

CHAPTER 1: INTRODUCTION

1.1 CHAPTER OVERVIEW

The purpose of this study is to investigate and to gain better understanding of the relationships between the Person-Environment Fit and Organizational Commitment with the moderator of Personality traits.

At present, very little empirical work on the influence of Personality traits toward the relationship of Person-Environment Fit and Organizational Commitment has been devoted. Organizational commitment is an important area of study to many organizations because outcome of this behavior may help to determine work interaction of employees. It is mainly related to employee's desire to continue working with the particular organization.

1.2 PURPOSE OF THE STUDY

The purpose of this study is to examine the relationship between variables of Person Environment Fit in predicting the organizational commitment. The study also seeks to explore the role of personality as a moderating factor between the relationship of Person-Environment Fit and organizational commitment.

This study aims to make following contribution to the existing literature, to study various aspects of Person-Environment Fit in predicting organizational commitment.

1.3 SIGNIFICANT OF THE STUDY

In this study, it presents the 2 levels of PE fit. The person-organization (PO) fit and the person-group (PG) fit. As compare with previous studies, this study looking at broader scope of PE fit, where most the previous studies were only look at single variable of the PE fit.

This study result also will help identify the importance of PE fit in to increase organization commitment. This study will aid in human resource for selecting the appropriate employees during recruitment.

From practical point of view, organization able to use the result and recommendations for this study to not only to increase the organization commitment from the employee, but also reduce employee turnover in their organization.

1.4 PROBLEM STATEMENT

Research stated that the labor turnover rates of Malaysia were high, especially the highly educated workforce will be a huge challenge among corporate to retain them, because this group of employees are much depend on theirs qualification and educational background, they are less depending on the organization as compare with workforce who are lower educated. Research indicated that, the higher educated will have more expectation than the lower group. They will more likely feel that, they are not rewarded adequately by theirs employer, therefore the organizational commitment level are easily diminished (Lina, L et. al 2007). Nowadays, employees have more choice for organization to work for, it is important for the employers to use every advantages they retain the value added workforce. Even graduate workforces turnover rate, theirs knowledge and skill is still highly demand by corporation. Therefore, it rise the concern of the skill to retain these group of workforce.

Managers who still rely on the outdated behavioral and practices without realizing the differences of knowledge workers compare the rest of employees will face difficulties to maintain them (Muhiniswari, G. 2009)

Moreover, trade barriers between nations have reduced while competition among organizations has increase. Organization must do everything which possible to remain competitive. The major expenses for most organization will be labor cost; any step to reduce

this cost will be beneficial. Downsizing and Automation can effective to reduce cost, but there are consequences. Therefore, the better strategies will be increase productivity or reducing employee turnover (Colin, S., 2004).

From understanding the predictor of committed manpower, it will benefit manager. When problem arises, manager could initiate appropriate interventions when problem arises. The staff turnover is always costly; especially large cost needs to invest in employee selection, training & development.

1.5 RESEARCH QUESTIONS

The following questions were proposed as part of the research

1. Does Person Environment Fits have significant relationship toward Organizational Commitment?
2. Is there any significant relationship between employees' personality trait and relationship between PE fits and organizational commitment?

1.6 OBJECTIVES OF THE STUDY

The ultimate objective of the study is to examine the tendency relationship between different types of PE fit and organizational commitment. And link it with the relationship of personality. As such, this study hopes to achieve the following objectives.

- (1) To examine the relationship between 2 variables of PE fit in influencing the organizational commitment.
- (2) To determine the extent of influence of personality trait dimension (Emotional stability, agreeableness and conscientiousness), as moderating variables, will influence the relationship between PE fit and organizational commitment.

1.7 SCOPE OF THE STUDY

This academic study has covers three main group of workforce

- i) Malaysian workers who presently work in Malaysia
- ii) Malaysian workers who are currently working aboard, (Singapore, China and Japan).
- iii) Expatriates workforce (From China, Japan, India & Vietnam) who are currently working in Malaysia.

It is known that there are a number of antecedents, moderators, to the factors selected for this study, PE-fit, 'Big five' personality traits. Total of 557 copies of questionnaires were distributed both electronically and by hand to the respondents and theirs network.

1.8 ORGANIZATION OF THE STUDY

The research study has been organized into 5 main parts, which are as following.

Chapter 1 is the introduction discusses the importance of this study to the hiring manager as well as how it contributes to the social science literature.

Chapter 2 focuses on the literature review on previous studies where Person-Environment Fit, Personality and Organizational Commitment were studied in depth. This chapter presents the theories, previous studies on the construct as well as the conceptualization of the research framework.

Chapter 3 covers the research methodology that elaborates on further hypothesis information, research methods and instruments used as well as sampling method and data analysis method used.

Chapter 4 follows on to discuss in depth the descriptive statistics, data analysis, and hypothesis testing as well as research result. Research findings are also discussed in this chapter.

Chapter 5 concludes the entire research by looking at the limitation of this research, the conclusion and recommendation made by the author. It also looks into practical implications of the findings from this study.