

# An Investigation into the Relationship between Personality Traits and Job Performance: Mediating Role of Psychological Capital

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**Abstract:** The basic objective of this study was not only to identify the relationship among personality traits, psychological capital and job performance but also to investigate the mediating effect of psychological capital (PC) between the linkage of personality traits (PT) and job performance (JP). Data were collected through Job Performance Scale (Goodman & Svyantek, 1999), Psychological Capital Scale (Luthans, Avey, Avolio, Norman, & Combs, 2006) and Big Five Inventory (John & Srivastava, 1999) from the employees of Muslim Commercial Bank, Habib Bank Limited, Standard Chartered Bank and JS Bank operating in Peshawar, Quetta, Lahore and Karachi. Three hundred and fifty four (N=354) bankers participated in this study. Correlation and structure equation modeling were used to find out the relationship between personality traits, PC and job performance. The results of correlation showed a significant positive relationship between personality traits and job performance( $r=0.268$ ), personality traits and PC( $r=0.467$ ) and PC and job performance( $r=0.223$ ).The relationship between dimensions of personality traits and PC with job performance was also found significant. Confirmatory factor analysis showed that PC partially mediated the relationship between personality traits and job performance.

**Keywords:** Personality traits; job performance; psychological capital; Bankers; Pakistan

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## Introduction

The economies of a nation may also hinge upon the financial institutions. According to Husain (2006), 95% of the financial system of Pakistan is dependent upon the financial institutions including banking sector. The human resource of financial institutions contributes to the accomplishment of their goal and objectives. The role and importance of human resource in boosting the banking industry can't be condoned. The level of performance and its predictors need to be identified in order to pay special heed towards the improvement of predictors identified that lead to actual performance.

A number of studies concluded that a relationship exists between PT and JP (Abbas, Hussain, Riaz, & Iqbal, 2018; Abdullah, Omar, & Rashid, 2013; Ashill, Semaan, Gibbs, & Gazley, 2020; Qureshi, 2015; Rashid, Sah, Ariffin, Ghani, & Yunus, 2016), PT and PC (Bozgeyikli, 2017; Dewal & Kumar, 2017; Hong, Dyakov, & Zheng, 2020) and PC and JP (Durrarah, Al-Tobasi, A'aqoulah, & Ahmad, 2016; Durrarah, Alhamoud, & Khan, 2016; Kappagoda, Othman, Zainul, & Alwis, 2014a, 2014b; Sun, Zhao, Yang, & Fan, 2012; Tüzün, Çetin, & Basim, 2018).

Many studies have investigated different mediators and moderators between PT and JP. For example, Ahmad, Ather, and Hussain (2014) investigated the mediating role of organizational commitment between PT and JP. They found that there existed a partial mediatory role of organizational commitment between the linkage of PT and JP. Hsiao and Wang (2020) tested the mediating effect of organizational citizenship behavior between PT and JP. They collected data from accredited coaches near Taiwan to test the mediating effect of OCB between proactive personality and JP. They found a significant partial mediation of organizational citizenship behavior between proactive personality and JP. Barrick, Stewart, and Piotrowski (2002) gathered data from sales representatives with a view to testing the mediating effect of cognitive-motivational work orientations between PT and JP and concluded that cognitive-motivational work orientations significantly mediated the relationship between PT and JP among sales representatives. Tisu, Lupşa, Virgă, and Rusu (2020) collected data from Romanian workers to test work engagement as a mediator between personality and JP. The results of their study revealed that work engagement mediated the relationship between PT and JP. Many other studies have tested the moderation of role of different variables between PT and JP in different settings and countries. For example, Barrick and Mount (1993) collected data from managers in order to test the effect of autonomy as a moderator between PT and JP. They found that autonomy played a significant role as a moderator on the relationship of PT and JP. Frieder, Wang, and Oh (2018) tested the perceived meaningfulness at work as mediator and moderator between PT and JP and found that perceived meaningfulness at work played a role of mediation as well as moderation between PT and JP. Barrick, Parks, and Mount (2005) empirically tested the moderation role of self-monitoring between PT and JP. The results of their study revealed that self-monitoring had significant bearings on the relationship between PT and JP. After literature review, to the best of our knowledge, we did not find a single study that has tested the mediating effect of PC between PT and JP. This study contributes to the literature by testing PC as a mediator between PT and JP among bankers. This literature suggests the following hypotheses:

H1: Personality Traits affect Job Performance among bankers.

H2: Personality Traits affect psychological capital among bankers.

H3: Psychological Capital affects Job Performance among bankers.

H4: Psychological Capital mediates the relationship between Personality traits and Job Performance among bankers.

### Research Methodology

Data were collected from bankers of four private sector banks operating in KP, Panjab, Sindh and Baluchistan. Four hundred and fifty (N=450) questionnaires were distributed to the employees of Muslim Commercial Bank, Habib Bank Limited, Standard Chartered Bank Limited and JS Bank Limited. Questionnaires were accompanied with a covering letter that explained the purpose of this study and ensured the voluntary participation of the respondents. Three hundred and sixty eight (N=368) questionnaires were returned after three effective reminders. Fourteen questionnaires contained insufficient information, so they were disposed of. Three hundred and fifty four (N=354) questionnaires were used for testing the mediating effect of PC on the linkage of PT and JP. Three hundred and two (N=302) male and fifty two (N=52) female bank officers participated in this study.

### Measures

#### Measurement of Job Performance

The well know job performance scale adapted from Goodman and Svyantek (1999) was employed to measure not only the overall job performance but also its two facets which hare in-role and extra-role performance. In-Role Performance was measured by using 9 items and Extra-Role performance was measured by using 7 items. Examples of In-role Performance are “I achieve the objectives of my job”, “I fulfill all the requirements of the job”, and “I am competent in all areas of the job, handle tasks with proficiency”. Examples of extra-role Performance are “I help others employees with their work when they have been absent”, “I assist my colleagues with their duties”, and “I make innovative suggestions to improve the overall quality of the department”. In this study we have used five point liker scale ranging from 1 which means “Strongly Disagree and 5 which means Strongly Agree”.

**Table 1: Reliability of Job Performance**

	Number of Items	Cronbach's Alfa
In-role performance	9	.93
Extra-role performance	7	.91

#### Psychological Capital Questionnaire

The well-known PC scale adapted from Luthans et al. (2006) was employed to measure not only the overall PC but also to measure its facets which are “Hope, Resiliency, Optimism and Efficacy”. All facets have six (N=6) items each. Examples of Hope are “Right now I see myself as being pretty successful at work” and “If I should find myself in a jam at work, I could think of many ways to get out of it”. Examples of resiliency are “When I have a setback at work, I have trouble recovering from it, moving on” and “I usually take stressful things at work in stride”. Examples of efficacy are “I feel confident in representing my work area in meetings with management” and “I feel confident helping to set targets/goals in my work area”. Examples of optimism are “I always look on the bright side of things regarding my job” and “If something can go wrong for me work-wise, it will”. In this study we have used five point liker scale ranging from 1 which means “Strongly Disagree and 5 which means Strongly Agree”.

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**Table 2: Reliability of Psychological Capital**

	Number of Items	Cronbach's Alfa
Optimism	6	.90
Resiliency	6	.88
Efficacy	6	.79
Hope	6	.83

**Measurement of Personality Traits**

A well-known Big Five Inventory adapted from John and Srivastava (1999) was employed to measure not only the overall PT but also its facets which are “extraversion, agreeable, neuroticism, openness to experience and conscientiousness”. Examples of Openness to experience (N=10 items) are “I see myself as someone who is original, comes up with new ideas” and “I see myself as someone who is ingenious, a deep thinker”. Examples of extroversion (N=8 items) are “I see myself as someone who is talkative” and “I see myself as someone who is full of energy”. Examples of agreeableness (N=9 items) are “I see myself as someone who is helpful and unselfish with others” and “I see myself as someone who has a forgiving nature”. Examples of neuroticism (N=8 items) “I see myself as someone who is depressed, blue” and “I see myself as someone who can be tense”. Examples of conscientiousness comprising nine items include “I see myself as someone who does a thorough job” and “I see myself as someone who is a reliable worker”. In this study we have used five point liker scale ranging from 1 which means “Strongly Disagree and 5 which means Strongly Agree”.

**Table 3: Reliability of PT**

	Number of Items	Cronbach's Alfa
Extroversion	8	.92
Neuroticism	8	.87
Agreeableness	9	.90
Conscientiousness	9	.83
Openness to experience	10	.81

**Table 4: Correlation between personality traits, psychological capital and job performance**

	Personality traits	Psychological capital	Job performance
Personality traits	1	.467**	.268**
Psychological capital	.467**	1	.223**
Job performance	.268**	.223**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows the correlation among PT, PC and JP. PT showed a significant positive relationship with PC (r=0.467) and JP (r=0.268). PC also showed a significant positive relationship with JP (r=0.223). The following hypotheses are accepted.

H1: Personality traits affect Job Performance among bankers.

H2: Personality traits affect psychological capital among bankers.

H3: Psychological Capital affects Job Performance among bankers.

**Table 5: Correlation between dimensions of personality traits and job performance**

	Ext	Neu	Agree	Con	Open	JP
Extroversion	1	.753**	.609**	.757**	.635**	.283**
Neuroticism		1	.616**	.786**	.667**	.239**
Agreeableness			1	.614**	.574**	.123*
Conscientiousness				1	.621**	.242**
Openness					1	.272**
Job performance						1

“\*\* . Correlation is significant at the 0.01 level (2-tailed), \* . Correlation is significant at the 0.05 level (2-tailed).”

Table 5 shows the correlation between the dimensions of PT and JP. A significant positive correlation was found between extroversion and JP ( $r=0.283$ ), neuroticism and JP ( $r=0.239$ ), agreeableness and JP ( $r=0.123$ ), conscientiousness and JP ( $r=0.242$ ) and openness to experience and JP ( $r=0.272$ ).

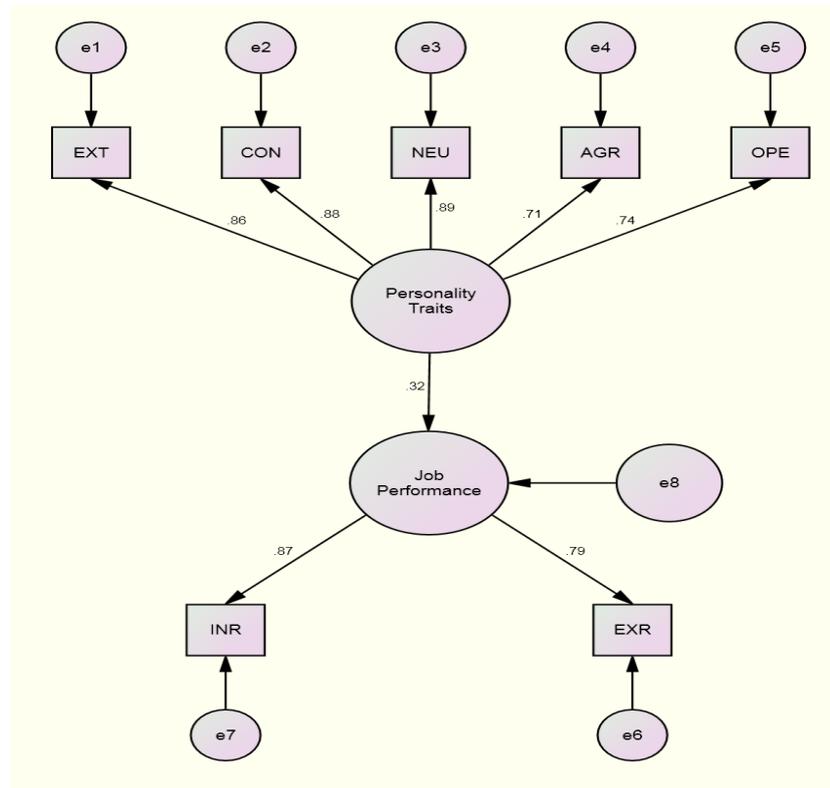
**Table 6: Correlation between Dimensions of Psychological Capital and Job Performance**

	Optimism	Resiliency	Efficacy	Hope	Job Performance
Optimism	1	.700**	.729**	.751**	.236**
Resiliency		1	.646**	.745**	.183**
Efficacy			1	.738**	.156**
Hope				1	.217**
Job Performance					1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 6 shows correlation between facets of PC and JP. A significant positive relationship was found between optimism and JP ( $r=0.236$ ), resiliency and JP ( $r=0.183$ ), efficacy and JP ( $r=0.156$ ) and hope and JP ( $r=0.217$ ).

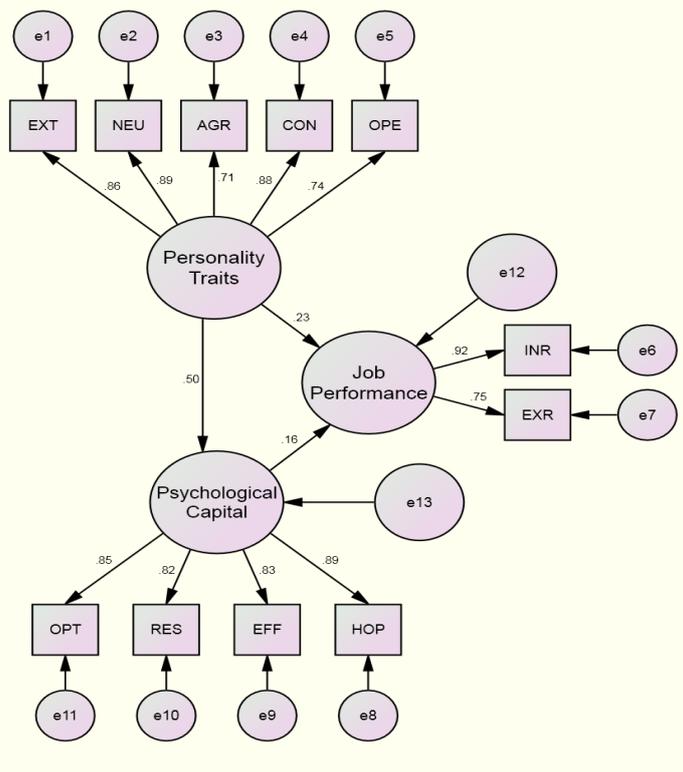
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### Model: 1

Model 1 shows a direct path from PT to JP. The beta coefficient of .32, with significant level of less than .05, shows that PT has a significant positive impact on JP. The two factors model fit the data very well with Chi-square, 38.192;DF,13;Probability level, .000; GFI, .97; CFI, .982;RMSEA, .074; RMR, .059; CMIN, 38.192; CMIN/DF, 2.938. All the above values are within the acceptable range. The beta coefficients have been given in table 7.

			Estimate
JP	←	PT	.317
EXT	←	PT	.858
CON	←	PT	.876
NEU	←	PT	.887
AGR	←	PT	.706
OPE	←	PT	.743
EXR	←	JP	.793
INR	←	JP	.874



**Model: 2**

Model 2 shows an indirect path from PT to JP via PC. The beta coefficient of .32, with significant level of less than .05, between PT and job satisfaction significantly reduced to .23 when PC was added as mediator. The three factors model fit the data very well with Chi-square, 76.839; DF,41; Probability level, .001; GFI, .964; CFI, .986; RMSEA, .050; RMR, .060; CMIN, 76.839; CMIN/DF, 1.874. All the above values are within the acceptable range. The beta coefficients have been given in table 8.

				Estimate
PC	<---	PT		.505
JP	<---	PT		.228
JP	<---	PC		.157
EXT	<---	PT		.857
NEU	<---	PT		.886
AGR	<---	PT		.710
CON	<---	PT		.878
OPE	<---	PT		.741
INR	<---	JP		.921
EXR	<---	JP		.752
HOP	<---	PC		.893
EFF	<---	PC		.826
RES	<---	PC		.819
OPT	<---	PC		.854

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### Conclusion

The basic objective of this study was not only to identify the relationship among PT, PC and JP but also to investigate the mediating effect of PC between the linkage of PT and JP. Data were collected through Job Performance Scale (Goodman & Svyantek, 1999), PC Scale (Luthans et al., 2006) and Big Five Inventory (John & Srivastava, 1999) from the employees of Muslim Commercial Bank, Habib Bank Limited, Standard Chartered Bank and JS Bank operating in Peshawar, Quetta, Lahore and Karachi. Three hundred and fifty four (N=354) bankers participated in this study. Correlation and structure equation modeling were used to find out the relationship between PT, PC and JP. The results of correlation showed a significant positive relationship between PT and JP( $r=0.268$ ), PT and PC( $r=0.467$ ) and PC and JP( $r=0.223$ ). The relationship between dimensions of PT and PC with JP was also found significant. Confirmatory factor analysis showed that PC partially mediated the relationship between PT and JP.

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