

# Why Personality Modeling is Important for Procurement

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Have you taken the [small snap poll](#) we are doing in conjunction with the Institute for Supply Management regarding procurement's personality? This 3-4 minute practitioner poll closes **this Friday**. If you are a practitioner, check it out and see how you compare to your peers. The results, which you will receive if you participate, should be very interesting. If you are provider, please help us out and forward this to your practitioner colleagues. Bottom line: [take the survey!](#) And if you want to also do the larger ISM salary survey (which has these 4 questions embedded in it), [do that instead!](#) OK, back to business. Please read on - this stuff really is important...

Immediately after posting an article on the survey earlier this week, there was a [comment](#) that this topic is basically all pseudoscience and irrelevant to procurement. The comment is telling - and is itself at the core of the problem that I'm trying to address.

Let me be more succinct in presenting my 3-part argument...

## 1. Personality is important because it affects decision-making and behaviors.

If you have the wrong personality types in the wrong roles, you are going to have problems. In the medical world, surgeons want to cut and internists wants to medicate. But, it's not just their toolsets that vary - they are very different personalities. In procurement, as in sales, you have hunters and farmers. The best relationship management managers or not always the best negotiators - and neither of them might be the best internal managers. Your best negotiators are likely very different in mindset than your supplier managers or your [Procurement Center of Excellence](#) leaders. So, do you have the right personality types in those roles that will make them successful? Wouldn't it be good to know so you can move them, train them, hire others, etc.?

## 2. Decision making and behaviors, in turn, impact procurement's ability to deliver value

Wouldn't it be good to understand the personality traits that, *when demonstrated through behavior*, make up the "soft skills" that are necessary to succeed in a complex business environment? Personality affects how we motivate ourselves, how we learn, how we frame problems (e.g., is it a sourcing problem or a supplier management problem?), how we try to solve the problems and how we interact with others in our professional and personal lives.

Trying to understand the root causes that affect the behaviors that make or break our success is actually a scientific process, even if we don't completely yet understand all of the underlying causes and effects. Einstein went to his grave scoffing at the apparent pseudo-science that is quantum physics (which is not just foundational to our theoretical understanding of physics, but

also will create the next breakthrough in the IT computing power). So, for everyone that thinks they are a “procurement Einstein” and just view all this fuzzy “soft skills crap” as pseudo-science, well, they are likely the same ones who are pissing and moaning about how they’re having trouble influencing stakeholders, tapping suppliers for new (and maybe even “pseudo-scientific”) ideas, adding higher levels of value beyond spend savings and attracting/retaining the best people. So, just as you develop cost models to get inside the “black box” of TCO, you should also have some basic models for what drives people to behave like they do. We need to get inside our own heads as much as we do with our cost models.

Let me be even more blunt. You can’t negotiate well unless you understand “behavioral economics,” which is basically about understanding how psychology impacts decision-making behavior and rationality (or lack thereof) in making economic decisions such as how to best negotiate and structure a bidding event or a downstream commercial deal. To understand how supposedly rational actors can act irrationally and how you might want to not be so irrational yourself (and how to make others irrational to your favor), you have to at least be knowledgeable and self aware about the psychology at work.

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### **3. Self-awareness (individually and collectively) is critical for mastery**

Procurement, like any group, needs to make sure that the right people with the right personalities (and yes - the right domain-specific procurement skills) are performing the right roles and behaving in a way that will generate superior business outcomes through supply management. Do you want your toughest negotiator to be in charge of managing an innovation program with critical suppliers? Do you want the ex-management consultant who runs your procurement COE to be locked into a particular category or process areas? And even if you do, and you want a high degree of job rotation, you probably would also want those key staff to understand how their individual personalities are a good “match” (i.e., think of Match.com except that you are matching a person to a job rather than another person). If not, what particular traits should be at least recognized as problematic so they can either be changed or mitigated so that those behaviors get improved?

Asked another way, are the archetypes that describe you most accurately as a person best suited to the roles you play in procurement and the services that you deliver to your stakeholders? And what do your stakeholders think? If you are an introvert, and your stakeholders see your top problem as “communications” (usually the No. 1 written concern actually based on running these stakeholder surveys), don’t you think there might be a correlation

Finally, if you want to do any type of change management and transformation, you need to understand this area. For example, if you are going to use an “[ADKAR](#)” approach in [procurement change management](#), you better understand how to make your changes both *aware* of the problem you’re trying to solve (and to your “solution”) and then the *desire*. Talent management approaches too often tend to be focused more toward the *knowledge* and *ability* aspect of the problem than the personalities, motivations and resultant behaviors that are intrinsic rather than just rational actors acting only as puppets according to their performance metrics.

## Spend Matters: Chief Procurement Officer

<https://spendmatters.com/cpo/why-personality-modeling-is-important-for-procurement/>

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Also, change management is key to a solution provider trying to do value selling. If you are trying to deal with a CIO who is an [ISTJ](#) (which the majority of them are!), and has a deeply held belief that a single-instance ERP system is the “platform” for a strategically differentiated digital business strategy, then you better know that. You may want to ask a few well-thought-out questions to help infer what type of personality you’re dealing with and what you need to do to get him or her:

1. Energized
2. Willing to listen
3. Making a decision favorable to you and
4. Implementing your solution

Interestingly, it is these 4 areas that are actually the 4 [“dichotomies”](#) that are used in these types of personality assessments. In our assessment we take more of a problem solving and “learning-styles” approach to it versus the “personality” language with dissuades people. In other words, most would say that you can’t change someone’s personality, but you can change how they learn, problem-solve, collaborate and generally behave in a business setting.

In our next parts of this series, we’ll address the 4 dichotomies and their relevance - and we’ll then broaden the discussion beyond the tool to the larger techniques of behavioral assessments in a talent management process and how some leading procurement organizations have improved their capabilities in this critical area.