

***RUSSIAN versus BULGARIAN PERSONALITY
VARIABLES: NEW FINDINGS WITH IMPLICATIONS
FOR ENTREPRENEURSHIP, ECONOMIC
DEVELOPMENT AND MARKETING IN THESE TWO
TRANSITION ECONOMIES***

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ABSTRACT

Bulgarian University business students compared to Russian University Business students had statistically significantly higher need for both change and lower impulsivity. This is discussed in view of previously presented findings of significantly higher Bulgarian need for achievement and dominance. The findings herein support the suggestion that the Bulgarian group will have a greater propensity for entrepreneurship and marketing. To the extent the findings in this exploratory study are true among the broader mass of these countries it has implications for their respective future economic development.

INTRODUCTION

Historically, Bulgarians have had significant cultural, economic, and political ties with Russia. These countries share similar religions, language, and ethnicity. For example, in the early Middle Ages, two Bulgarian Monks, Cyrus and Methodis created the Cyrillic alphabet used by both countries. In the 1800's, Russia provided manpower and treasure to help end the 500-year Ottoman Turk occupation of Bulgaria. In this struggle, the Russians lost 200,000 troops before achieving victory at Shipka Pass in 1878.

After WWII, until the breakup of the Soviet empire, the vast majority of Bulgarian exports went to Russia; in the post Soviet transition years such exports diminished dramatically. They now constitute less than ten percent of total Bulgarian exports. The primary reason for this is the decline of the Russian economy. (Bousfield and Richardson, 1999)¹

While it is reasonable to assume Russian dominance of Bulgarian exports will not reach levels seen under the Soviet system, it is unreasonable to conclude they will remain at present depressed volumes. Given Bulgaria's move toward NATO and EU membership and more Russian connectivity to NATO and the Western economies the historically strong economic ties between these two Slavic nations will probably re-emerge. The reconstruction of these ties will to some extent depend on these nations changing culturally and economically via transition processes at roughly the same rate.

If this is not the case, Russia and Bulgaria may become more dissimilar making future business transactions and negotiations more complicated and difficult.

McClelland (1976)² found differences in needs between countries and within countries over time. McClelland's work primarily focused on need for achievement; which he characterized as a need to be efficient. He defined this need as specifically referring to a desire to do something (in business or other fields) faster, better, and with less effort and cost. McClelland (1976) asserted that cross-culturally business entrepreneurship was one (but not the only) activity that demanded or encouraged cost-benefit analysis and efficiency. Consistent with his assertion, achievement need was measured and found to change over time in several different countries including England, Germany and Greece. These achievement need measurements were then compared with various measures of economic growth and found to be correlated.

Strain and Jackson (1998)³ discovered statistically significant differences in their comparisons of Russian university business students and American university business students' need for achievement and need for dominance. Their work rested on defining an achiever as being , among other things, striving, industrious, self-improving, productive and goal oriented. The high achiever was one having high standards and willing to work to attain excellence as defined within themselves. The highly dominant person was viewed as attempting to gain control of their environment. In their relations with other people the dominating person was assertive, commanding, leading, and authoritative. Their work showed American subjects having statistically significant higher scores on each. Jackson and others (2002)⁴ presented data showing Bulgarian business students having statistically significant higher scores than Russian business students on both need for achievement and dominance. Need for dominance has been noted as increasing sales success in the USA. Sales and marketing success is important to entrepreneurs and economic development. This is probably true in most western cultures. In negotiating with American and other Western businessmen, dominance can often be a useful trait. As noted by Jackson et al (2002), the findings on achievement are not positive for Russian business students relative to either Americans or Bulgarians since need for achievement has been found to be a correlate of entrepreneurship and salesperson success⁵.

Successful entrepreneurship and personal selling is, on a micro level, needed for most businesses to prosper and, on a macro level, necessary for economic development to take place. Fry (1993)⁶ indicated to the extent there is an entrepreneurial personality, it includes high need for achievement. Zimmerer and Scarborough (1996)⁷ listed a number of factors successful entrepreneurs have in common. These include tolerance for commitment, risk and uncertainty, flexibility, quick adoption to change, and a constant, ongoing look for opportunities. The success factors listed by Zimmerer and Scarborough (1996) support the assertion that ability to adapt readily to change is a trait needed for business and entrepreneurial success. Countries having groups with an ability to quickly adapt to change should then do better in terms of their relative economic development. Hence, the present paper compares the need for change between Bulgarian and Russian subjects. Further as also noted by Zimmerer and Scarborough (1996) "Successful entrepreneurs are not gamblers. They do not take wild risks. Rather, they are risk managers." In short, they are not impulsive. Therefore, the second hypothesis concerns impulsivity differences

between the two groups. The findings are then discussed in terms of implications for relative entrepreneurial propensity, economic development and marketing.

Murray's (1938)⁸ taxonomy of psychological needs provides some of the theoretical underpinning for this paper. Personality trait research is largely an extension of Murray's taxonomy. Murray (1938) identified twenty manifest needs that appear to be universal to human beings. Personality variables' ability to serve as an explanatory construct for behavior is well established (George, 1992)⁹. Hence to understand and predict individual, organizational, and cultural behavior (Hough et al.)¹⁰ it is important to study personality traits. Further, need for achievement and other psychological needs found in groups express the values of those groups and are predictive of entrepreneurial activity and economic development among other things. (McClelland, 1976)

A personality test by Jackson (1987)¹¹ draws upon Murray's taxonomy and measures twenty universally manifested human needs. It was used in the present study in testing the hypotheses below.

HYPOTHESES

- H1 - There will be no statistically significant difference between Bulgarian and Russian need for change.
- H2 - There will be no statistically significant difference between Bulgarian and Russian impulsivity.

METHODOLOGY

Measurement Instrument

Jackson's Personality Research Form was used on both Bulgarian and Russian respondents. This is a 351-item instrument has had item analysis performed with strong positive results. Retest, parallel form, and internal consistency reliability was quite high. Convergent and discriminate validation has been extensively examined and verified in other studies and is discussed in the manual for the PRF-E. Jackson's test has been employed in a large number of previous cross-cultural studies. The PRF-E measures twenty personality traits using a sixteen-item scale for each trait (Jackson, 1987).

Samples

Bulgarian respondents (N=97) were chosen from several business classes at a university in Sofia. The Russian respondents (N=60) were chosen from several business classes in a Moscow area university. The classes surveyed were chosen on a convenience basis. The respondents were business majors.

Scoring

Each scale on the Personality Research Form by Jackson (1987) is composed of sixteen statements the respondents answer as either true or false. Each response indicates a person to be high or low in a given personality trait and is scored, respectively, as a one or a zero. Thus, the highest score possible for a trait is sixteen and the lowest is zero. The means for both samples on the two traits is given below.

Statistics

Due to using convenience samples a nonparametric statistic (Kruskal-Wallis) was employed. The results, with the resultant p-values, are presented below. A p-value of .05 or less was required to reject a null hypothesis and conclude that the two values are significantly different.

LIMITATIONS

1. Findings and conclusions are geographically and temporally constrained to the groups sampled.
2. The study is exploratory in nature and should be used as a guide for further research.

FINDINGS

- H1. Bulgarian students had a statistically significant ($p < .01$) higher need for change (9.33) than the Russian students (8.17). Hypothesis one was rejected.
- H2. Bulgarian students had a statistically significantly ($p < .001$) lower score for impulsivity (5.66) than the Russian students (7.73). Hypothesis two was rejected.

DISCUSSION

Need for Change, Entrepreneurship, Marketing, Economic Development

The need for change and receptivity to change was measured in this study with the high scorer on this variable being described as one who “. . . adapts readily to change” Jackson (1987, p. 6). This fits with the entrepreneur’s profile given by Zimmerman and Scarborough (1996, pp.6-14) in which the successful entrepreneur is one who is flexible, willing and can respond to changes in the environment. Hence the finding that Bulgarian business students score significantly higher bodes well for their entrepreneurial propensity. The opposite implication is true for the lower scores of the Russian business students. Further, marketing in a culture accepting and desirous of change should provide a more fertile field for the marketer and/or entrepreneur.

An Explanation

Individuals are generally not rewarded for initiating changes in a repressive, dictatorial regime. This was particularly true in Stalin’s Russia. However, in Bulgaria fewer aspects of life were communized and for a shorter period time than in Russia, consequently the repression of change was not ground as deeply into the Bulgarian culture. It should, therefore, take the Bulgarians less time to recover from the cultural resistance to change imbued under Communism.

Impulsivity, Entrepreneurship, Marketing, Economic Development

The high scorer on impulsivity “Tends to act on the ‘spur of the moment’ and without deliberation” Jackson (1987, p. 6). In contrast, entrepreneurs have been previously noted as risk handlers comfortable with ambiguity. They can tolerate and manage uncertainty but do not take risks for just the sake of risks. They are not

gamblers per Zimmerer and Scarborough(1996). Therefore, the finding that Bulgarians are significantly lower on impulsivity than Russians supports the proposition that the Bulgarians are more likely than the Russians to be successful entrepreneurs. Also the Bulgarian consumer may be less prone to impulsive purchases and demand more information and time for purchasing decisions or negotiations.

An Explanation

In a democratic country with a market economy the individual is burdened with multiple responsibilities ranging from simple good citizenship to economically and financially sound decision making. Impulsivity is often severely punished in such an environment. In an authoritarian country having a highly structured centrally planned economy with a strong welfare safety net, there should be fewer consequences to impulsive economic, financial, or even social behavior. Ergo, the longer a country is subjected to a culture and system which allows and encourages dependence on the state and discourages individual responsibility the more likely that country is to have people that score high on impulsivity. At the same time Stalinist Russia's great sanctions on impulsivity in political matters are well known. The suppression of political expression and dissent and the frustration of economic initiative in Russia, arguably, found expression in greater irresponsibility in economic and social matters. One way to escape a repressive political and economic environment is to drink which may account for the high alcoholism rate in Russia. All of this is consistent with the finding that Russians score higher than Bulgarians on impulsivity. It supports the notion that entrepreneurs will blossom sooner in Bulgaria than Russia assuming the entrepreneur profile by Zimmerer and Scarborough(1996) is accurate.

Factors and the High Context Culture

If the present findings are true overtime for Bulgarians and Russians in general, it will increasingly create barriers to communications, negotiations, and business dealings thus making it more difficult to reestablish previous trade relationships. Obviously, if two countries are different in tolerance for change and impulsivity as well as previously reported differences in need for achievement and dominance then expectations in business and other deals will have to be made very clear, or the parties will become dissatisfied and trust will expire. Dwyer and Tanner (2002)¹² point out that, "briefly, we know that parties remain in business relationships for two broad reasons: (1) they want to remain—the relationship is psychologically rewarding—or they have to stay--.... no alternatives exist." At present, with the economies of both Russia and Bulgaria in difficulty, people have less job security. Anyone committing a business to a deal that does not work out is subject to enormous stress and possibly employment termination. Hence, dealing with firms and individuals you can trust because the individuals involved have needs that are similar to yours and are understandable by you may bring a psychological reward in the form of decreased stress. Since both of these nations have high context cultures such a psychological factor as trust and understanding will sometimes override other more quantifiable variables. In the high context culture, no trust often means no deal.

CONCLUSIONS

1. To the extent earlier work by Zimmerer and Scarborough (1996) correctly profile entrepreneurial characteristics, the greater need and tolerance of change and lower impulsiveness is a positive sign for the entrepreneurial propensity and possibilities of the Bulgarian business student sample versus the Russian business student sample.
2. The study should be replicated with larger, more representative samples to establish if the present findings are existent in the larger populations of the two countries and if such differences influence business negotiations between Bulgarian and Russian business people.
3. The various parts of the two countries should be studied to identify regional differences in personality profiles and how such differences either inhibit or foster business.
4. This study should be replicated longitudinally to track relative changes in the cultures of these two transition economies and how this influences their respective business practices.

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