Research Paper

The Effect of Employees Personality on Organizational Performance:
Study on Insurance Company

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Abstract

This project is primarily concerned with the analysis of personality in private company with particular references to the employees at Prudential Assurance Malaysia Berhad (PAMB). In doing this, the researcher briefly explain some of the problem facing about the personality and behavior of person or employees that can be impact on performances. The research work further reviewed to the related literature on the subject matter to sample the opinions of various authors on the subject. The review of related literatures centered on personality types, theories, and effect on performances. The study employed drafted questionnaire, and the use of primary data as the major instrument for gathering information. The data gathered was analyzed based on questionnaire distributed to the respondents. The sample size of this research is about 100 of respondents. Based on the findings from the analysis of data, the study found that Conscientiousness and Agreeableness have a significant and positive impact on organizational performance. Conclusions was drawn and recommendation also made on how to ensure employees gives positively personality not only in the workplace but also to the environment in order to ensure that the employees always produces good behavior and personality to increase the productivity and performance of the organization. Future research should be undertaken on different context or by increasing the sample size by widening the research context to ensure validity and reliability of the results.

Key Terms: Extraversion, Neuroticism, Conscientiousness, Openness to experience, Agreeableness, Organizational Performances, Employees
1. Introduction

In general, individual are created with different instincts that subsequently determine the personality of such as the ways the person act or react to the environment. As an employee, the personality in the workplace is important to achieve organization objectives, is not only merely in term of profit but also the successful performance through the employees. The researcher was recognizing that that profitability of an organization depended on the degree of customer loyalty (Yee, Yeung & Cheng, 2008). The first impression of the customer towards employees is important tools to build customer loyalty and satisfaction. As Harris & Goode (2004) state that customer loyalty is a core goal of organization either service or product.

Personality is about the way individual reacting, perception, thinking, perceiving, attitude or behavior as a person to their environment. Personality can be defined as a dynamic or set of characteristic possessed by a person that influence on cognition, motivation and behavior in a variety of situation. Ozer & Benet (2006) state that personality as the effective tool that predicts job performance. This is because, the way how people solve the problems, how well people perform in the workplace and complete the task will contribute to the organization achievement. As a result this will effect on effective job performance. Personality is the combination of characteristics of individual that form a unique character for different people. For example, some people may be an open-minded people but other will be not. Duckworth & Yeager (2015) stated that a personality profile tools that can be used to provide an evaluation of an employee’s personal attributes, values, and life skills in an effort to maximize his or her job performance and contribution to the company. Personality has been considered as an important factor on the personality related to specifically for predicting the organizational performance. Organizational performance can be defined as when an organization meets its set targets putting into consideration all other personality, external and internal dimension that affected performance. An organizational performance is accumulated end result of all the organization work processes and activities. Personality of employees is important to make sure the organization can accomplish the process and activities successfully.

This research will contribute to the existing knowledge to the organization in Malaysia especially. As employees of insurer organization, they should have a good performance and personality to attract more customers and represent the organization and career their work for. This research also will improve the employee’s services because this study provides the negative impact if the employees have a bad performance. So, this research will provide the effect of employee’s personality by emphasizing the Big Five Personality variables. Therefore the following key objectives are formulated for this research

- To identify which types of personality is mostly displayed by employees
- To examine the impact of personality types on organizational performance

This paper is organised as follows: first part is discussed above. Second part is the theoretical framework and research hypothesis development. Third part discusses the research design and methodology, data collection procedures and process. Fourth part presents the results and discussion. Final part is conclusion and recommendation, and implication for further research

2. Literature Review
Definitions of Key Concepts

Guilford (1959) defined personality as the unique traits for the individuals look different from others. This is agreeableness by McCrae & Costa (1989) has defined personality as an individual behavior which reflects on individual unique characteristic such an offensive, obedient, diligent, lazy, independent, honest, and sociable and many others. In addition, Robin (2003) in his view personality is a combination of psychological traits of an individual. Finally, personality stated as the relatively stable pattern of behaviors and consistent internal states that explain a person behavior tendencies (McShane & Von Glinow, 2000). Personality traits have been shown to influences performance and career directions (Barrick & Mount, 1991; Hough & Furnham, 2003). The actions or behavior of employees will help the organization to realize the organization objectives (Salzman, 2000; Blackburn, 2006). Otherwise, if bad attitude is shown by the employees will impact on bad performances to an organization. Whether a person as manager or subordinate employees will dealing with the people or individual who do not have same personality in the workplaces. Colquitt (2009) stated personality is about what people are like and the ability what people can do.

Review of key theories

Big Five Personality

The Big Five Model is the most widely accepted theory of personality among the researchers (Goldberg, 1992). The Big Five Model consists of five main dimensions of personality which referred to as Neuroticism, Extraversion, Openness to experiences, Agreeableness and Conscientiousness. A person with extraversion personality is usually associated with positivity and neuroticism is associated with negative affect for individual performances. Colquitt (2009) in his study the neuroticism personality is influences and give impact on general life of satisfaction. By this five main dimension will assist this research to study the differences of an individual particularly at the workplace. Barick & Mount (1991) determined people as extraverts such as expressive, confident, sociable, talkative. Besides that, extravert person also tend to be positive (Watson & Clark, 1997). Johnson (1997) found a positive relation between extroverts and job performances. Extrovert personality is considered as the key of job satisfaction (Judge et al, 1999). Sinha & Watson(2005) proposed that personality of extrovert or namely extraversion have positive impact on employee's work performances. According to Barrick and Mount (1991) highly conscientious people are responsible, reliable, self-control and determined. Conscientiousness also refers to the person who have ability to plan, organize and strategically think towards the goals and become successful in carrying out the task (Costa and McCrae,1992). Openness to experience is define as being innovative, deviating approach and open-minded person (Alkahtanie et al, 2011) and a cognitive ability (Colquitt et al, 2009). Agreeableness is people with courteousness, good-natured and caring. It was relate to the interpersonal behaviors. In contrast, individuals with low agreeableness or disagreeable have lack of desire to give cooperation with the others due to they do not trust people. This affects relationship with others. Agreeableness behaviors of employees or co-workers still contribute on organization performances but it is not a main contributor of variable for an organization to become successful. A person tend to agreeableness behavior have successful and relationship with others (Organ & Rayan, 1995).

Eysenck’s Three Traits

Eysenck (1967,1991) developed his theory of personality. He identified three dimension of personality. These are extraversion, neuroticism and psychoticism. According to Eysenck a person in high extraversion trait are tend to be sociable, active and outgoing. While people with high introverted ten to be quiet, cautious and like to be alone to do task. Neuroticism is referred as worried feeling, moody, obsessive, low self-esteem or emotional unstable of person. Neuroticism trait in Eysenck model is similarly with Big Five trait which is neuroticism also one of the variable in Big Five personality trait. Psychoticism refers to a personality pattern characterized as aggressiveness and interpersonal hostility. Besides that, psychoticism
behavior is people who tend to be tough-minded, willing to take risk and involve in antisocial. Psychoticism behavior can be relate with psychoticism Eysenck trait when an individual low of agreeableness and conscientiousness.

Theory X and Theory Y

Douglas McGregor (1960) created his theory that relate to the human motivation. However, this theory also can be related to human behavior which is Theory X and Theory Y referring on people attitude and behavior to the environment. People in Theory X have negative perception of others with negative attitude. Those in Theory Y have an opposite view of Theory X which is assume people are generally hard working, smart and trustful and reliable. People falls under Theory X assumes that individuals are lazy, dislike work, avoid the task given whenever possible, avoid the responsibility, and no ambition. This type of people needs to be coerced or controlled by manager to achieve the organizational objectives. In addition, working with negative perception of environment will result on lack of performances. Theory Y assumes individual are generally tend to be ambitious, self-motivated, work hard, learn to seek out, accept responsibility and enjoying the work duties.

Carl Jung’s Psychological Types

Carl Jung"s theory of psychological type to assess and define personality. Jung developed psychological types based on four functions, namely, Feeling (F), Thinking (T), Intuition (N), and Sensing (S), plus four attitudes, namely, Extraversion (E), Introversion (I), Judging (J), and Perceiving (P)(Jung, 2014).

2.4 Conceptual Framework

![Conceptual Framework: Big Five Personality and Organizational Performances](image)

3. Research Design and Methodology

Subjects

A total of 100 questionnaires were distributed and a total of 100 questionnaires were returned (response rate 100%). 56% of respondents are female and 44% of respondents are male. Among these respondents 17% of the respondents are 18 to 22 years old, 38% are 23 to 27 years old, 23% are 28 to 33 years, 14% respondents are 34 to 39 years, and 8% respondents are 40 years and above. 63% of respondents were single, 3% of respondents are married and
3% of respondents are divorced and 1% are widowed. 50% of respondents are Malay, 20% of respondents are Chinese, 6% of respondents are Indians and rest are others. 60% of respondents have completed degree, 35% of respondents have diploma and others 5%. 43% are co-workers, 13% are supervisors, 5% are managers, 6% are administrators and 33% are others. Among the respondents 38% of staff worked less than a year, 56% of staff remain in the organisation 2 to 5 years, 5% staff remain in the organisations more than 5 to 10 years. Only 1% of staff worked in the organisation more than 10 years.

Procedure and data collection

The researchers independently contacted the respondents using non-random sampling techniques of convenience sampling techniques. Additionally, permission from the each respondent was obtained by requesting them to sign the Participant Consent Form. Also permission was obtained officially from the organisation before approached to the employees. Respondents were given a Participant Information Sheet to indicate the purpose and the importance of this research. The completed questionnaires were collected by the researchers and reminded the respondents to inform the researcher if they wish to withdraw from this study before the data were processed (30 days).

Questionnaire

Questionnaire is designed to gather the data. It consists of three parts 1, 2, and 3.

Part – 1: it deals with personal details such as sex, education, age, etc.

Part – 2: consists 25 statements to measure the personality. Five types of personality introduced in Big Five model such as extroverts, agreeableness, conscientiousness, openness and neuroticism are used in the questionnaire.

Part – 3: consists of 9 statements are used to measure organisational performance.

By including variables, questionnaire is prepared with five points Likert scaling system. Then analysis is made with appropriate statistical tools, in order to prove the objectives of the study and to test the causal impact of personality on organisational performance. For this study, following baseline models were established.

\[
\text{Organisational performance} = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 \quad \text{-------- (1)}
\]

Where,

X1= Extroverts
X2= Neuroticism
X3= Conscientiousness
X4= Agreeableness
X5= Openness

4. Results and Discussion

Reliability and Validity

Before applying statistical tools, testing of the reliability of the scale is very much important as its shows the extent to which a scale produces consistent result if measurements are made repeatedly. This is done by determining the association in between scores obtained from different administrations of the scales. If the association is high, the scale yields consistent result, thus is reliable. Cronbach’s alpha is most widely used method. In this research, reliability is measure by using Cronbach’s Alpha. The reliability test for the whole 40 items in the questionnaire distributes show the Cronbach’s Alpha of 0.936. Cronbach’s Alpha measure internal consistency or how the items are closely related as group used to measure reliability.
Cronbach’s Alpha of 0.7 and above is considered acceptable (Bryman and Bell, 2007). However, Cronbach’s Alpha of <0.5 is unacceptable, > 0.5 poor, and value >0.6 is questionable.

### Table 1 - Reliability Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Driver</th>
<th>Number of items</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraversion</td>
<td>5</td>
<td>0.814</td>
<td></td>
</tr>
<tr>
<td>Neuroticism</td>
<td>5</td>
<td>0.702</td>
<td></td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>5</td>
<td>0.726</td>
<td></td>
</tr>
<tr>
<td>Openness</td>
<td>5</td>
<td>0.844</td>
<td></td>
</tr>
<tr>
<td>Agreeableness</td>
<td>5</td>
<td>0.702</td>
<td></td>
</tr>
<tr>
<td>Organizational</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>5</td>
<td>0.820</td>
<td></td>
</tr>
<tr>
<td>Overall Scale</td>
<td>40</td>
<td>0.936</td>
<td></td>
</tr>
</tbody>
</table>

The table 1 above shows the Cronbach’s Alpha for extraversion is (0.814), neuroticism (0.702), conscientiousness (0.726), openness to experience (0.844), agreeableness (0.702) and organizational performances (0.804) are considered to be acceptable and has good reliability for the scale. Thus, the Cronbach’s Alpha for all the variables considered are acceptable.

### Descriptive Statistic Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>Statistic</td>
<td>Std. Error</td>
<td>Statistic</td>
<td>Std. Error</td>
</tr>
<tr>
<td>EXTRA</td>
<td>100</td>
<td>3.4960</td>
<td>0.04845</td>
<td>0.48449</td>
<td>0.286</td>
</tr>
<tr>
<td>NEURO</td>
<td>100</td>
<td>3.3460</td>
<td>0.04439</td>
<td>0.44391</td>
<td>0.462</td>
</tr>
<tr>
<td>CONSCIEN</td>
<td>100</td>
<td>3.4720</td>
<td>0.03406</td>
<td>0.34055</td>
<td>-0.782</td>
</tr>
<tr>
<td>OPEN</td>
<td>100</td>
<td>3.6040</td>
<td>0.05265</td>
<td>0.52646</td>
<td>-0.103</td>
</tr>
<tr>
<td>AGREE</td>
<td>100</td>
<td>3.4580</td>
<td>0.04742</td>
<td>0.47422</td>
<td>-0.883</td>
</tr>
<tr>
<td>OPC</td>
<td>100</td>
<td>3.6747</td>
<td>0.03649</td>
<td>0.36491</td>
<td>-0.538</td>
</tr>
<tr>
<td>Valid N</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table 2 also shows the statistical mean and standard deviation for each variable. The mean of the data and standard deviation can help to give an overview of the way respondents answered the question given (Bryman and Bell, p.360). The averages mean values from 6 dimensions that ranged from 3.3460 to 3.6747. Based on the table, among the five variables of personality, openness to experiences is the most displayed variables with mean score of 3.60 with standard deviation (SD=0.53), extraversion 3.50 (SD=0.48), followed by conscientiousness at 3.47 (SD=0.34). Agreeableness with mean score of 3.46 (SD=0.47) and neuroticism 3.35 (SD=0.44). The result indicates that all variables are moderately agreed that these variables impact on organization performances. This is similarly with previous research of Davis & Damary (2012) where they found neuroticism is the lowest displayed personality characteristics among all five.

### Pearson Correlations Analysis
The Table 4 shows that there is a significant correlation between personality and organizational performance. If the value is positive (+1) it was mean the value represent a perfect positive correlation. In contrast, if value of negative (-1) that mean represent a perfect negative correlation between variable. However it shows that neuroticism is positive but not significantly associated with organizational performance (r=0.370, p<0.05). In terms of conscientiousness, it is positively and significantly associated with organizational performance (r=0.354, p<0.05), followed by openness (r=0.662, p<0.05), and followed by agreeableness (r=0.478, p<0.05). All the personality variables are also associated positively and significantly with each other except conscientiousness with neuroticism.

Regression Analysis

Table 5-Model Summary of Organizational performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.720*</td>
<td>.518</td>
<td>.492</td>
<td>.26007</td>
<td>1.562</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), AGREE, NEUROTICISM, CONSCIEN, EXTROVERT, OPENESS
b. Dependent Variable: OP

The Table 5 above shows the finding from the linear regression by using SPSS 20 to estimate the result. From the table shows the Adjusted R square values of 0.492. This mean the predictors (independent variables) represents 49.2% changes in organizational performance and remaining 50.8% can be contributed by others factors such leadership roles, financial control, competitive advantages, and strategy of organization which are not studied as these beyond the scope of this study. However as a general rule, this model is not a good fit as the adjusted R square is less than 60%. However based on Durbin Watson, the model is acceptable as its value is lower than 2. Therefore we examine each personality type and its influence on organizational performance using Beta Coefficient of regression.

Table 6- Beta Coefficients of Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.295</td>
<td>.320</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>EXTRA</td>
<td>.022</td>
<td>.075</td>
<td>.295</td>
<td>.768</td>
</tr>
<tr>
<td>NEURO</td>
<td>-.124</td>
<td>.071</td>
<td>-.151</td>
<td>.085</td>
</tr>
<tr>
<td>CONSCIEN</td>
<td>.368</td>
<td>.095</td>
<td>.344</td>
<td>.000</td>
</tr>
<tr>
<td>OPEN</td>
<td>.105</td>
<td>.079</td>
<td>.151</td>
<td>.190</td>
</tr>
<tr>
<td>AGREE</td>
<td>.307</td>
<td>.070</td>
<td>.399</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: OP
Table 6 above shows that only conscientiousness and agreeableness personality types are significant and positively influences organizational performance. This study do not found any significant influence of extroverts and neuroticism and openness on organizational performance. This finding is similar to the precious research finding of conscientiousness and agreeableness significance influence on performance (Davis & Damary, 2012; Alharbi & Alyahya, 2012). Also Alharbi & Alyaha (2012) found that neuroticism have a negatively impact on performances.

This means that the empirical model can be written as

\[ \text{Organizational performance} = \beta_0 + \beta_1X1 + \beta_2X2 + \beta_3X3 + \beta_4X4 + \beta_5X5 \ ---- (1) \]

This means that 1 unit changes in conscientiousness (X3) will change organizational performance by 0.344 units when other things remain constant. Also changes in 1 unit of agreeableness (X4) will causes to change organizational performance by 0.399 units while other things remain constant.

**Conclusion**

Overall, we found that this research fulfilled its purposes by identifying the most common type of personality among the respondents and how it influences organizational performance. In short agreeableness and conscientiousness has a positive and significant relationship with organizational performance and other personality types. Also both of these personality types have a positive and significant influence on organizational performance. This shows that those who have high conscientious people tend to emphasis on planning, organizing and concern about meeting deadlines and targets tend to perform better. Also people who are more agreeable personality type tend to reduce personal and professional conflict by resolving the problem through cooperation and collaborations even though they did not like to agree. This means most cases they tend to agree for the benefit of organization rather than arguing and creating more conflict.

**Implications for practice:** Based on the findings, it is evident employing highly conscientious and agreeable personality types to work in the organization could improve performance. Therefore human resource, marketing and operational managers should ensure they identify the personality type before they made any recruitment and selection decision.

**Further Research Direction:** Since this study was conducted only on one company, it may not be able to generalize the finding. However by conducting this research on wider context of a particular country could confirm the findings and maybe a significant contribution to this field of study.

**References**


Harris, L. C., & Goode, M. M. (2004). The four levels of loyalty and the pivotal role of trust: a study of online service dynamics. Journal of retailing, 80(2), 139-158.


