REVIEW OF LITERATURE

This chapter deals with the review of literature in relation to the variables of the proposed research topic. Literature review is carried out to gather information regarding the work done in past and also to ascertain what is being done currently in the context of variables of the study under investigation.

In the present research work, there are three independent variables namely, personality factors, self-efficacy and locus of control and one dependent variable namely, organizational effectiveness. Efforts had been taken to condense only relevant and exhaustive studies which set light on these variables.

2.1. Personality Factors

Guha (1965) investigated the relationship between personality factors such as neuroticism, extraversion, intraversion and certain biographical factors like age and marital status with job satisfaction. The data was collected on shoe factory workers. The findings revealed that job satisfaction has negative relation with neuroticism and positive relation with extraversion. Satisfaction tends to increase toward middle age. There seems to be no relationship between job satisfaction and marital status.

Furnham and Zacherl (1986) examined the relationship between the dimensions of personality such as extraversion, neuroticism and psychoticism and various dimensions of job satisfaction in a group of computer employees. Whereas Extraversion and Lie scores correlated positively with all aspects of job satisfaction, Neuroticism and Psychoticism scores correlated negatively with a third of the correlations being significant. However, there was little evidence of the hypothesized P-E fit between personality and job type though this may be due to classificatory and methodological problems.
In a meta-analytic review Tett, Jackson and Rothstein (1991) reported a correlation of .24 between personality and job performance. Predictive validity for four of the big five factors (Extraversion, Conscientiousness, Agreeableness and Openness to experience) have reached significant levels ranging from .16 to .33 while Neuroticism showed a negative (-.22) correlation to job performance. So far research has revealed that Conscientiousness and Extraversion are relevant personality factors and valid predictors of job performance for managers.

Van den Berg and Feij (1993) investigated the relationships of personality traits and job characteristics with job experiences in a sample of job incumbents working in a broad variety of occupations. The sample was comprised of 181 job applicants. The findings revealed that work experiences are clearly determined by personality and job characteristics, although in an additive rather than in an interactional way.

Stewart and Carson (1995) examined the relationship between personality dimensions and job performance on a sample of 105 service workers. They found that both conscientiousness and extraversion were correlated with specific job performance dimensions. However, contrary to our expectation the extraversion-performance relationship was found to be negative.

Salgado (1997) examined the relationship between five factor model of personality (Conscientiousness, Emotional stability, Extraversion, Agreeableness and Openness) and job performance in the European community. The results revealed that Conscientiousness and Emotional stability were valid predictors of job performance across a range of job criteria and different occupational groups. The remaining factors are valid only for some criteria and for some occupational groups. Extraversion was found predictor of two occupational groups, Openness and at the same time Agreeableness were found valid predictors of training proficiency.
Tokar and Subich (1997) surveyed the job satisfaction of 395 diversely employed adults to determine whether personality dimensions recognized in the five-factor model of personality contributed to prediction of job satisfaction beyond the contribution of congruence. Personality also was examined as a primary predictor. The findings revealed that congruence did not predict job satisfaction, but the block of Big-Five personality dimensions did contribute significantly to the prediction of job satisfaction; extraversion and low neuroticism as unique predictors. Results also showed that personality did not moderate the congruence–satisfaction relation.

Spangler et al. (1997) examined the impact of personality on leadership style. Data was collected on sales managers. The findings revealed that the two key personality variables—extraversion and neuroticism—are strongly related to three prominent leadership styles—laissez-faire, transactional and charismatic.

Kichuk and Wiesner (1997) examined the relationships between the ‘Big Five’ personality factors (Conscientiousness, Extraversion, Neuroticism, Agreeableness and Openness) and objective team performance for three-member product design teams. In addition to this, the potential incremental contribution of personality to the variance in team performance over that accounted for by established selection measures such as general cognitive ability was investigated. In the short duration of the study, it became apparent that some teams were capable of success and some were not. Successful teams were characterized by higher levels of general cognitive ability, higher extraversion, higher agreeableness and lower neuroticism than their unsuccessful counterparts. In successful teams, the heterogeneity of conscientiousness was negatively related to increments in product performance.

Tanoff. (1999) examined the relationship between personality and job satisfaction in a major international corporation. Data was collected from 804
participants in six occupational areas (technical, business, human resources, administrative, legal/wellness and non-exempt) and spanning four job classification levels (senior management, middle management, supervisory and non-supervisory responsibility employees). The results revealed a significant, inverse relation between Neuroticism and job satisfaction in all but one job category.

Dole and Schroeder (2001) conducted a study to examine the relationship between personality, job satisfaction and turnover intentions, and to determine if the moderating variables – ethnicity, gender, occupational setting and level of decision making authority – have an impact on these relationships. The study was conducted on professional accountants. The result did not find an overall significant relationship between personality and job satisfaction or turnover intentions, but did find an inverse relationship between job satisfaction and turnover intentions that was consistent with previously reported research. Neither gender nor ethnicity was found to be a significant moderating variable influencing the relationships between the primary variables; however, both occupational setting and level of decision making authority were found to have a significant impact on the relationships between the primary variables.

In a sample of 79 public-sector managers, Gellatly and Irving (2001) examined the relationship between personality (extroversion, agreeableness, conscientiousness), job autonomy and contextual performance, and tested the moderating role of autonomy on personality and performance relations. Criterion data were provided by supervisors using the relative percentile method (RPM). Moderated regression analyses revealed positive relations between autonomy on contextual performance and positive relations between both extroversion and agreeableness and the criterion when job autonomy was high. Negative relations were found between conscientiousness and contextual performance, and between agreeableness and the criterion when autonomy was low.
Barrick, Mount and Judge (2001) investigated the relationship between Big Five personality traits (Conscientiousness, Emotional stability, Extraversion, Agreeableness and Openness to experience) and job performance. The result determined that one trait, conscientiousness, significantly predicts job performance across different performance criteria and organizational settings. Emotional stability (often labeled by its opposite pole, neuroticism) also predicts overall job performance, albeit generally more weakly than conscientiousness and generalizes across different occupations. The final three Big Five traits (extraversion, agreeableness and openness), though not predictive of all job performance criteria in all occupational settings, do demonstrate significant validity coefficients in certain conditions. For instance, both extraversion and agreeableness predict teamwork performance (where interpersonal relationships are important) and openness, which entails intellectual curiosity, predicts training performance.

Seibert and Kraimer (2001) examined the relationship between the Big Five personality dimensions (Neuroticism, Conscientiousness, Extraversion, Agreeableness and Openness) and career success by surveying a sample of 496 (318 male and 178 female) employees in a diverse set of occupations and organizations. Career success includes two dimensions- extrinsic success (indicated by objective and observable factors such as salary and job promotions) and intrinsic success (represented by career satisfaction). Results showed that extraversion was related positively to salary level, promotions and career satisfaction, and neuroticism was related negatively to career satisfaction. Agreeableness was related negatively only to career satisfaction and openness was related negatively to salary level. Examination of moderators revealed that there was a significant negative relationship between agreeableness and salary among individuals in people-oriented occupations but no relationship for those in occupations not involving a strong “people” component.
Silverthorne (2001) investigated the relationship between personality and leadership effectiveness in a cross cultural context. This study compared samples of effective and not effective leaders in the US, the Republic of China (Taiwan) and Thailand. Based on the results of this study, there is evidence that the five-factor model of personality relationship to leadership has support in the US sample. Further, support was found for four of the five factors in the Republic of China sample but only for two of the factors in the Thailand sample. In general, the results raise questions about the consistency of the five factor model of personality when related to leadership and its usefulness in non-western cultures. However, effective managers differ from less effective ones in describing themselves as more extraverted, more agreeable, more conscientious and less neurotic in all three cultures studied, and that US managers (but not Chinese and Thai) also describe themselves as more open to experience.

Judge, Heller and Mount (2002) investigated the relationship between the traits from the 5-factor model of personality (Neuroticism, Extraversion, Agreeableness, Conscientiousness and Openness to experience) to overall job satisfaction. Using the model as an organizing framework, 334 correlations from 163 independent samples were classified according to the model. The estimated true score correlations with job satisfaction were -.29 for Neuroticism, .25 for Extraversion, .02 for Openness to Experience, .17 for Agreeableness and .26 for Conscientiousness. Results further indicated that only the relations of Neuroticism and Extraversion with job satisfaction generalized across studies. As a set, the Big Five traits had a multiple correlation of .41 with job satisfaction, indicating support for the validity of the dispositional source of job satisfaction when traits are organized according to the 5-factor model.

Salgado (2002) investigated whether the Big Five dimensions are predictor of following counterproductive behaviours such as absenteeism, accidents, deviant
behaviours and turnover etc. The results based on the meta-analyses showed that conscientiousness predicted deviant behaviours and turnover, and extroversion, openness, agreeableness and emotional stability predicted the turnover criterion. However, none of the Big Five personality measures were found to be predictors of absenteeism or accidents.

Furnham et al. (2002) investigated the relationships between personality factors and aspects of job satisfaction. The results concluded that personality factors do not have a strong or consistent influence either on what individuals perceive as important in their work environment on their levels of job satisfaction.

Judge and Ilies (2002) organized the personality–work motivation research using the five-factor model and meta-analyzed the relationship between the Big Five traits and various measures of motivation (i.e., goal-setting motivation, self-efficacy, expectancy motivation) and found that neuroticism and conscientiousness, respectively, displayed strong negative and positive correlations with work motivation across the three aforementioned measures.

Lounsbury et al. (2003) in his research study examined personality traits in relation to career satisfaction and job satisfaction. Personality traits correlated with career satisfaction included the big five traits of conscientiousness, extraversion and openness and other narrower traits such as assertiveness, customer service orientation and human managerial relations orientation. This study leads to the confirmation that the personality traits do influence job satisfaction.

Van den berg and Feij (2003) investigate the additive, mediating and moderating effects of personality traits (extraversion, neuroticism, achievement motivation and experience seeking) and job characteristics on work behaviours. The sample was comprised of 161 Job applicants. One and a half years later, supervisors
rated the applicants' job performance and the job incumbents completed questionnaires about skill variety, autonomy and feedback, work stress, job satisfaction, work self-efficacy and propensity to leave. Perceived feedback mediated the relationship between achievement motivation and job performance. Extraversion predicted work self-efficacy and job satisfaction. Work stress mediated the relationship between neuroticism and job satisfaction. Job satisfaction and experience seeking were related to propensity to leave. Autonomy, skill variety and feedback were related to job satisfaction.

Nikolaou (2003) studied the relationship between personality and job performance. The results supported the existence of relationships between personality and job satisfaction but not between personality and the performance-related variables, although agreeableness and openness to experience were related to performance for occupations involving interpersonal interaction.

Bozionelos (2004) investigated the relationship between the big five of personality and work involvement. The sample was comprised of 279 white-collar workers, who were employed on a full-time basis in clerical, administrative and managerial positions. Scores on agreeableness were negatively related to scores on work involvement and to total hours worked per week; and the extroversion × openness interaction made a positive contribution to scores on work involvement. Overall, the findings suggest the existence of an, albeit not strong or extensive relationship between the big five of personality and work involvement.

Thomas et al. (2004) examined the relationship between job characteristics, personality and job satisfaction. The results indicated that personality had neither a direct effect on satisfaction nor a moderating effect on the job characteristics and job satisfaction relation.
Silva (2006) investigated the relationship of job attitudes to personality traits in a hotel setting. In the study the author finds that job attitudes, specifically, organizational commitment and job satisfaction are significantly related to the personality traits, the big five and the locus of control.

Erdheim et al. (2006) in their study explored the linkages between the five-factor model of personality and organizational commitment using a field sample. Results indicated that Extraversion was significantly related to affective commitment, continuance commitment and normative commitment. Neuroticism, Conscientiousness and Openness to Experience were all significantly related to continuance commitment. Lastly, Agreeableness was significantly related to normative commitment.

Barrick and Mount (2006) investigated the relation of the Big Five personality dimensions (Extraversion, Emotional Stability, Agreeableness, Conscientiousness and Openness to Experience) to three job performance criteria (job proficiency, training proficiency and personnel data) for five occupational groups (professionals, police, managers, sales and skilled/semi-skilled). Results indicated that one dimension of personality, Conscientiousness, showed consistent relations with all job performance criteria for all occupational groups. For the remaining personality dimensions, the estimated true score correlations varied by occupational group and criterion type. Extraversion was a valid predictor for two occupations involving social interaction, managers and sales (across criterion types). Also, both Openness to Experience and Extraversion were valid predictors of the training proficiency criterion (across occupations). Other personality dimensions were also found to be valid predictors for some occupations and some criterion types, but the magnitude of the estimated true score correlations was small ($\rho < .10$). The findings have numerous implications for
research and practice in personnel psychology, especially in the subfields of personnel selection, training and development, and performance appraisal.

Tyler and Newcombe (2006) conducted a study to investigate the relationship between work performance and personality traits in Hong Kong in organizational setting. The sample was comprised of four hundred and thirty-seven employees from four Hong Kong organizations. They found a number of significant bivariate correlations between work performance and personality traits.

Kotterman (2006) investigated the relationship between management effectiveness and supervisor personality as defined by the Five Factor Model. Each of the 122 responding subordinates subjectively rated a selected supervisor for effectiveness and on each of the five personality domains. The overall results suggested that all of the five personality domains were significantly correlated with management effectiveness.

Day and Silverman (2006) investigates the relationship between specific personality variables and job performance in a sample (N= 43) of accountants. The results indicate that even with the effects of cognitive ability taken into account, three personality scales (orientation towards work, degree of ascendancy, and degree and quality of interpersonal orientation) are significantly related to important aspects of job performance. It is suggested that the overall validity of selection strategies might be improved with the addition of measures of relevant personality dimensions when appropriately matched to an occupation and organization.

Andersen (2006) in a survey article explored the relationship between leadership, personality and organizational effectiveness. Traditional and contemporary research showed that personality can not explain leadership. Traits of leaders can not
explain organizational effectiveness. Leadership appears to have a minor impact on organizational effectiveness. The personality approach is less relevant to management.

In their study Matzler and Renzl (2007) focus on personality traits as predictors of employee satisfaction and an effect of employee satisfaction on affective commitment towards an organization. The results of the empirical study within a company in the utility sector (N = 199) show that Neuroticism is negatively related to employee satisfaction, Conscientiousness has no impact and Agreeableness positively influences satisfaction. Employee satisfaction has a strong impact on affective commitment. While considerable attention has been given to environmental, especially managerial influences on employee satisfaction, the findings illuminate important connections between enduring characteristics of individuals and individuals' satisfaction in the workplace. The results of this study have shown that more than 20% of the variance of employee satisfaction is caused by personal differences, i.e. personality traits.

The meta-analysis conducted by Ones et al. (2007) found that conscientiousness is the single best predictor of overall job performance and general task performance across all occupational groups-sales, managerial, skilled, professional, semi-skilled, customer services and essential services.

Furnham and Fudge (2008) examined the relationship between five personality factors and sales performance. The sample was comprised of 66 sales consultants from a sports organization. In the present study, Conscientiousness and Openness did show a positive relationship and Agreeableness a negative relationship with sales, however, Extraversion and Neuroticism showed no statistically significant relationship.

Clarke and Robertson (2008) examined the role of personality in work accidents. The study reported is based on a systematic search and meta-analysis of the
literature, using the Big Five personality framework. They found that, except for openness, the Big Five traits were strongly associated with accidents, in particular those with high levels of openness and neuroticism, and those with low levels of agreeableness and conscientiousness. They also found, however, that with the exception of agreeableness, the variability in the correlations was quite high.

Singh (2009) examined the impact of personality traits on leadership effectiveness. The study was conducted on 140 IT professionals working in firms located in northern India. The findings revealed that openness to experience emerged as best predictor of leadership effectiveness followed by conscientiousness, extraversion and agreeableness. Overall, the findings suggest that personality traits are significant predictors of leadership effectiveness.

A meta-analysis conducted by Bruk-Lee et al. (2009) summarizing results of 187 studies reported cross-sectional and longitudinal relationships between job satisfaction and personality. The Big Five factor of Neuroticism related most strongly and negatively to job satisfaction (−.25), with the other factors ranging from .16 (Conscientiousness) to −.02 (Openness to Experience).

Sawyerr et al. (2009) investigated the relationship between call centre employees’ personality factors and job performance. Results showed that, with the exception of extraversion/introversion, all personality dimensions of the five factor model- conscientiousness, agreeableness, openness to new experience, emotional stability and locus of control were significantly related to one or more of the performance measures.

Yavas, Karatepe and Babakus (2010) examined the relative efficacies of a set of organizational support mechanisms and personality traits in predicting frontline employees' service recovery and job performances. Data were gathered from 723
frontline hotel employees in Turkey. The results showed that organizational support is more effective in differentiating between high and low performing frontline employees in the case of service recovery performance. However, job performance overall is more susceptible to the influences of personality traits.

Suliman et al. (2010) examined the role of personality traits in affecting employees' work performance. The sample was comprised of 582 employees from a duty-free organization. In this study, some personality traits were found to be significant in predicting employees' work performance and gender factor was found to be mediating the links between traits and performance.

O’Neill and Allen (2011) examined the effects of personality (Big Five personality factors- Conscientiousness, Agreeableness, Extraversion, Neuroticism and Openness) on team performance. They found that, among the Big Five factors of personality, Conscientiousness is often the most important predictor. The results revealed that Conscientiousness and its facets predicted team performance. Agreeableness, Extraversion and Neuroticism were not predictive of team performance, whereas Openness had a modest negative relation with team performance.

2.2. Self-Efficacy

Westerberg et al. (1997) conducted a study to examined the influence of CEO characteristics (self-efficacy, tolerance for ambiguity and need for cognition) in relation to some aspects of firm orientation (Market vs. Internal and Planning vs. Implementation) and firm performance. The results showed that CEO characteristics tended to have a considerable impact on firm performance and on firm orientation, while no significant relationship was found between firm orientation and firm performance.
In a meta-analysis of 114 studies, Stajkovic and Luthans (1998) examined the relationship between self-efficacy and work-related task performance. Their main finding was an average weighted correlation between self-efficacy and work-related performance of \( r = .38 \), which transformed to a 28 percent gain in task performance.

Prussia, Anderson and Manz (1998) examined the effects of self-leadership skills and self-efficacy perceptions on performance. Structural equations modeling determined whether the influence of self-leadership on performance is mediated by self-efficacy perceptions. Results for the sample of 151 respondents indicated self-leadership strategies had a significant effect on self-efficacy evaluations and self-efficacy directly affected performance. Further, self-efficacy perceptions were found to fully mediate the self-leadership/performance relationship.

In a field study O’Neill and Mone (1998) investigated the effect of equity-sensitivity and self-efficacy on job satisfaction, organizational commitment and intent to leave. The sample was comprised of 242 employees from a health care firm. The findings revealed that the employees working in a health care firm support the moderating role of equity sensitivity and relationship between self-efficacy and job satisfaction and between self-efficacy and intent to leave. But they did not find relationship between self-efficacy and organizational commitment.

In a study Jex and Bliese (1999) found a strong positive relationship between self-efficacy and job satisfaction. At the same time, they also found a strong positive relationship between self-efficacy and organizational commitment. Their results indicated that employees react negatively when they perceive that they are not capable of high levels of performance.

Wunlapa (1999) conducted a study to find out the relationship between self-efficacy and performance of direct-sales persons in commodity products of three
direct sales companies in Thailand. The findings revealed that the relationships between self-efficacy and the quality of the performance of direct-sales persons were found to be statistically significant.

Nandal and Krishnan (2000) explored the relationship between charismatic leadership and follower's self-efficacy and role clarity using a sample of 105 executives of a large manufacturing organization in eastern India. Charismatic leadership was taken as comprising five factors- strategic vision and articulation, sensitivity to the environment, sensitivity to member’s needs, personal risk and unconventional behaviour. Results indicated no relationship between charisma and self-efficacy. Three of the five factors of charismatic leadership (strategic vision and articulation, sensitivity to environment and sensitivity to members’ needs) were however positively related to lack of role ambiguity, which in turn was positively related to self-efficacy.

Luthans and Peterson (2002) examined the impact of managers’ self-efficacy on the relationship between their employees’ engagement and managers’ effectiveness. They reported that the manager’s self-efficacy was a partial mediator of the relationship between his or her employees’ engagement and the manager’s rated effectiveness. Overall, on the basis of their study they suggested that both employees’ engagement and manager self-efficacy are important antecedents that together may more positively influence managers’ effectiveness than either predictor.

Sinha, Talwar and Rajpal (2002) conducted a study to investigate the relationship between self-efficacy and organizational commitment. The sample was comprised of 167 managers. The findings revealed that organizational commitment was positively related with self-efficacy.

Droussiotis (2004) in a study attempts to derive and identify from primary data the characteristics of the most productive Cypriot employees, as seen by their
managers. The findings showed that highly performing employees were satisfied with their jobs and were highly motivated to work. The findings obtained by Droussiotis clearly indicated that highly performing employees were found to be having high level of self-efficacy, good communication skills, group cohesiveness, internal locus of control and low organizational commitment.

Karatepe et al. (2006) conducted a study to examine (i) the effects of trait competitiveness, self-efficacy and effort on performance, (ii) the effects of self-efficacy and effort on job satisfaction and (iii) the effects of performance and job satisfaction on intention to leave. The study used a sample of frontline employees in Northern Cyprus hotels. The hypothesized relationships were tested using LISREL 8.30 through path analysis. Path analysis indicated that competitiveness, self-efficacy and effort were significant predictors of frontline employee performance. However, the direct effect of competitiveness on performance had been found to be stronger than that of effort. Path analysis also demonstrated that the direct effect of self-efficacy on job satisfaction was stronger than that of effort. Job satisfaction had been found to be negatively associated with intention to leave, while performance had not.

Karatepe et al. (2007) in a study investigated the effect of self-efficacy on job performance, job satisfaction and affective organizational commitment on employees in three, four and five-star hotels in Northern Cyprus as its setting. The results demonstrated that self-efficacy is a significant determinant of job performance. This study, however, failed to find a significant positive association between self-efficacy and job satisfaction. The results of the present study revealed that job performance mediates the impact of self-efficacy on job satisfaction. In addition, the results of the path analysis showed that self-efficacy is among the significant predictors of affective organizational commitment. The model test results provided empirical support for the
rest of the hypothesized relationships. Specifically, the path-analytic findings indicated that job satisfaction exerts a significant positive influence on affective organizational commitment. The model test results also demonstrated that job satisfaction and affective organizational commitment are negatively associated with intention to leave.

Ladebo and Awotunde (2007) examined the main and interactive effects of work overload and self-efficacy on emotional exhaustion and job performance of extension personnel in Southwest Nigeria (N= 156). Results indicated the positive relation between work overload and emotional exhaustion and not with job performance, and efficacy beliefs was found positively associated with job performance. At the same time, the interaction between efficacy beliefs and work overload was found unrelated to emotional exhaustion and job performance.

In a study Vuuren et al. (2008) investigated the main and combined effects of self-efficacy and organisational efficacy on three dimensions of organisational commitment. The survey was conducted on employees of a chemical plant. The findings revealed that both organisational efficacy and to a lesser extent, self-efficacy both contribute to affective, normative and continuance commitment.

Xanthopoulou et al. (2008) in a study found that work engagement mediates the relationship between self-efficacy and (in-role and extra-role) performance. Specifically, work engagement partially mediates the relationship between self-efficacy and in-role performance, whereas, work engagement fully mediates the relationship between self-efficacy and extra-role performance.

Kim et al. (2008) examined the impact of self-efficacy on overall pay satisfaction and three of its sub-dimensions: satisfaction with pay level, satisfaction with benefits and satisfaction with pay structure/administration. Secondly, this study also assessed the moderating effects of pay-for-performance perceptions on the
relationship between self-efficacy and pay satisfaction. The sample was comprised of 256 employees from four South Korean companies. The results revealed that self-efficacy was negatively related to overall pay satisfaction and its three sub-dimensions. The results also found support for the moderating role of pay-for-performance perceptions on the self-efficacy and pay satisfaction relations, for all pay satisfaction sub-dimensions except pay level satisfaction.

Hurter (2008) conducted a study to investigate the relationship between self-efficacy and employee commitment. For this purpose the sample was comprised of 113 category four and higher employees from a South African sugar manufacturing company. The results of the study indicated the positive correlation between self-efficacy and employee commitment. Uncommitted employees showed a lower level of self-efficacy.

Ballout (2009) investigated the moderating role of self-efficacy on the relationship between career commitment and career success. The survey was conducted on managers and non-manager employees in Lebanon regarding their career commitment, self-efficacy and career success. The results showed that career commitment predicted both objective (i.e. salary level) and subjective (i.e. career satisfaction) career success only for employees with average to high self-efficacy but not for those with low self-efficacy.

Shih et al. (2009) conducted a study to examine the relationship between two variables, self-efficacy and job involvement, of internal auditors of companies. The study also aims to explore its intervention on self-efficacy and job involvement using organizational power as another variable. A survey is conducted on 600 publicly listed Taiwanese companies that have subsidiaries in China. A total of 600 questionnaires are distributed to their internal auditors. The results show that there is a significant and
positive correlation between self-efficacy and job involvement of internal auditors. Organizational control power does not exhibit intervening effects on self-efficacy or job involvement.

Prieto (2009) investigated how self-efficacy predicts work engagement and performance through job and personal resources among construction workers. A total of 228 Spanish construction workers were participated in this study. The results revealed that self-efficacy was related positively with resources (i.e., mental and emotional competences, job control and supervisor social support) which, in turn, lead to work engagement and performance. Furthermore, the results also showed a direct relationship between self-efficacy and performance. This study emphasizes the role that self-efficacy plays in the prediction of positive processes like work engagement and performance.

Fang (2009) analyzed the relationship between self-efficacy, job satisfaction and organizational commitment of employees in manufacturing industry. The employees of manufacturing industry in Tainan county and Tainan city were chosen as the main study subjects. The sample was comprised of 405 employees. The results were as follows: (1) There was a significant correlation between self-efficacy and job satisfaction among the employees in manufacturing industry. (2) There was a significant correlation between self-efficacy and organizational commitment among the employees in manufacturing industry. (3) There was a significant correlation between job satisfaction and organizational commitment among the employees in manufacturing industry.

Niu (2010) conducted a study to examine the relationship between self-efficacy and career commitment in the foodservice sector. ANOVA of survey data from 1025 foodservice employees supported the relationship between self-efficacy and career
commitment. A chi-square test found that high self-efficacy degrees indicate a higher level of career commitment. The findings suggest that the higher an employees’ self-efficacy, the higher their career commitment will be.

Plotnikoff et al. (2010) conducted a study to explore the role of self-efficacy in the relationship between perceptions of the workplace environment and workplace physical activity. The sample was comprised of adult employees at baseline (N= 897), 6 months (N= 616) and 12 months (N= 612). The results suggested that the relationship between perceived workplace environment and physical activity was partially mediated by self-efficacy.

Rennesund and Saksvik (2010) investigated how the individual level variables of self-efficacy and overcommitment may relate to job stress within an analytic context controlling for the main effects of dimensions of the psychosocial work environment, as well as the employees' collective perceptions of work performance norms and organizational efficacy beliefs. The sample consisted of 924 employees from the food and beverage industry in Norway. The results revealed that overcommitment and self-efficacy together had significant main effects on stress. The results showed that overcommitment was positively related to experiences of stress and self-efficacy was negatively related to work-related stress. Work performance norms, magnitude of production, attendance and work pressure in the workplace are directly and positively related to job stress experiences at the individual level. They did not find a significant interaction effect of work performance norms, nor did they find main or interactional cross-level effects of organizational efficacy on stress.

Schmidt and DeShon (2010) investigated the moderating effects of performance ambiguity on the relationship between self-efficacy and performance. The results revealed that self-efficacy was negatively related to subsequent performance under
conditions of high ambiguity but was positively related to performance when performance ambiguity was low.

Salleh and Kamaruddin (2011) investigated the effects of self-efficacy, self-monitoring and locus of control in determining the sales performance of Takaful (Islamic insurance) agents of Malaysia. The survey was conducted on 289 respondents. Two of these dimensions self-efficacy and self-monitoring were found to be positively related to sales performance while locus of control was found to be inversely related to sales performance. As a conclusion, this research shown that Takaful sales agents with high self-efficacy and self-monitoring perform better in their sales performance.

2.3. Locus of Control

Organ and Greene (1974) conducted a study to investigate the relationship between locus of control, role ambiguity and work satisfaction. The survey was conducted on 94 scientists and engineers employed in an electronics firm. The results of this study indicated that locus of control was significantly related to both role ambiguity and work satisfaction.

Anderson and Schneier (1978) examined the relationships among internal-external locus of control, behaviours characteristic of internal versus external personality types, leadership behaviour and group performance. The results indicated that leaders were more likely to be internals than externals. Superior performance was achieved by internal leaders and by groups led by internals. A two-group stepwise discriminant analysis isolated 10 behaviours which maximally separated internals from externals. Internals exhibited behaviours characteristic of an instrumental, task-oriented style and externals exhibited behaviours pointing to a social-emotional style.

Reitz and Jewell (1979) did a six-country investigation on sex, locus of control and job involvement. The data were gathered from industrial workers of six countries.
The results revealed that the locus of control was significantly related to job involvement (internals being more involved in their jobs than the externals). The relationship was found stronger for males than females. Further analysis tended to rule out cultural values, workers’ age and workers’ experience as being responsible for the observed locus of control and job involvement relationships.

Dailey (1980) investigated the relationship between locus of control, task characteristics and work attitudes by using a sample of 281 research project leaders and team members. The results revealed that those with greater internal locus of control perceived greater job involvement, job-satisfaction, motivation, psychological growth satisfaction, task difficulty and task variability than people with greater external locus of control. However, people with greater internal locus of control did not perceive the relationships between task characteristics and work attitudes differently than did people with greater external locus of control.

Brownell (1981) examined the role of the locus of control, as a moderator of the relationship between budgetary participation and managerial performance. The results of this laboratory study employing two separate subject groups- undergraduate accounting students and managers from a large manufacturing company, showed a statistically significant interaction between participation and locus of control affecting performance. Budgetary participation was found to have a positive effect on individuals who had internal locus of control while having a negative effect on those individuals who had external locus of control.

In a Canadian study Miller, Kets de Vries and Toulouse (1982) examined Top executives’ locus of control and its relationship to strategy-making, structure and environment. The locus of control of top executives was found to bear a direct and significant relationship to the nature of corporate strategy (innovation, risk taking,
proactiveness and futurity) but an indirect relationship to environment and structure. Mostly internal chief executives tended to pursue more product-market innovation, undertake greater risks and lead rather than follow competitors.

Kulcarni (1983) examined the relationship between internal vs. external locus of control and job satisfaction. The survey was conducted on 200 bank and insurance company employees. The results showed a significant negative relationship between job-satisfaction and external locus of control whereas employees with higher internal locus of control reported higher job satisfaction. Norris and Niebuhr (1984) conducted a study by using a sample of 116 technical employees and also found a significantly stronger relationship between performance and job satisfaction for the employees with internal locus of control.

Happali and Mallappa (1987) interviewed 40 female industrial supervisors. They found that locus of control was significantly related to job involvement. Internally oriented workers were more involved in their job than the externally oriented workers. Whereas in a study Reddy and Rehman (1984) examined the relationship between locus of control and job involvement for 40 managers and 90 workers in different industries. The results revealed that job involvement was not found dependent on locus of control.

Storms and Spector (1987) examined the influence of organizational frustration and locus of control on emotional and behavioural reactions to frustrating conditions. Data was collected from 160 employees (mean age 35.2 yrs) from all levels of a community mental health facility. The results revealed the moderating relationship of locus of control on the perceived frustration–behavioural reactions relationship. Results suggested that persons with external locus of control were more likely to respond to frustration with counterproductive behaviour than persons with internal locus of control.
Cummins (1989) investigated the relationship between social support and locus of control in determining job satisfaction levels and stress. He surveyed a total of 96 students from classes in business administration at a university in the Southwestern United States. The results revealed that those with internal locus of control developed ways to shield stress while those with external locus of control relied on supervisory support to reduce stress. Individuals with internal locus of control were shown to be more satisfied with their jobs regardless of stress levels, while those with external locus of control tended to be less satisfied with their jobs certain level of stress.

Singh and Nath (1991) investigated the effects of organizational rote stress, organizational climate and locus of control on job involvement. The sample of the present study was comprised of 500 bank employees working in various branches of State Bank of India at Varanasi. The respondents were accountants, cash officers, administrative officers, field officers and clerks. The results showed that subjects with high organizational role stress were less involved in comparison to the subjects of low organizational stress group. The respondents scored high on organizational climate were observed to be highly involved in their job than those respondents who scored low on organizational climate. Further, the subjects categorized as external locus of control group showed lower degree of job involvement than their counterparts categorized as internal locus of control group.

Howell and Avolio (1993) used measures of leadership, locus of control and support for innovation to predict the consolidated-unit performance of 78 managers in a large Canadian financial institution. Results revealed that three transformational-leadership measures were associated with a higher internal locus of control and significantly and positively predicted business-unit performance over a 1-year period. Transactional measures of leadership, including contingent reward and
management by exception (active and passive), were each negatively related to business-unit performance. Causal relationships between the transformational-leadership behaviours and unit performance were also moderated by the level of support for innovation at the business-unit level.

Gable and Dangello (1994) examined the moderating effect of locus of control on the relationship between Machiavellianism and job performance. The sample was comprised of 48 male store managers in a retail setting. Results revealed no relationship between locus of control and managerial job performance, however, there was a significant moderating effect in the relationship between Machiavellianism and job performance. Managers high in Machiavellianism traits who perceived themselves as being subject to external control were more effective than managers with internal locus of control.

Siu and Cooper (1998) investigated the direct and moderating effects of locus of control and organizational commitment on the relationship of sources of stress with psychological distress, job satisfaction and quitting intention of 122 employees (66 males, 54 females, two unclassified) working in Hong Kong firms. The results of the study suggested that locus of control and organizational commitment had strong direct effects (externals were dissatisfied with the job itself and thought of quitting the job quite often; employees who had a high commitment had higher job satisfaction) and moderating effects (the stressor-strain relationships were significant in externals and commitment buffered most of the stressor-strain relationships).

Coleman et al. (1999) examined the locus of control and organizational commitment relationship. The sample was comprised of 232 employees of a Canadian governmental agency. The findings revealed that the relationship between locus of control and two different forms of organizational commitment have been found to have
different antecedents and consequences. Internal locus of control was associated with affective commitment and side by side external locus of control was associated with continuance commitment.

Lu et al. (1999) examined perceived work stressors of workers with internal and external locus of control, combining quantitative and qualitative analyses, as well as relationships between locus of control and a wide array of job strain indicators. A sample of 1,054 industrial workers in Taiwan was surveyed. Results showed that, compared with the internals, the externals tended to perceive more sources of stress, moreover, they reported more stressors, which seemed to be outside their direct control. On the other hand, internals were found to be more satisfied with their jobs and exerted more coping efforts.

Dhar and Dhar (2000) conducted a study to investigate the influence of locus of control and age on job satisfaction and its correlates among supervisory staff. A bivariate factorial design of 2x2 constitution was used for the sample of 80 supervisory level employees of the Haryana Cooperative Sugar Mills. The analysis of data revealed that locus of control and age do not affect job satisfaction.

Boone et al. (2000) examined the association of corporate executive officer (CEO) locus of control with small firm profitability. The collected data included the life history of 39 small Flemish furniture firms and the internal locus of control of CEOs. The results showed that 21 percent of the 39 firms went bankrupt within 6 years. Among the CEOs classified as internals, only 1 out of 14 companies failed, whereas among the external CEOs, 5 out of 11 firms did not survive. They also found that differences between internal and external CEOs were only observable for the firms that were relatively unprofitable in a single year which indicate that short term performance
shields the companies from subsequent bankruptcy. Thus these findings suggest that CEO locus of control is an important predictor of small firm performance.

In a study Hyatt and Prawitt (2001) examined how auditors' job performance is affected by the interaction between individual auditors' locus of control and the extent to which the employing audit firm uses a structured audit technology. The data was collected on staff and senior-level auditors from the two most structured and the two least structured (then) Big 6 accounting firms. Results indicated that supervisor-assessed job performance was positively associated with the "fit" between individual auditors' locus of control and the employing firm's audit structure. Specifically, auditors who had internal locus of control performed at a higher level at unstructured than at structured firms, on average, while auditors who had external locus of control performed better at structured than unstructured firms.

Salazar et al. (2002) conducted a study to investigate the relationship between locus of control and job satisfaction among hotel managers. The convenience sample was comprised of corporate managers, hotel general managers and assistant general managers of a leading franchise hotel company. The findings revealed the negative correlation between external locus of control and their overall job satisfaction.

Zong (2004) investigated the relationship among knowledge workers’ Internal/External locus of control, job involvement, job satisfaction and Turnover intention. The results revealed that: (1) Internal/External locus of control have significant impact on job satisfaction. The employees with internal locus of control have higher job satisfaction; on the contrary, the employees with external locus of control have lower job satisfaction. (2) Job satisfaction significantly reduces intention to turnover. (3) Internal/External locus of control affects turnover intention through job satisfaction. The aforementioned actually show that the technicians in high-tech
companies with internal locus of control personality type have higher job satisfaction generally comparing to the technicians with external locus of control personality type and due to their higher level of job satisfaction, their turnover intention was found to be lower.

Martin et al. (2005) investigated the relationship between locus of control, the quality of exchanges between subordinates and leaders (Leader-member exchanges) and a variety of work-related reactions (intrinsic/extrinsic job satisfaction, work-related well-being and organizational commitment). It was predicted that people with internal locus of control develop better quality relations with their manager and this, in turn, results in more favourable work-related reactions. Results from two different samples (N= 404 and N= 51) supported this prediction and also showed that Leader-member exchanges either fully, or partially, mediated the relationship between locus of control and all the work-related reactions.

Afolabi (2005) examined the influence of perceived organisational climate and locus of control on job satisfaction and turnover intentions of commercial bank workers in Benin, Edo State, Nigeria. The sample was comprised of 200 employees from 25 commercial banks. The results revealed the influence of perceived organisational climate and locus of control on job satisfaction. However, only perceived organisational climate influenced turnover intentions in this regard.

Patten (2005) examined the impact of locus of control on internal auditors’ job performance and satisfaction. The study found that those internal auditors with more internal Locus of control appear to outperform cohorts with more external locus of control. The results reported that job satisfaction levels for respondents with internal locus of control were not significantly different from respondents with more external locus of control. However, internal auditors with an apparent conflict between locus of
control and perceived level of audit structure do report significantly lower levels of job satisfaction than cohorts without such conflict.

Lin and Ding (2005) examined the role of locus of control as a moderator on the process of turnover intentions. A theoretical model was proposed. In the model, the antecedents are job satisfaction and need for achievement, the outcome variable is turnover intentions and the mediating constructs include work role centrality (WRC) and organizational commitment. The causal chain specifies the relationships between job satisfaction and turnover intentions, job satisfaction and organizational commitment, job satisfaction and WRC, need for achievement and WRC, WRC and organizational commitment, and organizational commitment and turnover intentions. The causal relationships are moderated by locus of control. The moderating effects were simultaneously examined using data of Taiwanese high-tech personnel. It has been confirmed that the influences of job satisfaction on turnover intentions, organizational commitment and WRC are all stronger for internals than externals, the influence of organizational commitment on turnover intentions is also stronger for internals than externals and the influence of need for achievement on WRC is stronger for externals than internals.

Lin (2006) conducted a study to investigate the relationship among emotional labour, locus of control, job satisfaction and organizational commitment of the employees in hotels and designates job satisfaction as the mediating factor between emotional labor and organizational commitment. The survey was conducted on 334 employees selected from hotels across the island. The findings revealed that: (1) Employees with internal locus of control had higher organizational commitment and job satisfaction. (2) The more contact and interactions between the employees and customers, the higher emotional labour the employees perceived. 3. There was a partial
mediating effect for job satisfaction on the relationship between emotional labour and organizational commitment.

Huang (2006) conducted a study to explore the relationship among culinary arts workers’ locus of control, demographic variables, job satisfaction, work stress and turnover intention. The sample was comprised of 240 culinary arts workers from international tourist hotels of Taiwan. The results exhibited that male culinary arts workers had a higher degree of internal locus of control than female culinary arts workers. Internal locus of control was significantly and positively correlated with employee job satisfaction and their tenure in the kitchens but significantly and negatively correlated with work stress and turnover intention.

Ding (2007) explored the impacts of transformation leadership on employee effectiveness (job satisfaction, organizational commitment and organizational citizenship behaviour), as well as investigated the roles of the employee trust and the internal locus of control of employee between transformation leadership and employee effectiveness. A total of 278 valid samples were collected and the results indicated that: (1) the transformational leadership has positive effect on employee effectiveness (job satisfaction, organizational commitment and organizational citizenship behaviour) significantly; (2) the employee trust was as a full mediator between the transformational leadership and the organizational citizenship behaviour, as well as the employee trust was as a partial mediator between the transformational leadership and the job satisfaction; (3) the internal locus of control of employee was emphasized its positive relationships between employee trust and the employee effectiveness (job satisfaction, organizational commitment and organizational citizenship behaviour).

Chen and Wang (2007) examined the relationship between locus of control and the three components of commitment to a change. A total of 215 Chinese customs
service staff participated in the present study. The results showed that locus of control can significantly predict participants’ commitment to a specific change. In particular, the relationship between locus of control and the three different components of commitment to change are differentiative- participants with more internal locus of control were more likely to have high affective and normative commitment to change, whereas participants with more external locus of control were more likely to have high continuance commitment to change.

Chen and Silverthorne (2008) examined the relationships between locus of control and job stress, job satisfaction and job performance in Taiwan. The subjects were drawn from a pool of accounting professionals of CPA firms of Taiwan. The findings indicated that one aspect of an accountants' personality, as measured by locus of control, plays an important role in predicting in the level of job satisfaction, stress and performance. Individuals with a higher internal locus of control were more likely to have lower levels of job stress and higher levels of job performance and satisfaction.

Jha and Nair (2008) investigated the influence of internal locus of control, job characteristics and superior-subordinate relationship on the psychological empowerment of employees in the hotel sectors. The sample consisted of 319 frontline employees of five-star hotels located in the city of Mumbai. Results showed that internal locus of control, job characteristics and superior-subordinate relationship positively influence the psychological empowerment of the frontline employees.

Popoola (2009) investigated the relationship among socio-economic factors (such as gender, age, marital status, educational qualification, job tenure, monthly salary), job satisfaction and locus of control on organizational commitment of records management personnel in private universities. The data was collected on a sample of 220 records management personnel from 24 private universities in Nigeria. The study
revealed that there was significant multiple correlation between socio-economic factors, job satisfaction, locus of control and organizational commitment of the respondents. In addition, socio-economic factors, job satisfaction and locus of control significantly determined organizational commitment of the respondents.

Tareq (2009) investigated the relationship among internal locus of control, creative work environment and intrinsic job satisfaction. Three models were proposed based on past research. A first model tested a direct effect of internal locus of control on intrinsic job satisfaction; a second model tested a mediation effect of creative environment linking internal locus of control to intrinsic job satisfaction; and a third model tested an interaction effect of internal locus of control and creative work environment on intrinsic job satisfaction. Data were collected from Japanese organizations (N=371) to test those models. The study revealed that the direct effect of internal locus of control on intrinsic job satisfaction was positive and significant, also, the effect was partially mediated through creative work environment. However, the interactive effect did not reach statistical significance.

Garbato (2010) conducted a study to examine the effect of leader sex, leadership style and employees’ locus of control on employees’ satisfaction. The results of this study showed that higher internal locus of control and a democratic leadership style were associated with greater job satisfaction, while no effects for sex of protagonists were obtained.

In a study Zhang and Bruning (2011) investigated the impact of owners’ and senior managers’ personal characteristics such as need for achievement, need for cognition and internal locus of control on their firm's performance. Data were collected through a national survey of owners and senior managers of small- to medium-sized Canadian manufacturing companies. The findings revealed that owners’ and senior
managers’ personal characteristics, such as need for achievement, need for cognition and internal locus of control have positive influences on firm performance.

2.4. Organizational Effectiveness

Angle and Perry (1981) examined the relationship between organizational commitment and organizational effectiveness. They found that a strong relationship exist between organizational commitment and organizational effectiveness. The study conducted by Angle and Perry pointed out clearly that employees with strong organizational commitment enhance their organizational effectiveness.

Allen et al. (1982) determined relationship between stress and effectiveness of formal organizational groups and found a negative relationship between stress and perceived organizational effectiveness. The results suggested that the type of stress moderates the stress and effectiveness relationship. Dysfunctional stress was found dominant type of stress in all four firms under investigation. Further, the level of dysfunctional stress provided a better explanation of variations in effectiveness levels than total stress levels.

Kapp and Barnett (1983) examines the effects of certain communication variables (member-integration, boundary-communication, environmental uncertainty and system autonomy) on organizational effectiveness. As a result, a multiple indicator model using maximum likelihood estimates for each variable was created. Interviews with managers from 82 different organizations from a variety of industries were used to test the model. The results suggest that member-integration and environmental uncertainty, when the latter is mediated by boundary-communication, provide an excellent predictor of organizational effectiveness.

Katz et al. (1985) assess the relationships among characteristics of industrial relations systems, efforts to improve the quality of working life and selected measures
of organizational effectiveness in 25 manufacturing plants belonging to one company. On the basis of both research from organizational behavior and industrial relations, this study offers the proposition that industrial relations systems affect organizational effectiveness through two channels. The empirical results show (1) strong evidence of an association between measures of the performance of industrial relations systems and organizational effectiveness and (2) evidence that efforts to improve quality of working life have little impact on organizational effectiveness.

In a study Cameron (1985) found negative relationship between faculty unionism and organizational effectiveness in colleges and universities. No research, however, has ever investigated potential causality in this relationship, that is, whether ineffectiveness leads to unionism or whether unionism leads to ineffectiveness. This study relies on assessments of organizational effectiveness in a sample of 4-year institutions in 1976, 1980 and 1983 to investigate the potential causal directionality of these two factors. The obtained results in this regard suggest that ineffectiveness leads to unionism, but that once unionized, organizational effectiveness does not seem to improve.

Hollenbeck and Williams (1986) conducted a study by using a sample of 112 retail sales-persons. The results of the study indicate that (a) the traditional measure of turnover frequency overstates the detrimental effects of turnover on organizational effectiveness, in that 53% of the turnover was, in fact, functional and (b) turnover functionality, which emphasizes the performance levels of stayers and leavers, is unrelated to work attitudes.

Srivastava (1991) in their study examine organizational effectiveness taking structural, process and personality variables. The sample is comprised of three hundred and twelve junior and middle level executives from four different organizations. The
results support the view that organizational effectiveness is determined by a configuration of structural, process and personality variables.

Chacko and Anantharaman (1994) in their study tested the relationship between organizational effectiveness and organizational climate. This study was conducted in two public and two private sectors. They found significant correlations between organizational climate and organizational effectiveness. Multiple regression of the nine dimensions of organizational climate on organizational effectiveness found 43 percent of the variation explained by organizational climate. Long range planning was considered as the most important criteria of organizational effectiveness by respondents in the public sector and in the private sector. The dimension of societal value was considered of greater importance in the public sector than in the private sector.

Denison and Mishra (1995) examined the relationship between organizational culture (based on four traits involvement, consistency, adaptability and mission) and effectiveness. The results show two of the traits of organizational culture, involvement and adaptability are indicators of flexibility, openness and responsiveness, and were found to be strong predictors of growth. The other two traits, consistency and mission are indicators of integration, direction and vision, and were also found to be better predictors of profitability. Each of the four traits were also found significant predictors of other effectiveness criteria such as quality, employee satisfaction and overall performance. The results also showed that the four traits were strong predictors of subjectively-rated effectiveness criteria for the total sample of firms, but were strong predictors of objective criteria such as return-on-assets and sales growth only for larger firms. This paper suggests that culture can be studied as an integral part of the adaptation process of organizations and that specific culture traits may be useful predictors of performance and effectiveness.
Ko, Seo and Park (1996) investigate the effect of job stress and social support on the organizational effectiveness of hospital employees. In this study, three work-related variables (job satisfaction, organizational commitment and intent to stay) which had close relationships with organizational effectiveness were examined as output variables. The results of this study indicate that (1) job stress has negative main effects on job satisfaction, organizational commitment and intent to stay, (2) social support has positive main effects on the same three output variables. These results reveal that job stress has negative effect on organizational effectiveness and side by side social support has positive impact on organizational effectiveness.

Jauch et al. (1978) found the relationship between highly committed employees and performance, and its effect on organizational effectiveness. Bohlander and Kinicki (1988) investigated in a study that management commitment influences employee perception in ways that directly affects the employee’s attitude and organizational effectiveness.

Elmuti (1996) in a study found relationships between team-based management systems and organizational effectiveness across a variety of settings throughout the USA.

Jinkook and Kwangwoon (1998) conducted a field study to investigate the difference of factor structures between upward and downward influence tactics, the relative frequency of use for the influence tactics, the relations of upward influence tactics to agents’ personality traits and downward influence tactics, and finally the relations of influence tactics to organizational effectiveness. Data were obtained from 314 employees across 25 different organizations. Upward influence tactics included 8 factors (ingratiation, rational persuasion, exchange, inspirational appeal, blocking, coalition, consultation and assertiveness), whereas downward influence tactics included
9 factors (above 8 factors and legitimating). The use of upward influence tactics was closely related to the use of downward influence tactics. Ingratiation, rational persuasion, inspirational appeal and consultation were found positively significantly related to organizational effectiveness.

Bendixen and Burger (1998) examined the influence of management philosophy on management and organizational effectiveness. The data was collected on 338 managers from 41 different countries. Results indicated that there were five different management philosophies—rational management, entrepreneurial management, elegant management, market-oriented management and educated versus experienced management. These philosophies had varying degrees of influences on management and organizational effectiveness. Rational, market-oriented and entrepreneurial management was positively correlated to management effectiveness. Only market-oriented management was positively correlated to organizational effectiveness. The prevailing combinations of the way in which their philosophies were embraced by managers. Clansmin developmental managers, tolistic managers, free marketers and professional managers. Results support the proposition that management and organizational effectiveness are dependent on management philosophies.

Vandenberg et al. (1999) by using a second-order latent variable approach with 3,570 participants across 49 organizations, in their study examined the impact of high involvement work processes upon organizational effectiveness. Using a structural model of higher order influences and taking into consideration mixed-level effects, the analyses supported a model in which a collection of organizational practices positively influenced high involvement work processes. In turn, the high involvement processes influenced organizational effectiveness (defined through return on equity [ROE] and turnover) both directly and indirectly through positive influence on employee morale.
Botticelli (2001) conducted a study to explore the frequency of change initiatives in higher education and to examine the effects of those initiatives on the organization and its employees. Two main areas of investigation were addressed. The first area was the frequency of implementation of common change initiatives: whether each initiative was sustained, operated marginally, or eventually abandoned; and whether it had an effect on organizational objectives. The second area of investigation concerned the effect that change initiatives had on attitude and job satisfaction of the workforce. Data were collected through a web-based survey of 10,000 members of a higher education professional organization. Data analysis showed that nine of the ten initiatives surveyed were perceived as having a positive effect on organizational effectiveness. Four of the initiatives surveyed had a positive relationship to job satisfaction, although none were found to be detrimental to job satisfaction. An unexpected result of the survey was that worker cynicism generally decreased as the number of initiatives increased.

Koys (2001) explored whether employee satisfaction, employee citizenship and employee turnover relate to organizational effectiveness in terms of customer satisfaction and organization’s profitability. The study also determined whether employee attitudes and behaviour determine organizational performance, or, conversely, whether organizational performance drives employee attitudes and behaviour. The study combined data from employee surveys, customer surveys and company records on profitability. The results showed that employee satisfaction, organizational citizenship and turnover were significant predictors of the next year’s profitability. However, the profitability in one year was not a significant determinant of employee attitudes in the following year. This is an important study because it
documents that employee attitudes and behaviours can be directly linked to the profitability of an organization.

Rodsutti and Swierczek (2002) identify the key relationships of organizational effectiveness and leadership in southeast Asia. Managers from 1,065 multinational companies based in Thailand and representing 31 different nationalities participated in this study. International leader characteristics and organizational culture are found to determine an appropriate multicultural management style. Executive motivation is strongly influenced by this multicultural management style. Different dimensions of organizational effectiveness, including return on assets, most admired, job satisfaction and personal satisfaction are related to specific aspects of leader characteristics, organizational culture and multicultural management style.

Zhang et al. (2004) investigated the effect of organizational structure and information technology capability on organizational effectiveness. Data on organizational structure, information technology capability and organizational effectiveness were collected from 110 firms in two emerging markets. Findings indicated that the three components of information technology capability were all positively related to organizational effectiveness and organic structure was also positively related to each of the components of information technology capability. The study confirmed that information technology capability leads to increased organizational effectiveness.

Riordan et al. (2005) empirically examines the relationship between the perceived employee involvement (EI) climate and organizational effectiveness. Using a sample of insurance companies, results indicate that organizations with high levels of perceived EI climate lead to organizational effectiveness as measured through financial performance, turnover rate and workforce morale.
Koll et al. (2005) test how responsiveness to core constituencies (organizational stakeholders like owners, customers, employees) is related to organizational effectiveness (OE) by comparing balanced versus focused strategies of responsiveness to core constituencies. Findings provide evidence that balanced responsiveness to multiple constituencies is more likely to lead to high OE than focused responsiveness to a single one. Trade-offs in responsiveness to key stakeholders are found supporting the idea that serving multiple interests is challenging. Most results are not industry-specific – the usefulness of a balanced strategy of responsiveness may be generalized.

Yen and Niehoff (2006) examined relationships between organizational citizenship behaviours and indicators of organizational effectiveness- employee-level customer-service behaviour; and unit-level measures of profit, efficiency and customer perceptions of service quality for bank branches in Taiwan. The results suggested significant relationships between organizational citizenship behaviours and a number of the indicators of effectiveness.

Soumendu et al. (2007) examined the influence of organizational culture and communication process and their influence on individual and organizational performance, and organizational effectiveness. Data was collected from manager/executives (N= 357) and analyzed using structural equation modeling technique. It was found that organizational culture and communication had a significant impact on employee performance and organizational effectiveness.

Santra and Giri (2008) analyze the effect of organizational structure on organizational effectiveness through Face-to-Face (FtF) communication. Data were collected from 324 employees from various organizations in India. It was found that organizational structure was a predictor of organizational effectiveness. Centralization and formalization dimensions of organizational structure were found to be positively
correlated with organizational effectiveness. FtF had a significant and positive relationship with the organizational structure. FtF was neither a predictor of organizational effectiveness nor a mediating variable for the relationship between organizational structure and organizational effectiveness.

Srivastava (2008) examined the effect of two constituents of work environment (i.e. physical and psycho-social) on employees’ job satisfaction and performance, and organizational effectiveness in a sample of 360 technical supervisors and operating core personnel. The analyses revealed that participants who perceived their work environment as to be adequate and favourable scored comparatively higher on the measures of job satisfaction, performance and perceived organizational effectiveness. The two constituents of work environment were also found causing significant variance in employees’ job behaviour and their perception of organizational effectiveness. Regression analyses revealed that among the various components of work environment, working condition, welfare provisions, interpersonal relations, and trust and support predominantly contribute to employees’ job behaviour and organizational effectiveness. The results also specified that psycho-social environment in work-place exert more impact on employees’ job behaviour and organizational effectiveness than the physical environment does.

Erkutlu (2008) examined the influence of leadership behaviours on both organizational and leader effectiveness at boutique hotels. A total of 722 subjects (60 managers and 662 non-managerial employees) participated in this study from 60 boutique hotels. The findings revealed that there were significant relations between leadership behaviours and both organizational and leadership effectiveness. The findings support the suggestion in the literature that transformational leadership
behaviours stimulate organizational commitment and job satisfaction in the hospitality industry.

Chau (2008) examined the relationship of strategic performance management to team strategy, company performance and organizational effectiveness. The findings revealed that strategic performance management can take place at top management, middle management, or strategic operations levels and their impact on team strategy, company performance and organizational effectiveness can be regarded as a special phenomenon, termed strategic team performance management.

Soumendu (2008) in a study on manufacturing as well as service sector organizations of all over India, found the influence of psychological climate and transformational leadership on job satisfaction which in turn leads to better levels of employee performance. Furthermore, it is postulated that in such a general climate of enhanced employee performance, there shall be an increase in organizational effectiveness.

Aydin and Ceylan (2009) conducted a study to emphasize the importance of organizational learning capacity (OLC) and to measure its influence on organizational effectiveness (OE) on employees of metalworking manufacturing industries in Turkey. The findings revealed that there were significant correlation between OE and all OLC dimensions (systems orientation, organizational climate for learning orientation, knowledge acquisition and utilization orientation, and information sharing and dissemination orientation).

Hogan and Benson (2009) examined the effect of personality and leadership to global organizational effectiveness and on their basis formed four principal assertions likewise (1) leadership is a function of personality, (2) leadership is a determinant of organizational effectiveness, (3) principles of leadership are formal and (4) using the
leadership value chain, one can trace the links from personality to leadership to organizational effectiveness.

Olufemi (2009) analyzes the relationship between Human Capital Development (HCD) practices and organizational effectiveness of Nigerian banks. The study shows that involvements in HCD practices of Nigerian banks are found to correlate positively with their organizational effectiveness.

Park and Yoon (2009) verify the mediating role of organizational citizenship behaviour between organizational justice and organizational effectiveness in nursing organizations. The study indicates that organizational citizenship behaviour mediates the relationship between organizational justice and organizational effectiveness, so the nursing managers should enhance organizational citizenship behaviour of the nurses in order to improve organizational effectiveness.

Karim (2010) examined the relationship between corporate culture and organizational effectiveness. The sample was comprised of 50 employees from Zain Telecommunication Limited. It had been concluded from the study that there was a positive and consistent relationship between the corporate culture and organizational effectiveness of Jordan’s leading telecommunication company– Zain Telecommunication Limited.

Zhang and Liu (2010) investigated the characteristics of organizational climate and its effects on organizational variables. Investigation of 419 participants including both managers and employees indicated as follows– educational level, position and length of time working for the current organization had significant main effects on organizational climate; specialty, enterprise character and enterprise size also had significant effect on organizational climate; organizational climate had significant effect on human resource management effectiveness such as turnover intention, job
satisfaction and work efficacy; organizational climate also had significant effect on organization effectiveness like staff members’ organization commitment and collective identity.

Galanou (2010) explores the relationship between leadership styles and their subsequent effects on middle managers’ organizational commitment, their job satisfaction, their communication and their managerial effectiveness, regarding a variety of measures of variables such as the organizational structure (i.e. the type of branch) and the managers’ individual traits (i.e. the age, the education level). The results reveal that, the spectrum of four leadership styles containing basic characteristics, such as the type of branches, the age and educational level are inter-related with communication, commitment, satisfaction and effectiveness.

Rukmani et al. (2010) examined the effect of transformational and transactional leadership style on organizational effectiveness. The sample was consisting of 300 managers from public sector. This research also addresses, how important is transformational leadership compared to transactional leadership in public sector organization. The findings reveal that the managers have perceived both transformational and transactional leadership style as important in the public sector organizations, although transformational leadership has been considered slightly more important in the case of organizational effectiveness.

2.5. Rationale of the Study

Organizations can be considered as planned units, deliberately structured for the purpose of attaining specific goals. It is the collections of people who work together and coordinate their actions to achieve a wide variety of goals. Organizations can also be considered as having stated purpose, communicational systems and other coordinating processes and a network of individual who is willing to cooperate on tasks
that are necessary for specific goal attainment. In the recent period the importance of vital roles played by organizations in modern life has increased because in a way men have become dependent on the organizations of various types for the satisfaction of their needs. The satisfaction of their needs depends on the degree of effectiveness of organizations. So, organizational effectiveness has attracted the attention of organizational analysts. Different researchers have highlighted various criteria in order to assess the degree of effectiveness of organizations. Some important criteria are- productivity, profitability, efficiency, flexibility, utilization of environment, goal attainment, employee satisfaction, overall performance, job commitment, morale, low rate of absenteeism, job involvement, cooperation and absence of organizational strain etc. Various economists, organizational theorists, management philosophers, financial analysts, management scientists, consultants and practitioners focused their attention to find out what makes some organizations more effective and meaningful. Managers are main part of an organization because managers are responsible for supervising the use of organization’s human and other resources to achieve the goals. To perform efficiently, organizations employ three types of managers- first line managers, middle managers and top managers. These are defined as follows:

**Top managers:** Top managers are those, who could be held responsible for the entire functioning of the organization at their own. They did not direct the day-to-day activities of the firm; rather, they establish organizational goals and policies, and monitor the functioning and performance of middle managers. They are ultimately responsible for the success or failure of an organization and devote most of their time in planning and organizing the organization.
**First line managers:** First line managers are often known as supervisors, who are responsible for the daily supervision of non-managerial employees who actually perform many of the specific activities necessary to produce goods and services.

**Middle managers:** A manager who supervises first line managers and is responsible for finding the best way to use resources to achieve organizational goals set by top management. They help to increase efficiency, better utilize resources, reduce manufacturing costs and improve customer services. A major part of the middle managers’ job is to develop and fine tune skills. Middle managers can motivate and assist first-line managers to achieve business objectives. Middle managers may also communicate upward, by offering suggestions and feedback to top managers. Since middle managers are more involved in the day-to-day workings of a company, they may provide valuable information to top managers to help them in improving the organization's bottom line. Middle managers act as a bridge between the strategic plans developed by senior management and the day-to-day activities at the front lines.

Middle managers play a central role in the organizational processes within the organization. Keeping in view the vital role of middle managers in the organization, it was necessarily, necessitated to conduct a research on this important workforce.

In the private sectors managerial personnel feel some problems like work-overload, overtime, work stress and job insecurities. They have to update their knowledge and always be ready for competition. If, they overcome these problems, they get success in increasing organizational effectiveness. In the private sectors organizations do not bear such managerial personnel for long time who do not play crucial role in improving effectiveness of their organization. Various researchers identified a number of factors/determinants among managerial personnel that have important role in overcoming these problems as a result which influence the
organizational effectiveness. These are- personality factors, work-motivation, leadership styles, self-efficacy, emotional intelligence, job-attitude, locus of control, psychological well-being, self-esteem etc. (Srivastava, 1991; Silverthrone, 2001; Kotterman, 2006; One's et al, 2007; Rodsutti and Swierczek, 2002; Luthans and Peterson, 2002; Sinha, Talwar and Rajpal, 2002; Ballout, 2009; Brownell, 1981; Howell and Avolio, 1993; Salazar et al, 2002; Zhang and Bruning, 2011). Out of these factors we took only three utmost important variables for our research namely personality factors, self-efficacy and locus of control which play a significant role in influencing organizational effectiveness. Therefore, the present research work was framed as “A Study of Personality Factors, Self-Efficacy and Locus of Control on Organizational Effectiveness.”

2.6. Objectives of the Study

The present research is systematically designed in accordance with the following main research objectives:

1. To examine the role of neuroticism in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

2. To examine the role of extraversion in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

3. To examine the role of openness to experience in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.
4. To examine the role of agreeableness in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

5. To examine the role of conscientiousness in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

6. To examine the role of self-efficacy in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

7. To examine the role of locus of control in determining overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

2.7. Hypotheses of the Study

It is imperative to mention that while carrying out a scientific investigation, there is a need to formulate hypotheses in order to draw meaningful inferences regarding the sample under study. Keeping in view the objectives of the present research and in the light of relevant research literature, the following hypotheses were formulated, concerning our investigation purpose. They are as follows:

H-1: Neuroticism would be negatively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

H-2: Extraversion would be positively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

H-3: Openness to Experience would be positively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.
H-4: Agreeableness would be positively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

H-5: Conscientiousness would be positively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

H-6: Self-efficacy would be positively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.

H-7: Locus of control would be negatively related to overall organizational effectiveness and its all dimensions among the middle managers of private sectors.