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# SEKOLAH PERNIAGAAN DAN EKONOMI UNIVERSITI MALAYSIA SABAH 2006

# THE RELATIONSHIP BETWEEN EXTROVERSION AND NEUROTICISM AND JOB SATISFACTION

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# DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)

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### DECLARATION

The materials in this thesis are original except for quotation, excerpts, summaries and references, which have been duly acknowledged.

Valeria Vyner Pillin PS03-002(K)-030 21 July 2006



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### ABSTRACT

Personality dimensions of Extroversion and Neuroticism have been linked to job satisfaction by previous researches. This study attempts to test whether similar relationship exists among managers in Kota Kinabalu. This research was conducted through the survey method. A total of 115 respondents that representing managers of various private sector organizations were gathered. Responses from the survey were statistically analyzed with several tools using SPSS version 11.0. The results indicated that, similar with prior researches, Neuroticism is negatively related to job satisfaction, and Extroversion is positively related to job satisfaction. However, age and gender was found not to moderate the relationship between these variables. The research hopes to foster a better understanding on the role of personality in achieving job satisfaction.



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### ABSTRAK

### HUBUNGAN DI ANTARA DIMENSI PERSONALITI IAITU NEUROTIK DAN SIFAT EXTROVERT DENGAN KEPUASAN KERJA

Kajian-kajian terdahulu menghubung-kaitkan personality dimensi iaitu sifat Neurotik dan Extrovert, dengan kepuasan kerja. Objektif kajian ini adalah untuk mengkaji samada hubungan yang sama wujud di kalangan para pekerja di kategori pengurusan, di syarikat-syarikat dan organisasi swasta di kawasan Kota Kinabalu. Kajian dijalankan melalui kaedah tinjauan. Sejumlah 115 responden berjaya dikutip. Data-data tersebut dianalisa menggunakan SPSS versi 11.0. Keputusan analisa menunjukkan bahawa terdapat hubungan yang negatif di antara sifat Neurotik dengan kepuasan kerja, dan hubungan positif di antara sifat Extrovert dengan kepuasan kerja. Dalam masa yang sama, ia mengkaji bagaimana variable penyederhanaan, umur dan jantina mempengaruhi hubungan tersebut. Kajian ini diharap dapat membantu untuk memahami fungsi personality seseorang terhadap kepuasan kerja.

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### **CHAPTER 1**

### INTRODUCTION

### **1.1 Introduction**

Job satisfaction is an important attribute in which organizations desire out of their employees. Job satisfaction is a pivotal construct in organizational behaviour, and it is associated with important outcomes, such as job performance (Judge et al., 2001b), organizational citizenship behaviors (LePine et al., 2002), absenteeism (Tharenou, 1993), and life satisfaction (Tait et al., 1989). Job satisfaction impacts productivity level, quality of interaction in the corporate culture and society in general as workers return to their private lives with the stress and frustrations accumulated during the workday. The financial impact brought about by a less than empowered workforce may be so large and so obscure it defies calculation. Additionally, it may account in part for some of the major issues currently affecting economic growth, such as outsourcing or the hiring of undocumented workers (Hill, 2005). The trickle-down nature of its impact, job satisfaction may well be one of the most serious issues facing today's organizations.

It is obvious that there are basic differences in personality among individuals and these differences may interact with the environmental stimuli to produce differential responses. Different individual will have different levels of job satisfaction. The burning question is what does it take to be satisfied in one's job?. What are the ingredients that contribute to job satisfaction? Most people spend a lot of time at work, making it a very important part of their lives. Because of the amount of time spent at work, satisfaction with their job is important to millions of workers. How does personality relate to job satisfaction? Personality refers to cognitive and behavioral patterns that show stability over time and across situations (e.g. Cattell, 1965). Therefore it is reasonable to expect that personality traits influence personal values and attitudes, as most past studies has demonstrated. Past studies linking personality and job satisfaction have been conducted by many researches.

The purpose of the present study is to investigate the relationship between these two variables. Specifically, the study attempt to link two dimensions from the Five-Factor model of personality ("Big-Five") of Neuroticism and Extroversion to job satisfaction. In the following sections, we discuss the various theoretical perspectives used to explain this relationship, review past studies and literatures. Based on the literatures and past studies, this study hypothesizes on the relationship between these two variables.

#### 1.2 Problem Statement

The search for an understanding on the causes of job satisfaction or dissatisfaction is an ongoing area of interest for academics and professionals. This interest is justified by the impact that satisfaction has on business performance. Organizations are unable to reach competitive levels of quality, either at a product level or customer level if their personnel do not feel satisfied or do not identify with the company (Stewart, 1996). To social scientists, learning about human behavior on the job – "what makes people tick" – in organizations, getting the insight into the effects of people on organizations, to generate knowledge to a better understanding of human behavior. Understanding individual behavior in organizations to improve organizational problems. Employees in organizations are made up of individuals with various personalities. The combination of these personalities in achieving organization's goals and objectives is not an easy task. Understanding the individual behavior in organizations to improve organizational problems is the utmost important.

This study narrowed down and looked at two dimensions of personalities namely neuroticism and extroversion and their relationship with job satisfaction. Thus the research question is:

"To what extent do personality dimensions of Neuroticism and Extroversion affect job satisfaction among managers in Sabah. And what is the impact of age and gender to the relationship between these two personality dimensions and job satisfaction". 3

#### 1.3 Research Objectives

This paper proposed testable hypotheses linking the two personality dimensions of Neuroticism and Extroversion to organizational issue of job satisfaction. This study will investigate the followings:

- To determine whether relationship of Neuroticism and Extroversion and job satisfaction are consistent with the research by Judge et al (2002).
- 2. Whether age and gender moderates the relationship between job satisfaction and Neuroticism and Extroversion.
- 3. Whether personality dimensions of Neuroticism and Extroversion, the best predictors of Job Satisfaction.

#### 1.4 Scope of Study

The scope of this research was to investigate the relationship of the personality dimensions of Neuroticism and Extroversion and job satisfaction. Based on past researches, there are several other personality traits as measured using different type of personality measurement such as the Five-Factor model of personality (the "Big Five"), Positive Affectivity / Negative Affectivity, Core Self-evaluations. For the purpose of this study two dimensions from the Five-factor model of personality are chosen, i.e. Neuroticism and Extroversion. The population of this study will cover managers from companies in the private sectors, located in Kota Kinabalu. For clarification of the term

manager, this study adopts the definition of Oxford dictionary that stated manager as, "a person controlling or administering a business or part of a business".

These two dimensions of Extroversion and Neuroticism are almost opposite of each other and would be interesting to study, thus might assist in understanding job satisfaction the level of job satisfaction among managers in Sabah.

### 1.5 Significance of Study

Employee satisfaction has become one of the main corporate objectives in recent years. The search for the causes of job satisfaction or dissatisfaction is an ongoing interest for social scientists and managers; considering its impact towards an organizations' productivity. The existence of individual differences in job satisfaction has been recognized for as long as job satisfaction has been formally studied (e.g., Hoppock, 1935; Weitz, 1952).

The significance of the study was to analyze whether personality has significant relationship with job satisfaction. This might assist in determining the impact of personality on contributing to job satisfaction. Past studies found that personality to some aspect does have a bearing towards job satisfaction, people are unable to learn how to improve one's personality to influence job satisfaction. However, this study hopes to offer managers and those responsible in developing managers, some provocative questions to consider; to what extent personality dimensions of neuroticism and extroversion affects managers' job satisfaction, if gender and working experience have significant relationship in the equation. Whether men and women are basically similar in terms of job satisfaction. This study hopes to provide a better understanding of the role of individual differences in achieving job satisfaction. Taken as a whole, this study aims to contribute to the understanding of the link between the personality dimensions of neuroticism and extroversion on job satisfaction.

### **1.6 Definition of Key Terms**

### 1.6.1 Personality

Personality is defined in several ways by different researches. Among the notable definitions are as follows:

- Personality refers to cognitive and behavioral patterns that show stability over time and across situations (e.g. Cattell, 1965).
- Hogan, 1991; McCrae and Costa, (1997), put it as a set of psychological traits, a relatively stable precursor of behavior; it underlies an enduring style of thinking, feeling and acting.
- Allport, 1961, p. 28; Ryckman, 1997, p. 5); defined personality as a dynamic and organized set of characteristics of a person that uniquely influences his or her cognitions, motivations, and behaviors.
- Carver & Schein (2000, p.5) defines personality as "a dynamic organization, inside the person, of psychological systems that create a person's characteristics pattern of behavior, thoughts and feelings".

• The most recent definition by Ivancevich and Matteson (2002), which refereed personality as a relatively stable set of feeling and behavior.

Based on the above definitions, several summation and principles of personality can be deduced; personality can be summarized as referring to one's "essence", used to describe and understanding of a person. Personality appears to be organized into patterns, which to some degree, observable and measurable; and personality involves both common and unique characteristics. Personality traits influence personal values and attitudes, as most recent empirical research has demonstrated (Olver and Mooradian, 2003).

There is several famous personality measurements used in past researches. Some of the widely used are the Myers-Briggs Type indicator (MBTI) and The Big Five Model Personality (Big Five). The five-factor model of personality provides a widely recognized taxonomy of personality dimensions which appear to underlie most personality constructs (Burke et al., 1993). It represents a taxonomy to parsimoniously and comprehensively describe human personality, whose validity is strongly supported by empirical evidence (e.g. Digman, 1990; Goldberg, 1993; McCrae and Costa, 1996; O'Connor, 2002). Because of it validity and wide acceptance the big five has been extensively utilized in recent organizational and other applied research (e.g. Barrick and Mount, 1991; Hurtz and Donovan, 2000; Judge et al., 1999; Judge et al., 2002, Salgado, 1997). These five personality traits reflect the physiological 7

activities of different underlying arousal systems, and represent predispositions to behave in certain ways when in the presence of particular stimuli (Howard & Howard, 2001). The personality dimensions comprising the "big five" are (Guthrie et all, 2003):extroversion (e.g. being sociable, gregarious, assertive, etc.); agreeableness (e.g. being empathic, good-natured, cooperative, etc.);emotional stability (e.g. viewed from the negative pole, being anxious, depressed, emotional, nervous, etc.); conscientiousness (e.g. dependable, reliable, careful, thorough, etc.); and openness to experience (e.g. being imaginative, curious, original, broadminded, etc.).

### 1.6.2 Extroversion

Oxford dictionary defines Extroversion, to describe a person predominantly concerned with external things or objective considerations. It refers to the degree of sociability of a person. Individual high in extraversion are generally sociable, friendly and positive.

#### 1.6.3 Neuroticism

Neuroticism is defined by Oxford dictionary, to describe a person as abnormally sensitive or obsessive. Neurotic individuals lack emotional adjustments. They tend to be more negative, stressed and critical. Selfconfidence, optimism, and emotional adjustment are characteristics of low neuroticism (Goldberg, 1990; Mount & Barrick, 1995).

### 1.6.4 Job Satisfaction

Job satisfaction is defined by Churchill et al. (1974) according to all the characteristics of the job itself and of the work environment in which employees may find rewards, fulfillment and satisfaction, or conversely, sentiments of frustration and/or dissatisfaction. In contrast, Locke (1976) conceptualizes job satisfaction as the emotional state resulting from the appraisal of one's job. Subsequently, Price and Muller (1986) identify job satisfaction by the degree to which individuals like their job. Expressed more simply, Spector (1997), Judge and Hulin (1993) and Judge and Watanabe (1993) present job satisfaction as the degree to which a person feels satisfied by their job, which has an impact on personal wellbeing and even on the life satisfaction of the employee. Knoop (1995) further simplify it as "a person's general attitude toward the job and toward the specific aspects of the job such as the nature of work or relations with co-workers. Job satisfaction can be conceived of as a multi-dimensional concept that includes a set of favorable or unfavorable feelings by which employees perceive their job (Davis and Newstorm, 1999). Giese and Cote (1999) defined job satisfaction as a "summary and affective response of variable intensity that is centered on the specific aspects of the acquisition and/or the consumption and that takes place at the exact moment when an individual evaluates the object". The most recent definition by Weiss (2002) defined it as "a positive (or negative) evaluative judgment one makes about one's job or job

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situation" (p.6), this definition adopting a construal of job satisfaction as an attitude.

### 1.7 Organization of Study

**Chapter 1** gives an overview of the research and its significance in the relationship between personality traits and job satisfaction. This chapter focuses on the objective of the research and scope of the study, defining the variables involved and the significance of study. **Chapter 2** presents the past studies of the relationship between the dependent variable of personality dimensions of Neuroticism and Extroversion and the independent variable of job satisfaction. **Chapter 3** outlined the theoretical framework, research hypotheses, type of study, nature of study, unit of analysis, instrument, population of sample, data collection and data analysis methods. **Chapter 4** presents respondents profile and the research findings. **Chapter 5** presents discussion, implication of research, limitations of research and suggestion for future research.