

THE NATURE OF EXPERTISE: DIFFERENCES BETWEEN MARKETING MANAGERS AND MBA STUDENTS

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ABSTRACT

A study of managerial decision-making in new product concept evaluation yielded valuable insight into the relationship between self-assessed expertise and experience and how that relationship differs between managers and MBA students. Results show that the factors that influence a decision maker's perceptions of his or her own expertise differ between managers and MBA students.

Sixty-two managers working in new product development and 52 MBA students were asked to rate their levels of knowledge and expertise in screening new product concepts. They also provided information about their tenure in new product development, the number of new product decisions in which they had been involved, and their total work experience in years.

Using separate analyses for MBAs and managers, structural equation modeling was used to confirm that self-assessed expertise and experience are distinct, but correlated constructs. Assessments of knowledge and expertise load on one factor ('Self-assessed Expertise'), while the experience and tenure variables load on another factor ('Experience'). For managers, the model fit the data very well

(model statistics: $\chi^2_{(4)} = 7.59$, $p = 0.11$, NFI = 0.96, RMR = 0.07). The correlation between 'Experience' and 'Self-assessed Expertise' was 0.29, which was significant ($z = 2.25$, $p \leq 0.0122$). For MBA students, the two-factor model again fit very well (model statistics: $\chi^2_{(4)} = 3.27$, $p = 0.51$, NFI = 0.97, RMR = 0.025). The correlation between 'Self-assessed Expertise' and 'Experience' was 0.38, which was significant ($z = 2.96$, $p \leq 0.0016$).

Equivalence of the factor loadings and factor structure between the two groups was tested by constraining the factor loadings and the covariance between the constructs to be equal across groups. The model with these constraints did not fit the data well ($\chi^2_{(14)} = 37.90$, $p < 0.001$, NFI = 0.87, RMR = 0.17). This suggests that the factors that influence a decision-maker's perceptions of his or her own expertise differ between managers and MBA students and that the relationship between self-assessed expertise and experience might differ between the two groups. This may have important implications for the study of expertise in managerial decision-making and calls into question the practice of using MBA students as surrogate managers in research.