## PRIOR RELATED WORK EXPERIENCE AND CURRENT JOB PERFORMANCE: MODERATION EFFECT OF PERSONALITY AND ORGANIZATIONAL CULTURE

# A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE FELLOW PROGRAMME IN MANAGEMENT INDIAN INSTITUTE OF MANAGEMENT INDORE

by **Nishant Uppal** 

Date:

#### Thesis Advisory Committee

- [Chairman]
   [Sushanta Kumar Mishra]
   [Member]
   [Ranjeet Nambudiri]
- 3. [Member] [Vinaysingh Chawan]

Indian Institute of Management, Indore

#### **ABSTRACT**

With rapid rise in employees' mobility across organizational boundaries specifically in high business growth environment like that of India, it is important to understand what employees bring with their previous work experience and how is it affects their performance in the current organization. While recruiters continue to hire on the basis of time spent gaining relevant work experience expecting higher job performance, theorists are struggling to establish a perfect notion.

In contrast to the conventional belief, recent studies have presented a negative or insignificant relationship between prior related work experience and current job performance. And in order to justify theoretically inconsistent results the researchers suggestively attributed them to individual factors such as adaptability and self efficacy and organizational factors such as culture fit and prestige. The current work is an attempt to understand and resolve the existing theoretical ambiguity.

Contrary to recent explications, I hypothesized a positive relationship between prior related work experience and current job performance. Prior related work experience is a multi dimensional construct measured in terms of time spent in related industry, related occupation and current organization. Further I hypothesized that the aforementioned relationship is moderated by individual factors such as personality traits and perceived organizational cultures.

I also investigated effect of fit between personality traits and perceived organizational culture on the relationship between prior related work experience and current job performance.

To study fit between personality traits and perceived organizational culture I extended the theory of organizational attractiveness. Theory of organizational attractiveness suggests that the applicants get attracted towards an organization if they perceive the culture of the organization to

suit their personality. Therefore I hypothesized a moderation effect of the fit between personality traits and perceived organizational culture on the relationship between prior related work experience and current job performance.

The study is based on a sample from Indian life insurance sector. The sector was found suitable for the study for following reasons. First, due to its specific knowledge based human resource requirements, employees with related experience are preferred. Second, since the sector has recently been liberalized, many new organizations have come up which are continuously engaged into poaching experienced employees from their competitors. Therefore it is important to explore whether prior related work experience adds to current job performance of the employees in this sector.

On the basis of 451 sales employees of 11 life insurance organizations, I have found a strong and positive relationship between prior related work experience and current job performance. The study shows that current job performance improves with increase in industry and occupational experience. Further, among big five personality traits openness and conscientiousness moderated the relationship positively whereas neuroticism moderated the relationship negatively. None of the perceived organizational cultures have shown direct moderation effects on the relationship. However, in combination with personality factors such as conscientiousness and neuroticism all perceived organizational cultures influenced the relationship between prior related work experience (both prior industry and occupational experience) and current job performance. Higher fit between conscientiousness and perceived innovation and perceived bureaucracy cultures moderated the relationship positively. However conscientiousness was not found to fit with perceived supportive culture. Neuroticism did not

show fit with any of the cultures and together negatively moderated the relationship primarily due to its negative polarization.

The findings of the study not only broaden the theory but also have significant practical implications. The study includes the factors that explain the theoretically ambiguous relationship between prior related work experience and current job performance. Organizations can also benefit from the study. While it suggests recruiters to give importance to work experience, it lays emphasis on the most basic human requirement of a suitable context to perform.

Nishant Uppal FPM OB & HR

## INDEX

Chapter	SUBJECT	Page No.
1	INTRODUCTION	11
1.2	Motivation for research	12
2	LITERATURE REVIEW	14
2.1	Definition of concepts	14
2.1.1	Work experience	14
2.1.2	Job performance	15
2.2	Relationship between prior related work experience (PRWE) and current job performance (CJP)	17
2.2.1	Contribution through knowledge and skills	18
2.2.2	Contribution through sense making	18
2.2.3	Contribution through controlled aging	19
2.2.4	Contribution as anti-stressor	19
2.2.5	Contribution through enhanced perceived value congruence	20
2.2.6	Contribution through socialization	20
2.2.7	Contribution through reward rationalization	21
2.3	Evidences of inconsistency in relationship between prior related work experience and current job performance	21
2.3.1	Individual factors	22
2.3.2	Organizational factors	23
2.4	Dongonality	26
2.4.1	Openness to experience	29
2.4.2	Conscientiousness	30
.2.4.3	Extraversion	31
2.4.4	Agreeableness	33
2.4.5	Neuroticism	34
2.5	Perceived Organizational Culture	36
2.5.1	Why Wallach's Organizational Culture Index?	38
2.5.2	Perceived Innovative Culture	41
2.5.3	Perceived Bureaucracy Culture	42
2.5.4	Perceived Supportive Culture	44
2.6	Combined effect of personality and perceived organizational culture	46
2.6.1	Openness to experience and cultures	47
2.6.2	Conscientiousness and cultures	48
2.6.3	Extraversion and cultures	49
2.6.4	Agreeableness and cultures	51
2.6.5	Neuroticism and cultures	52

Chapter	SUBJECT	Page No.
3	METHODOLGY	56
3.1	Research Context	56
3.1.1	Sample	57
3.1.2	Sample Size	58
3.2	Measures	59
3.2.1	Prior Related Work Experience	60
3.2.2	Current Job performance	61
3.2.3	Big five Personality traits	62
3.2.3.1	Openness	64
3.2.3.2	Conscientiousness	65
3.2.3.3	Extraversion	66
3.2.3.4	Agreeableness	67
3.2.3.5	Neuroticism	68
3.2.4	Perceived Organizational Culture	69
3.2.4.1	Innovation	69
3.2.4.2	Bureaucracy	69
3.2.4.3	Supportive	70
3.2.5	Control Variables	72
3.2.5.1	Job Complexity	72
3.3	Tests of regression assumptions	73
3.3.1	Normality	73
3.3.2	Homoscedasticity	73
3.3.3	Linearity	75
3.3.4	Multicollinearity	75
3.4	Missing Values	76
4	ANALYSIS AND RESULTS	77
4.1	Regression Analysis 1	77
4.2	Regression Analysis 2	77
4.3	Regression Analysis 3	78
4.4	Regression Analysis 4	78
5	DISCUSSION	88
5.1	Relationship between PRWE and CJP	89
5.1.1	Prior Industry Experience	90
5.1.2	Prior Occupational Experience	90
5.2	Role of Personality Traits	91
5.3	Role of Perceived Organizational Culture	93
5.4	Role of fit between Personality traits and Perceived	
	Organizational Culture	94
5.5	Limitations of the study and future research direction	96
5.6	Implications	98
5.7	Conclusion	99

#### LIST OF TABLES

Table no.	Chapter No.	TITLE	Page No.
1	2	Summary of Hypotheses	55
$\begin{bmatrix} 1 \\ 2 \end{bmatrix}$	3.2	Reliability results of pilot tests for the scales of the study variables	63
$\frac{1}{3}$ a	3.2.3.1	Factor analysis for Openness to experience	64
3b	3.2.3.2	Factor analysis for Conscientiousness	65
3c	3.2.3.3	Factor analysis for Extraversion	66
3d	3.2.3.4	Factor analysis for Agreeableness	67
3e	3.2.3.5	Factor analysis for Neuroticism	68
4a	3.2.4.1	Factor analysis for Innovation	70
4b	3.2.4.2	Factor analysis for Bureaucracy	71
4c	3.2.4.3	Factor analysis for Supportive	71
5	3.2.5.1	Factor analysis for Job Description Scores	74
6	3.3.2	Levene's test	75
7	3.3.3	Test of linearity	75
8a	4	Item wise means and standard deviations of all the study variables	80
8b	4	The means, standard deviations, and zero-order correlations among all the study variables	81
9a	4	Regression results: PIE on CJP & interactions with openness, conscientiousness, & Neuroticism	82
9b	4	Regression results: POE on CJP & interactions with openness, conscientiousness, & Neuroticism	83
		Regression results: CJP from three way interaction between PIE,	05
10a	4	Conscientiousness, & Organizational Cultures	84
10b	4	<b>Regression results:</b> CJP from three way interaction between PIE, Neuroticism, & Organizational Cultures	85
11a	4	<b>Regression results:</b> CJP from three way interaction between POE, Conscientiousness, & Organizational Cultures	86
11b	4	Regression results: CJP from three way interaction between POE, Neuroticism, & Organizational Cultures	87
12a	5	Summary of results of hypotheses	101
12b	5	Summary of results of higher order interaction hypotheses	102

### LIST OF FIGURES

Figure	Chapter	TITLE	Page
No.	No.		No.
1	2.1.2	Components of job performance	15
2	2.2	Hypothesis 1	21
3	2.4	Facet based definition of big five personality traits	27
4a	2.4.1	Moderation by Openness to experience	30
4b	2.4.2	Moderation by Conscientiousness	31
4c	2.4.3	Moderation by Extraversion	33
4d	2.4.4	Moderation by Agreeableness	34
4e	2.4.5	Moderation by Neuroticism	36
5a	2.5.2	Moderation by Innovation	42
5b	2.5.3	Moderation by Bureaucracy	44
5c	2.5.4	Moderation by Supportive	46
	2.6.1	Combined moderation effect of Openness and Perceived	-
		Organizational cultures	48
6b	2.6.2	Combined moderation effect of Conscientiousness and Perceived	49
		Organizational cultures Combined moderation effect of Extraversion and Perceived	49
6c	2.6.3	Organizational cultures	50
		Combined moderation effect of Agreeableness and Perceived	
6d	2.6.4	Organizational cultures	52
6e	2.6.5	Combined moderation effect of Neuroticism and Perceived	
		Organizational cultures	53
7	2	Proposed Theoretical Model	54

### APPENDICES

Figure No.	TITLE	Page No.
la	Questionnaire part 1	133
1b	Questionnaire part 2	135
2	List of private life insurance organizations in India	137
3	Number of data points from each of the 11 respondent organizations	138
4	Quotations (transcribed) from interviews of senior employees from participating organizations	139
5	Dimension wise question items for work experience	141
6	Criteria for annual performance rating of field sales employees	142
7a	Normal PP curve for Openness	143
7b	Normal PP curve for Conscientiousness	144
7c	Normal PP curve for Extraversion	145
7d	Normal PP curve for Agreeableness	146
7e	Normal PP curve for Neuroticism	147
7f	Normal PP curve for Innovation	148
7g	Normal PP curve for Bureaucracy	149
7h	Normal PP curve for Supportive	150
7i	Normal PP curve for Job complexity scores	151
7j	Normal PP curve for PIE	152
7k	Normal PP curve for POE	153
71	Normal PP curve for performance ratings	154
7m	Histogram and normal curve for prior industry and occupational experience	155
7n	Histogram and normal curve for current job performance	156
7o	Histogram and normal curve for organizational cultures	157
7p	Histogram and normal curve for personality traits	158
7q	Normality results	159
8a -	Job Performance regressed on PIE for low and high scores on openness	160
8b	Job Performance regressed on POE for low and high scores on openness	160
9a	Job Performance regressed on PIE for low and high scores on conscientiousness	161
9b	Job Performance regressed on POE for low and high scores on conscientiousness	161
10a	Job Performance regressed on PIE for low and high scores on neuroticism	162
10b	Job Performance regressed on POE for low and high scores on neuroticism	162
11	Literature survey for organizational culture instrument	163
12a	Literature suggesting positive relationship between PRWE and CJP	165
12b	Literature suggesting inconsistent relationship between PRWE and CJP	168
13	Extant literature defining job performance	170