

# Personality and organizational commitment relationship



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## CHAPTER1

### INTRODUCTION

#### 1. Chapter Overview

This study will focus on the relationship between personality and organizational commitment. This chapter includes background of the study, problem statement, research question, research objectives, significant of the study and the scope of study as well. In addition, the conceptual and operational definitions of terms are discussed to provide an understanding on their usage in this study. Lastly, this chapter concludes with a summary.

#### 2. Background of the Study

Organizational commitment is a positive psychological state of attachment that pushes the employee's performance upward to successfully turn the firm's strategic vision into a reality (Hawass, 2012) 8964-35144-1-PB (2). Although there are many kind of definitions by different researchers, all of them unanimously attempted to place emphasis on the relationship between employees and organization (Ekmekci, 2011) Darbanyan.

Over the past two decades, there has been a huge increase in the research efforts trying to explore and understand the nature, antecedents and consequences of organizational commitment (2-4) Kumar. Many of research reviews and meta-analysis have done on organizational commitment because it plays an important role in predicting work behavior (kumar, 2010) kumar. According to Klein, Backer, & Meyer (2009) Hackney, organizational commitment is so well studied due to the impact of organizational

commitment is associated with work outcomes such as turnover intention, absenteeism, job performance, motivation and job withdrawal behaviors.

Organizational commitment is a multidimensional framework that can bring effect to many factors in organization and draw out various positive implication for organization and its workers (Darbanyan et al. 2014)

Darbanyan. For example, there is an inverse relationship between organizational commitment and absenteeism, turnover intention and dysfunctional job behavior (Amiri, 2009) Darbanyan. Moreover, meta-analyses also indicate that organizational commitment is positively related to job satisfaction, organizational citizenship behaviors (OCBs) and job performance (Vandenberghe and Bentein, 2009; Su et al. 2009)

09593841211204335. A study conducted by Sjoberg and Sverke (2000) Darbanyan in Sweden found out that organizational commitment has multiple effects on absenteeism.

Researchers have identified different factors that can be affected for organizational commitment. Personal characteristic, work experience, role related characteristics are considered as common antecedences of organizational commitment (Meyer and Allen, 1993). Personality characteristics are one of the antecedents of commitment and studies of personality as it relates to commitment are few (Klein et al., 2009) Hackney.

Personality is another variable that examined in this study as well as addressed by many theorists. Different researchers possess different approaches and came up with various definitions of personality in line with their approaches (Darbanyan, 2014). According to Peryin & John (2009)

8964-35144-1-PB (2), each level of these personality traits has special  
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contribution to the understanding of individual differences in behavior and experience. Individual's personality can define how he or she views the world around him, react to situations and interacts with others in the organization (Michaud, 2013) 8964-35144-1-PB (2).

Understanding employee's personality is very important due to its usefulness on placing people into jobs and gives clues to managers about how an employee is likely to act and feel in a variety of situation. According to Kumar and Bakhshi (2010) SSRN-id2220719, individual's personality is a good predictor of work attitudes and work outcomes. The dispositional factors are always referring to the Five-factor model of personality (Kumar and Bakhshi, 2010). Big Five personality is one of the most prominent models in contemporary psychology to describe the most salient aspects of personality (Goldberg, 1990; John & Srivastava, 1999) SSRN-id2220719.

Most of the studies on organizational commitment focus on identifying the environmental factors such as low salary, highly stress environment and low motivation (Hoffmann, Ineson., 2004)

109\_327\_3rdICBER2012\_Proceeding\_PG1583\_1592. However, employee dispositional sources mainly known as personalities are being ignored. A study done by Kumar &... (2010) stated that there is little attention given in investigating the relationship between personalities, using the Big Five personality model with organizational commitment. This study proposes to investigate the relationship between Big Five personality and organizational commitment among employees in Aon Insurance Brokers Sdn Bhd, Bangsar.

### 3. Problem Statement

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#### 4. Research Questions

Research questions of this study are:

1. What are the personality traits among employees in Aon Insurance Brokers (M) Sdn Bhd.
2. What is the level of organizational commitment of employees in Aon Insurance Brokers (M) Sdn Bhd?
3. Is there any relationship between Big Five personality and organizational commitment among employees in Aon Insurance Brokers (M) Sdn Bhd?
4. What is the effect of Big Five personality to organizational commitment among employees in Aon Insurance Brokers (M) Sdn Bhd?

#### 5. Research Objectives

The research objectives of this study are:

1. To identify the personality traits among employees in Aon Insurance Brokers (M) Sdn Bhd.
2. To determine the level of organizational commitment of employees in Aon Insurance Brokers (M) Sdn Bhd.
3. To investigate the relationship between Big Five personality and organizational commitment among employees in Aon Insurance Brokers (M) Sdn Bhd.
4. To determine the effect of Big Five personality to organizational commitment among employees in Aon Insurance Brokers (M) Sdn Bhd.

#### 6. Scope of the Study

This study is to identify the relationship between personality and organizational commitment among the employees in Aon Insurance Brokers (M) Sdn Bhd. The study will be conducted by having the Aon Insurance Brokers (M) Sdn Bhd's employees as respondents to identify the personality traits and organizational commitment of them. There are around 110 employees who work in Aon Insurance Brokers (M) Sdn Bhd and there will be a total number of 86 employees been chosen randomly as research sample to participate in this study.

The employees will be chosen based on random sampling and the data will be collected via questionnaire from the employees in Aon Insurance Brokers (M) Sdn Bhd. The independent variable will be measured by Big Five Inventory (BFI). The dimensions of the Big Five personality are extraversion, agreeableness, conscientiousness, neuroticism and openness.

For the dependent variable, Three Dimensional Commitment Scale questionnaire will be used to measure the organizational commitment of employees. There are three dimensions of organizational commitment that will be measured: affective organizational commitment, continuance organizational commitment and normative organizational commitment. Total of 24 items will be used to measure organizational commitment by using 5 point Likert Scale.

## 7. Significant of the Study

Many researchers have widely discussed the study on organizational commitment (Lin, Lin and Lin, 2010; and Judge, Klinger, Simon and Yang, 2008) 109\_327\_3rdICBER2012\_Proceeding\_PG1583\_1592. However, there is

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not much attention given on the study of relationship between Big Five personality and organizational commitment especially in Malaysia. Thus, this study will contribute in adding more literatures on personality and organizational commitment specifically in Malaysia context. The study brings attention to the importance of talking personality into consideration while measuring employees' organizational commitment.

Additionally, this study will help managers to understand more about employees' personality and how they react toward organizational processes. Understanding employees' personality is very useful to managers because managers can predict how the employees are likely to act and feel in different kind of situation. Moreover, findings of this study could help managers to increase employees' loyalty in particular company. Job satisfaction will also increase and followed by decrease in turnover rate in that company.

## 8. Conceptual Definition

### 1. 8. 1Personality: Big Five Model

Personality is a subfield of psychology (Friedman & Schustack, 2008).

Personality is basically not studied in terms of non-psychological concepts. These non-psychological concepts included profits and losses, souls and spirits, or molecules and electromagnetism. According to the founder of personality psychology, Gordon Allport, personality is defined as the inner organization of psycho physiological system of a person to create a person's unique behavior, feeling and thoughts (Lin, 2010).

For this research, Big Five personality approach will be used to identify employees' personality traits. The Big Five personality factors include extraversion, agreeableness, conscientiousness, neuroticism and openness. Big Five personality is also known as OCEAN, NEOAC or CANOE (Feldman, 2011).

## 1. 8. 2Organizational Commitment

As Meyer and Allen (1991) suggest, organizational commitment is defined as the psychological state that links an employee to the organization where the employee has strong involvement and desire to exert effort in achieving organization's goals. There are three types of commitment, which are affective commitment, continuance commitment and normative commitment.

Brown (1996) and Brickman (1987) 1-s2. 0-S105348220000053X-main who provided general definitions of commitment noted that commitment is different from motivation or general attitudes. They suggested that commitment influences behavior independently of other motives and attitudes and, in fact, might lead to persistence in a course of action even in the face of conflicting motives or attitudes (... , 2001).

## 9. Operational Definition

### 1. Big Five Personality

Big Five personality is the five basic factor develop by the researcher Norman through measure of the factor analysis of peer's personality trait. The factor that concludes from Norman's Big Five factor is extraversion,

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agreeableness, conscientiousness, neuroticism and culture (Lin 2010)

yuchuan. However, the Big Five Model that we going to used in this study is the Big Five model which modified by researcher McCrae where the “ culture” dimension is changed to “ openness” dimension (Lin, 2010).

Individual who high in extraversion tend to be energetic, talkative, enthusiastic, sociable and dominant. Individual low in this dimension tend to be introvert, quiet, shy, submissive and retiring (Friedman & Schustack, 2011) ting. For agreeableness, individual high in this dimension is friendly, warm, cooperative and trusting whereas individual low in this dimension are unkind, cold and quarrelsome (F., 2011). Neuroticism also known as emotional instability. Individual who has this personality dimension tend to be moody, nervous, tense, high-strung and worrying. Individual low on this dimension is emotionally stable, calm, contented and stable.

Conscientiousness also known as lack of impulsivity. Early research in personality psychology mentioned this dimension as Will. Conscientious individual are generally responsible, cautious, organized, dependable and persevering. Individual low on this dimension is impulsive, undependable, careless, disorderly (F..., 2011). Besides that, openness also known as culture or intellect. Individual who has this personality dimension tend to be artistic, imaginative, original creativity and witty. Individual low in this dimension are shallow, simple and plain (F, 2011).

## 2. Organizational Commitment

Meyer and Allen’s Three-Component Model of commitment (1991) is used to measure the level of organizational commitment of employees in this study.

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Organizational commitment refers to the level to which the employees' emotional connection and their identification with the company where they currently working in. Three dimensions of organizational commitment proposed by Meyer and Allen (1991) is investigated in this study, namely affective commitment, continuance commitment and normative commitment.

According to Meyer and Allen (1997), affective commitment is the employee's emotional attachment and participation of the employee in the organization. In this study, it refers to the employees' emotional commitment towards their company, their identification and the desire to remain in the company. The second dimension proposed by Meyer and Allen is continuance commitment, which refers to the awareness of the cost of leaving associated with leaving the organization. In this study, continuance commitment means the consciousness of the employees on the perceived prices associate with quitting from their company, such as limited job opportunities. Lastly, normative commitment is the feelings of employee's obligation to remain in an organization and it also used to describe the degree to which the employee believes him or herself should committed to their organization.

## 10. Summary

In conclusion, this chapter outlines the background, problem statement, research questions, research objectives, study scope as well as significance of study. The main objective of this study is to investigate the relationship between employees' personality and their organizational commitment. The

conceptual and operational definitions of research variables such as personality and organizational commitment are also being discussed. The relevant literatures, previous empirical research, models and theories related to this research will be explained and discussed in chapter 2.