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Full Length Research Paper

# The moderating effects of employee personality characteristics on organizational commitment during periods of organizational change

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The process of organizational reform often damages employee organizational commitment. Therefore, methods able to maintain or enhance such commitment are of value to organizations undergoing reform. The main objective of this research was to consolidate theories on work characteristic change and organizational commitment in work characteristic models, and to propose a research framework to interpret how organizations reinforce and enhance employee organizational commitment in changing environments. Targeted samples included employees of domestic Taiwan banks that had been merged with or acquired by a non-Taiwanese bank. With a total of 303 effective questionnaire surveys returned and multiple regression method used, results indicate that, in a changing organizational environment, work characteristic change helps raise employee organizational commitment, and that employee personality attributes impact upon the actual effect that work characteristic change has on an individual employee's organizational commitment. In addition, results found that work characteristic change has a greater effect on organizational commitment in employees' external locus of control personalities than in those with internal locus.

**Key words:** Work characteristic change, employee personality characteristics, internal locus of control, external locus of control, organizational commitment.

# INTRODUCTION

Employee organizational commitment benefits an organization in myriad ways. Those with a high degree of organizational commitment tend to identify closely with organizational goals and values, work harder for the organization's benefit, and feel proud to work for the organization. Many studies have shown that changes introduced during organizational reforms or downsizing negatively affects employees' relations with the organization and corrodes employee loyalty and organizational commitment (Niehoff et al., 2001). Therefore, maintaining employee organizational commitment during organizational reform has become a

critical issue in public and private enterprises subject to merger or acquisition (Chen and Chen 2006).

The GE Electric Company in the United States implemented the change acceleration process (CAP) in the early 1990s. CAP embodies a set of reform efficiency formulas that recognize that reform efficiency lies in the interactivity between reform activity quality and employee acceptance of the reform activity and results. CAP recognizes that, while the reform activity itself must deliver sufficient economic benefit and operate according to a well thought out action plan, the process must have the participation and buy-in of employees (Evans et al., 2002). Vako and Nikolaou (2005) pointed out in a research that the perceived uncertainty in organizational change is a source of occupational stress, which lowers employees' organizational commitment and job satisfaction

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and intensifies the intention to leave. In the process of an organization-led reform, Draft (2001) posited that employee participation and involvement in a reform project is one of the most important ways for an organization to overcome employee resistance to organizational reform. This thesis also found that, in environments undergoing reform, two viable methods, i.e., empowerment and changes to the characteristics of work done were available to reduce effective employee resistance. Nieoff et al. (2001) showed that, in the process of downsizing, enriching current work content can deliver a significant positive affect on employee loyalty. Mishra and Spreitzer (1998) also pointed out that changes to the characteristics of employee work can helps employees adopt positive attitudes toward downsizing.

Based on the work characteristics model proposed by Hackman and Oldham (1975), changes in work characteristics aims to enhance work task significance, feedback, skill diversity, autonomy, and task integrity, and so motivate employees and improve work efficiency. In the process of organizational reform, changes in work done also help employees better perceive the meaning, influence, decision-making abilities, and efficiency of their contributions and generate positive work attitudes, which, in turn, help maintain employee commitment and loyalty.

## Research aims and questions

This research aims to consolidate theories relevant to changes in work characteristics, organizational commitment, and employee personal characteristics based on the work characteristics model and to propose a research framework able to interpret how an organization undergoing reform uplifts and reinforces employees' organizational commitment by changing work characteristics. In addition, this research sees the personal characteristics of employees as playing an important role in the psychological transition that occurs during organizational reform. Therefore, this research takes a further step to explore how different personal characteristic traits, i.e., differing locus of internal and external control (Spector, 1982; Hsu et al., 2010), affect specific research variables, including changes in work characteristics, level of organizational commitment, and personal characteristics of employees. Mergers and acquisitions amongst financial corporations represent a typical example of organizational reform to which employee resistance is commonplace. This research conducts an empirical study on the relationships between variables described in the above research framework based on the merger and acquisition process in the financial services sector. Based on stated research objectives, this thesis aims to study the following research questions which occur within an environment undergoing change:

1. What are the effects of changing work characteristics

on employee organizational commitment?

2. What are the effects on the relationship between changing work characteristics and employee organizational commitment of employee personalities (i.e. internal/external locus of control)?

## LITERATURE REVIEW AND THEORY DEVELOPMENT

## Changes in work characteristics

Based on the work characteristics model (Hackman and Oldham, 1975), change in work characteristics involves five core dimensions related to work, including skill diversity, task integrity, task significance, autonomy and feedback. Changes in work characteristics effectively raise the internal quality of the content of employee jobs and, as a result, improves employee work attitude. Hackman and Oldham (1980) proposed that work efficiency derives from voluntary internal work motivation, and that motivation can be inspired by the responsibility, meaning, and feedback of the tasks themselves.

In an environment undergoing change, changes to work characteristics bring employees to understand that the organization is willing to supply relevant resources to help them overcome the stresses of change. In an environment undergoing change, structural changes that follow organizational changes further affect employee jobs and task contents. Evangelista and Burke (2003) pointed out that downsizing is interpreted by employees as longer work hours and heavier work loads and, thus, elevates perceived stress. During the downsizing process, an organization should assess current employee work burdens before planning changes to work characteristics in order to minimize undue additional loading. Empirical statistics derived from past studies show that effects generated by changes in work characteristics have been highly consistent. Results of relevant research work points out that effective improvement in morale and level of job satisfaction is realized once employees perceive changes in their jobs (Griffin, 1991).

Mishra and Spreitzer (1998) think changes in work characteristics improve the quality of employee tasks to give employees a feeling of being empowered to overcome changes in their environment. During downsizing, employees are often asked to take on responsibilities once handled by reassigned or laid-off colleagues, which provides a sense that task variety has risen. Moreover, employees are more willing to learn new skills in response to uncertainty in order to infuse greater flexibility and creativity into work. Employee participation in the job redesign process will improve morale and, in turn, enhance work abilities and job satisfaction. Many researches about human resource policies, Alam et al. (2009) pointed out that a policy change towards agriculture education and training through human resource advancement, aiming an improvement of agriculture economics of the country which ultimately will

bring national development. Alam (2009) also suggests that network population is required to provide science and technology based education with some revision of education policy and through human resource advancement, in order to ensure the sustainable development.

Mishra and Spreitzer (1998) pointed out that the employees who remained with a company after downsizing often feel their power of control threatened. Any factor that may affect sense of control over the organizational reform process is extremely significant in terms of reducing employee powerlessness perceptions. Vakola and Nikolaou (2005) also pointed out that the perceived uncertainty in organizational change is a source of occupational stress, which lowers employees' organizational commitment and job satisfaction and intensifies the intention to leave. In an environment undergoing change, changes to work characteristics provide new job new contents in terms of skill sets and task significance, which make employees feel that their jobs are meaningful and provide a sense of mission and direction to overcome uncertainty in an ambiguous environment. Changes in job characteristics such as task integrity, autonomy and feedback empower employees to overcome environmental changes. Changes in task integrity, autonomy and feedback also encourage employees to feel they are able to make decisions and take independent action to solve problems and sense the power of control. Changes in task significance, task integrity, and autonomy encourage employees to feel they have the power to influence task execution, so they believe they have the power to solve problems.

# Organizational commitment

Mowday et al. (1979) believes organizational commitment refers to the behavior of individuals in terms of identifying with a specific organization and its goals and their willingness to work as members of an organizational team to facilitate achievement of organization goals. Organizational commitment may also be defined as the psychological affiliation of an employee to the organization (Chen et al., 2002). Porter et al. (1974) organizational commitment involves three believe elements, namely that (1) strong belief in an organization, including identification with its goals and values, (2) willingness to work for the benefit of the organization as a whole, and (3) desire to remain a member of a particular organization over the long term. Mowday et al. (1982) defined organizational commitment by relationships between attitudes and behaviors. They posited organizational commitment to comprise three elements. including (1) identification commitment (that is, strength of employee belief in and acceptance of an organization's goals and values), (2) involvement commitment (that is, level of employee dedication to an organization), and (3) commitment to stay (that is, level of employee desire to stay

with an organization). In the 1990s, scholars in the West studied organizational commitment in primarily three aspects. The first was in terms of the dimensions of organizational commitment. For example, Meyer and Allen (1991) held that the concept of organizational commitment embraces three dimensions, including emotional commitment (emotional affiliation of employee to organization), commitment to continue (perceived cost to employee of leaving the organization), and binding commitment (responsibilities that keep employee within an organization). The second aspect addressed of commitment, terms perceived employee in commitment to a supervisor, workgroup, senior manager or overall organization. Relevant research found that in Chinese society, employees develop commitment towards their supervisors quickly, with such affecting employees' overall organizational commitment (Alam, 2009). The third aspect focused on psychological processes within an employee involved in organizational commitment development, among which were included perceived fairness, job security and trust (Wong et al., 2000). Many researches have also indicated that. compared to employees with lower job satisfaction rate, employees with higher job satisfaction rate also have higher level of organizational commitment. (Woo et al., 2005; Liao et al., 2008).

Differing terms have been proposed to describe the concepts of organizational commitment and related concepts, including organizational lovalty, commitment to supervisors and loyalty to supervisors. This research aims to study the relationship between employees and their organization. Therefore, our focus is on organizational commitment and loyalty. This study consolidated classifications proposed in the research work of Porter et al. (1974), Mowday et al. (1982), O'Reill and Chatman (1986), and Meyer and Allen (1991) and defined organizational commitment as a concept involving the three elements of: identification to organizational values (value commitment), dedication toward an organization (dedication commitment), and desire to stay in an organization (commitment to stay). As used here, "commitment to stay" carries a meaning similar to 'organizational loyalty'.

Knudsen et al. (2003) pointed out that in an organization undergoing a change, the process of reorganization as well as general social sentiments affect organizational commitment in the sense that employees staying on after downsizing have lower organizational commitment. When an organization is going through a change, employee task structures may change, including taking on increased tasks or responsibility. Employees may thus adopt lower organizational commitment if the organization does not enact corresponding policies. Also, when an organization undergoes change, especially downsizing, such may impact upon the working relationships between colleagues. If the organization does not provide appropriate support or appropriate support or mediation, employee commitment toward the organization may fall. Changes in work characteristics focuses on the five core job dimensions of skill diversity, task integrity, task significance, autonomy and feedback. Research by Brockner et al. (1993) showed the degree to which employee tasks are enriched has a significant effect on employee commitment toward the organization during downsizing. Organizational and structural changes are likely to occur during corporate privatization. Therefore, the organization may redesign jobs to enrich and expand content, for example allowing employees to use a diverse skill set in their work or making employees perceive enhanced levels of job integrity, task significance and autonomy, to help employees perceive their work achievements. Such tactics will help motivate employees and provide greater opportunities for growth and learning, helping them feel their value within the organization enhanced. In turn, employees internalize a strong sense of identification with the organization, are willing to work harder for and stay longer with their employer. Such effectively enhances employee organizational commitment.

Empirical studies show that employee participation correlates positively to employee loyalty and commitment. Niehoff et al. (1990) showed that supervisors allowing employees influence over decision making and who demonstrated their support of employee efforts helped bolster employee commitment to the organization. Fulford and Enz (1995) found employee participation in the service industry to correlate positively with employee loyalty. It has also been found that level of employee participation among teachers also correlates positively with teacher commitment to their school (Wu and Short, 1996). In an organization undergoing changes, e.g., mergers and acquisitions in the financial industry, employees carry a high level of uncertainty towards their future. They fear their rights may be jeopardized in the process (Daft, 2001). The organization should permit employees to participate in the change process, share information and encourage participation in decisionmaking in order to motivate employees through participation and raise self-sufficiency and encourage

feeling of being valued members of the organization and of having greater opportunities for growth and learning. These elements are effective in terms of reinforcing employee identification with the organization and enhancing willingness to work harder and stay longer. Employee commitment towards the organization is thus improved.

Through an examination of theories on models of work characteristics, certain work characteristics, including skill diversity, task significance and job integrity, help employees better appreciate the importance of their jobs. "Autonomy" gives employees a sense of affinity with work results and "feedback" gives employees clear assessments of their professional performance. All of these factors influence employee psychological factors, which, in turn, affect employee work performance and directly impact upon morale, work quality, job satisfaction turnover. This research discovered that the influence

wrought by changes in work characteristics is similar to that of changes in organizational commitment. Changes in work characteristics motivate employees to participate and, in turn, affect organizational commitment. Such change yields even more significant effects on organizational commitment. In another words, the significant effect of changes in work characteristics on organizational commitment is substantiated and reinforced. Based on the above, this research proposes the following hypothesis:

Hypothesis 1: During a merger/acquisition process, changes made to work characteristics significantly and positively affect employee organizational commitment.

# The effect of the employee personal characteristic of internal/external locus of control

Personal characteristics are the unique combination of psychological attributes that affects how an individual interacts with others. The internal/external locus of control, when used to describe a particular personal characteristic, refers to the degree to which an individual believes him/herself in control of his/her destiny. An individual described with an internal locus of control tends to feel able to steer his/her destiny, while an individual with an external locus of control believes his/her destiny to be controlled by others. Research of Hsu et al. (2010) pointed out that "internal locus of control" has moderating effect to the factor of "service-oriented organizational citizenship behavior" in the variables of "service climate" and "service delivery". And "external locus of control" has negative moderating effect to the factors of "participation (service climate)" and "service-oriented organizational citizenship behavior (loyalty)". Spector (1982) found 5 -25% of the variation in personal work behavior explained by the internal/external locus of control factor. His research discovered those characterized by an internal locus of control to be more confident in their abilities, more willing to search for information in a complex environment, and better performers. They also tended to prefer participatory management styles and desired more feedback related to their work performance. Conversely, his research found that those characterized by an external locus of control tended to follow rules and be more accepting of the directions and leadership provided by the organization. These two personalities will function and respond differently under similar working conditions. For example, in response to a challenge, the internal locus of control personality will tend to invest extra effort to achieve success, while the external locus of control personality will tend to invest a normal amount of effort due to a belief that success or failure lies more in the realm of fate. These two personality types tend to demonstrate work attitudes that are, respectively, relatively relatively more proactive and relatively more passive or pessimistic. Numerous studies have also noted the

influence on work attitude of internal/external locus of control personalities. Internal locus of control personalities are relatively more involved in work, enjoy higher job satisfaction levels, and invest higher levels of commitment to the organization than their external locus peers (Spector, 1982; Pierce and Dunham, 1987; Luthans et al., 1987; Woo et al., 2005; Liao et al., 2008).

This research posits that employees with external locus of control personalities require more guidance to help them build confidence and ability. Therefore, when an organization implements changes to work characteristics, employees should receive appropriate and timely guidance in order to facilitate their handling of changing job requirements. Changes in work characteristics can inspire employees to employ a variety of skills, take on additional responsibilities and execute assigned work with integrity. After change has been implemented, a higher level of autonomy and feedback will help employees better understand their professional responsibilities and performance expectations. As described above, changes in the workplace can be expected to inspire greater organizational commitment in those with an external locus of control than in those characterized as having an internal locus of control. Following on the above, this research proposes the following hypotheses:

Hypothesis 2: During a corporate merger or acquisition, the personality trait 'locus of control' influences the relationship between changing work characteristics and employee organizational commitment.

Hypothesis 3: During a corporate merger or acquisition, changes in work characteristics affect employees with external locus of control personalities greater than those with internal locus of control personalities in terms of organizational commitment.

### METHODOLOGY

#### **Research subjects**

This research targeted employees of domestic banks in Taiwan that were merged/acquired by foreign banks during 2007 or 2008. Targeted organizations included Standard Chartered (89 branches), DBS Singapore (40 branches) and HSBC (37 branches). For convenience of sampling, we asked employees in these organizations to distribute and collect questionnaires. The researchers first gained the consensus of employees (not supervisors) in the targeted banks and then provided questionnaires to those who expressed interest in participating. A research assistant called for meetings in these three banks, conducted the questionnaire survey during the break, and collected the completed questionnaires in person. Questionnaires were answered anonymously to encourage employees to answer all questions fully and truthfully. Questionnaires were distributed in mid- February and returned over the following three week period. A total of 380 questionnaires were distributed, with 350 returned. After deducting incomplete or otherwise invalid questionnaires, a total of 303 valid responses were obtained, giving the research an effective return rate of 79%. In terms of the composition of the valid sample, 134

respondents worked at DBS Singapore, 106 worked at Standard Chartered, and 67 worked at HSBC. Sample attributes included: Gender: male 170 (56%), female 133 (44%) and Education: college and university 267 (88%), high school or less 36 (12%). The largest group of respondents had worked for between 11 and 20 years (38%), 26% had worked between 21 and 31 years; 19% had worked for 10 years or less; and 17% had worked for less than 5 years. In terms of job descriptions, 17% were supervisors and 83% were non-supervisors. A significant majority (81%) worked in sales (mostly counter service personnel), with administrative staff and 'others' accounting for 17 and 2%, respectively.

#### Questionnaire design

The research questionnaire incorporated four major sections. The first, addressing changes in work characteristics, covered the five dimensions of task variety, job integrity, task significance, autonomy and feedback, with three questions in each designed on a work characteristics model framework described by Hackman and Oldham (1975) and customized to incorporate conditions particular to the work environment faced by respondents. The second section, addressing organizational commitment, included the three dimensions of dedication commitment, commitment to stay, and value commitment. Each dimension was covered by five questions, designed based on definitions proposed by Porter et al. (1974). The third section was designed to measure locus of control tendencies, and consisted of 12 questions. The fourth section collected relevant demographic data, including gender, highest level of education, years of service, status as a supervisor / non-supervisor and department affiliation. After deleting several difficult-to-analyze questions from the questionnaire during factor analysis, only two questions were posed in each of the following work characteristic change dimensions: task variety, task significance, autonomy and feedback. Only one question was asked in the dimension of job integrity. Four questions were posed in each of the three organizational commitment dimensions.

#### Measurement variables

This research was framed so that the main variables included both conceptual and operational definitions for work characteristic change and organizational commitment (as illustrated in the table below). Questions for these two variables were designed based on a fivepoint Likert scale (ranging from 1 [Strongly Disagree] to 5 [Strongly Agree]). Locus of control tendencies were measured using the Tendency of Internal/External Locus of Control scale (Wu Jing-Ji et. al., 1980). A total of 12 questions were posed, each with two possible answers: a and b (e.g., a: Most unpleasant things in life are caused by bad luck; b: Misfortune is mostly brought on by one's own mistakes). Respondents selected a or b based on their own feelings, with each "a" scored as one point and each "b" scored as zero points. Scores for questions 1 through 12 were summed in order to derive an 'internal/external locus of control score'. Higher scores indicated greater tendency toward internal locus of control, while lower scores indicated greater tendency toward external locus of control. The Cronbach's for internal/external locus of control tendency in employee personalities was 0.75, which represents an acceptable level.

#### Validity and reliability

This research used confirmatory factor analysis (CFA) to verify main variable convergent and discriminate validities in the research framework (Anderson and Gerbing, 1988) and used Cronbach's value, construct reliability, and extracted variance to verify the validity and internal consistency of research variables (Hair et al., 1998).

#### Validity analysis

This research first conducted confirmatory factor analysis on the main research variables in the work characteristic change and organizational commitment dimensions in order to illustrate convergence and discriminate validities.

In terms of convergence validity, confirmatory factor analysis for the five dimensions of "work characteristic change", including task variety, job integrity, task significance, autonomy, and feedback, 2

yielded the following result: chi-square value =95.12, degree of freedom (d.f.) = 18 (p=0.00), GFI=0.92, AGFI=0.79, NFI=0.96, CFI=0.97, and RMR = 0.039. This result generally conforms to the standard suggested by Hair et al. (1998). The variance load t value of each measurement question attained the defined significant level of 0.001 (Table 1), which indicates acceptable convergence validity for questions designed to measure "work characteristic change".

Confirmatory factor analysis for the three organizational commitment dimensions (dedication commitment, commitment to stay and value commitment) yielded the following results: chi-square 2

value =153.41, degree of freedom (df) = 53(p=0.00), GFI=0.91, AGFI = 0.86, NFI = 0.92, CFI = 0.94 and RMR = 0.079. This result generally conforms to the standard proposed by Hair et al. (1998). The variance load t value for each measurement question attained the significant level of 0.001 (Table 1), indicating an acceptable convergence validity for the questions designed to measure the "organizational commitment" dimension (Anderson and Gerbing, 1988).

This research tested the ability of the questionnaire to discriminate effectively between "work characteristic change" and "organizational commitment" by setting the correlation coefficient of the above two variables to "1" and then entering the restricted and unrestricted modes into the chi-square difference test. Results showed the restricted mode chi-square value was not larger that of the restricted mode and that the unit chi -square values reached level of significance requirements. Based on such, this research determined these two variables to have discriminate validity (Anderson and Gerbing, 1988).

#### Reliability analysis

Cronbach's values for research variables and dimensions were first tested as shown in Table 1. Cronbach's values for the main variables, "work characteristic change" and "organizational commitment", were 0.88 and 0.85. Cronbach's values for all main dimensions were above 0.70, indicating that internal consistency exceeds the minimal acceptable level.

Secondly, based on the suggestion of Hair et al. (1998), the construct reliability and variance extracted from the main variables were calculated. Results showed that, apart from "job integrity" (which was a single variance), the "work characteristic change" dimensions of task variety, task significance, autonomy and feedback recorded construct validity values, respectively, of 0.85, 0.88, 0.87 and 0.85 and variance extracted values of 0.77, 0.82,

0.78 and 0.73. The three dimensions of organizational commitment, including dedication commitment, commitment to stay, and value commitment had construct validities of 0.87, 0.86 and 0.82 and variance extracted values of 0.64, 0.69 and 0.66. Results are very close to the construct validity of 0.9 and variance extracted value of 0.5 recommended by Hair et al. (1998). Therefore, in terms of construct validity and variance extracted values, we found main variables in this research to present acceptable validity.

## **RESULTS AND DISCUSSIONS**

## Examining hypotheses

This research tested hypotheses using multiple regression analysis. Results are summarized in Table 2.

The regression model used to analyze the effect of characteristic change" on "organizational "work commitment" is shown in Table 2. Mode 1-1 was a regression analysis on control variables that include gender, highest level of education and years of service, with the F value shown to reach level of significance. Mode 1-2 was a regression analysis on the control variables plus the five "work characteristic change" dimensions. Results show both F and  $R^2$  values to reach level of significance. Task Variety had the most significant effect on organizational commitment, with a regression coefficient of 0.243 (t=3.559, p<0.01). The second most significant effect was that of autonomy, with a regression coefficient of 0.268 (t=2.091, p<0.05). The third most significant effect was that of job integrity, with a regression coefficient of -0.172 (t=-1.971, p<0.05). Mode 2-3 was a regression analysis on the effect of control variables and work characteristic change on organizational commitment. Results showed that both F and  $R^2$  values achieved level of significance. The regression coefficient for the effect of "work characteristic change" on "organizational commitment" was 0.201 (t=2.923, p<0.01). These results support Hypothesis 1.

Next, the confounding effect of "employee personal character" was tested to understand whether employee locus of control tendencies affect the relationship between "work characteristic change" and "organizational commitment". Mode 2-1 in Table 3 summarizes the results of regression analysis run on control variables including gender, highest level of education and years of service. The F value was found to reach level of significance. Regression analysis was enhanced in Mode 2-2 by the addition of testing for the effects on organizational commitment of work characteristic change, internal locus of control character tendencies, external locus of control character tendencies and the interactive

effect (work characteristic change employee personal character with internal / external locus of control tendency). Results showed that F reached level of significance, with the four independent "organizational commitment" variables carrying the following regression coefficients: 0.453 (t=2.515, p<0.05), 0.193 (t=2.156, p<0.05), 0.581 (t=2.246, p<0.05) and -0.641 (t=-1.972, p<0.05), respectively. All achieved level of significance. The regression coefficient for the effect on organizational commitment of the interactive effect (work characteristic change employee personal character with an internal/ external locus of control tendency) was found to research employed analysis of multiple regression to test be negative. Therefore, further analysis is required. This the disturbance effect of "internal/external locus of control

Table 1. Main variables: Definitions and measurement.

Main variables	Conceptual definition	Operative definition	Reference
Work characteristic cha	inge( =0.88)		
Skill diversity	Level of change in variety of task skills used( =0.85)	Level of change in use of complex techniques ( =0.73***) Level of change in use of varied techniques ( =1.00***)	Hackman and Oldham (1975)
Job Integrity	Level of change in job integrity and responsibility	Level of change in job integrity and visibility of contribution to results ( =1.00***)	
Task Significance	Level of change in task significance within the organization ( =0.88)	Level of change in task significance ( =0.82***) Level of change in task significance in terms of overall operations ( =0.93***)	
Autonomy	Level of change in autonomy for task execution ( =0.87)	Level of change in personal autonomy in terms of making task related decisions ( = $0.85^{***}$ ) Level of changes in personal autonomy in terms of making personal judgments ( = $0.92^{***}$ )	
Task Feedback	Level of change in information related to task performance ( =0.85)	Level of change in job performance self-awareness ( $=0.73^{***}$ ) Level of change in receiving regular information related to personal performance ( $=0.82^{***}$ )	
Organizational commitr	nent ( =0.85)		
Dedication Commitment	Personal willingness to work for the company ( =0.87)	Degree to which one is willing to invest extra effort for the company (= $0.83^{***}$ ) Degree to which one is willing to give his / her full measure for company benefit (= $0.82^{***}$ ) Degree to which one cares about the company's future (= $0.81^{***}$ ) Degree to which one is willing to pay extra attention in the company(= $0.78^{***}$ )	Porter et al. (1974); Mowday et al. (1979)
Commitment to Stay	Personal willingness to stay in the company ( =0.86)	Likelihood of one leaving the company due to perceived environment changes $(=0.93^{***})$ Likelihood of one seeking opportunities in a similar company $(=0.87^{***})$ Degree to which one believes there is no benefit to staying in his / her current company $(=0.68^{***})$ Degree to which one lacks loyalty toward his / her company $(=0.65^{***})$	
Value Commitment	Personal identification toward company values ( =0.82)	How ideal is the perceived workplace (=0.83***) Degree of pride held in company (=0.79***) Degree to which one feels 'fortunate' in working for the company (=0.84***) Degree to which one feels 'good' about working for the company (=0.51***)	

\*: p<0.05, \*\*: p<0.01, \*\*\*: p<0.001, ®: means reverse scoring.

Table 2. Regression analysis on work characteristic change vs. organizational commitment.

Independent variables	Mode 1-1 Standardized ( ) Coefficient	Mode 1-2 Standardized ( ) Coefficient	Mode 1-3
-			Standardized () Coefficient
Gender	0.072	0.055	0.088
Highest level of education	-0.127+	- 0.172*	-0.167*
Years of service	0.091	0.113	0.081
Task significance		0.037	
Task feedback		- 0.074	
Task variety		0.243**	
Autonomy		0.268*	
Job integrity		- 0.172*	
Work characteristic change			0.201**
R <sup>2</sup>	0.036	0.137	0.074
R <sup>2</sup>		0.102**	0.037
F Value	2.692*	4.095***	4.226**

+: p<0.1, \*: p<0.05, \*\*: p<0.01, \*\*\*: p<0.001.

Table 3. Disturbance effect analysis on respondent locus of control tendencies

Independent variable	Mode 2-1 Standardized ( ) Coefficient	Mode 2-2 Standardized () Coefficient	Mode 2-3 Standardized ( ) Coefficient
Gender	0.073	0.106	0.090
Highest Level of Education	-0.128	- 0.176*	-0.188
Years of Service	0.092	0.067	0.061
Work Characteristic Change		0.453*	0.076
Internal Locus of Control Personality		0.193*	0.572*
External Locus of Control Personality		0.581*	0.655*
Interactivity between work characteristic change and personality with internal/external locus of control tendency		- 0.641*	
$R^2$	0.038	0.122	0.117
R <sup>2</sup>		0.083	0.082
F Value	2.692*	4.028***	3.901*

\*: p<0.05, \*\*: p<0.01, \*\*\*: p<0.001.

tendencies in employee personalities" to the relationship between "work characteristic change" and "organizational commitment". Results are shown in Table 3, which conforms to and supports Hypothesis 2. Table 3 also shows that the effect of "work characteristic change" on "organizational commitment" is significantly higher in employees with an external locus of control than with an internal locus of control. This result conforms to and supports Hypothesis 3.

All hypotheses were supported by research findings. In the regression analysis conducted to assess the effect of work characteristic change on organizational commitment, while research results supported the main hypothesis,

differences appeared in terms of the effect on organizational commitment of detailed work characteristics, among which, "task variety" and "autonomy" indeed positively affect organizational commitment. Such shows that the increase in employee task variety and autonomy due to organizational change helps foster employee organizational commitment and positive attitudes. In contrast, this regression analysis found "job integrity" to have a negative effect on "organizational commitment". It is possible that when job integrity employees is high, understand their responsibilities and so are more focused on success / failure. In turn, when pressure is high, employees are less

able to complete tasks and, when tasks are uncompleted, they bear a higher risk of being penalized. Therefore, higher resistance is generated towards job integrity, which negatively affects the relationship between job integrity and organizational commitment. Second, in terms of locus of control in employees, this research found that work characteristic change has significantly higher effects on organizational commitment in employees with external locus of control personalities (as compared with those with internal locus of control personalities). This result shows that in the process of organizational change, job content may be customized to employee personality for maximum management efficiency.

# **CONCLUSIONS AND SUGGESTIONS**

This research targets were employees of domestic Taiwan banks that were merged / acquired by foreign banks. These banks included Standard Charter, DBS Singapore, and HSBC. Research was conducted in 2007 and 2008 to explore the effect of work characteristic change on organizational commitment in an environment of change. The confounding effect of internal/external locus of control tendencies in employee personalities was also studied. Results of this research show that in an environment of change, implementing changes in work characteristics helps raise employee organizational commitment. This result supports the results of studies conducted by Evangelista and Burke (2003); Griffin (1991). Empirical results of this research show that locus of control differences in employees disturb the effect of work characteristic change on organizational commitment. This is to say that work characteristic change has a significantly more positive effect on organizational commitment in those with external locus of control personalities than in those with internal locus of control personalities. Most studies done in the past focused on the direct effect of employee personalities on organizational commitment. organizational service climate, or job satisfaction (Spector, 1982; Hsu et al., 2010). This pioneering research studied internal/external locus of control tendencies in employee personalities and the disturbance effect of such on relationships between main variables. Such research has been unprecedented. This research contributes to two-dimensional academic study and management practice. It further consolidated theories related to work characteristic change, organizational commitment, and personality in order to interpret how an organization undergoing change uses work characteristic changes to maintain or raise employee commitment to the organization. This research also illustrates how an organization can help its employees to cope with environmental changes and maintain personal and organizational efficiency based on relevant theories. In

addition, this research shows that locus of control

tendencies impart disturbance effects on the relationship between work characteristic change and organizational

commitment. This is an area not addressed in previous research. Research results will assist researchers to understand better how locus of control tendencies in employees affects an organization undergoing major change. This is a direction worth further attention and exploration. Second, in terms of management practice, this thesis makes a significant contribution by proposing that work characteristic change in task significance, task variety, job integrity, task significance, autonomy, and feedback are valuable tools that may be employed by management to motivate employees, minimize the negative influences of organizational change, and maintain and raise employee willingness to invest extra effort, identify with organizational values, and remain to support the organization. In practice, understanding employee personalities may affect the organization and work efficiency when the organization is undergoing change. Managers may prepare by familiarizing themselves with the locus of control tendencies of their employees, so they are better equipped to respond to changes. In addition, research results show that locus of control disturbs the relationship between work characteristic change and employees' organizational commitment, and that such is especially true for employees with external locus of control personalities. Companies should invest greater effort on this latter group to help cope with organizational change.

# RESEARCH LIMITATIONS AND SUGGESTIONS FOR FURTHER STUDY

There were several limitations of this research. All research subjects were employees of domestic Taiwan banks that had undergone a merger or acquisition by foreign banks during 2007 and 2008. Research is, therefore, focused horizontally, so that information relating to changes in employee attitudes toward work before and after the study period is unknown. Despite this limitation, results should still retain a very high reference value. Secondly, research was conducted on the three main variables of work characteristic change, organizational commitment, and employee personality. There are many more factors in the process of organizational change that are worth considerations, for example, employee psychological contracts. Based on the above research limitations, this research proposes the following suggestions for future studies. First, a vertical section research design may be conducted to explore the effect of work characteristic change on organizational commitment before and after organizational change. Second, other variables related to organizational change, e.g., the relationship of employee psychological contracts to other variables, may be further studied.

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