



## MODERATING ROLE OF PERSONALITY ON EMPLOYEE PERFORMANCE

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### Abstract

*This article is an attempt to explain the role of personality in predicting performance. Personality affects all aspects of a person's performance, even how he/she reacts to situations on the job. Not every personality is suited for every job position, so it's important to recognize personality traits and pair employees with the duties that fit their personalities the best. This can lead to increased productivity and job satisfaction, helping the business function more efficiently. Throughout any organization, different roles require different skill sets and aptitudes, which are tied to personality. The aim of this paper is to provide a validated theoretical framework for identifying the impact of personality on employee performance. The review of the literature reveals that personality does contribute to performance but only at a moderate level because most psychologists recommend using personality tests as a supplement to other selection tools such as structured interviews and reference checks. Conscientiousness is the only Big-Five trait that predicts performance across all job-types and job-levels. Different combinations of personality traits are needed for jobs that have unique demand.*

**Keywords:** Personality, Performance, Organization, Big – five traits, Emotional Stability, Psychology.

### INTRODUCTION

In the past decade, important advances have taken place in the study of the role of personality in predicting work performance. First, the accumulation of research on personality contributed to the development of taxonomy, the Big Five, which makes essential personality characteristics more clear. Second, psychometrically sound tools for assessing personality in the work place and for analyzing jobs in terms of necessary personality traits have been developed. In parallel, a more systematic consideration of work requirements and a better understanding of factors important for work performance have allowed for a clearer definition of the potential roles for personality in this context. In addition, some major changes have appeared in the world of work in recent years, resulting in an increased role for personnel psychology and an emphasis on human resources for organizational productivity (Lévy-Leboyer, Huteau, Louche, & Rolland, 2001). One aspect of this role concerns organizational performance and productivity improvement that depends largely on individual employee performance (Ilgen & Pulakos, 1999). Further, personnel selection methods have an important role in assuring high levels of employee performance. Schmidt and Hunter (1998) showed that depending on the selection methods used, there could be considerable gaps in levels of performances for all levels of qualification. These differences increased with the level of qualification. Thus, making good selection decisions is linked directly

to this demand for productivity. Indeed, the predictive validity of selection techniques impacts utility, which is the economic value obtained by the use of a particular method (Schmidt & Hunter, 1998). In order to make good selection decisions, it is important to know which method of selection to use and whether personality testing can contribute to improvements in selection.

### BACKGROUND OF THE STUDY

Since 1990, researches shown that personality measures are useful predictors of job performance. There is no agreed theoretical account for the findings, even though these results represent a substantial revision in how applied psychology views personality assessment (cf. Guion & Gottier, 1965; Locke & Hulin, 1962). The value of personality measures for forecasting occupational outcomes would be enhanced by the theory of individual differences in work effectiveness that links assessment to performance. Not every temperament can be a motivating leader, an engaging front-line customer contact or a micromanaging organizational specialist. Even an entry-level position suitable for minimal skills is better filled by a compatible personality such as one tolerant of repetition and mundane occupation. Organizations are recognizing more and more the importance of personality when looking for candidates to fill job openings. Workplaces are dictated not only by policies but also the personalities of employees. Trying to stifle personality can result in disgruntled and frustrated employees. When managers understand the

role of personality in the workplace, they can use it to grow the company and move it forward. As we commence the current millennium, such is a fantastic day after have a look at where we have learned about personality-performance relationships above the past centenary or in conformity with put in of new directions for research.

Results guide the preceding findings that conscientiousness is a valid predictor across overall performance measures of every occupation studied. Emotional stability was once also observed in conformity with remain a generalizable predictor then overall work performance used to be the criterion, however its relationship in accordance with unique performance standards and occupations was once much less consistent than was once conscientiousness. Though the vile 3 Big Five traits (extraversion, openness yet agreeableness) did not prophesy general work performance, she did predict prosperity of unique occupations or relate according to specific criteria. The studies upon which these consequences are based incorporate most over the research up to expectation has been conducted regarding it theme among the past century. From the lexical perspective (Goldberg, 1981), the Big Five personality factors represent the structure of observers' ratings on the basis of 75 years of factor analytic research from Thurstone (1934) to Goldberg(1993). These factors are a taxonomy of reputation (ct. Digman, 1990: John, 1990: saucier & Goldberg, 1996) and are labeled as follows: Factor I, Extraversion or Surgency; Factor II, Agreeableness; Factor III, Conscientiousness; Factor IV Emotional Stability and Factor V, Intellect- Openness to experience (John, 1990).

Because reputations are a rough index of the amount of acceptance and status a person enjoys (E.B. Foa & Foa, 1980; U.G. Foa & Foa, 1974; Wiggins, 1979) and because reputations are encoded in Big five terms ( saucer & Goldberg, , 1996), it follows that Big Five factors are also evaluations of acceptance and status ( Digman,1997). Digman ( 1997) concluded that two higher order factors organize the Big Five model; he noted that these two broad factors precisely parallel earlier dichotomies, such as social interests versus superiority striving (Adler, 1939), communion versus agency (Bakan, 1966: Wiggins, 1991). Union versus individualism ( Rank, 1945), status versus popularity (R. Hogan, 1983), and intimacy versus power ( McAdams, 1985). Socioanalytic theory (R. Hoga, 1983, 1991, 1996) is rooted in interpersonal psychology (Carson,1969 ;Leary , 1957 ; Sullivan 1953,Wiggins,1979) and is intended to explain individual differences in career success. The theory is based on two generalizations relevant to organizational behavior: people always live (work) in groups, and group are always structured in terms of status hierarchies. These generalizations suggest the presence of two broad motive patterns that translate into behavior designed to get along with other members of the group and to get

ahead or achieve status vis-à-vis other members of the group. Getting along and getting ahead are familiar themes in personality psychology (cf. Adler, 1939; Bakan 1966; Rank 1945; Wiggins & Trapnell, 1996). Their importance is justified in Darwinian term: people who cannot get along with others and who lack status and power have reduced opportunities for reproductive success.

Occupational life consists of episodes (Motowidle, Borman,&Schmit,&1997) organized according to agendas and role-what will be done and who will do it. Efforts to get along and get ahead take place during these episodes, although most people try to get along and get ahead while working, there are substantial individual differences in how their effort are evaluated by others. On the one hand, to get along, people must cooperate and seem compliant, friendly, and positive, when successful, they are evaluated by others as good team players, organizational citizens, and service providers (Moon, 2001; Mount, Barrack, & Stewart, 1998). On the other hand, to get ahead, people must take initiative, seek responsibility, compete, and try to be recognized. When successful, they are described by others as achieving results, providing leadership, communicating a vision, and motivating others toward goals (Coway, 1999).

Neuroticism has been found to correlate with teamwork, but also with overall job performance across occupations and work tasks. Furthermore, findings suggest that Neuroticism, Conscientiousness and Extroversion are perhaps the most reliable and valid predictor variables of job performance. Similarly, this relationship may also be generalized to the occupation of sales. Sub dimensions, such as for example Achievement striving, have been reported as highly linked to job performance as well. Apart from Neuroticism, Agreeableness has also been found to be associated with teamwork. Openness to Experience has been found to relate to training proficiency. No substantial arguments have supported that Big Five factors, other than, Neuroticism, Extroversion and Conscientiousness, are predicting job performance, specifically in the occupation of sales. In general, the association between personality dimensions included in the FMM and job performance has been suggested to be highly dependent on the type of occupation and work criteria being measured. It seems as if past research has been to some extent inconclusive in fully explaining the relationship between Big Five factors and job performance.

In light of this information, it is important to investigate further in what ways and to what extent the FFM is associated with job performance in a sales context. In line with past research the present study will investigate to what extent Neuroticism, Extroversion, Openness to Experience, Agreeableness, and Conscientiousness will excel as valid predictor variables of job performance for telesales workers, in a business setting. The predictive validity of sub dimensions such as Achievement-striving, Self-discipline, Assertiveness, and

Activity will also be evaluated.

Traditionally, performance has been conceptualized in terms of the execution and completion of well-defined tasks (Bommer et al., 1995; Borman & Motowidlo, 1993). During the last 25 years, however other streams of research have emerged that move the focus beyond task performance to consider diverse forms of employee performance. These include organizational citizenship behaviors (Konovsky & Organ, 1996), contextual performance (Borman & Motowidlo, 1993), prosocial organizational behavior (Brief & Motowidlo, 1986), and extra role behavior (Scholl, Cooper, & McKenna, 1987). Each of these lines of inquiry has made contributions in raising awareness about what contributes to overall performance in the workplace. Another stream of research associated with the study of effective performance surfacing in recent years in Emotional Intelligence (EI: Bar-On, 1997; Goleman, 1995; Salovey & Mayer, a definition that most other theoretical researchers accept. "Emotional intelligence is the ability to perceive emotions, to access and generate emotions so as to promote emotional and intellectual growth. Emotional intelligence has the potential to be a strong predictor of performance. Linking emotional intelligence with the appropriate criterion may help to clarify a controversy in respect to the relative contributions of personality and EI to employee performance and provide organizations with a valid alternative for selecting and assessing employees. Many organizational researchers have recently called for more focus on the role of emotions at work. For example, Ashforth and Humphrey (1995) argued that emotions are an integral and inseparable part of organizational life and more attention should be given to the employee's emotional experience.

Thompson, J. A. (2005), in his article "Proactive Personality and Job Performance: A Social Capital Perspective" provided a meta-analysis of the relationship between the 5-factor model of personality and 3 central theories of performance motivation (goal-setting, expectancy, and self-efficacy motivation). His study examined a mediated model of the relationship between proactive personality and job performance. The model, informed by the social capital perspective, suggests that proactive employees reap performance benefits by means of developing social networks that provide them the resources and latitude to pursue high-level initiatives. Structural equation modeling suggested that the relationship between proactive personality and job performance is mediated by network building and initiative taking on the part of the employee.

Michael K. Mount and Murray R. Barrick in their article, "Five Factor Model of Personality and Performance in Jobs Involving Interpersonal Interactions" revealed that the results of meta-analysis that investigates the degree to which dimensions of the Five-Factor Model (FFM) of personality are related to performance in jobs involving interpersonal interactions are reported. The results of his article supported that the

hypothesis that Conscientiousness, agreeableness, and emotional Stability are positively related to performance in jobs involving interpersonal interactions. Results also supported the hypothesis that emotional Stability and agreeableness are more strongly related to performance in jobs that involve teamwork where employees interact interdependently with co workers than in those that involve dyadic interactions with others where employees provide a direct service to customers and clients.

## **THE ROLE OF PERSONALITY IN THE WORKPLACE CREATIVITY**

A person's ability to think creatively stems from her/his personality. Brainstorming sessions and one-on-one idea exchanges with employees can help spark creativity. Organization benefits from a wider variety of ideas and options when employees are allowed to apply their creativity to solve the issues. Managers must maintain control over creativity, however, to prevent aggressive personalities from dominating. Policies regarding the submission of ideas can help keep aggressive personalities in check while still benefiting from their creativity.

## **RETENTION**

Appealing to an employee's individual personality can help increase job satisfaction and reduce employee turnover. For example, rather than assume that all employees welcome challenges, one should talk with them to gauge their feelings on job duties. Some employees might prefer routine jobs with few changes or surprises, while others might look forward to challenges. By gauging employee personalities, you can better match employees with job duties.

## **TEAMWORK**

Some people are not inclined to work well in a team. They are strongly independent, or they prefer to follow their own set of instructions. These personality traits are important to discover in the interview process through written tests and personal discussions. Hiring someone who does not value teamwork can significantly hinder a work team's progress.

## **PRODUCTION**

Some people are just not motivated and cannot be motivated. When their personal productivity drops and they are consistently behind on deadlines, they drag down their department and the company as a whole. This also causes resentment and frustration among staffers who are forced to work harder to make up for the drop in productivity. They may even slow down their own productivity if the uninspired employee is kept on at the company. A general drop in morale will occur.

## **CONCLUSION AND RECOMMENDATIONS**

In terms of performance, conscientiousness is above and beyond the strongest predictor across all job

types. This makes sense because conscientious individuals are more driven, have a higher need for job achievement and are more detail oriented. The second strongest personality predictor is emotional stability. However, looking at the differences between job categories also tells us something important. For jobs with a stronger interpersonal component (such as sales, customer service, and managerial), extraversion, agreeableness, and openness become more desirable for predicting performance. This was not the case for skilled and semi-skilled workers. New research is examining how specific combinations of traits and facets (i.e., sub-traits for each of the Big-Five) can add even more predictive validity for specific job types. The important things to take away from this research are:

Personality does contribute to performance but only at a moderate level (it is because of this that most psychologists recommend using personality tests as a supplement to other selection tools such as structured interviews and reference checks). Conscientiousness is the only Big-Five trait that predicts performance across all job-types and job-levels. Different combinations of personality traits are needed for jobs that have unique demands (such as customer service and managerial work). For employee selection, personality and cognitive ability tests are required since they are very highly predictive of performance.

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