CHAPTER-I
INTRODUCTION

It is immutable law in business that words are words, explanations are explanations, promises are promises but only performance is reality.

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The bottom line of any organization is performance. It is something that people do and is reflected in the actions that people take. Job performance is commonly regarded as one of the most central constructs within the field of organizational behavior (Campbell, Gasser & Oswald, 1996).

A full understanding of job performance depends on having some understanding of the organizational goals to which individual performance is supposed to contribute. It includes only those actions or behaviours, which are relevant to organizational goals (Dunnette, 1963a; 1963b). Therefore, performance does not include activities where effort is expanded towards achieving peripheral goals. Achievement of success on a job not only requires that the person has the essential attributes to use them. The same abilities under different degrees of motivation can alter his job performance in number of ways. The amount of effort expanded, pride in workmanship, promptness and attendance are subject to motivational influences (Maier, 1965).

Job performance is a multidimensional construct which indicates how well employees perform their task, the initiative they take and the resourcefulness they show in solving the problems. Furthermore, it indicates the extent to which they complete tasks, the way they utilize their available resources and the time and energy they spend on their tasks (Schepers, 1994; Boshoff & Arnolds, 1995).
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There are certain factors that influence effectiveness and efficiency of individual, of group, and of overall organization. It includes absenteeism; turn over, job satisfaction, organizational commitment etc. An organization benefits when employee absenteeism is low. Frequent absences from job often results in negative performance evaluation by the supervisors (Mowday, Porter & Steers, 1982).

Like absenteeism, turnover is related to job satisfaction and organizational commitment. Turnover occurs when employees leave an organization and have to be replaced (Mathis and Jackson, 2006) and it adversely affects organizational effectiveness (Borman, 1998).

The researchers with strong humanistic values believe that satisfied employees are more productive than dissatisfied employees. Satisfaction with job is negatively related to absenteeism (Robbins, 1999). Organizational commitment is the degree to which employees believe in and accept organizational goals and the desires to remain with the organization. Various research studies have revealed that people who are relatively satisfied with their jobs will be somewhat more committed to their organization (Mathis & Jackson, 2006) and will add to job performance.

The relationship among satisfaction, commitment, absenteeism and turnover has been affirmed across cultures, full and part time work, genders and occupations (Wasti, 2003; Thorsteinson, 2003; Kuokkanen, 2003). Absenteeism and turn over are related, as both involve withdrawal from the organization. Absenteeism is temporary withdrawal, while turnover is permanent.

An employee who is satisfied with his job but dissatisfied with his life is likely to perform poorly on his job, despite his high
level of job satisfaction. There are a lot of events and life changes which are highly stressful.

Life events or crises are subjective situations which on the face of these would seem to be stressful and involve an experience which either impose pain or necessitate a role transformation (Antonavosky & Katz 1967). The life changes represent ongoing sources of stress to which each individual is subjected to a greater or lesser degree (Dohrenwend & Dohrenwend, 1974). Life changes may be either slow (getting older) or sudden (the death of a spouse) can directly influence job performance. The relationship between life stress and job outcome indicate that people do not separate their personal lives from their job lives; that is, there is a spillover of the effects of non-work stress on organizational outcomes (Singh & Kumari, 2004). Negative stress from both an employee's job and personal life would have a greater effects on mental health and job outcomes, small amounts of stress and anxiety might lead to increase in performance, large amounts disrupts and impair performance (Schoonmaker, 1969).

Stress has a strongest impact on aggressive actions such as sabotage, interpersonal aggression, hostility and complaints (Chen and Spector, 1982). These types of problems from stress in turn are especially related to poor performance, inability to concentrate and make decisions (Singh & Kumari, 2004).

Different types of events exert their influence in different ways and over different period of times (Sarason, Sarason & Johnson, 1983). Financial problems often affect an individual's level of productivity (William, Haldman & Cramer, 1981) and job satisfaction (Rose, 2007). 25% to 35% workers report high stress and among stressors are relationship, work, health, crime/violence and personal finances (German, 1982). Stress caused by financial problems leads some people to abuse alcohol and
siblings, which further results in poor employee performance including lowered production and decreased compensation (Cally, 1994). Other consequences of financial stress include substance abuse, absenteeism, worrying about job security and job turnover (German, 1996).

People who had higher levels of financial stress had low levels of pay satisfaction, were more likely to waste their work time and most frequently absent from work (Kim & German, 2003 also supported by Kim, Sorhindo & German, 2006). Financial problems negatively impacts an employee's psychological and physical well-being, which, in turn, lowers job performance (Raphahlelo, 2006).

Besides financial problems, genuine sickness accounts for between half and two thirds of absence from work and health risk factors generally represents additional causes of lost productivity (Burton, Conti, Chen Schultz, & Edington, 2002; Meerdinage, Ijzelenberga, Koopmanschapb, Severence & Burdorfa, 2005) and decreased work efficiency.

Sleep deprivation has shown to impair the performance of medical interns. Interns made more serious medical errors when they worked frequent shifts of 24 hours or more than when they worked shorter shifts (Landrign, Rothschild, Cronin, Kaushal, Burdick, Katz, Lilly, Stone, Lockley, Bates & Czeisler, 2004). Insomnia is found to be associated with work absenteeism and reduced work productivity (Daley, Morin, LeBlanc, Gragoire, Savard & Baillargeon, 2009).

Many life stressors stem from relationships. Relationship problems can quickly interfere with duty performance and personal readiness (Hussian & Rashid, 2004). Conflict between work and family responsibilities have been related to inadequate performance in workplace (Frone, Yardley & Markel, 1997) and show negative relationship with job satisfaction and life
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satisfaction and positive relationship with job burnout and intention to leave an organization (Mizuno, Yamada, Mizuno, Matsuda, Koizum, & Sakai 2007; Noor & Mad, 2008). Similarly, in the workplace marital problems can take the form of increased absenteeism and lowered job performance (Jane, 1991; Wagmiller, Gershaff, Veiz & Clements, 2010).

Job stress has been also viewed as dysfunctional for organizations and their members (Kahn, Wolf, Quinn, & Rosenthal, 1964). Job related stress can be mostly immobilizing because of its possible threats to family functioning and individual performance (Bashir & Ramay, 2010). Stress in work environment reduces the intention of employees to perform better in jobs. Several studies have shown negative and significant relationship between work stress and job performance (Friend, 1982; Jamal, 1985; Abramis, 1994; Hoggins & Coligan, 2005; Chen, 2009 and Bashir & Ramay, 2008).

Stress due to job insecurity could have deleterious effects on employees' performance. Job insecurity refers to uncertainty about the continuation of one's job. It has been shown to be negatively related to job satisfaction (Reisel, Chia, Moleles & Slocum, 2007; Feng, Lu, & Siu, 2008) and job performance (Chirumbolo & Areni, 2005).

Hence, stressors resulting from various life situations could be very important factors in predicting job performance.

Everyone knows that happy employees are critical for an organization. Performance and happiness go hand in hand in making an organization successful (Fisher, 2003). With both an appropriate management system and a positive approach to influence people, that increase happiness, an organization's key results can more likely be achieved and sustained.

Happiness is the experience of frequent mildly pleasant emotions, the relative absence of unpleasant feelings and a
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general feeling of satisfaction with one’s life (Diener & Dean, 2007). Happiness comes from work experience that yield positive emotions, positive thoughts and positive images in people. Positive emotions in particular have the capacity to “build and broaden” people’s positive response (Fredrickson, 2001).

Being unhappy in a job can have devastating effects not only on one’s performance at workplace but also on one’s personal life. In looking at happiness in the workplace, we find that a person’s orientation in reflecting on the past, focusing on the present and looking into the future is determinative of whether he or she is happy (Peterson, Park & Saligman, 2005). People who are happy in their work setting are generally having more positive experiences than negative ones in connection with the workplace and job (Stillman, 2007).

People who approach tasks positively have been found to be more productive, creative and resilient (Fredrickson and Branigon, 2005). Positive affect brings about successful outcomes in the workplace (Boehm & Lyubomirsky, 2008) and responsible for 10% to 25% of variations in work performance (Thotten, 2005). At the workplace managers observe that workers who are happy tend to have higher job performance than workers who are less happy (Judge, Thoreson, Bono & Patton, 2007). Employees with higher levels of happiness have low levels of absenteeism (Shoenfelt & Battista, 2004) and higher levels of satisfaction with job (Hoppock, 1935; Bradburn & Caplovitz, 1967; Michalos & Orlando, 2006; Bowling, Eschlemen & Wang, 2009; Nurullah, 2010).

Happiness at work is a mindset that allows people and their organizations to maximize performance and achieve their full potential. Benefits of happiness include getting promoted faster, earning and learning more, generating more creative ideas, being healthier and achieving greater success (Jessica, 2010).
Another important factor affecting individual's job performance which ultimately affects the organizational productivity is personality. How profound the effect of personality is on the job performance depends of course on the unique facets of an individual's personality.

Personality is a stable set of psychological attributes that distinguish one person from another (Pervin, 1985). People possess stable traits and characteristics, which predispose them to behave in certain ways. Different psychologists at different times have tried to base these traits on a number of dimensions to see its effect on job performance e.g. Barrick's and Mount's (1991) big five personality traits dimensions (Neuroticism, Extraversion, Openness, Agreeableness and Conscientiousness) are mostly used in organizations for placement and decision purposes.

Various studies have shown the association between personality (Big -Five) and performance (Barrick & Mount, 1991; Barrick, Mount & Judge, 1991; Salgado, 1997, 2003; Hogan & Holland, 2003).

Neurotic individuals show a tendency to develop negative affects such as fear, sadness, anger, and disgust. They are characterized by irritability and apathy (Eysenck, 1947). High degree of job anxiety with regard to human relations at work, among different dimensions of job anxiety, is most effective in diminishing employees' efficiency in performing assigned job activities (Srivastva & Krishna, 1980). Those who exhibit fear and anxiety (high in neuroticism) are incompetent and incapable of success and have poor performance (Neff, 1985; Deffenbacher, & Hazaleus.1985; Mughal, Walsh, Wilding.1996; Unworth, Miller, Lukey, Young, Meeks, Campbell & Goodie, 2009) and lower level of job satisfaction (Miller, Mire & Kim, 2009).
A large amount of evidence indicate that the more closely individual's personalities, traits and abilities match those required by a given job, the more productive and satisfied they tend to be (Cald Well & O'Reilly, 1990) e.g. extraversion is positively related to job performance in occupation requiring frequent social interaction and training efficiency for all occupational groups (Barrick & Mount, 1991).

Extraversion is a broad personality trait that encompasses a number of more specific characteristics such as sociability, assertiveness, high creativity level and impulsivity (Lucas & Diener, 2001) and are very ambitious and hard working (Hogan, Johnson & Briggs, 1997). It has been found to be the most consistent correlate of transformational leadership (Bono & Judge, 2004) and positively and significantly correlated with aggressive and constructive interactional styles (Bathazard, Potter & Warren, 2002).

Higher level of extraversion reports higher levels of job satisfaction (Furnham & Zacherl 2002; Miller, Mire & Kim, 2009) and job success (Smithikrai, 2007).

Another major dimension of personality openness to experience is positively related to training proficiency (Barrick & Mount, 1991, 2006) and to performance for the occupations involving interpersonal interactions (Nickolaou, 2003). Openness to experience includes active imagination, aesthetic sensitivity, attentiveness to inner feelings, intellectual curiosity and independence of judgment (Rothman & Coetzer, 2003). People high in this trait are motivated to pursue promotion-related goals (Vaugh, Baumann & Klemann, 2007) and show high sales (Furnham & Fudge, 2008) and task and contextual performance (Rose, Ramalu, Uli & Kumar 2010).

Like extraversion, agreeableness is primarily a dimension of interpersonal tendencies. An agreeable person is fundamentally
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altruistic, sympathetic to others and eager to help them, and in return believe that others will be equally helpful (Rothman & Coetzer, 2003). Agreeableness is positively related to performance in service jobs (Barrick & Mount, 1991; Hogan, Hogan & Robert, 1996) and to increased productivity (Neubert, 2004).

There are certain job conditions (status) i.e. temporary or contract based employments that also seem to affect job performance. Use of employees in temporary, part time and contract employment is widespread. Recent studies have shown that temporary workers are generally worse off than permanent workers are. Differences are there in form of wages (Booth, Francesconi & Frank, 2002; Brown & Sessions, 2003; Lane, Mikelson, Sharkey & Wissoker, 2003; Junor, 2004), pension plans and health insurance (Gustafsson, Kenjoh & Wetzels, 2001; Kalleberg, 2000; McGovern Smeaton, & Hill., 2004; Remery, Van Doorne-Huiskes & Schippers, 2002), career opportunities (De Feyter, Smulers & Devroome, 2001; McGovern et al., 2004), and job security (Dex, Willis, Paterson & Sheppard, 2000; Naswall & De Witte, 2003; Parker, Griffin, Sprigg & Wall, 2002).

One of the most important motives for accepting a contract based job is the inability to obtain a permanent job. Contract based or temporary work might improve probabilities of finding regular employment and provides them opportunities to gain work experience. Some individuals that would otherwise not have been able to find a regular job might find work using temporary employment as a stepping-stone (Graaf-Zijl, 2005). As a result they might put on an extra gear to perform better to bridge the gap with their counterparts' i.e. regular employees. Temporary workers provide higher effort than permanent employees (Engellandt & Riphahn, 2005) and have better job performance, a higher level of affective commitment to the agency, improved overall job satisfaction, higher perception of fairness, higher
perception of work options and lower turnover intentions (Koh & Yer, 2000).

In line with the above discussion the current investigation aims to see the relationship of life events (psychosocial stress and stressful life events), happiness, personality (in terms of Big Five personality dimensions) with job performance of regular and contract based employees in both the genders.