



Thursday, February 21, 1991 O&amp;E

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# PSYCHIC PROBES

## Personality testing new tool in building corporate teams

By Gerald Frawley  
Staff writer

Personality tests — sometimes scoffed at, sometimes heralded as the panacea of all business management communications problems are once more gaining in popularity.

Broadly used in the late 1960s, personality tests like the Myers-Briggs Type Indicator and the Strong-Campbell Interest Inventory lost favor after businesses determined they were less than they had hoped, according to Eastern Michigan University management professor Mary Vielhauer.

But now the personality test results have disappeared and business consultants and psychologists are taking a more careful look at what these tests can do for corporate team building, Vielhauer said.

Daniel Simile, manager of Changing Management Service for Anderson Consulting, a division of Big Six accounting firm Arthur Andersen in Detroit, said a company should look for as diverse a group as possible when building a management team.

As competition between companies increases, managers continually seek new products, manufacturing techniques and improved manage-

ment effectiveness, he said.

But a technical advantage in a product lasts, at best, two years. In a manufacturing process, a technical advantage lasts three years.

"The real competitive advantage is found in a company's speed of decision making,"

And speed, Simile said, results from efficient team management.

PERSONALITY testing does several things to improve a management team, he said. First, it streamlines work.

Since personality tests reveal an individual's strengths and weaknesses, they enable each team member to focus on different parts of a project suitable to their ability.

"People who are going to be good at organizing will organize; people good at gathering information will gather information," Simile said. "I've seen groups with people who share the same strengths and can't get started on a project."

Personality testing also streamlines the team-building process, he said. "It may take years of knowing and working with someone to reach a point where you know how they think and work, personality tests tell you the same thing and cut off a lot of time."

EMU's Vielhauer said poor communication between corporate team members is often the greatest obstacle to effective management, she said.

"Personality testing can provide the first step in team building,"

Vielhauer said everyone has a strong set of values and preferences that, when challenged, can make communication in the workplace difficult.

A DIFFERENT perspective should be valued, not scorned, she added. Personalities dictate how people interact with others, so to be successful team work must take personalities into account.

"Personality tests are not meant to explain the uniqueness of the individual," she said. "I like to think people are more complex than four letters (the Myers-Briggs Type Indicator gives the taker a four-letter personality type. An INTP score, for example, would indicate a quiet, reserved impersonal personality).

William Heise, an educator with Schoolcraft College business development office in Livonia, said even though there is less fanaticism about personality tests today, there are still some who use them incorrectly.

Companies that give the tests to employees and then never share the results are defeating the purpose for which the tests are intended. The first use of personality tests is to help people examine themselves, Heise said.

Using personality tests as a screening tool to ferret out what an employer considers to be undesirable personality types is unconscionable.

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## Cash flow merits attention

By Dan Boyce  
and Alan Ferrara  
special writers

Local financial planning experts reviewed the data of the family profiled here and made general recommendations based on the participants' resources and goals. The information is for educational purposes only; recommendations are not intended as discrimination or endorsement by Observer & Eccentric Newspapers or the advisers. To receive a free financial planning brochure or to obtain a questionnaire to have your finances reviewed in this column, contact the Center for Financial Planning, Dept. 100, 26211 Central Park Blvd., Suite 604, Southfield 48076, or call 948-7900.

Planning for the future is an admirable goal. But sometimes events cause plans and dreams to go astray. Adversity sometimes forces us to redefine our goals and reduce their scope. This month's couple, David and Janet Fry of Canton Township, were comfortably progressing toward their financial goals when

### The Frys have had to re-evaluate their goals because of David's disability.

David became disabled one year ago.

David, 47, receives Social Security income of \$14,000 per year. Janet, 44, works as a department store saleswoman and earns \$14,000 per year. She also has income of \$8,000 per year from a separate cosmetics sales business.

The Frys have had to re-evaluate their goals because of David's disability. David has little disability insurance coverage, and this has affected their ability to move toward their goals. Fortunately, they have a number of financial strengths that will help ease the burden.

First, their fixed expenses, including their mortgage payment, are quite modest. The house is valued at \$110,000 and has a \$20,000 mortgage. To date, their total debt is low, which has contributed to reduced outlays of cash. As yet, they have not

been forced to make significant withdrawals of principal from their accumulated investment assets. In fact, some of the investment income has been reinvested.

A second financial strength is that they have good medical coverage for David's ongoing medical costs. In addition, cash reserves (which we define as two month's expenses in immediately accessible savings or money market accounts, with an additional four month's expenses available in other liquid assets such as stocks or bonds) are adequate.

But there are some significant financial weaknesses to be dealt with. The Frys will not be able to make any major capital expenditures, such as the purchase of a new car or major home repairs without dipping into savings. In addition, Janet has no pension, so they will be relying on Social Security and personal savings for their long-term financial security.

Their most immediate concerns are college expenses for their two daughters. Their oldest daughter has two years to go at Lawrence Technological University and the other is in the ninth grade. They would also like to buy a car in three years and prepare for Jan's retirement in 20 years. Unfortunately, current income is used for current expenses, and no savings have been generated.

PROBABLY THE MOST important thing that the Frys can do now is focus on their cash flow needs. They have not spent much time analyzing their current expenses, but it is important to make sure that each dollar is working hard for them toward their most important priorities.

We are sure it will be difficult to build up savings, but Jan does have the possibility of expanding her direct sales cosmetics business. She should take a portion of any increased income and invest for long-term savings. Since they are in a low tax bracket, they are probably just as well off saving outside of a formal retirement plan even though Jan would qualify for an Individual Retirement Account or Simplified Employee Plan. One method of regular savings is to arrange a modest, perhaps \$50 or \$100 per month, automatic transfer from checking to a savings account. This savings could grow for later financial needs.

David and Janet are contemplating buying a new car in two or three years. While they have always

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### Financial Position

### The Bottom Line

#### ASSETS

Invested Assets:	
Checking and Savings	\$5,000
Savings Bonds	4,200
IRA - Bank CDs	12,600
IRA - Stocks	22,200
Blue Chip Stocks	21,700
Penny Stocks	4,000
Stock Mutual Funds	22,300
Total Investments	\$86,600

Non-Invested Assets:	
Home	\$110,000
Auto	7,000
Personal Possessions	10,000
Total Use Assets	\$127,000

Total Assets \$213,600

#### LIABILITIES

Home Mortgage	\$20,000
Home Improvements	5,500
Auto Loan	1,200
Total Liabilities	\$26,700

NET WORTH \$186,900

#### Financial Strengths:

- Own their home with modest mortgage
- Excellent health coverage through Jan's employer
- Wife's new car recently drafted
- Real debt is low, reducing required outlays
- Cash reserves are adequate

#### Financial Weaknesses:

- No current savings from income
- No pension
- College costs are unfunded
- Auto loan is a cash-out refinance
- Disability coverage not adequate

FAMILY FINANCES

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