizations, also for studies in management, HR, psychology, personal development, etc.*

Keywords: manager, employee, decision making, personality, temperament, skills, Pearson Chi-Square testing, survey.

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Introduction

The efficiency of management depends on good decision making. Decision making is choosing the best solution among many alternatives. In organizations, many methods and models are used for an effective decision-making process. Many people make decisions alone; others prefer group decisions. Decisions may be made intuitively or analytically. The role of a person responsible for making decisions is crucial, as his or her personal traits affect decision-making. The managers' or employees' professional knowledge, experience, skills and abilities play an important role. Besides, every person is an individual with his/her personality, and psychology. In this case, the psychological factors influence decision-making as well. The aim of this study is to reveal how skills, personality and psychological factors influence management and decision-making by empirical studies. The literature review presents the main results of different studies on this topic. Besides, surveys and interviews have been done among managers and employers, which show that the best managers are extroverts. Also, the most efficient managers are ambitious and leader-like, analytical, active, social, wise and enthusiastic, and the most efficient decision makers are analytical and wise.

Literature Review

The effectiveness of management and the decision-making process depends on many factors, including the psychology of managers, and their personality (Tovmasyan, 2017). The personality differences relate to culture, gender, psychology, motivation, etc. Personality is important for harmonizing a job and an employee. The knowledge of personality is not only important when deciding on admitting a new employee, but also when it comes to elaborating development programs, team building trainings, "fine tuning" leadership styles and improving evaluation and customer service (Kunos, 2011). Horban analyzes the decision-making process as a psychological problem (2021). Mental representations of decision stimuli evoke online affective experiences that influence people's perceptions and, consequently, their judgments and decisions (Newell & Shanks, 2015). Studies show that overconfidence, conservatism, and availability bias significantly impact the investors' decision-making (Bakar & Yi, 2016). Decision making is different depending on gender. Studies show that women make decisions in groups, men – alone. The main characteristics of women during the decision-making process are analytical thinking, consulting, honesty and intuitive thinking (Minasyan & Tovmasyan, 2020).

Management levels are also significant in decision-making type. Lower- and middle-level workers make decisions mainly in groups, with high-level managers alone (Minasyan & Tovmasyan, 2020). According to Ajzen (1996), various cognitive and motivational processes lead to the formation of beliefs about the alternative courses of action, their advantages and disadvantages, the expectations of other people, etc. Although subjective and not necessarily accurate, these beliefs guide people's decisions. Motivation also is important in organizations. Among the material incentives, the most popular are salaries, rewards and health insurance, and from non-materials – career advancement, healthy moral and psychological atmosphere of the organization, flexible work schedule, fair and equal conditions, and training courses (Tovmasyan & Minasyan, 2020).

Temperament plays a significant role in management and decision making. The four temperament types are: Sanguine, Choleric, Melancholic, and Phlegmatic according to the studies of Hippocrates and Galen. Sanguine (talker) is naturally expressive, sociable, charming and friendly, easily establishes rapport with the audience, speaks dynamically, often disorganized and easily distracted. Choleric (doer) is a work-oriented, natural leader who exhibits confidence, has a strong voice, is organized and perfectionist. Melancholic (thinker) is naturally introspective, creative, emotionally sensitive, appears intelligent and highly analytical, deep-thinker, tends to show a less dynamic speech delivery. Phlegmatic (watcher) is naturally calm, relaxed and quiet, cool and collected, easy-going attitude may appear boring (Baria, 2015). Decision making efficiency depends on the types of the temperament of decision makers.

Envick and Langford (2000), in their studies, differentiate entrepreneurs from managers using the Five-Factor Model of personality. These factors are adjustment, sociability, conscientiousness, agreeableness, and intellectual openness. Adjustment determines confidence versus instability. Sociability measures extraversion versus introversion. Conscientiousness determines impulsiveness versus cautiousness. Agreeableness measures team orientation versus self-interest. Intellectual openness involves practicality versus originality. Results indicate that managers are significantly more conscientious and agreeable than entrepreneurs. They are also more social than entrepreneurs. According to a study, the extrovert personality has a positive relation with a participatory management style (Salimi et al., 2011).

Methodology

The aim of the study is to explore how personality, temperament styles, and skills affect management and decision making. The empirical research is done using interviews and surveys among managers and employees. The interview was done based on a structured questionnaire developed by the author (the detailed analysis is presented in the next part of the article). The main results are analyzed by Pearson Chi square analysis (setting significance level $\alpha = 0.05$) and crosstabulation.

Results and Discussion

1. Survey Results Among Managers. An interview-survey was done among managers. 25 people participated in it. The interview was done based on a structured questionnaire developed by the author. The managers were from different spheres. The results indicate that most respondents were 25-40 years old, female. 56% of managers had 4-10 employees under their direct leadership. 56% had 1-10 years of experience. 48% were middle-level managers. 44% preferred salary or other financial incentives, and 36% - non-financial incentives (Table 1).

Table 1. Main Characteristics of Managers

Questions	Frequency	Percent
Your age:		
16-24	3	12
25-30	9	36
31-40	9	36
41-50	4	16
50 end elder	0	0
Gender		
Male	7	28
Female	18	72
How many employees are under your direct leadership?		
1-3	3	12
4-10	14	56
11-30	5	20
More than 30	3	12
How many years of management experience do you have?		
Less than 1 year	5	20
1-3 years	7	28
3-10 years	7	28
More than 10 years	6	24
On which management level do you work in your present position?		
Group leader	5	20
Middle-level manager	12	48
Top manager	8	32
Which type of motivation do you prefer?		
Salary or other financial incentives.	11	44
Non-financial incentives (e.g., creative work, self-realization needs, esteem needs, etc.)	9	36
Both	5	20

Source: Own adjustment based on the survey results

80% of managers think that an efficient manager is the one who is loved by employees. According to the managers, these are the best skills that an efficient managers should have: communication skills, leadership skills, decision making skills, professional knowledge and practice. 56% of managers think that the best managers are extroverts. The majority (72%) thinks that personality characteristics affect management processes in the case of an excellent manager, and 80% think that personality characteristics affect

management processes in the case of a not-good manager. 48% of respondents believe that the most efficient managers are ambitious and leader-like, 28% think: relaxed and quiet. *According to the managers, the most efficient managers are analytical (84%), active (68%), social (60%) and enthusiastic (56%). According to them the most efficient managers are characterized as the thinker (44%) and socially useful (48%) (Table 2).*

Table 2. Efficient Manager Characteristics

Questions	Frequency	Percent
An efficient manager is rather the one who		
is loved by employees	20	80
is afraid of by employees	3	12
Other (is respected by employees; There should always be a balance between them)	2	8
The best skills an efficient manager has		
Communication skills	16	64
Decision-making skills	11	44
Professional knowledge and practice	9	36
Leadership skills	14	56
Time management skills	6	24
Negotiation skills	3	12
Team working skills	7	28
Forecasting and planning skills	7	28
Organizing and monitoring skills	4	16
The best managers are:		
Extrovert	14	56
Introvert	2	8
I cannot decide	9	36
Does the personality characteristics affect management processes in case of a very good manager?		
Yes	18	72
No	0	0
Partly	5	20
I do not know	2	8
Does the personality characteristics affect management processes in case of not a good manager?		
Yes	20	80
No	0	0
Partly	4	16
I do not know	1	4
The most efficient managers are:		
Impulsive and pleasure-seeking	3	12
Relaxed and quiet	7	28
Ambitious and leader-like	12	48
Introverted and thoughtful	3	12
The most efficient managers are:		
Enthusiastic	14	56
Peaceful	7	28
Irritable	0	0
Active	17	68
Social	15	60
Wise	13	52
Relaxed	3	12
Fast	8	32
Analytical	21	84
Short-tempered	2	8
The most efficient manager is characterized as:		
The Talker	4	16
The Watcher	4	16
The Doer	6	24
The Thinker	11	44
The most efficient manager is characterized as:		
Socially useful	12	48
Getting	8	32
Ruling	4	16
Avoiding	1	4

Source: Own adjustment based on the survey results

According to managers, a good decision-maker is analytical (84%), wise (56%) and active (48%). 44% think that every decision should be made after calculating the profit and loss of each possible alternative, and another 44% think that most of the decisions should be made after calculating the profit and loss of each possible alternative. 48% mentioned that they make more profit and loss or cost-based decisions than preference-based decisions (Table 3).

Table 3. Decision Making According to Managers

Questions	Frequency	Percent
A good decision-maker is:		
Enthusiastic	9	36
Peaceful	5	20
Irritable	0	0
Active	12	48
Social	5	20
Wise	14	56
Relaxed	5	20
Fast	10	40
Analytical	21	84
Short-tempered	0	0
Which of the followings is the best scenario in business decisions?		
Every decision should be made after calculating the profit and loss of each possible alternative.	11	44
Most of the decisions should be made after calculating the profit and loss of each possible alternative.	11	44
Every decision should be made after considering the preference system of the decision-maker thoroughly.	3	12
Most of the decisions should be made after considering the preference system of the decision-maker thoroughly.	0	0
Which of the following statements is valid in your work?		
I make more profit and loss or cost-based decisions than preference-based decisions.	12	48
I make more preference-based decisions than profit and loss or cost-based decisions.	4	16
The number of the two types of decisions is about equal.	9	36

Source: Own adjustment based on the survey results

Crosstabulation and Pearson Chi square analysis was done between some factors of the survey (Table 4).

Table 4. Pearson Chi Square Analysis

Factors	Pearson Chi square value	Significance
Gender * Management Level	7.184	0.028
Experience * Management Level	12.383	0.054
Number of employees * An efficient manager is rather the one who is loved by employees or is afraid of by employees	21.212	0.012

Source: Own adjustment based on the survey results

The results indicate that there are significant relationships among some factors. Females are mainly middle-level managers. Top managers have 3-10 and more than ten years of working experience. People who think that an efficient manager is the one who employees love are mainly those who have 4-10 employees under their leadership.

2. Survey Results Among Employees. An interview-survey was done among employees as well. 60 people participated in it. The survey was done based on a structured questionnaire developed by the author. The majority were 16-24- and 25-30-years old female. 40% have less than one year of working experience. 43.3% have never made a decision in the organization, 33.3% have made one, 21.3% have only participated in a group decision making process, and only one person has made a decision alone. 40% prefer material and non-material motivation (Table 5).

Table 5. Main Characteristics of Employees-Respondents

Questions	Frequency	Percent
Your age:		
16-24	25	41.7
25-30	22	36.7
31-40	10	16.7
41-50	2	3.3
50 end elder	1	1.7
Gender		
Male	13	21.7
Female	47	78.3
How many years of working experience do you have?		
Less than 1 year	24	40.0
1-3 years	10	16.7
3-10 years	17	28.3
More than 10 years	9	15.0
If you are an employee, have you ever made a decision in the organization?		
yes	20	33.3
no	26	43.3
I have made a decision alone	1	1.7
I have only participated at a group decision making process	13	21.6
Which type of motivation do you prefer?		
Salary or other financial incentives.	16	26.7
Non-financial incentives (e.g., creative work, self-realization needs, esteem needs, etc.)	20	33.3
Both	24	40.0

Source: Own adjustment based on the survey results

According to 80% of employees, an efficient manager is rather the one who is loved by employees. According to employees, the best skills an efficient manager has are communication, leadership skills, professional knowledge, and practice, and decision-making skills. 58.3% think that best managers are extrovert. 65% think that personality characteristics affect management processes in case of a very good and not good managers (Table 6).

Table 6. Manager Types and Skills According to Employees

Questions	Frequency	Percent
An efficient manager is rather the one who		
is loved by employees	48	80.0
is afraid of by employees	2	3.3
Other (is respected by employees. Who is professional, who knows what to do)	10	16.7
The best skills an efficient manager has		
Communication skills	39	65.0
Decision-making skills	29	48.3
Professional knowledge and practice	30	50.0
Leadership skills	30	50.0
Time management skills	13	21.7
Negotiation skills	9	15.0
Team working skills	24	40.0
Forecasting and planning skills	10	16.7
Organizing and monitoring skills	22	36.7
The best managers are:		
Extrovert	35	58.3
Introvert	7	11.7
I cannot decide	18	30.0
Does the personality characteristics affect management processes in case of a very good manager?		
Yes	39	65.0
No	2	3.3
Partly	19	31.7
I do not know	0	0
Does the personality characteristics affect management processes in case of not a good manager?		
Yes	39	65.0
No	1	1.7
Partly	19	31.7
I do not know	1	1.7

Source: Own adjustment based on the survey results

55% think that the most efficient managers are ambitious and leader-like. The majority (83.3%) believe that the most efficient managers are analytical, wise (65%), social (58.3%), active (53.3%) and enthusiastic (53.3%). According to employees, the most efficient manager is characterized as the doer (50%) and the thinker (38.3%), also socially useful (50%) and ruling (33.3%) (Table 7).

Table 7. Efficient Managers According to Employees

Questions	Frequency	Percent
The most efficient managers are:		
Impulsive and pleasure-seeking	10	16.7
Relaxed and quiet	14	23.3
Ambitious and leader-like	33	55.0
Introverted and thoughtful	3	5.0
The most efficient managers are:		
Enthusiastic	32	53.3
Peaceful	21	35.0
Irritable	0	0.0
Active	32	53.3
Social	35	58.3
Wise	39	65.0
Relaxed	12	20.0
Fast	16	26.7
Analytical	50	83.3
Short-tempered	2	3.3
The most efficient manager is characterized as:		
The Talker	2	3.3
The Watcher	4	6.7
The Doer	30	50.0
The Thinker	23	38.3
The most efficient manager is characterized as:		
Socially useful	30	50.0
Getting	8	13.3
Ruling	20	33.3
Avoiding	2	3.3

Source: Own adjustment based on the survey results

According to employees a good decision-maker is analytical (78.3%) and wise (76.7%) (Table 8).

Table 8. Decision Making According to Employees

Questions	Frequency	Percent
A good decision-maker is:		
Enthusiastic	21	35.0
Peaceful	16	26.7
Irritable	0	0.0
Active	22	36.7
Social	19	31.7
Wise	46	76.7
Relaxed	13	21.7
Fast	14	23.3
Analytical	47	78.3
Short-tempered	0	0.0
Which of the followings is the best scenario in business decisions?		
Every decision should be made after calculating the profit and loss of each possible alternative.	17	28.3
Most of the decisions should be made after calculating the profit and loss of each possible alternative.	28	46.7
Every decision should be made after considering the preference system of the decision-maker thoroughly.	4	6.7
Most of the decisions should be made after considering the preference system of the decision-maker thoroughly.	11	18.3
Which of the following statements is valid in your work?		
I make more profit and loss or cost-based decisions than preference-based decisions.	8	13.3
I make more preference-based decisions than profit and loss or cost-based decisions.	21	35.0
The number of the two types of decisions is about equal.	16	26.7
No answer	15	25.0

Source: Own adjustment based on the survey results

Table 9. Crosstabulation Between Experience and Making a Decision

		Decision making				Total
		I have only participated at a group decision making process	no	yes	yes, I have made a decision alone	
experience	1-3 years	2	2	5	1	10
	3-10 years	5	3	9	0	17
	less than 1 year	2	21	1	0	24
	more than 10 years	4	0	5	0	9
Total		13	26	20	1	60

Source: Own adjustment based on the survey results

The crosstabulation table indicates that employees who have less than 1 year working experience do not make decisions alone in the organizations, whose who make decisions, have 3-10 years of experience (9 people), than 1-3 and more than 10 years (accordingly 5 and 5 people) of experience.

Conclusion

The survey results indicate that the majority of both employees and managers are the ones who employees love. According to the managers and employees, these are *the best skills that efficient managers should have: communication skills, leadership skills, decision making skills, professional knowledge and practice*. Both employees and managers think that *the best managers are extroverts*. According to them, *personality characteristics affect management processes in the case of an excellent and not good manager*. Both managers and employees think that *the most efficient managers are ambitious and leader-like*. According to the managers and employees, *the most efficient managers are analytical, active, social, wise and enthusiastic*. According to managers, the most efficient managers are characterized as the thinker (44%) (melancholic) and socially useful (48%). According to employees, the most efficient manager is characterized as the doer (50%) (choleric) and socially useful (50%). *According to managers and employees, a good decision-maker is analytical and wise*. According to them, most of the decisions should be made after calculating the profit and loss of each possible alternative.

Chi square analysis shows that employees with less than 1 year of working experience do not make decisions alone in the organizations. Also, the results show that females are mainly middle-level managers. Top managers are those who have 3-10 and more than ten years of working experience. Thus, the study empirically proves that personality affects management and decision making. This study may be useful for organizations and studies in management, HR, psychology, personal development, etc. Further studies may include case studies and surveys based on wider questionnaires.

Conflicts of Interest: Not applicable.

Data Availability Statement: The data are based on the survey results done by the author.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

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