

Organizational Psychology in the 21st Century: The Big Five Theory Contribution in the Modern Workplace

Niki Kostiani, Michael Galanakis

Deree—The American College of Greece, Athens, Greece

The Big Five Theory is considered as the most prominent personality theoretical approach in psychology. This paper aims to discuss the contribution of the Big Five Theory in the modern workplace. Which personality traits are more predictive for job performance? Which traits should organizations take more in consideration during recruitment and selection processes? What is the meaning of motivation in the workplace and how employers could locate individuals who can be more productive, efficient, and engaged to the organization's goals according to the Big Five personality model? The above questions are answered through the systematic review of previous contemporary studies. After the collection and review of several recent publications, regarding this subject, it was concluded that the application of this model positively affects employees' and group performance, working relationships, managers' work performance as well as innovation in workplace.

Keywords: Big Five Theory, workplace, personality traits, work behavior, decision-making styles, leadership, group, performance, innovation, work stress

Introduction

In this paper the contribution of the Big Five Theory in a specific framework is examined. Namely, the focus is basically related to the contribution and application of the Big Five Theory in the workplace. There is much literature regarding the examination of this theory in the workplace. Additionally, in this paper it will be analyzed and investigated how this model affects working relationships (between employees, managers, leaders etc.), innovation, employees' and managers' performance, managerial decision making, group performance work-related stress as well as managerial perspective. A critical analysis will be also conducted, as well as a scope for future research which will be provided regarding this theory for further development.

Basic Concepts of the Theory

The Big Five Personality Theory (OCEAN) is a model which outlines the idea that human personality is comprised of five basic dimensions. Specifically, Goldberg identified five primary factors of personality. These factors include extroversion, agreeableness, conscientiousness, neuroticism, and openness to experience. These five factors do not provide completely exhaustive explanations of personality; however, they are known as the

Niki Kostiani, M.Sc., Organizational Psychologist, Master's Program in Organizational Psychology, Department of Psychology, Deree—The American College of Greece, Athens, Greece.

Michael Galanakis, Ph.D., Professor of Psychology, Master's Program in Organizational Psychology, Department of Psychology, Deree—The American College of Greece, Athens, Greece.

Big Five because they encompass a large portion of personality-related terms (Ackerman, 2021). In more detail, the first trait which is openness to experience concerns individual's willingness to try to new things, their ability to be vulnerable, and their capability to think outside the box. A person who is characterised with openness to experience is someone who enjoys the arts, loves learning, engages in a creative career, as well as likes getting to know new people (Lebowitz, 2016). In terms of conscientiousness, this trait depicts a person's dependability. People with high levels of conscientiousness are goal-oriented, they tend to control impulses, and they are usually very organized. Individuals high in extroversion like socializing and interacting with others (Lebowitz, 2016). Consequently, agreeableness concerns a person's orientation to others. It is a construct that relies on how a person generally interacts with other people. Lastly, neuroticism refers to a person's emotional stability and general temper. Individuals high in neuroticism are generally prone to anxiety, sadness, worry, and low self-esteem. Also, they may be temperamental or easily angered, and they tend to be self-conscious and unsure of themselves (Lebowitz, 2016).

The Big Five Model launched thousands of explorations of personality within its framework, across multiple continents and cultures, and with a wide variety of populations (Ackerman, 2021). Moreover, there is much research that supports this personality theory, but the most important is that a study, conducted in 2015 and published in the *Academy of Management Journal*, found that all the traits were "more predictive of performance for jobs" when the job was performed in an unstructured environment with freedom to make choices and that the traits also indicated how a person's specific traits would act in a situation. This is one of the things will be investigated in this paper. Last but not least, the Big Five Theory is still considered as the most mainstream and widely accepted framework for personality, so this is one of the reasons why we decided to investigate its contribution in the workplace.

Methodology

In order for this paper to be conducted we carried out secondary research as well as qualitative analysis. Specifically, several publications were reviewed (systematic-review) regarding the contribution of the Big Five Theory in the workplace. Also, many recent, different articles were collected in order to in-depth understand how this theory contributes to today's workplace.

Results

At this point, we will be analyzing the different working areas that this model (Big Five Theory) mostly affects, through literature review.

One research focuses on the role of Big Five Personality Traits as a moderator between the relationship of leadership style and its impact on work stress. Specifically, this study examined the Big Five personality dimensions of extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience, to see if they do moderate the relationship between leadership and work stress in employees. In order for the research to be conducted, a survey (related to the subject) was sent to 400 managers of 34 different firms of 13 different industries. Out of the 400 questionnaires administered, results from 364 questionnaires were accepted and entered for final analysis. Finally, the results showed that all of the Big Five traits, except from openness to experience, do moderate the relationship between the perceived transformational leadership style and work-related stress experienced by the workers. Consequently, concerning these results it is obvious that taking

into account the Big Five Theory brings better outcomes in workplace. This means that if leaders or managers meet these traits, employees' occupational stress would be possibly decreased. As a result, workers' performance would be also positively affected, while employees with low levels of stress are much more satisfied, happy, efficient, and productive. On the contrary, high work-related stress affects peoples' physical, mental, and behavioral aspects of life that can lead to high absenteeism, high job turnovers, and lesser interest in the working activities, therefore reducing effectiveness and efficiency (Shah & Asad, 2018).

Some other researchers have examined how personalities affect group performance. Namely, the studies' findings have showed that the group performance is getting improved through the Big Five Personality Traits when positively exhibited in the workplace. In more detail, it has been revealed that the Big Five Theory traits are meaningfully related to group performance. Specifically, findings show that openness to experience is 75%, conscientiousness is 73%, extroversion is 83%, agreeableness is 95%, and neuroticism is 90% connected to group performance (Aremu, Olaonipekun, & Mu'azu, 2018). All these percentages are high, which means that the interrelation between these factors is also high. Consequently, the above findings show that employees who qualify the Big Five traits can be very productive and efficient group performers. As a result, these personality dimensions impact on corporate organizational performance and this is the reason why they are very significant. Lastly, companies should design and implement proper HR practices and strategies, such as effective recruitment and selection processes in order to attract the best candidates/employees who would exhibit positive traits that can positively boost group spirit, task cohesiveness and ensure achievement of organizations mission and vision.

According to another paper (Lebowitz, 2016), "leaders who have an understanding of how individuals' personalities differ can use this understanding to develop their leadership effectiveness and lead to improve workers' job performance". Additionally, leaders can also use the Big Five Theory on themselves to evaluate their behaviors and demonstrate to workers how to not only maximize their strengths/skills, but also learn from their weaknesses as they drive the company to success and continue to assess firm's behavior.

Findings of another study reveal that manager's personality traits affect their work-related performance in Fast-Moving Consumer Goods (FMCG) firms (N. Gupta & A. K. Gupta, 2020). In this research work performance of the managers was measured by using variables such as problems in terms of health, load at workplace, job interest, distraction from goals, accountability etc. Then, the items were measured, implementing Likert's five-point scale varying from one (strongly disagree) to five (strongly agree). The study conducted with sample from 400 managers in assistant managerial positions as well as area managerial positions. Finally, the research findings revealed that there is correlation between openness to experience and work performance of managers of FMCG sectors. However, this may happen because of the demand of the work, while it sometimes requires creative and imaginative attributes.

Additional findings highlight that HRM practices and CEOs personality traits jointly affect the firm's innovation performance and should be regarded as complements rather than substitutes (Hasso, 2013).

On the other hand, the findings of another study related to managers' personality traits over management styles and decision-making styles highlight that although conscientiousness has a positive effect on rational and initiative decision making styles, it has a negative effect on avoidant decision-making style (Ülgen, Sağlam, & Tuğsal, 2016). Neuroticism has a positive effect on three dimensions of decision-making styles including initiative, avoidant, and spontaneous styles. On the contrary, it has a negative effect on rational style (Ülgen et

al., 2016). Finally, extraversion has positive effect on both dependent and spontaneous decision-making styles (Ülgen et al., 2016).

Discussion

There is no doubt that the Big Five Theory is well known. Many studies have been conducted in order to be investigated its impact in the workplace. Some of the studies have revealed positive effects of the theory in organizations; some others found negative effects. However, the truth is that there are several limitations that need to be considered. In more detail, the first limitation concerns the sample size of most of the studies. Many of them used a small sample, which can create doubts.

The second limitation is based on the generalization of findings that need to be treated carefully. Most of the case studies conducted were all operating in a specific place, which cannot be generalized to the entire small-medium enterprises. For example, in order to increase the precision of the relationship between CEOs' characteristics and the innovation performance (having said before) as well as the adoption of HRM practices, a variety of CEOs is appropriate to make the sample more representative.

Last but not least, there is a third limitation concerning five personality dimensions. On the one hand, the "Big Five Model" is seen as the best representation of trait structure as it allows describing various traits in terms of five basic dimensions (Judge et al., 1999; Lefebvre, 1991; McCrae, 1990; Saucier, 1994). On the other hand, it is claimed whether these five broad dimensions are enough to incorporate all relevant information needed in order to explore a firm's performance (Bergner et al., 2010). Factors, such as professional background, education, or age might affect decisions taken by respondents (the sample of the studies) in regard to innovation strategies and thus to the company's innovation performance. Moreover, the traits used for the purpose of some studies are narrowed into a small size of traits for each dimension in order to increase the reliability which might lead to a better or worse outcome. Accordingly, future research should examine if for example other traits are more suitable for predicting group performance, or a firm's innovation performance or managerial decision making, or working relationships etc.

Future Research

Despite the fact that the Big Five Personality Theory is considered as a solid predictor of how individuals will behave in real life, there is also the other side.

The Big Five personality analysis approach has been in the centre of research for decades. Holman and Hughes's research studies the transaction between Big-Five personality traits and job characteristics in a 20-year span. Based on their comparative analysis between their own study and the conflicting studies they referenced regarding said transaction/impact, they conclude that the evidence points to the need for a better understanding of the exact mechanisms through which transactions between personality and job characteristics occur, the role of contextual factors in moderating these transactions, and the differences in the temporal evolution of these transactions. More and more researchers suggest that personality traits develop across life course rather than being fixed and workplace characteristics as well as workplace experience are a major driver of adult personality change (Holman & Hughes, 2021). So, how about the effect of a standardized work environment based on the inconclusive impact of the Big-Five dimensions? Using Big-Five analysis as a compass for HR decisions ranging from recruitment, retaining talent or

lay-offs, instead of a more liberal approach on interpreting human personality types in work assets (like Myers-Briggs) may set strict and unrealistic implementation goals and hurt the much-needed diversity in the workplace.

References

- Aremu, M. A., Olaonipekun, W. D., & Mu'azu, K. L. (2018). Effects of Big Five Personality Traits on group performance in Al-Hikmah. *Amity Business Review*, 19(2), 11-20. Retrieved from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjfkO_8-Nv0AhXChP0HHSO7CicQFnoECAYQAQ&url=https%3A%2F%2Fwww.amity.edu%2Fabs%2Fbr%2Fpdf%2FABR-Vol-19-No-2%2F2.pdf&usg=AOvVaw3Zf1R9OnbVUZ-WSv6gHhAd
- Ackerman, C. E. (2021). Big Five Personality Traits: The OCEAN model explained. *Positive Psychology*. Retrieved from <https://positivepsychology.com/big-five-personality-theory/>
- Camps, J., Stouten, J., & Euwema, M. (2016). The relationship between supervisors' Big Five Personality Traits and employees' experiences of abusive supervision. *Original Research*, 7, Article 112. Retrieved from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwiUmdT7ktz0AhVO_rslHch1DV8QFnoECAkQAQ&url=https%3A%2F%2Fwww.frontiersin.org%2Farticles%2F10.3389%2Fpsyg.2016.00112%2Ffull&usg=AOvVaw2Qxtocb7d1VG9uC2ataTBM
- Dingfelder, S. (2013). New study throws into doubt the universality of the "Big Five". *American Psychological Association*, 44(3). Retrieved from <https://www.apa.org/monitor/2013/03/big-five>
- Gupta, N., & Gupta, A. K. (2020). Big Five Personality Traits and their impact on job performance of managers in FMCG sector. *International Journal of Recent Technology and Engineering (IJRTE)*, 8(5), 3104-3109. Retrieved from <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwi8qYef-dv0AhUEhP0HHUHCZ4QFnoECAgQAQ&url=https%3A%2F%2Fwww.ijrte.org%2Fwp-content%2Fuploads%2Fpapers%2Fv8i5%2FE6406018520.pdf&usg=AOvVaw35xnDmmKE1FXXmlvzUpOPT>
- Hamdy, A., Fazida, K., Rashidah, M. I., Asyraf, A., Ahmad, M. S., Mohd, H. H., & Mahadzirah, M. (2019). Connecting the dots between the Big Five and innovative work behaviour: Maslow and Maqasid Al-Shari'a perspectives. Retrieved from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwj15u61INz0AhX5_bsIHcDgAZwQFnoECAcQAQ&url=https%3A%2F%2Fwww.revistaespacios.com%2Fa19v40n27%2Fa19v40n27p20.pdf&usg=AOvVaw0MVksu7i1cQaU6ANHuBf_H
- Hasso, R. (2013). The impact of CEO's personality traits (Big 5) and human resources management practices on the innovation performance in SMEs. *University of Twente*. Retrieved from <https://essay.utwente.nl/63740/>
- Holman, D. J., & Hughes, D. J. (2021). Transactions between Big-5 Personality Traits and job characteristics across 20 years. *Journal of Occupational and Organizational Psychology*, 94, 762-788. Retrieved from <https://bpspsychub.onlinelibrary.wiley.com/doi/full/10.1111/joop.12332>
- Judge T., Higgins C. A., Thoresen C. J., & Barrick M. R. (1999). THE BIG FIVE PERSONALITY TRAITS, GENERAL MENTAL ABILITY, AND CAREER SUCCESS ACROSS THE LIFE SPAN. *Personnel Psychology*, Volume 52, Issue 3, September 1999, pp 621-659.
- Lebowitz MS. Stigmatization of ADHD: A Developmental Review. *J Atten Disord*. 2016 Mar; 20(3): 199-205. doi: 10.1177/1087054712475211. Epub 2013 Feb 13. PMID: 23407279.
- Lefebvre H. (1991). *The Production of Space*. Basil Blackwell Ltd 108 Cowley Road, Oxford, OX4 1JF, UK
- McCrae, R. R., & Costa, P. T., Jr. (1990). *Personality in adulthood*. Guilford Press.
- Raza, S. A., Rehman, K. U., & Kitchlew, N. (2018). Impact of perceived leadership style on employees' work stress: Moderating and mediating role Big 5 personality traits. *A Research Journal of Commerce, Economics, and Social Sciences*, 12(1), 6-15. Retrieved from https://www.researchgate.net/publication/328430629_Impact_of_Perceived_Leadership_Style_on_Employees%27_Work_Stress_Moderating_and_Mediating_Role_Big_5_Personality_Traits
- Saucier, G. (1994). Mini-Markers: A Brief Version of Goldberg's Unipolar Big-Five Markers. *Journal of Personality Assessment*, 63, 506-516. https://doi.org/10.1207/s15327752jpa6303_8
- Shah, Mahpara & Asad, Muzaffar. (2018). Effect of Motivation on Employee Retention: Mediating Role of Perceived Organizational Support. 7. 511-520.

- Tutar, H., Oruç, E., Erdem, A. T., & Serpil, H. (2020). Big Five Personality Traits and workplace spirituality: A mixed method study. *Southeast European Journal of Economics and Business*, 15(2), 96-108. Retrieved from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewjc-fH_k9z0AhUqgf0HHYvgB2kQFnoECAIQAQ&url=https%3A%2F%2Fwww.researchgate.net%2Fpublication%2F348736571_Big_Five_Personality_Traits_and_Workplace_Spirituality_A_Mixed_Method_Study&usg=AOvVaw2iWTXdkWRs2eFsL3KxRr5l
- Ülgen, Beliz & Sağlam, Mehmet & Tuğsal, Türker. (2016). Managers' Personality Traits Over Management Styles and Decision-Making Styles. *International Journal of Commerce and Finance*.