

**AN EXAMINATION OF THE VALIDITY OF A BIODATA INSTRUMENT IN THE
COMPARISON OF SMALL BUSINESS PEOPLE IN THE UNITED STATES AND
UKRAINE.**

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Abstract

The purpose of this study is to determine how well a biodata instrument utilized in the United States to measure service orientation can be used in Ukraine [note: since 1992 it has been proper to refer to Ukraine as “Ukraine” rather than “the Ukraine” as it was referred to when it was part of the USSR]. Numerous studies on biodata instruments have found that these measures can be quite useful in service orientation selection inside the US. However, studies on the usefulness in other countries have not been done extensively.

This study will collect data from 171 small business people in Ukraine and 202 in the United States. It is found that while the dimensional nature of the questionnaires are similar that the utility of them to assess the service oriented behaviors of small business people differs across the two countries.

Executive Summary

Is customer service orientation the same or at least similar across cultures? If the construct is similar across cultures then are American assessment practices equally useful in other countries with small business people as they are in the U.S. The current paper examines these issues and finds that American and Ukrainian business people appear to perceive of personality in a similar manner but that personality does not equally predict the likelihood to behave in a service oriented manner in Ukraine and the U.S.

Customer service is an important determinant of a customer’s perception of product quality and the quality of products relative to the competition. The primary determinants of customer service can be broken into two categories, tangible and intangible. The tangible aspects are those that can be physically seen. The intangible aspects include reliability, responsiveness, competence, access, courtesy, communication, credibility, security, and understanding and knowing the customer. In order for a business to reflect a customer service orientation, it must choose to emphasize the goal of customer responsiveness more than standardization and high customer contact over low customer contact. (Bowen, Siehl, Schneider, 1989) Furthermore, customer service is regarded as important to retaining existing business and the need for a competitive advantage rather than profit. Also companies that claim to be committed to high service out perform their competitors in both sales and profits. (Donaldson, 1995)

Biographical Data

Biographical information has been used extensively as a tool in selection systems in the form of application banks and, more recently, in the form of multiple choice items which ask respondents to report on past experiences, behaviors, or feelings in specific situations. Biodata tend to differ from measures of personality, interests, values, and abilities, but often capture constructs in all four domains (Stokes, 99)

However, studies on the usefulness of biodata in customer service selection have been quite reassuring. Chait, Carraher, Buckley (2000) found that the biodata instrument could possibly be used for assessing service orientation during the selection process. This instrument may also measure for the Big Five personality factors, which have been shown to be related to job performance in a broad range of jobs including service positions. A study of 867 service employees was promising in predicting and understanding of customer service orientation. It found that successful employees can be characterized as having a history of honoring commitments, being happy in their work and life, and with parents who are not overly involved in their lives. It further showed that service orientation can be predicted using

biographical items and that prediction of organizational criteria using biodata was substantially greater than that of ability tests. (Schoenfeldt, 99)

Carraher, Buckley, Scott, Parnell, Carraher (2002) took the study of biodata usefulness one-step farther in examining three different countries (United States, Canada, and United Kingdom). This study found that Extroversion, Agreeableness, and Openness to Experience scales consistently have the highest correlations with service orientation across the three samples and countries. The most important finding was that the type of instrument can make a crucial contribution in the identification of individuals likely to exhibit high levels of service oriented behaviors and that his instrument may be used across multiple cultures.

Entrepreneurs/Small Business

Entrepreneurs and small business people may be thought of as people who start a business using their own ideas and usually their own money. They are individuals who, through their understanding of people and their creativity, are able to find a market, modify a product, package it and deliver it to their customers successfully. (Ernst & Young, 2001) However, not all entrepreneurs choose to start a new business.

Entrepreneurs and small business people differ from each other in that there is no single path to success or clear set of rules for getting there nor do they fit into a particular mold of gender, ethnic origin, or age group. However, entrepreneurs and small business people tend to be confident of success, but not afraid of failure, visionaries and dreamers, mavericks and rebels, inventors and innovators. (Ernst & Young, 2001).

The defining characteristic of a small business person is that he or she assumes risk. (Todd, 2002) In order to fully understand what makes an entrepreneur or small business person we must look at what they are not. They are not: just the person who gets everyone together, necessarily involved with computers or high technology, necessarily under 30, someone who merely dreams, talks, but doesn't act, a person who looks upon work as just a job. (Lim, 99)

Additional authors have gone further in their search for what an entrepreneur or small business person is and attempted to define the characteristics that make a successful entrepreneur. Miner (97) identified four types of people who have the potential to succeed as entrepreneurs.

- Personal Achiever Entrepreneur which is characterized by the need to achieve, desire for feedback, desire to plan and set goals, strong personal initiative, strong personal commitment to their organization, belief that one person can make a difference, and a belief that work should be guided by personal goals, not those set by others.
- Empathetic Supersalesperson Entrepreneur. This is characterized by a capacity to understand and feel with another, desire to help others, belief that social processes are very important, need to have strong positive relationships with others, and a belief that a sales force is crucial to carrying out company strength.
- Real Manager Entrepreneur which is characterized by a desire to play a corporate leader role, decisiveness, positive attitudes to authority, desire to compete, desire for power, and desire to stand out from the crowd.

- Expert Idea Generator Entrepreneur which is characterized by a desire to innovate, love of ideas, belief that new product development is crucial to carrying out company strategy, good intelligence, and a desire to avoid taking risks

While these traits help identify potential successful entrepreneurs there are certain habits that are evident as well. Successful entrepreneurs know the business, are willing to take risks particularly calculated ones, they give their customers what they want, they ride the technology wave, and they use outside experts and surround themselves with people who are smarter than they are. (Gerber, 2002)

In regards to the venture itself, it has been found that 67% are successful after four years. This is reassuring as there is a widely held belief that 90% fail in one year. Some of the keys to survival for a new venture are having more than \$50,000 in capital, a college-educated owner, and a home office. (Hopkins, 2003) For all of the effort that it takes for a business to be successful, once it happens it is worthwhile not only for the entrepreneur, but also for society. Entrepreneurial firms are a major source of innovation and change while also creating jobs, new tax revenues, and other transfers of money. (Miner, 97).

Country Selection

The country Ukraine was chosen as a basis to compare the United States. There are currently no other documented studies which do such a comparison. In addition, Ukraine provides a cross-cultural comparison for service orientation with Ukraine being a country that has relatively recently come out under communistic control systems in to the free market system. Using such a comparison will let us identify how well the biodata scale used in the US does when used countries new to the free market system. The work was supported by a grant from USASBE and the State Department.

Subjects

Population sampling was collected from small business people in El Paso, TX (202) and Lutsk, Ukraine (171). All were involved in retail sales and owned their own small stores. Their average ages were approximately 27 in both samples.

Instrumentation

A 39-item biodata questionnaire was developed by McBride, Mendoza, and Schoenfeldt partially based upon prior biodata work done at the University of Georgia with students, but also based upon work done by Mendoza and Schoenfeldt at SouthWestern Bell. McBride sought to identify personality constructs that he thought might be associated with service-oriented behavior and then sought to develop items to measure his constructs. He used the rational approach to biodata scale construction. (McBride, Mendoza, Carraher, 97).

In terms of item content, in addition to covering basic demographics (age, sex, etc.), many of the questions contained in the inventory consisted of experiential, attitudinal, and behaviorally-based items (e.g. "When you were a member of a small group, how much do you participate?" and "How comfortable are you in new places and situations?"). The response formats for all questions except for age and gender had five response categories. In order to ensure the equivalency of the items the English items were translated in to Ukrainian by a Ukrainian English teacher in Ukraine and then backtranslated by another Ukrainian English teacher in Ukraine.

Criterion: Ratings of Service

Three observers rated the performance of the subjects in order to allow a comparison in the ratings. Each of the raters had been trained in order to accurately and consistently identify differing levels of service-orientation. After observing 6-30 actual customer service interactions, raters would rate each of the subjects. Service-orientation was measured using a 17-item rater evaluation form designed by Schoenfeldt (1999).

Results

Principal Components Analysis results with a Varimax rotation and the utilization of the subjective scree test are shown in Table 1. As can be seen the dimensional natures of the questionnaires are highly similar across the two countries (e.g. the small business people in the two countries see the items in a similar fashion. Pearson product-moment correlations between the criterion (the average composite measure of service orientation from the raters) and each of the scales are presented in Table 2. The multiple R's regressing all five of the scales on the criterion are also presented in Table 2

In the Ukrainian sample, Extroversion Openness to Experience, and Conscientiousness are the three that are consistently correlated with service orientation ratings – with the amount of variance in service orientation explained much less in the Ukrainian sample (less than 10% as compared to over 25%). Thus, while an instrument such as this one could potentially provide great utility for organizations seeking to use a questionnaire for selection or developmental purposes – we suggest that additional cross cultural research be performed on the construct of service orientation itself in order to ascertain its meaning between, within, and across cultures before American instruments be used in cross-cultural settings.

Insert Tables 1 & 2 about here

CONCLUSIONS

These findings suggest that service-orientation can be effectively identified using a biodata inventory such as the one used in this study. It should be noted that the coefficients found here are similar to those found by Hogan et al. (1984), Personnel Decisions, (Paajanen, 1995), and CORE Corporation (Fogli, 1995) with other measures of service-orientation. For example, CORE Corporation reports that their measures of service-orientation have validity coefficients in the range of .19 to .36 for the service-oriented performance of tellers in the banking industry (undated) and Personnel Decisions reports validity coefficients in the range of .19 to .32 across a variety of occupations for their measure of service-orientation (McLellan & Paajanen, 1994).

These findings are also consistent with those found by previous researchers (Carraher et al. 1998; 2002) with this instrument for job applicants in the United States, United Kingdom, and Canada suggesting that this instrument may be useful for developmental purposes in order to provide feedback to small business owners across cultures so that they may seek to increase their service oriented behaviors. In fact, O’Gorman and Doran (1999) have reported that it is through the focus on serving the customer well that small and medium sized businesses may more effectively compete with larger organizations that may have a cost advantage (Carraher et al.).

It is also important that high performance standards be expected by the business owner as motivated high achievers like to push the envelope of their abilities and it is in this area that we plan our future research

as business owners need to push the bar a little and start expecting top performance rather than mediocre performance as was seen in many cases in both the U.S. and Ukraine.

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Table 1

American Data

Varimax Rotated Factor Matrix:

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
BIO1	.11639	.67753	.13430	.04809	-.00868
BIO2	.09323	.57657	.03980	-.06449	-.12805
BIO3	.20576	.47745	-.14372	.16530	.12287
BIO4	-.14139	.36824	.26314	.32276	.07408
BIO5	.40719	.21441	.24804	.39528	.08255
BIO6	.17940	.08538	-.04786	.67334	-.09469
BIO7	.20658	.11233	-.06777	.64910	-.00451
BIO8	.15034	.11338	.09004	.37544	-.39394
BIO9	.31801	.34435	.51920	.16485	-.02609
BIO10	.34920	.48221	.36643	.06886	.00010
BIO11	-.02140	.45285	.43428	-.05511	-.16973
BIO12	-.09646	.42467	.46933	-.04088	-.02789
BIO13	.41166	.22678	.00596	-.03160	.25286
BIO14	.04177	-.16505	-.13330	-.07365	.53100
BIO15	.15313	-.03344	-.31508	.01709	.61649
BIO16	.27361	.04309	.02415	.26783	.13948
BIO17	.45209	.26615	.24387	.11745	.10143
BIO18	.04747	.11704	.01083	-.05863	.60142
BIO19	-.14286	-.04405	.27467	.22667	.47709
BIO20	-.14097	.19443	.11895	-.41955	.02879
BIO21	.20442	-.10080	.52062	-.27039	.10753
BIO22	.14305	-.05967	.67328	-.03554	.13430
BIO23	.23540	-.18192	.45467	-.40577	-.01821
BIO24	.70853	.04245	.21560	-.01998	-.07061
BIO25	.66097	.21140	.09822	-.03793	-.19441
BIO26	.55537	.18975	.21981	-.12319	-.00198
BIO27	.62279	.31766	.16626	-.17064	.08687
BIO28	.54686	.14764	.06761	-.42930	-.01771
BIO29	.79747	.11660	.04217	-.13571	-.17864
BIO30	.55483	.08165	.14247	-.15379	-.01443
BIO31	.68326	.11379	.00357	.19241	.18463
BIO32	.73088	-.03249	-.07136	.21878	.03034
BIO33	.51949	.09513	-.32720	.27336	.11535
BIO34	.74431	.14967	.01819	-.06361	-.15542
BIO35	.24895	.56448	-.03848	-.06830	-.10881
BIO36	.19327	.56811	-.05641	.02620	-.13083
BIO37	.47692	.41590	-.00458	-.00066	-.19094
BIO38	.11901	.43793	.03044	-.08682	-.35337
BIO39	.08492	.40625	-.03011	.20838	-.19577
Eigenvalue	8.24	2.71	2.26	2.07	1.52

Ukraine

Varimax Rotated Factor Matrix:

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5
BIO1	.05629	.64791	-.04301	.13633	.04764
BIO2	.02556	.61604	-.07588	-.11868	-.07474
BIO3	.17081	.59441	.12235	-.16208	.04603
BIO4	-.12551	.24970	.13613	.19842	-.24041

BIO5	.42253	.10857	.34243	.38000	-.07758
BIO6	.19902	.03539	-.02493	.79128	-.00429
BIO7	.22018	.07218	-.02775	.77064	.06274
BIO8	.02710	.27863	-.01979	.45975	.03994
BIO9	.17351	.16477	.67068	.28191	-.07109
BIO10	.23549	.47944	.15892	.06355	-.01474
BIO11	.04436	.22331	.38587	.25827	-.38637
BIO12	.09840	.29879	.54894	.22958	.29885
BIO13	.33394	.18815	-.03582	.01684	.05816
BIO14	-.01926	.10029	-.03123	-.04105	.53638
BIO15	-.11946	-.03160	.58314	-.16909	-.36224
BIO16	.31895	.42320	.04072	-.04280	-.30799
BIO17	.43897	.38005	.04407	.12812	-.06518
BIO18	.09762	-.07727	.29086	.02837	-.02040
BIO19	-.11913	.18111	.29465	-.02036	-.59688
BIO20	-.23552	-.23264	-.18667	-.22230	-.39591
BIO21	-.19439	-.10558	-.62437	.08915	-.08046
BIO22	.06863	-.02446	-.73757	.03157	-.32792
BIO23	-.06025	-.08644	-.58253	.33755	.08565
BIO24	-.66290	.04595	.21420	.12687	-.06432
BIO25	.56566	.23572	.01375	.01609	.21416
BIO26	.41103	.39016	.19777	.20549	.00654
BIO27	.61730	.13017	.22986	-.18311	.15886
BIO28	.56591	.20530	.07483	-.17412	.47569
BIO29	.75985	.09786	.09268	-.12209	-.12429
BIO30	.74406	.11143	.14887	-.14819	-.05550
BIO31	.52271	-.01350	.00125	.18027	-.08239
BIO32	.69619	-.02773	.02388	.25646	-.01996
BIO33	.47628	-.18002	.30292	.22294	-.24430
BIO34	.67804	.29464	.09427	.10618	.24424
BIO35	.11829	.62240	.01682	-.06769	.34610
BIO36	.10723	.45638	-.15257	-.07146	.13595
BIO37	.34820	.54373	.09337	.03890	.10932
BIO38	.06794	.43706	.18452	.12901	.22345
BIO39	-.06103	.20826	.03493	.22648	.52550
Eigenvalue	7.92	2.99	2.44	2.25	1.59

TABLE 2

Correlations and Regression of Service-Orientation with Biodata Scales

Scales	Correlation with Criterion	
	Ukr	USA
Extroversion	.181 ^b	.291 ^c
Agreeableness	-.081	.221 ^b
Emotional Stability		.020 -.024
Conscientiousness		.184 ^b .134
Openness to Experience		.157 ^a .315 ^c
Multiple R from regression analysis including 5 topical scales		.314 ^c .501 ^c
R Squared		.098 .251

^a = p<.05 ^b = p<.01 ^c = p<.001