CHAPTER 1

INTRODUCTION

1.1 Background

Among the many modes of transportation, trucking can be said to dominate the movement of cargoes or freights. Current trend in production are fast and lean, which in most times need fast response from members in the supply chain whereby product life cycle are shorter and time for services and goods to reach customers in a timely manner are crucial (Corinne & Ante, 2009).

The importance of properly managing supply chains has made shippers place increasing emphasis on the reliability of carriers to provide on-time pickup and deliveries, faster transit time and lower variability in transit operations (Keller, 2002; Voss, Page, Keller & Ozment 2006). From a service industry aspect, the providers are selling their services and hence those people who deliver the services are as important as the services themselves.

In specific to Malaysia, one of the key topics covered in IMP (Industrial Master Plan) 3 is logistics and how it should be managed to help promote economic growth. Naturally, Malaysia is located geographically in international trade route, and logistics or anything related to movement of goods will be a source of income. For trading to flourish, the movement of goods should happen with speed and without bottlenecks. The main component and back bone of logistics is the commercial transportation of the said goods. The lack of efficiency on this part has a domino effect towards the achievement of being a major trading nation.

1.2 Importance of Truck Drivers

For a trucking company to provide services two essential components are required; (1) equipment, which are prime movers or trucks and (2) people which is the workforce. The component of people can be divided to two sub components, drivers and operational staff. Drivers are the largest workforce in a trucking company and also the workforce that operates the equipment (trucks), which generates income. They affect the company on the level of customer service rendered. Based on various studies it is found that drivers are one of the most critical factors in the component of people in the trucking industry (Hinton & McVittie, 1994; Min & Emam, 2003; Nafukho & Hinton, 2003; Ray, 1998; Rodriguez & Griffin, 1990). To this end the importance is further magnified by fact that there is a continuous shortage of drivers (Beilock & Capelle, 1990; Cooke, 1989).

The work nature of drivers allows them to possess a degree of independence in their work life uncharacteristic of most blue-collar workers (Belman & Monaco, 2001). The work nature of a driver is unpredictable due to the work environment, which is mainly on public road and customers loading or offloading premises. These locations are not in the control of the truck driver's company or truck driver themselves; hence this leads to lack of control in this environmental factors. As these locations are most often far way from truck drivers' company's premise, there is lack of visibility for the supervisors to monitor problems faced by their drivers in these locations. The unpredictable nature of trucking and the lack of direct supervision cause drivers to retain considerable control on their daily activities and performance (Belman & Monaco, 2001; Oeullet, 1994).

Traditionally, drivers may not be considered a part of the traditional marketing functions, nevertheless the face to face interaction with the end customer may bring about to the distinct impact on the quality of service provided and subsequently affect

the perceptions of the end customer (Keller & Ozment, 1999).The driver fulfills the role of a sales person or a customer service representative of the company. Timely delivery, good first impression and good customer relations by being courteous are most often done by the driver when they deliver or collect goods at customers premise, and proper execution of the given tasks by the drivers at customers premise would further ensure repeat business for the company.

A better understanding of the drivers would allow the management to better manage them and this may lead to improvement on overall organizational performance. To understand a driver, we need to look into the aspect of the driver's behavior in the organization. Behavior of an individual is affected by the person himself on one part and the environment on the other part (Quick & Nelson, 2006). From the perspective of the individual, the personality of the individual influences the individual behavior (Quick & Nelson, 2006) in which it affects the individuals' job performance. This brings to our following section which we will discuss performance from the trucking perspective.

1.3 Performance in Trucking Industry

From an economic perspective, performance is most often described in terms of productivity (Battese, Coelli & Rao, 1998; Baumol & Bowen, 1965; Diewert, 1992). Productivity is defined as a ratio between outputs over inputs. Outputs denotes the volume of goods or services produced whilst inputs is volume or quantity of production aspect or factors used in producing the outputs. In trucking, its output is most commonly measured in terms of physical units (tonnage or M^3), in terms of value generation (sales, revenue) and in terms of operating cost (fuel consumption, repair and maintenance, tyre wear and tear).

Trucking firms operates in the realm of public, to deliver goods; they need to use public roads and other public infrastructures. Important factors such as infrastructures, equipments, transport technologies and ICT development also poses challenges in measuring performance in trucking industry. From the various challenges, there could be many angle that performance could be measured and this brings about measuring complexity. Tichon (2005) derived to a set of generic performance dimension which measured a driver's job performance. In this study we will apply those dimensions to measure driver's job performance. The following section outlines the objective of study and the research question.

1.4 Objective of the Study and Research Questions

This research has two objectives. The first objective is to investigate the effect of truck driver's personality traits on their job performance. Second, to investigate which of the Five Factor Model (FFM) of personality dimensions have the most affect on driver's job performance. The FFM of personality dimension are extraversion, emotional stability, agreeableness, conscientiousness and intelligence.

Based on the above research objectives, the research questions are as follows.

a) Do drivers' personality traits influence their job performance?

b) Which of the FFM of personality dimensions have the most effect on truck drivers' job performance?

1.5 Significance of Study

There are limited studies conducted in the areas of human behavior and job performance in the Malaysian context. This is based from the limited published journals that could be gathered and limited research that attempts to investigate the relationship between FFM of personality and workplace performance variables in Asia (Tyler & Newcombe, 2006). The studies which are available does not exactly cover personality and job performance but are mainly related to other individual organizational factors such as motivation (Chew, 2005; Islam & Ismail, 2008), leadership (Ahmad, 2001), training (Ahmad & Bakar, 2003), human resource practice (Tan & Nasurdin, 2010), which affect the organization.

There is a lack of understanding of driver's behavior in the haulage industry in specific and the trucking industry in general (Hanif, 2011). In the literature review, to the best of the researches knowledge, there is no published studies investigating the effect of FFM on job performance of truck driver's in Malaysia. The purpose of this study is to investigate the relationship between personality traits and truck driver's performance in haulage companies in Peninsular Malaysia.

Measuring a job activity would allow oneself to know their current capabilities and it becomes a yardstick for them to cross compare within the organization. Without measurement it would leave us without a target or direction. A better understanding of driver's may lead to better management of them and one of the aspect which may lead to better understanding of them is to investigate the personality dimension and its relationship with driver's job performance.

The knowledge and understanding of performance measurement and the relationship between personality factors and job performance could be put to good use by industry practitioners. According to Mabon (1998) and Poropat (1999), using personality assessments in personnel selection with validity of 0.2 in selection of 40

personnel per year with an average turnover of two years can still bring about an expected return on investment of 300-400 percent. This knowledge and understanding may help practitioners in their selection and this may lead lower driver turnover in the company, help improve drivers' overall performance and also customers' satisfaction and ultimately improving company's performance.

1.6 Scope and Method

This study will cover the haulage companies in Peninsular Malaysia. There is a high concentration of the haulage companies in Peninsular Malaysia; thus, it is economical to conduct it in this region. The companies will be selected from the population of licensed (by Lembaga Pelesenan Kenderaan Perdagangan, LPKP) haulage companies, involved in haulage operations in Peninsular Malaysia. From the approximate total 213 licensed haulage operators (as at 2010, LPKP) an estimated total of 10 companies will be chosen and with an estimated target sample of 150 drivers and 10 supervisors.

A quantitative study using primary data collected through a survey questionnaire will be conducted. The survey questionnaire has two different separate sections and will be administered separately. The first section covers questions on truck drivers' personality traits which will be administered to drivers. The second section covers the performance measurement of drivers, which will be administered to the company's supervisor/officer/manager. The purpose of this section is for the supervisors to evaluate driver's job performance. The items and measurements are based on prior studies, personality traits from Saucier (1994) and job performance measurement from (Loveland, Gibson, Lounsbury & Huffstetler, 2005; Tichon, 2005). An analysis of the correlation of personality traits and driver's job performance and a regression analysis between the independent variable of personality traits and dependent variable, job

performance will be carried out to determine if truck drivers' personality traits influence their job performance.

1.7 Structure of the Dissertation

This dissertation has five main chapters. Chapter one gives the background of this study which briefly discusses the importance of truck drivers and performance in trucking and describes the objectives and research questions of the study. Lastly, this chapter explains the significance of the study and scope and research method to be employed.

Chapter two reviews the existing literature on the link between drivers' job performance and personality traits. This chapter also describes the FFM of personality and the narrow traits. Lastly, the literature finding on the application of the FFM of personality dimension towards job performance is discussed.

Chapter three describes the research methodology, which includes instruments, data collection procedures and statistical tools to be employed in data analysis.

Chapter four presents the results of data analysis in the form of descriptive statistics, correlation and multiple regression analysis between personality traits as the independent variable and job performance as the dependent variable. Chapter five concludes this dissertation and offers suggestions for future research directions.

1.8 Limitations of the Study

The present study provides insight on the relationship between drivers' personality traits and their job performance; nevertheless these findings should be viewed in light of some limitations. The first limitation is the sample size itself whereby Anderson and Finn (1997) find that further wide scale testing may lead to lower correlations between the variables due to the regression to the mean. This study's sample of 147 respondents' is far larger than Tichon's (2005) study which has 39 respondents; hence the large sample size may have led to low or no-correlations between the variables in this study.

Secondly, according to Quick and Nelson (2006), the individual component that affects an individual job performance consists of skills, abilities, personality, perception, attribution, attitude, values and ethics. The factor's cannot exist by itself but exists in relation to one another. This study attempts to investigate the personality factor and job performance leaving out other individual factors. The factors such as skill, abilities, perception, attribution, attitude, values and ethics of an individual may affect the degree of the personality factor affecting the job performance. How this factors interacts with the personality factor and thus effecting job performance needs to be further researched.

Thirdly, this study uses self-report questionnaire to collect data as this is the most common method used in assessing personality as recommended by Quick and Nelson (2006) , nevertheless it has its drawback which is the respondents brings to the study distortion by self-serving biasness towards the personality traits.

The fourth limitation stems from the frequency findings which indicates that 72.7 % of all respondent were never apprised formally by their employers. This goes to show that the employers' do not have the means of an existing mechanism to evaluate their drivers' performance. This poses the question whether the managers have the knowledge and experience on how to conduct a proper evaluation of an employee. Not being able to appraise their driver may lead to the wrong job performance evaluation of the said respondent by their respective managers of which may lead to distortion of the relationship between personality dimensions and job performance criteria.

The fifth limitation is due to the number of companies participated in this study. In Tichon (2005), the study was conducted on one single organization, which does not bring to many variations in the way the performance evaluation is understood and conducted by the manager. In this study, the respondents originate from nine haulage companies. The understanding of the 16 job performance criteria and the ratings given by the managers to their respective drivers may differ between one company to another.

This leads to different degree of relationship strength between the personality variables and job performance variables.

The sixth limitation is due the lack of literature, especially from the personality and job performance aspect in the Malaysian context. Therefore, the research was developed based on prior researches which were conducted elsewhere which could not represent the Malaysian context appropriately.

The final limitation is the limitation due to the language factor. The emergence of FFM is based on the Lexical hypothesis, which suggests that the most salient individual difference in human interactions will eventually become encoded into a single adjective. From this aspect the process of translation of the Saucier's (1994) questionnaires to Bahasa Malaysia may bring to the wrong interpretation or the words in Bahasa Malaysia is not able to bring about to the same meaning. Some meaning in English may not be explainable and be directly translated to another language (vice versa) without losing the intended meaning. To minimize the language distortion, the translation was completed by two educationists, Chanderasana Gamini with a master degree in linguistics from Universiti Sains Malaysia, Malaysia and Vasugi Kulaendran with a master degree in educational psychology from University Malaya, Malaysia respectively. To this extent, further empirical study should be conducted to find the reliability and validity of the Saucier's (1994) questionnaires in the Bahasa Malaysia version.