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## IMPACT OF PERSONALITY TRAITS AND CONTEXT ON EMPLOYEES' JOB OUTCOMES

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### Abstract

*The research focuses to investigate the various unique aspects that may have impact on job outcomes during change implementation in a public sector organization. The study has two prime objectives. First objective is to study the association between employees' withdrawal behavior and personality traits. Second objective is to find factors of organizational context that may have impact on employees' job outcomes. Data have obtained from 345 employees of State Life Insurance Corporation (SLIC). These selected employees are working in top business zones. Data collected by using simple random sampling technique and self-administered questionnaire. The result revealed a positive association between employees' withdrawal behavior and personality traits. Another significant connection has also found in between employees job outcomes and organizational contextual factors. The paper contributes in existing literature of organizational change implementation, personality traits, employees' job outcomes, and organizational contextual factors in the perspective of a developing country.*

**Keywords:** Personality traits, Organizational change, Organizational context, Employees job outcomes.

**JEL Classification:** Z000

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## Introduction

The paper focuses on a case study that has been performed in SLIC. SLIC is a multinational federal government agency that is regulated and controlled by the ministry of commerce. SLIC captured major market share of insurance sector, having 'AAA' rating, and profitable real estate business. The government of Pakistan (GOP) has planned to privatize SLIC and that process of selling shares of public sector organization is known as "denationalization". Moreover, SLIC is achieving its business goals so employees have thinking that GOP has no justification to sell shares in market. Therefore, internal conflicts and politics are increasing between change recipients and change leaders. They have engaged in manual work since their recruitment; therefore, enabling information technology through a top-down approach is not useful in this situation. Political influence in the recruitment, transfers, and promotions of employees is creating problems because employees are not capable of establishing a supportive culture for accepting these OC. Furthermore, researchers have been found that uncommunicated and uncertain changes can cause delays in the implementation of organizational change (Oreg, 2006; Amburgey, Kelly, & Barnett, 1990; Burnes, & Jackson, 2011).

The past two decades have represented a time of unprecedented social, economic, and technological change that has required a transformation in human's attitude to respond positive to OC . Organizational change is a universal reality and it is noticed that 75-percent of American organizations have been gone through systematic changes . However, planned organizational change can increase employees' cynicism which can cause to the failure of organizational change.

It is also noticed that uncertain organizational change can bring insecurity, depression, stress, and removes comfort from job duties (Oreg, 2006). Due to this uncertainty, a many number of employees behave negatively and only a few number of employees show openness to change. At present, employees of SLIC are in opposition to change implementation due to insufficient information, a lack of employees' involvement in change initiative, a-low level of change-related self-efficacy, a lack of trust in management and a high level of dispositional resistance. Therefore, employees' affective commitment and intention to stay in organization may have decreased.

Over time, organizations amidst uncertainty that has risen due to forces of stiffly competitive business situations. Technological developments, expanding markets, financial constraints, new philosophies, restructuring, mergers, downsizing, and privatization affect employees, policies, processes, and working patterns of a public organization. Although organizations have become sensitive of the need for organizational change, but most of the change initiatives have been failed to get the objectives . SLIC employees have a low level of trust because they have no information regarding percentage of selling shares, job security, financial and non financial employment benefits, and the level of administration control after implementation of ownership changes. The GOP is not involving workplace unions and employees in ownership selling process, leaving SLIC employees uncertain about their potential monetary rewards.

A majority of studies have presented the research model on organizational change implementation in the context of developed countries, which form 30% of the world's population, mostly the Americas and Europe. It is observed that a developing country, such as Pakistan, has a culture based on power distance, collectivism, injustice, and more political influence compared to developed countries.

argue that any theoretical contribution without considering the cultural aspect can lead to bias findings. Moreover, scant research is available that provides a research model on organizational change in an under-researched country, for example, Pakistan. This study aims to investigate the personality traits and organizational contextual variables that can impact on employees job outcomes in a public sector organization during change implementation.

### **Literature Review**

The current dynamic businesses are changing more rapidly than ever before. Given the additional pressures and changes of volatile changing markets, upgraded technology, and global competition, the organizations are encountering the need for organizational change. The ability to adequately and quickly adapt to these challenges has considered as a crucial parameter for success of organizations. Such organizational change encompasses all parts of a business, its structure, processes, technology, resources, and culture. Organizational success can be achieved by those who can envisage the trends of changing markets, identify new configurations of service or delivery, and find new methods to tackle the challenges of the competitive market. The planning and execution of OC require serious efforts and involvement of employees for successful OC implementation. Several earlier studies have documented that between 40 to 70-percent of OC efforts are failed . The negative employees' reactions are detrimental because these negative reactions lead to harmful job outcomes. The effects of OC are varying, complex and important, so understanding and analyzing them is necessary for change leaders, researchers, academicians, and students of change management.

The present research is focusing on incremental and revolutionary changes. Therefore, it is important to understand the nature of these OC. In the perspective of organizational contextual factors, information about organization change initiatives play important role to generate positive or negative reactions of employees (Oreg, 2006). Positive information can reduce the uncertainty and negative attitude can increase resistance of employees during the change implementation (Miller & Monge, 1985; Oreg, 2006). Another study highlighted that a lack of employee involvement and limited information sharing can increase the uncertainty and resistance during the change implementation (Boohene & Williams, 2012).

Affective commitment is an employee's emotional connection and involvement with their organization (Soumyaja, Kamalanabhan, & Bhattacharyya, 2011). Information sharing can positive impact of affective commitment because it decreases the uncertainty and increases the employees involvement. A study found low reliability values for an affective commitment to change and suggested to investigate further in future studies when employees age and work experience are high (Soumyaja, Kamalanabhan, & Bhattacharyya, 2011). Therefore, this study has aim to accomplish the indentified research gap.

*H<sup>A</sup>: Positive information sharing increases the affective commitment.*

When organizational changes are announced then organizational members may have expectation of positive outcomes (Smollan, 2013). Few studies have carried out and found the trust in management as an important factor to bring and implement organizational changes.

Trust in management may be considered as a consequence or as an antecedent at work during change the change implementation (Neves & Caetano, 2009; Saunders & Thornhill, 2003). Smollan (2013) has found limited knowledge about emotional element of trust and affective commitment to change. Smollan (2013) conducted a qualitative study on emotional element of trust and commitment. However, that study cannot generate significant and generalized results. As a result, the study has intent to complete the indentified research gap.

*H<sup>B</sup>: Trust in management fosters the affective commitment.*

explain the change-related self-efficacy as an employee perceived ability to tackle change initiatives and perform effectively in organizational change implementation. According to theory, self-efficacy means an employee's belief to perform those actions that are required to meet the current job situation. suggests that self-efficacy cannot measure in the context of generalized emotions of mastery but it should be seen as a specific behavior to handle a particular situation. While explain the change-related self-efficacy as an employee perceived ability to tackle change initiatives and perform effectively in change implementation. Employees may be not performed well when they are unable and not capable to tolerate the pressure of change implementation . In contrast, when employee has good levels of change- related self-efficacy then he or she can overcome the situation of stress and feelings of failure during change process . There is no literature found that explored the relationship between change-related self-efficacy and employees withdrawal behavior. Consequently, the study has intent to complete the indentified research gap.

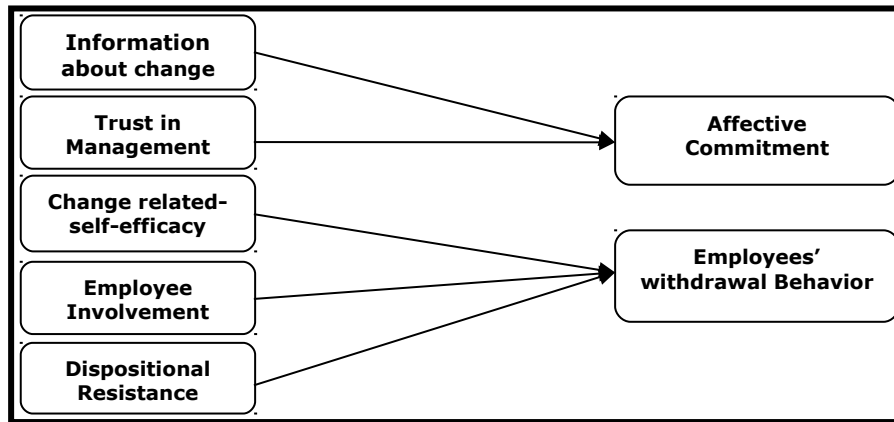
*H<sup>c</sup>*: Change-related self-efficacy reduces the employees' intention to exit the organization.

Employees involvement can generate positive attitude and employees willingness to support during organizational change . Researchers investigated the negative correlation in participation of employees and resistance towards change decisions ([Boohene and Williams, 2012](#)). Another study pointed out that a lack of trust and a lower level of employee involvement can diminish the employees turnover intention . The carried out study highlights that a lack of employee's involvement can increase the chances to fail in the implementation of change (McNabb & Sepic, 1995).

*H<sup>D</sup>*: *Employees involvement in change decision reduces the intention of employees' withdrawal behavior.*

Oreg (2003) argue that personality traits include shorter thinking, cognitive rigidity, and relationship during work. Moreover, he argues that these personality traits can bring negative negativity towards change. According to Oreg (2006), dispositional resistance is known as an unchanging trait of personality. A higher level of dispositional resistance in employees highlight that a person is unable to bear changes in routine work (Oreg, 2006). Furthermore, If changes executed on employees then they can quit the organization. Employees are unable to work in tight administration control and a volatile environment at the workplace (Oreg, 2006).

*H<sup>F</sup>*: *Dispositional resistance can foster employees' withdrawal behavior.*



### Methodology

#### *Population and Sample*

This study was conducted on public sector organization employees, change initiatives are to be carried within a specific time period. The details of population and sample frame took from the personnel and general services department of SLIC. Some of the employees were not ready to provide the information because they were assuming that the written information against management decision may be considered harmful for their career. Furthermore, there is also limited research culture in a developing country like Pakistan. However, after ensuring the confidentiality and use of information for research purpose only then they provided the required information. Researchers have sought to ensure the integrity, and sincerity of the process in gathering, analyzing and interpreting the research data.



The information regarding population frame was known so simple random sampling technique was chosen to achieve a fair representation of sample to get reliable results. Bagozzi and Yi (2012) suggested that sample size can be reliable within the range of 100 to 200. Moreover, Hair et al. (2006) stated that range of sample size must be above 200. On the basis of above justifications, online calculator was used to at 95% confidence level with known population of 13852 employees from different zones i.e. Faisalabad, Lahore, Jhang, Multan, Rawalpindi, Bahawalpur, and Karachi. 550 respondents were selected by using online calculator on 95% confidence level.

### *Research Design*

At present, services sector is grooming in the overall economy in developed or developing nation. More importantly, within services sector, financial services; insurance and banking sector organizations, are facing the situation of employee mobility and turnover during change implementation. Therefore, researchers emphasize on insurance sector of Pakistan. The selected employees' from SLIC offices are deputy general managers, assistant general managers, sector heads, managers, area managers and office staff. Case study has been used to investigate the factors that can increase or decrease the commitment and employees' withdrawal behavior during change implementation in a public sector organization. Case study is known as a comprehensive strategy that can produce research model, theoretical framework, data collection and analysis (Barkley, 2006).

*Measures*

Self-administered questionnaire is one of the best data collection techniques in quantitative research studies. It can help to collect data regarding specific variables of interest, less time consuming, more anonymity for respondents, and these questionnaires already tested in different countries. Information about change scale has been taken from a previous study of Miller, Johnson, & Grau, (1994). Change related self-efficacy was measured using a famous scale developed by Ashford (1988). Employees involvement in change scale has been used from previous study (Morgan & Zeffane, 2003). Trust in management was measured using a previous study (Cook & Wall, 1980). Personality trait such as dispositional resistance was taken from previous a study (Oreg, 2003). Affective commitment to change scale was taken from a study of Herscovitch and Meyer (2002). While employees' withdrawal behavior was taken from an earlier study (Cammann et al., 1983).

*Data Analysis techniques*

Various statistical tests have been used to examine the collected data. First, the demographic outline of the respondents was extracted using descriptive test. Second, Pearson correlation was performed in order to know the strength of relationships between variables used in this study. To interpret the proposed hypotheses of the study, linear regression analysis has been used to measure the direct effect of personality trait and organizational contextual factors on employee's job outcomes.

### Results and Discussion

**Table: 1**

*The Sample Features (N = 345)*

Classifications	Frequency	Percentage
<b>Gender</b>		
Male	263	76.23
Female	82	23.77
<b>Age</b>		
Below 25-Years	19	5.51
26 to 30-Years	43	12.46
31 to 35-Years	31	8.99
36 to 40-Years	97	28.12
Above 40-Years	155	44.92
<b>Education</b>		
Bachelors	132	38.26
Masters	189	54.78
MS/PhD	24	6.96
<b>Designation</b>		
Managerial	263	76.23
Non-Managerial	82	23.77
<b>Experience</b>		
Below 5-Years	45	13.04
6 to 10-Years	72	20.87
11 to 15-Years	105	30.44
16 to 20-Years	57	16.52
Above 25-Years	66	19.13

Approximately 550 questionnaires were circulated to the employees of SLIC using mail and by hand. After a conterminous struggle and subsequent reminders, 363 responses were received. Of these, 18 questionnaires were discarded due to more than 10-percent missing values (Hair, 2010). The overall response rate was 62.73% that is enough according to the research culture of an under-researched country.

345 questionnaires are valid for data analysis. The main respondents are 263 (76.23%) males and 82 (23.77%) are females. Maximum responses 155 (44.92%) were gotten from the age above 40-

years. Most of the respondents 189 (54.78%) have masters degree. Furthermore, 263 (76.23%) participants are working on managerial positions in SLIC. 105 participants having experience between 11 to 15 years.

**Table 2**  
*Reliability Coefficient*

Variables	Items	Alpha
Information about Change	4	0.878
Trust in Management	3	0.903
Change-related-self-efficacy	4	0.833
Employees' Involvement	3	0.837
Dispositional Resistance	16	0.861
Affective Commitment	6	0.911
Employees' Withdrawal Behavior	3	0.917

Reliability test was performed to check the internal consistency of the adopted scales for this study (Hair, 2010). A previous study indicated those alpha values are strong which are closer to 1 (Hanif, Khan, & Zaheer, 2014). All extracted alpha values are satisfactory for further data analysis procedures.

**Table 3**  
*Descriptive Statistics Results*

Particulars	Mean	S.D	1	2	3	4	5	6	7
Information about Change	1.47	1.04							
Trust in Management	1.95	.928	.259**	.217**					
Change-related-self-efficacy	1.57	.919	.225**	.520**	.496**				
Employees' Involvement	1.82	.843	.176**	.308**	.756**	.552**			
Dispositional Resistance	3.60	1.07	.122*	.082	.115*	.127*	.141**		
Affective Commitment	1.54	1.10	.432**	.310**	.257*	.320	.403	-0.30	
Employees' Withdrawal	.412	.793	-.532**	-.510**	-.657**	-.560**	-.483**	-.11	-.121

Table 3 depicts that mean values results of variables used in this study. According to these means values, employees have a lack of information about change, a lower level of trust in manage, a lower level of change-related-self-efficacy, limited employee involvement in decision making and lower level of affective commitment to change. On the other hand, employees have a higher level of dispositional resistance and employees' intent to withdrawal.

Person's correlation results indicate that proposed hypotheses have statistically significant relationship. For instance, information about change and trust in management has positive association with affective commitment. Whereas change-related-self-efficacy and employees involvement are negatively correlated with employees withdrawal behavior.

**Table 4:**  
*Results of Linear Regression*

Constructs	Affective Commitment				
	R <sup>2</sup>	F-value	β-value	T-value	P-value
Information about Change	0.23	15.77	0.15	3.11	0
Trust in Management	0.18	13.78	0.13	2.92	0

First hypothesis, the R<sup>2</sup>-value is showing that information change can produce 23-percent variation in affective commitment to change. The β-value is 15-percent that means information about change and affective commitment has positive relationship. Overall results show that information about change has positive impact on affective commitment.

Second hypothesis, the R<sup>2</sup>-value indicated trust in management brings 18-percent variation in affective commitment to change.

The  $\beta$ -value is 13-percent that means trust in management and affective commitment has positive relationship. Overall results show that trust in management has positive impact on affective commitment.

**Table 5:**  
*Results of Linear Regression*

Constructs	Employees Withdrawal Behavior				
	R <sup>2</sup>	F-value	Std. $\beta$	T-value	P-value
Change-related-self-efficacy	0.33	42.78	-0.42	-6.19	0
Employees' Involvement	0.28	35.33	-0.33	-4.98	0
Dispositional Resistance	0.41	65.77	0.57	7.79	0

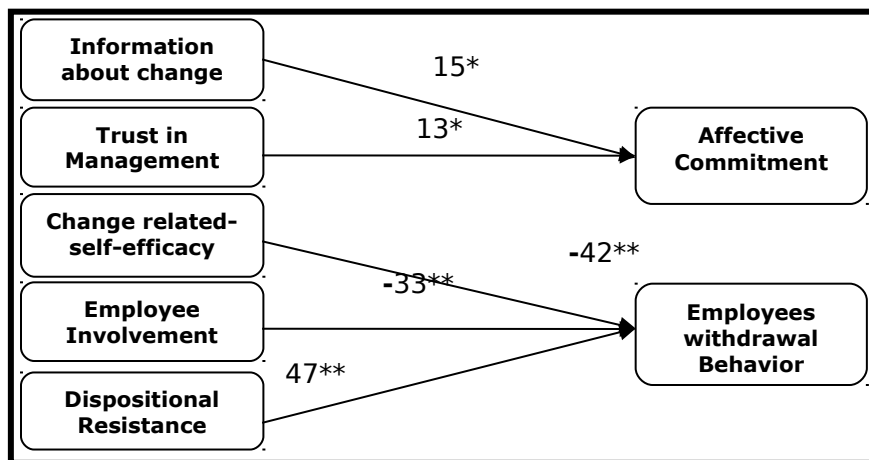
According to the results of table 5, the hypotheses of change-related-self-efficacy and employees involvement are significantly accepted based on R<sup>2</sup> and beta-values. A lower level of change-related-self-efficacy and employees involvement can bring higher level of employees' intent to exit during an organizational change. On the other hand, if employee has lower level of openness to change in their personality then he/she has high level of dispositional resistance to change. The study results exhibit that high dispositional resistance can lead to employees' intent to exit during the implementation of organizational changes.

### Conclusion

OC is a reality, whether executed at a strategic or an operational level. Persistent OC sustains survival and enhances competitive edge. It is important to know why public sector organizations are struggling to execute and implement OC with respect to ownership, cultures, strategies, infrastructures, restructuring and downsizing.

Employees experience uncertainty regarding fairness during the change process, job insecurity, low trust, a lack of participation in decisions, and fears of diminished monetary and non monetary rewards. This study is unique because it tries to determine the barriers in context of an organizational change and in the power distance culture of Pakistan. The study results are indicating the negligence of change leaders cannot produce a significant amount of employee's involvement in decision making. Furthermore, change-related-self-efficacy could not be found in the employees of public sector organization. Results also exhibit employees are unable to bear the changes in their routine working lives so they are resisting against this change initiatives. Finally, high dispositional resistance, lower level of change-related-self-efficacy, and lack of employee involvement in decision making can increase the employees' intention to exit during organizational change.

**Figure 2:**  
*Research Model*



### **Implications**

The purpose of current study is to find out the empirical research model that can investigate personality traits and contextual factors which can affect on employees job outcomes in the context of implementation of organizational change in public sector organizations. The results of this study offer good understanding for change leaders and top management.

The findings of this study support the dynamics theories of planned behavior, reasoned action, and social exchange. Employees involvement, trust in change leaders, and change-related-self-efficacy are the key variables to bring changes in organizations. Due to the ignorance of these factors, a power distance culture, organizational politics, dispositional resistance, and employee's intention to quit can be increased. There is limited literature found on organizational change especially in the context of Asian organizations. Therefore, this study has novelty to bridge this gap and provides new opportunities for future researchers.

### **Limitations & Future Directions**

The results of this study are unique but have some limitations as well. First, the study is limited to one sector or case study. Therefore, it is not possible that same type of results can be achieved from other sectors. Furthermore, the results are not generalized to larger population due to case study approach.

Second, case studies and cross sectional time horizon also bring the issue of cause and effect relationship. However, studies more than one sector and longitudinal time horizon can overcome these issues easily. Third, self reported responses can generate the issues of common method bias.



Future researchers can test the same model in more than one sector using longitudinal time approach.

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