

## **Towards High Performance Organization: The Impacts of Job Characteristics and Job Crafting**

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### **Abstract**

*The present study validated the study results regarding the relationship between job characteristics and job crafting with respect to a sales organization and demonstrates differences in organizational performance resulting from the effects of job characteristics and job crafting. As a theoretical model of the present study, five elements – skill variety, task identity, task significance, autonomy, and feedback – were set as premises that limit job crafting. In addition, we attempted to explain how performing job crafting consisting of task crafting, relational crafting and cognitive crafting affected organizational performance such as financial performance, job satisfaction, and organizational commitment. To achieve this objective, eight propositions regarding the effect of job characteristics and job crafting on organizational performance were identified and 406 sales consultants from insurance firms were surveyed to test the hypothesis of the study. The results of the studies were as follows. First, job characteristics partially influenced job crafting as per sub-factors. Skill variety and feedback did not influence job crafting significantly whereas task identity, task significance, and autonomy influenced job crafting significantly. Second, job crafting had a positive effect on the financial performance of organizations. Third, job crafting had a positive effect on the job satisfaction of organization members. Fourth, job crafting had a positive effect on the organizational commitment of organization members.*

**Keywords:** *Characteristics, Job Crafting, Organizational Performance, Job Satisfaction, Organizational Commitment*

### **1. Introduction**

An organization's staff is one of the most critical factors with respect to its output and profitability. The competitiveness of an organization results from the total sum of its work-related activities. Similarly, the quality of an organization's performance is determined by how employees accept their tasks and dedicate their efforts wholeheartedly with passion and creativity [23,30,46,47]. Employees will commit themselves to their tasks when they perform their preferred tasks, and the tasks are well matched to the needs of the employees. Although organizations seek to do this through human resource development [40], it is practically difficult to assign employees to optimal tasks, due to gaps between human resource management, human resource development systems, and work boundaries.

To reach maximum performance, an organization must make an effort towards finding the most suitable employee for a specific task. However, it is not easy to match the

optimum employee with their ideal tasks through employment and human resource management [18] [23]. Sometimes, an employee has been assigned to a task against his or her preference and competency due to the needs of the organization, or assigned to a less optimal task due to personal circumstances of another employee. This is regarded as a limitation of human resource development, but it is still important to attempt to seek out tasks for employees through human resource development and human resource management [47].

Even under circumstances where preferred tasks are not assigned, it is important to increase performance through self-motivation. It is also important to determine an optimal workforce to suit the task. Notwithstanding the above considerations, it is important to look for employees which can perform their tasks successfully through self-motivation regardless of what they are assigned to do [25]. It is now becoming critical for a company to seek out a workforce comprised of individuals who can review their jobs closely and redesign themselves autonomously to enhance the job performance through job crafting.

If redesigning a job is not relevant to the objectives of an organization or if job characteristics are unsuitable for job crafting, attempts to perform job crafting could be potentially harmful to organization or other employees. Job crafting refers to performing jobs as employees themselves redesign the job according to job characteristics [37,39,50]. But, as mentioned above, it may be the case that job characteristics have no room to accept either change or redesign. Studies on the effectiveness of organizations in relation to job characteristics and how job crafting itself is related to effectiveness of organizations have been conducted previously. However, few studies (e.g., Ghitulescu [53]; Tims, Bakker, & Derks [38]) on relationships between job crafting and job characteristics have been conducted. The present study aims to address this issue.

Previously, from the organizational viewpoint, it was thought that individuals should be changed to perform certain job requirements, and the focus was on methods to create that change. However the concept of job crafting, proposed by Wrzesniewski and Dutton [39], approached the problem differently with new viewpoints in contrast to the traditional viewpoints of job design, such as job enlargement or job enrichment [55]. In the past many studies determined that the optimal performance of an organization was achieved when optimal employees were placed according to job requirements and employees were changed as jobs were designed effectively [38].

In contrast, there was an alternative view on how to improve performance of an organization. When workers approach their work with self-commitment and their own designed manner, this kind of work becomes a source of creative job execution despite the fact that the same job was given to them. Organizations with this kind of employee will be expected to have superior performance. Therefore employees' job crafting will influence organizational performance positively. Also, improved self-efficacy and individual motivation is a result of or partly a consequence of job crafting [48]. This is particularly related to inherent motivation such as individual faith represented by responsibility, achievement and ability. These employees are more competent, skilled, experienced and valuable as a participant or a part of an organization [19]. Even if jobs are well designed and specialized professionally to provide employees with optimal conditions, organizations cannot force their employees to commit to their jobs or to be motivated. In fact, it is the employees' spontaneous and self-directed decision that motivates them and provides a sense of direction. Job crafting occurs when individual employees take their jobs proactively, in contrast to the methods used previously.

Few studies (e.g., Tims, Bakker, Derks [38]) have been conducted on the effect of job crafting on the financial or non-financial performance of corporations to date. There are few empirical research studies that show the effect of job crafting on financial performance, job satisfaction, and organizational commitment in detail. The present study targets sales consultants in insurance firms. The insurance sector has organizational characteristics where performance variation can be significantly related to individual

motivation through job crafting and it has one of the largest sales organizations comprised primarily of representatives. Financial performance as a metric is identified easily and is an objective measure where the effect of job crafting is readily apparent.

The present study demonstrates how job characteristics and job crafting in sales divisions brings positive motivation across organizations thereby contributing to organizational performance [31]. Furthermore, the present study discusses how this benefit affects organizational performance both financial and non-financial. First this study sheds light on the relationship between job crafting and job characteristics thereby giving a meaningful insight to organizations regarding the creation of job characteristics. Second, it provides an opportunity to re-highlight the leadership of managers as they initiate the activities of job crafting to lead employees to participate in creative actions. Third, this study presents a limitation of job crafting within job characteristics. Accordingly, the expected effect of this study is to increase the understanding of organizational performance as it explains the relationship between job characteristics and job crafting and the effect of job crafting in sales divisions.

## **2. Literature Review**

### **2.1. Conceptual Background of Job Characteristics**

As the size of corporate organization becomes larger, the interest in jobs and job characteristics also increase. One theory of job characteristics suggests that attributes of a specific job induces psychological conditions of organization's members, and that by using this employees can be motivated to improve organizational performance [26,31,43]. Hackman and Oldham [43] proposed a model which utilized five core job characteristics in job redesign— skill variety, task identity, task significance, autonomy, and feedback – which ultimately determined job motivation, job satisfaction, and productivity [5,15,31].

The primary concept of the job characteristics model is that a job is redesigned so that the following attributes are provided; a task is given to one employee from beginning to end in order to create job identity, a task is sufficiently important to affect other employees, job autonomy is guaranteed, and feedback from the job is given to an employee [57]. If employees recognize the positive effects of the five elements of job characteristics, they will generate a positive response such as passion for their work, or reduced stress. On the other hand, if workers cannot distinguish the expected job characteristics from what their tasks, a high level of internal motivation cannot be expected [13]. Skill variety can suppress negative psychological conditions such as fatigue and stress which may occur during simple and repetitive job execution, in those circumstances skill variety reduces job burnout [2,20] and absenteeism [10].

If task identity increases, performance can increase because it helps organization members to feel achievement and thereby increase job commitment [43]. Autonomy can reduce job burnout [2,20] and it can decrease job instability [16] and absenteeism [10]. Spector and Jex [33] claimed that if task identity, autonomy, and feedback are not sufficient among job characteristics, workers feel increased frustration and anxiety, while Kelloway and Barling [17] discovered that autonomy, task identity, and feedback had a negative correlation with individual burnout [13].

As described above, when the key elements of job characteristics are positively perceived by workers, then workers feel that their working process or working experiences are more attractive and that they work in stable job environments. Hackman and Oldham [43] revealed that when a job had a certain characteristic that a worker preferred, a worker experience his or her job more attractively and positively, and such initial reinforcement could give them an incentive to create better performance continuously.

## 2.2. Concept and Dimensions of Job Crafting

The term 'Job Crafting' was initially coined in a study by Wrzesniewski and Dutton, which was defined as "the physical and cognitive changes individuals make in the task or relational boundaries of their work" (Wrzesniewski & Dutton, [52], p. 179). This term means job crafting can help to create a new work relationship that changes the job boundary. It is not necessarily interpreted as simple handicrafts, work, or creation. Rather, it is a self-directed action that enables successful job performance by redesigning a job to make the requirements, relationship, and environment of a job suitable for a worker autonomously. Workers can change the way they work by creating a meaning for their jobs as well as reducing or increasing the number or requirements of tasks given to them and redefining a level or characteristics of relationships with other colleagues. In the present study, job crafting is considered as a job redesign to reflect worker's motivation and passion so that employees can initiate their actions to participate in their jobs with motivation, passion and preference autonomously.

Ghitulescu [53] saw that job crafting was different from other similar studies such as task revision [35], proactive role orientation [28], organizational citizenship behavior [45], Positive Organizational Behavior [3,7], role innovation [32] and role development [24]. He mentioned that job crafting included recognition and belief in the meaning of work, individually committed behaviors, as well as work identity and an area of work was complex as it includes tasks, relationships and cognition. The concept of job crafting includes subjective elements such as individuals, whereas that of job characteristics includes objective elements such as job redesigning.

The difference between the subjective and objective portions of these two factors is how they influence job attitudes [54]. Job crafting suggests that it is more important for individuals to direct their work to create meaning, rather than simply following the work requirements as in the traditional way. Wrzesniewski and Dutton [39] proposed three types of components – task boundary, relationship boundary, and cognitive boundary – based on the concept of job crafting. Task crafting refers to a change in various types of activities related to performing tasks by a worker. Setting task boundaries means changing the flow of work, work amount, work size and changing of work orders. It also includes an introduction, combination and connection of new processing methods.

Relational crafting refers to classification of persons who interact while performing a task and the setup of a relationship boundary which forms a relationship area that determines how required workers are to perform tasks. Examples include such who to work with, how often or how deep the relationship will be. Cognitive crafting concerns how to change the way a worker views a job and the setup of cognitive boundaries include changing the goal of the work, change of its meaning, and change of its performance [25][54]. In other words, task crafting means a change in types or numbers of activities in relation to performing a job while relational crafting means to exercise discretion that determines persons who work with during job execution and cognitive crafting means a change in workers' viewpoints of a job.

Job crafting is a method of reconfiguring job objectives or experiencing a job differently thereby changing the meaning of a person's work by redefining job tasks and relationships [36]. Ghitulescu [53] developed a logical structure of causality between job crafting actions, job satisfaction, and organizational commitment that bring the effect of change in identity and meaning of such personal work. He claimed that when individual workers perceive their work to be more meaningful, workers will feel that the work increases their self-efficacy. Their self-efficacy improves work identity and commitment, and as a result, employees who are enthusiastic to job crafting are more likely to feel job satisfaction as well as increase in the attachment to the organization.

There are several empirical studies to show that strong personal work identity, commitment, satisfaction and attachment to the organization affected job performance [8,34,49]. In addition, there is a qualitative study that suggests removing routine

procedure and unnecessary role tasks increases group and organizational performance [22,51,52].

### **2.3. Conceptual Background of Organizational performance**

Performance refers to the degree of achievement of the goal as well as the range of measurements of efficiency in workplaces [40]. In general, organizational performance is indicated by data that represents effectiveness such as productivity, goal achievement levels, customer satisfaction index, and attachment. Organizational performance is divided into financial and non-financial performance metrics. This study measured financial performance using annual turnover achieved by organization members, while non-financial performance was measured using job satisfaction and organizational commitment.

The financial performance of organization is partially indicated by annual turnover of which numerical value is reviewed and objective performance is proposed. Job satisfaction refers to the behavior that individual workers exhibit towards their jobs [7 Vecchio, 2002). Workers who are satisfied with their jobs are likely to commit to them, benefiting from improved mental health as well as the quality of their personal lives, whereas workers who are not satisfied with their jobs are more prone to turnover or a reduction of job commitment, as well as other negative consequences which generate a negative atmosphere within the organization [27,15]. Greenberg and Baron [42] defined organizational commitment as a favorable attitude toward the organization and a degree of self-identification with organization as well as active involvement and participation to organizational problems.

Psychologically, it is a state where individual egos are involved in the organization because of an attachment or affection towards the organization. As a result of low organizational commitment, workers are likely to contribute to turnover, by moving to another company or retiring. However, it was reported that workers with high organizational commitment were less likely to leave companies and had more opportunities to remain in the company [4, 44]. That is, the higher organizational commitment is, the stronger the workers' will to remain in the company. On the other hand, the lower the organizational commitment is, the stronger the workers' will to leave the company.

Thus, organizational commitment is closely related to employee turnover. Members with high organizational commitment are likely to pride themselves in working with colleagues with strong ties to the organization as well as contributing to the organization and working with passion for success of the organization.

### **2.4. Research Hypotheses**

The present study aims to explicate the relationship between job crafting and job characteristics and prove the possibility that job crafting increases job satisfaction and organizational commitment of employees thereby increasing financial performance. Based on these objectives, the following hypotheses were set to determine the effect of job characteristics and job crafting on organizational performance in two different waves. We designed different waves for mediating and outcome variables to address research model in a reliable way.

#### **2.4.1. 1<sup>st</sup> Wave: Relationship between Job Characteristics and Job Crafting:**

Although there is no empirical research study to determine the relationship between job characteristics and job crafting, the relationship between those two concepts has been subject to speculation. Wrzesniewski and Dutton [39] suggested that job crafting can be motivated from three individual needs such as hope to personal control, hope to create positive self-image in their work and hope to connect to others. As stated above, a job has

characteristic elements such as skill variety, task identity, task significance, autonomy and feedback.

If Individual needs to control their work, create positive self-image and connect others, then job crafting can be happened autonomously. Task identity means the extent to which each task takes part in the process of production or service completion and a job can be crafted if an individual has a need to control work and perceive that his/her job has task identity. Likewise, the relationship between job characteristics and job crafting can be expected by speculating job characteristic elements and their possible effect on the motivation to craft job.

H1: Job characteristics have a positive (+) correlation with job crafting.

H1.1: Skill variety has a positive (+) correlation with job crafting.

H1.2: Task identity has a positive (+) correlation with job crafting.

H1.3: Task significance has a positive (+) correlation with job crafting.

H1.4: Autonomy has a positive (+) correlation with job crafting.

H1.5: Feedback has a positive (+) correlation with job crafting.

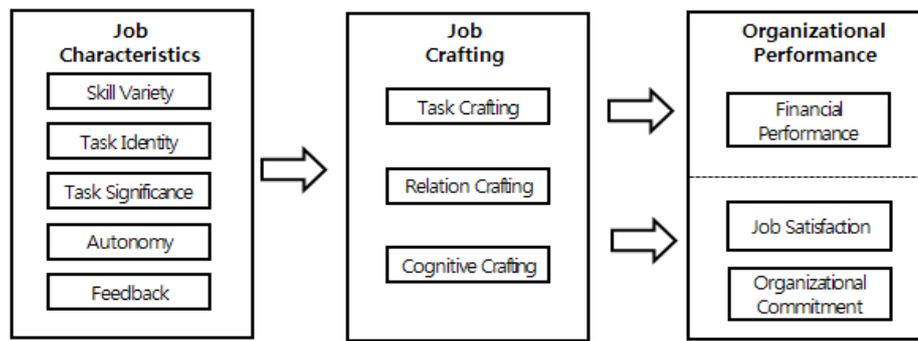
**2.4.2. 2<sup>nd</sup> Wave: Relationship between Job Crafting and Organizational Performance:** Ghitulescu [53] found that job crafting affected employees' job satisfaction and organizational commitment and eventually increased organizational effectiveness. Based on Wzresniewski and Dutton (2001), Ghitulescu [53] performed empirical research to see how three elements of job crafting affected job satisfaction, organizational commitment, and organizational effectiveness. The model developed in the study considered job's structural context and relational context as latent decision factors and explain the relationship with job crafting as such; first, in the structural context, individuals who perform more structurally autonomous work are more likely to experience psychological empowerment and self-efficacy, thus the structural context of work has a strong impact on an employees' job crafting. Second, in a relational context, teams have a strong influence on team members' individual job crafting, this result implies the importance of such considerations when designing job crafting. According to previous research on the outcomes of job crafting, this study attempted to discover the relationship between job crafting, financial performance, job satisfaction, and organizational commitment.

H2: Job crafting has a positive (+) correlation with the job satisfaction of employees.

H3: Job crafting has a positive (+) correlation with the organizational commitment of employees.

H4: Job crafting has a positive (+) correlation with the financial performance of organizations.

Based on the above hypothesis, the following two research models were produced, as shown in Figure 1. As precedent factors of job crafting, job characteristics including skill variety, task identity, task significance, autonomy, and feedback were set as independent variables, and organizational performance including financial performance, job satisfaction, and organizational commitment were set as dependent variables.



**Figure 1. Research Model**

### 3. Research Method

#### 3.1. Participants

The total number of participants was 406 employees. The characteristics of participants in this investigation are as follows: female participants (n=251, 61.8%) are twice the number of men (n=155, 38.2%); on the age spectrum, those in the 40's accounted for 46.1% (n=187), those at 50s or older for 37.4% (n=152), and 20s-30s for 16.5% (n=67); in terms of marital status, the married accounted for 61.8% (n=251) and 38.2% (n=155), respectively; as for the insurance sales type among characteristics of the organizations, the liability insurance was slightly more (n=229, 56.4%) than life insurance 43.6% (n=177); as for the status as the employee, team members accounted for 76.8% (n=312), followed by team leaders for 12.1% (n=49) and senior managers for 11.1% (n=45); and as for insurance sales experience, those with less than 3-5 years of experience were the largest (n=115), followed by those with less than 1-3 years of experience (n=103, 25.4%), those with less than 5-7 years of experience (n=74, 18.2%), those with more than 10 years of experience (n=67, 16.5%), and those with less than 7-10 years of experience (n=47, 11.65%).

#### 3.2. Measures

As for job characteristics, the questionnaire developed by Kim [56], who modified and supplemented the Job Diagnostic Survey developed by Hackman and Oldham [11], was used for this study. The survey consists of 20 items on a 5-point Likert scale for skill variety, task identity, task importance, autonomy, and feedback. Referencing the questionnaire of Ghitulescu [53], the job crafting questionnaire consists of a total of 12 items for three areas of task crafting, relational crafting, and cognitive crafting. Financial performance of an organization was determined by annual revenue of members of an organization. Job satisfaction was measured with a questionnaire with seven items based on the modified questionnaires of Hackman and Oldham [12], Cook et al. [41], and Churchill et al. [6] Organizational commitment was measured with a questionnaire with a total of seven items by modifying Morgan and Hunt [21] and Rubenowitz [29].

#### 3.3. Procedures

Samples were collected by requesting completion of questionnaires at an information meeting for sales strategy and training, before the sales teams in life insurance and liability insurance industries begin sales activities. In addition, the same questionnaire was distributed to and collected from the trainees who entered the training curriculum every month. Out of 582 questionnaires in total that had been sent out, 509 questionnaires were returned (return rate: 87%). Among the returned questionnaires, 486 questionnaires were

finally selected for analysis after excluding unreliable responses. 80 questionnaires that had been collected early were used for factor analysis as the first pilot analysis, and the remainders of the 406 questionnaires were used for final analysis.

### **3.4. Data Analysis**

SPSS 20.0 was used for analysis. Exploratory factor analysis for job characteristics, job crafting, and organizational performance was performed to ensure the validity and the reliability of the questionnaire, and Cronbach's  $\alpha$  test was performed as a reliability test. Frequency analysis was performed for basic demographic characteristics of respondents of final questionnaires, the t-test was performed to test gender difference, and analysis of variance (ANOVA) was performed to test the difference due to age, experience, monthly income, the number of changes in jobs, etc. In addition, confirmatory factor analysis and path analysis were performed on the items in the subscales of job characteristics, job crafting, and organizational performance using AMOS software. Based on structural equation modeling, research hypotheses were tested. The influence of latent variables such as job characteristics and job crafting on subscales such as organizational performance were analyzed and the goodness-of-fit of the research model was tested.

## **4. Results**

### **4.1. Results of Factor Analysis and Correlational Analysis**

The factor analysis of job characteristics yielded five factors such as skill variety, task identity, task importance, autonomy, and feedback. The explanatory power of the five factors was 60.08%. The factor analysis of job crafting yielded three factors such as task crafting, relational crafting, and cognitive crafting. The explanatory power of the three factors was 63.2%. The factor analysis of organizational performance yielded two factors such as job satisfaction and organizational commitment, and the explanatory power of the two factors was 57.9%. The results of estimating the mean of items measured on a 5-point scale for each factor based on the final questionnaire showed that skill variety has the highest mean score of 3.87 among the subscales of job characteristics, followed by feedback with the mean of 3.63, task importance with the mean 3.54, task identity with the mean of 3.38 showing the lowest mean score.

For job crafting, cognitive crafting showed the highest mean score of 4.26, followed by relational crafting with a mean of 3.90, and task crafting with a mean of 3.67. For organizational performance, the mean score of organizational commitment was 3.76, job satisfaction was 3.72, and organizational performance measured by annual revenue was about \$ 129,910. Results of the correlation analysis on the factors showed that most factors have significant positive correlations with other factors. Examination of the correlations among job characteristics subscales and job crafting subscales in relation to the hypotheses of this study showed significant positive correlations of .164-.443, and subscales of job crafting showed significant positive correlations of .400~.498 with subscales of organizational performance such as job satisfaction and organizational commitment.

**Table 1. Results of Correlational Analyses**

Factor	Job characteristics					Job crafting			Organizational performance	
	Skill variety	Task identity	Task significance	Autonomy	Feedback	Task crafting	Relational crafting	Cognitive crafting	Job satisfaction	Organizational commitment
Task identity	-.046									
Task importance	.332**	.242**								
Autonomy	-.051	.339**	.159**							
Feedback	.082	.244**	.402**	.263**						
Task crafting	.164**	.336**	.443**	.257**	.378**					
Relational crafting	.135**	.187**	.434**	.088	.367**	.463**				
Cognitive crafting	.203**	.239**	.334**	.329**	.312**	.383**	.405**			
Job satisfaction	.206**	.351**	.504**	.342**	.419**	.498**	.459**	.467**		
Organizational commitment	.138**	.295**	.503**	.219**	.377**	.477**	.487**	.400**	.742**	
Sales revenue	.166**	.372**	.436**	.341**	.325**	.431**	.388**	.341**	.541**	.485**

Note: \*\*  $p < .05$

#### 4.2. Results of Preliminary Analysis

T-test and ANOVA were performed to investigate the differences in the subscales of job characteristics, job crafting, and organizational performance due to demographic characteristics such as gender, marital status, and age. With respect to gender difference, the scores for men were higher than the scores for women except with respect to task crafting in job crafting. In relation to the significance of mean differences, most subscales did not show differences at a statistically significant level, but task importance in job characteristics showed higher scores for men than women at a significant level ( $t=2.113$ ,  $p < .01$ ). In terms of marital status, the married showed higher scores than singles except for relational crafting among job crafting subscales, job satisfaction and organizational commitment in organizational performance, but the differences were not statistically significant. Relational crafting was much higher for the married than for singles ( $t=3.592$ ,  $p < .01$ ), and job satisfaction in organizational performance was higher for the married with the mean score of 3.74 than for singles with the mean score of 3.54 ( $t=2.291$ ,  $p < .01$ ).

In addition, organizational commitment showed a higher mean score of 3.79 for the married compared to the mean score of 3.58 for singles ( $t=2.207$ ,  $p < .01$ ). Examination of the differences due to age of respondents showed that task importance in job characteristics was higher among the 40s ( $M=3.60$ ) and the 50s and higher ( $M=3.54$ ) compared to the 20s-30s ( $M=3.38$ ) ( $F=3.416$ ,  $p < .05$ ), as well, autonomy was significantly higher among the 40s ( $M=3.71$ ) compared to the 50s and higher ( $M=3.53$ ) ( $F=3.400$ ,  $p < .05$ ). In addition, feedback scored significantly higher among the 40s ( $M=3.71$ ) and the 50s and higher ( $M=3.70$ ) than the 20s-30s ( $M=3.52$ ) ( $F=3.298$ ,  $p < .05$ ). Also, among job crafting subscales, relational crafting showed significantly higher scores among the 40s ( $M=3.90$ ) and the 50s ( $M=3.98$ ) than the 20s-30s ( $M=3.70$ ) ( $F=5.972$ ,  $p < .01$ ), and among organizational subscales, financial performance measured by revenue was significantly higher among 40s (\$140,670) and the 50s and higher (\$126,810) than the 20s-30s (\$106,910) ( $F=5.256$ ,  $p < .01$ ).

With respect to the differences due to the insurance sales type among organizational characteristics, two groups showed significant differences regarding autonomy in job characteristics and task crafting in job crafting. With respect to autonomy, life insurance showed significantly higher scores ( $M=3.74$ ) than the liability insurance ( $M=3.55$ ) ( $F=3.020$ ,  $p < .01$ ), and task crafting in job crafting showed significantly higher scores for the liability insurance ( $M=3.75$ ) than life insurance ( $M=3.75$ ) ( $t=-3.262$ ,  $p < .01$ ). The

differences due to positions in job characteristics showed significant differences on most variables.

The results of the Duncan follow-up test for each group showed that team leaders possessed the highest scores followed by senior managers and team members on skill variety, task identity, feedback, task crafting, relational crafting, cognitive crafting, job satisfaction, organizational commitment, and total revenue among subscales of job characteristics. The differences due to experience among job characteristics were significant on most variables; this demonstrated that more experience was associated with higher scores. All job crafting subscales, except cognitive crafting, indicated higher scores being associated with greater levels of experience.

#### **4.3. Results of Structural Equation Modeling Analysis**

Job crafting subscales function as response indicators by being higher-order latent variables for latent variables such as task crafting, relational crafting, and cognitive crafting in the research model. In addition, subscales of job crafting function as formative indicators that determine latent variables such as financial performance, job satisfaction, and organizational commitment, and observed variables. Moreover, financial performance was transformed to natural log and entered into analysis because its unit was larger than other variables. As for the goodness-of-fit of the research model, all goodness-of-fit indices were excellent in light of the goodness-of-fit criteria discussed earlier. Finally, the following conclusions can be made about the results of path analysis based on the interpretation in relation to hypotheses of this study.

First, regarding the hypothesis that job characteristics will have a positive correlation with job crafting, the hypothesis was rejected for skill variety and feedback due to lack of significance of the effect, and the hypothesis was accepted for task identity, task importance, and autonomy due to the significance of the effect. To conclude, the hypothesis was partially accepted. The effect on job crafting for each subscale of job characteristics is as follows: first, on the hypothesis 1.1 that skill variety has a positive correlation with job crafting, the standardized coefficient was  $\beta = -.106$ , but not at a statistically significant level, and therefore, the hypothesis was rejected; on the hypothesis 1.2 that task identity has a positive correlation with job crafting,  $\beta = .391$  was statistically significant, resulting in the acceptance of the hypothesis; on the hypothesis 1.3 that task importance has positive correlation with job crafting,  $\beta = .275$  was statistically significant, and therefore, the hypothesis was accepted; on the hypothesis 1.4 that autonomy has positive correlation with job crafting, the effect was  $\beta = .315$  and the hypothesis was accepted; lastly on the hypothesis that feedback has positive correlation with job crafting was rejected as the effect was not statistically significant.

Second, the hypothesis 2 that job crafting has a positive correlation with employees' job satisfaction was accepted as the effect was statistically significant with  $\beta = .836$ . Third, the hypothesis 3 that job crafting has a positive correlation with employees' organizational commitment was accepted with  $\beta = .794$  which was statistically significant. Fourth, on the hypothesis 4 that job crafting has a positive correlation with financial performance of a company, the effect was statistically significant with  $\beta = .695$  and therefore, hypothesis was accepted.

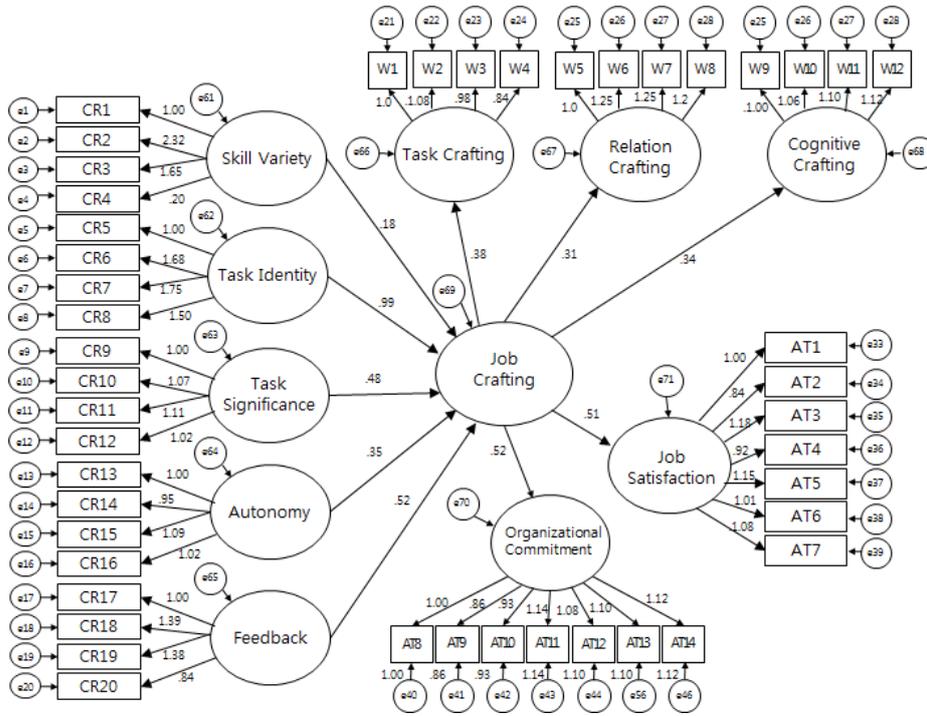


Figure 2. Results of Structural Equation Modeling of Research Model 1

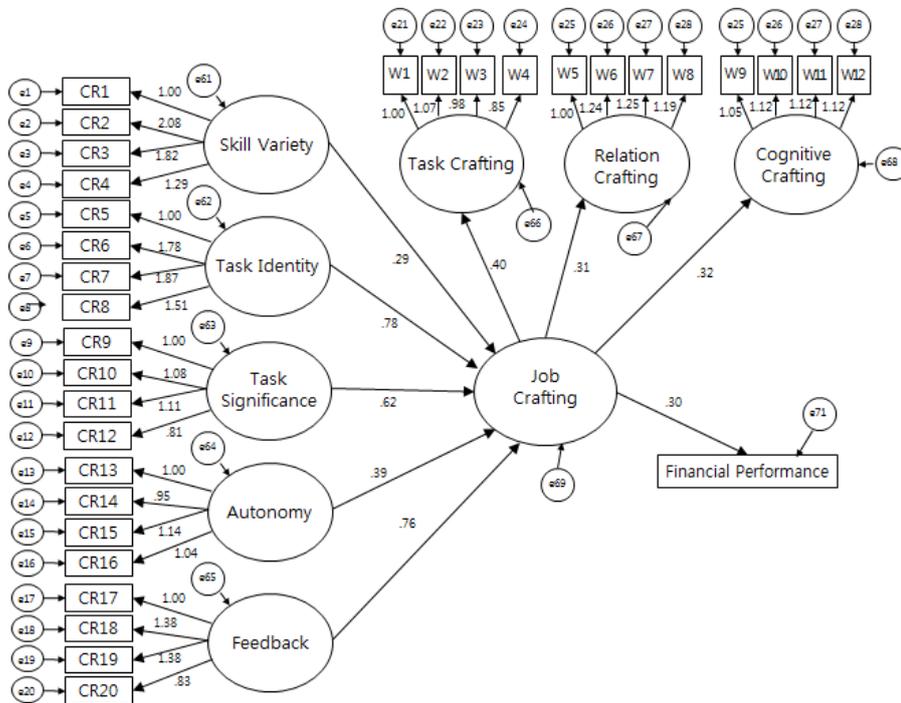


Figure 3. Results of Structural Equation Modeling of Research Model 2

**Table 2. Results of Hypotheses Testing**

Hypothesis	Path	Estimate	S.E.	Standardized coefficient	C.R.	p-value	Acceptance status
H1.1	Job crafting ← Skill variety	.176	.051	-.106	-1.122	.262	Rejected
H1.2	Job crafting ← Task identity	.986	.051	.391	3.615	.001	Accepted
H1.3	Job crafting ← Task importance	.479	.088	.275	2.292	.022	Accepted
H1.4	Job crafting ← Autonomy	.347	.036	.315	5.907	.001	Accepted
H1.5	Job crafting ← Feedback	.515	.067	.125	1.629	.103	Rejected
H2	Job satisfaction ← Job crafting	.509	.111	.836	9.496	.001	Accepted
H3	Organizational commitment ← Job crafting	.524	.121	.794	9.443	.001	Accepted
H4	Financial performance ← Job crafting	.299	.094	.695	10.476	.001	Accepted

## 5. Discussion and Suggestion

The present study examined the relationship between job characteristics and job crafting and specific effects of job crafting on organizational performance through empirical research. It verified empirically the nature of the relationship between five components of organizational performance and job characteristics, including skill variety, task identity, task importance, autonomy, and feedback. In addition, effects of job crafting on financial performance, job satisfaction, and organizational commitment of an organization were investigated. As a result, the following conclusions were reached.

First, job characteristics have a partial influence on each subscale of job crafting. It is related to the claim in Frese, Garst, & Fay [9], Kang [54], and Nahapiet & Ghoshal [23] that the redesign and the change in overall job structure that are led by the management cause the change in job description and social context of a job, etc. It can be interpreted that job characteristics themselves should ensure certain levels of discretion and independence so that job crafting can be possible. On the other hand, when job characteristics are hostile to job crafting such as the cases where a job is performed only by receiving orders and directions from above or jobs performed under strict supervision, it is hard to expect job crafting. Therefore, expecting job crafting from members of an organization has a prerequisite that job characteristics can adopt such changes.

The examination of job crafting and each sub-component of job characteristics showed that task identity, task importance, and autonomy have a significant impact on job crafting while skill variety and feedback did not. It suggests that ensuring job independence, influence, discretion, and responsibilities leads to job crafting. However, it is interesting that no significant effect of skill variety and feedback was found on job crafting. It is a result incongruent with the expectation that the higher number of skill types required to perform a job and provided larger amount of information should be associated with the increased job crafting of the organization staff members. In addition, it is inconsistent with the results of Hong and his colleagues [14] that skill variety can increase the introduction of new ways of performing jobs such as innovation activities and improvement efforts.

Based on the interviews with sales associates to explore the reasons, skill variety and feedback among sub-components of job characteristics do not significantly affect job crafting; the present study identified the following characteristics that led to such results inconsistent with other studies. In order for skill variety to significantly affect job crafting, expertise of jobs and a variety of skills are required, but considering that members of the organizations who participated in the survey were sales associates who are unlikely to have the perception of the job being professional or requiring various functions. This does not mean that a sales job is unprofessional or requiring little variety of skills. Insurance sales requires certification by passing an insurance planner test after acquiring knowledge and training in sales for a certain period. Also, they receive ongoing training in counseling skills, finance, and conversation techniques until 12 months have passed after acquiring certification. Insurance sales actually require such professional and various skills, but the participants were likely to respond that skill variety was low because insurance sales are socially considered to be easy to access and to be not professional.

It can be a limitation that insurance sales jobs have particularity. In terms of feedback, whether the information on job performance is provided in a Korean sales organization or not, it is rather determined by competency of a leader than job characteristics. In case of insurance sales, sales associates receive feedback from branch managers, and large variation exists in terms of the presence and the manner of feedback depending on particular branch managers. Therefore, the reason that feedback as job characteristic did not affect job crafting significantly can lie in that feedback culture and manners rely on leaders to a significant degree in current sales organizations. It can be the results of respondents' thinking of the presence of feedback as the presence of leaders' providing feedback rather than perceiving it as job characteristics. While the relationship between job characteristics and job crafting was examined so far, the following conclusions have been reached on the effect of job crafting on organizational performance.

The second conclusion is that job crafting has a positive impact on financial performance. Financial performance was assessed with the amount of annual revenue, and the sales associates who perform job crafting were found to have higher annual revenue. Annual revenue is directly connected to individuals' income, suggesting job crafters have higher income as much. The longer career and the position of the team leader were found to have a significant effect on job crafting, which suggests they are requirements for job crafting. In other words, their career becomes longer with ongoing job performance for a long term through job crafting and become appointed as a team leader, eventually resulting in increased annual revenue and income. Such conclusion is consistent with the results of Lyons [19] and Tims & Bakker [37] that job crafting behaviors were directly and indirectly related to competency and skill improvement of members of an organization, leading to positive performance of the organization and employees.

Third conclusion is that job crafting has a positive impact on job satisfaction of members of an organization. Wrzesniewski and Dutton [39] claimed that employees are motivated to meet the needs of positive self-evaluation and become satisfied with jobs through job crafting. Sales organizations spend considerable time and money to motivational lectures and training. Motivation of individual members of an organization is important for ongoing sales activities. Job crafting is a reaction and performance by positive psychology and sales associates become satisfied with their jobs and ultimately get motivated about their jobs through job crafting [1]. Sales organizations need to examine the dimension of individuals' job activities of job crafting as a way to motivate them in addition to training and lectures.

The fourth conclusion is that job crafting has a positive impact on organizational commitment. Strong identification with the organization, commitment to one's job or organization, and satisfaction for one's own work emerge through job crafting [8][49][34]. Also, qualitative studies show that it is one of positive effects of the actual job performance dimension and increases the performance of groups and organizations

[51][52]. The level of identification with one organization perceived by members of organizations for sales jobs are relatively low compared to office jobs due to the uniqueness of the jobs. Insurance planners' turnover rate is very high. Statistics from Financial Supervisory Service indicate that four out of ten recruiters at insurance companies change jobs within a year. Since sales associates perform a key role in ongoing growth, sales associates' turnover is an important management risk that leads to the loss of competitiveness of a company. Thus current research result that sales associates who perform job crafting tend to have higher organizational commitment is quite encouraging.

Despite the significance of the present study and implications discussed above, this study has limitations and suggestions for future research. First, the status of skill variety, task identity, task importance, autonomy, and feedback as job characteristics were measured and analyzed at the level of perception and experience of members of organizations rather than the job characteristics, i.e., description of the system of job itself. Second, in the process of survey on job crafting, the survey on the perception of job crafting was conducted at a specific time point instead of measuring the effect of the change between two measurement points with the survey on the same subjects' perception. Third, the way to measure organizational performance by simply conduction the survey on annual revenue not by measuring financial performance, job satisfaction, and organizational commitment, and determination of financial performance. Additionally, more empirical and specific organizational performance can be identified through contribution and customer satisfaction in addition to annual revenue, job satisfaction, and organizational commitment.

Fourth, the instrument that was used to measure the effect of job characteristics and job crafting which were key parts of the study on organizational performance was a survey questionnaire (e.g., Nielsen & Abildgaard [25]). This questionnaire may have met the basic requirements as a research instrument, but the study instrument based on a questionnaire may be limited in accurately analyzing the multifaceted indicator of organizational performance. Therefore, in future research, indicators of organizational performance need to be classified into details and analysis needs to be based on the method to measure the description of the indicators that are directly associated with organizational performance.

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