

The Influence of Personality on Performance in Mediation of Work Engagement

(Study on Customer Service Employees in the Banking Industry in Kupang City)

*Robert Noach

Business Administration Department
State Polytechnic of Kupang
East Nusa Tenggara-Indonesia
Email: robert.niach95@gmail.com

Ridolof W. Batilmurik

Business Administration Department
State Polytechnic of Kupang
East Nusa Tenggara-Indonesia
Email: rudy.morvin@gmail.com

David Latupeirissa

Business Administration Department
State Polytechnic of Kupang
East Nusa Tenggara-Indonesia
Email: latupeirissadavid1@gmail.com

Abstract- This study analyses the mediating role of work engagement in the relationship between personality and employee performance, especially employees who work as customer service at a government-owned bank in Kupang City. It is explanatory research using a quantitative approach. The data source was gained from a sample of 92 people—data analysis using Structural Equation Modeling (SEM) equations through path analysis with the help of SmartPLS. The research results are 1) Personality has a positive effect on CS performance, 2) Personality has a positive effect on work engagement, 3) Work engagement has a positive effect on CS performance, 4) Work engagement acts as a mediating variable in the relationship between personality and CS performance.

Keywords: CS Performance, Work engagement, Personality, Employees, Banking

I. INTRODUCTION

The level of competition between banks in Indonesia is an actual topic in getting new prospective customers by improving service quality and product differentiation by the banking industry in Indonesia, [1]. This competition impacts improving the quality of human resources (employees) due to changes in the internal and external environment, [2]. These environmental changes require the readiness of organizations, especially those engaged in the banking sector, to continue to pay attention to the quality of their human resources.

Attention to the quality of team member human resources in the banking industry is essential because employees are the organization's most critical asset, [3]. Because of the importance of human resources in the organization, employees need to be empowered in achieving organizational goals,[4]. The achievement of organizational goals is strongly

influenced by various factors, including personality and how the employee's abilities are shown in their involvement in the organization, [5].

An employee's performance is measured by the quality of work, quantity and timeliness used at work,[6]. The performance can be influenced by various factors, including personality and employee work involvement. A person's personality impacts his performance, [7]. Personality is strongly influenced by a team member's genetics, social and cultural environment, [8]. In addition to personality, work involvement also impacts employee performance, [9]. 2017). The last few studies on personality being an interesting topic were the Five Factor Model personalities revealed by McCrae and Costa (1993). Personality will greatly affect an individual's performance in organization.

The purpose of this study was to analyze the mediating role of work engagement of customer service (CS) employees at state banks in Kupang City in serving customers by looking at the personality factors of each CS and how it affects CS performance in carrying out their duties.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Personality

Personality is a dynamic organization in an individual's physiological system that determines how it adapts to its environment, [10]. Personality is the overall way a person reacts and interacts with his environment or other individuals. Measurement of personality using the Big Five Personality Model / Five-Factor Model, [11] consists of *Openness*, *Conscientiousness*, *Extraversion*, *Agreeableness*, and *Neuroticism*.

2.2 Work Engagement

Work engagement refers to a high positive, affective and motivational state combined with a high level of dedication and a strong focus on work, [12]. Measurement of work engagement refers to the dimensions proposed by [10], namely; 1) actively participate in work, 2) prioritize work, 3) work is essential for self-esteem.

2.3 Performance

Performance is a form of work produced by someone, [10]. In another definition, it is said that performance is what is done and not done by employees, which consists of quality of work, the quantity of work, timeliness, supervision and cost efficiency,[13] An employee's performance is measured by the quality of work, quantity and timeliness used at work, [6].

2.4 Personality and Employee Performance

Several studies have reviewed the positive and significant relationship between personality and performance in the banking industry, including, [14]; [15]; [16]; and [17]. Based on the theoretical and empirical studies, the first hypothesis proposed is:

Hypothesis 1: Personality has a positive effect on employee performance

2.5 Personality and Work Engagement

Previous studies revealed that a person's personality would affect work engagement in an organization, [18]; [19]; [20]; [21]; [22] and [23]. Based on the previous study, the second hypothesis proposed is:

Hypothesis 2: Personality has a positive effect on work engagement

2.6 Work Engagement and Employee Performance

Some of the results of studies regarding work engagement with employee performance, among others: [24]; [25]; [26]; [27]; [28]. Based on the results of the study, the fifth hypothesis is:

Hypothesis 3: Work engagement has a positive effect on CS performance

2.7 Work Engagement in Mediating the Relationship between Personality and Employee Performance

Several previous research findings found that personality was not directly related to employee performance, [16] and [29]. The two studies show that the increase in employee performance is determined by variables other than personality, namely how to work employees show involvement. Work involvement can play a role as a mediator of the personality and performance of employees and their relationship patterns in full, as shown by several previous studies, including [12]; [30]; [31]; [32]. Based on the results of the study above, the 7th hypothesis is:

Hypothesis 4: Work engagement positively mediates the effect of personality and employee performance.

Based on the theoretical and empirical studies presented above, the model framework is presented in Figure 1 below.

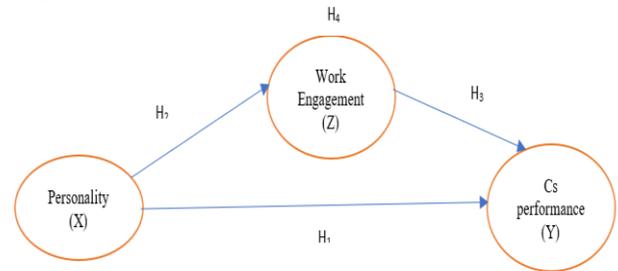


Figure 1. Conceptual Frame

III. METHODOLOGY

3.1 Types of Research

This study applied a quantitative approach. The research method used in this research is a descriptive survey and explanatory survey. The descriptive survey method is used to make a systematic, factual and accurate description, picture or painting about the facts, characteristics and relationships between the investigated phenomena. In comparison, the explanatory survey method is used to determine the relationship between variables by testing hypotheses through statistical data processing and testing, [33].

3.2 Population and Research Sample

The data source comes from a sample of 92 customer service people of a government bank in the city of Kupang. Data analysis used the Structural Equation Modeling (SEM) equation through path analysis with the help of SmartPLS, [34].

3.3 Instrument Measurement

Measurement of personality according to Mc Crae and Costa (1993), consists of *Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism*. Work engagement according to Robins (2017), consists of 1) actively participate in work, 2) prioritize work, 3) work is essential for self-esteem, and Performance measurement according to Ruky (2002), consists of: quality of work, quantity and timeliness used at work

IV. RESULT

Based on the results of descriptive data analysis, it is known that government bank customer service employees, in the city of Kupang, have good

personalities (3.93) in terms of Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism. The employees have good performance (4.12) in terms of the quality of the work produced, the quantity of work done, and the timeliness in completing the work. Moreover, they have a high level of work involvement (3.99).

The use of SmartPLS in analyzing data refers to the assessment or evaluation of the outer model and inner model (see figure 1).

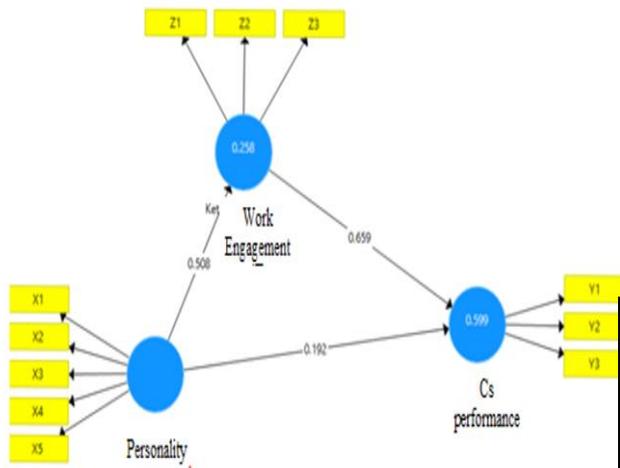


Figure 2. Evaluation of outer model and inner model

1) Evaluation of the measurement of the model or outer model is carried out to assess the validity and reliability of the model and is based on the values of VIF, Loading Factor, Cronbach's Alpha (CA), Composite Reliability (CR) and Average Variance Extracted (AVE). Based on the measurement results of the model (presented in Table 1), it can be seen that each measurement indicator shows that the research model is valid and reliable.

Table 1. Evaluation of Model Measurement

| Variable | VIF | Loading Factor | CA | CR | AVE |
|----------------------------|-------|----------------|-------|-------|-------|
| Personality (X) | | | 0,769 | 0,844 | 0,521 |
| X1 | 1,931 | 0,758 | | | |
| X2 | 1,617 | 0,719 | | | |
| X3 | 1,576 | 0,733 | | | |
| X4 | 1,635 | 0,769 | | | |
| X5 | 1,343 | 0,721 | | | |
| CS Performance (Y) | | | 0,774 | 0,869 | 0,690 |
| Y1 | 2,013 | 0,882 | | | |
| Y2 | 1,424 | 0,791 | | | |
| Y3 | 1,729 | 0,816 | | | |
| Work Engagement (Z) | | | 0,703 | 0,835 | 0,628 |
| Z1 | 1,633 | 0,795 | | | |
| Z2 | 1,712 | 0,839 | | | |
| Z3 | 1,190 | 0,740 | | | |

Source: Processed primary data, July 2021

- 2) Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The inner model is evaluated by looking at the R-Square value (see figure 1). The results show that the R-Square for CS performance is 0.599, meaning that CS performance is influenced by personality and work involvement shown by employees by 59.9%, while other factors influence 40.1%. The R-Square value for work involvement is 0.258, meaning that the employee's personality determines 25.8% of work involvement shown by CS employees.
- 3) The study results determine the direct, indirect effects between research variables and hypothesis testing, as shown in Table 2 below.

Table 2. Results of Hypothesis Testing, Direct and Indirect Effects between Research Variables

| Relationship between Variables | Path Coeff. | t- Statistics/ P-Value | Hypothesis |
|--|-------------|------------------------|------------|
| Personality ---> CS Performance | 0,192 | 2,379 / 0,000 | Accepted |
| Personality ---> Work Engagement | 0,508 | 5,492 / 0,018 | Accepted |
| Work Engagement ---> CS Performance | 0,659 | 8,707 / 0,000 | Accepted |
| Personality ---> Work Engagement ---> CS Performance | 0,335 | 4,890 / 0,000 | Accepted |

Source: Processed primary data, July 2021

V. DISCUSSION

5.1 The Influence of Personality on CS Performance

The study results show that the personality of the customer service employee has a positive and significant impact on the employee's performance (see Table 2). If employees have good openness, conscientiousness, extraversion, agreeableness, and neuroticism, it will increase their ability to improve their performance. The results of this study support research conducted by [14]; [15] and [17].

5.2 Influence of Personality on Work Engagement

The test results show that the personality of customer service employees has a positive and significant impact on their work engagement in the workplace (see Table 2). If employees have good openness, conscientiousness, extraversion, agreeableness, and neuroticism, they will encourage them to do their jobs better. The results of this study are following research conducted by [18]; [19]; [20]; [21]; [22] and [23].

5.3 The Effect of Work Engagement on CS Performance

The study results show that work engagement has a positive and significant effect on employee performance (see Table 2). If the higher the level of work involvement shown by employees, it will improve their performance. The results of this study are under research conducted by [24]; [25]; [26]; [27] and [28].

5.5 The Role of Work engagement in Mediating the Relationship between Personality and Employee Performance

The results showed that work engagement was able to play a role in mediating the causal relationship of personality to employee performance (see Table 2). A reasonable employee personality determines good employee performance, and employee performance will be better if employees' level of work is involved when working is getting better. The results of this study are following research conducted by [12]; [30]; [31]; [32].

VI. CONCLUSIONS AND RECOMMENDATION

Conclusion

The results of the study show that: 1) the personality of customer service employees has a positive and significant impact on their performance, 2) the personality of customer service employees has a positive and significant impact on employee work involvement in the workplace, 3) work involvement has an influence which is positive and significant on employee performance, 4) work involvement can play a role in mediating the causal relationship of personality to employee performance.

Recommendation

Recommendations for further research are 1) involving research samples not limited to government bank employees, 2) conducting research involving other moderating and mediating variables, such as; stress level, OCB, employee commitment, etc.

REFERENCES

- [1] B. Wibowo, "Stabilitas bank, tingkat persaingan antar bank dan diversifikasi sumber pendapatan: analisis per kelompok bank di Indonesia," *Jurnal Manajemen Teknologi*, vol. 15, no. 2, pp. 172-195, 2016.
- [2] D. Yulianti, "Analisis Lingkungan Internal Dan Eksternal Dalam Pencapaian Tujuan Perusahaan (Studi Kasus di PT. Perkebunan Nusantara VII Lampung)," *SOSIOLOGI: Jurnal Ilmiah Kajian Ilmu Sosial dan Budaya*, vol. 16, no. 2, pp. 103-114, 2014.
- [3] T. H. Handoko, *Manajemen personalia dan sumberdaya manusia*. BPFE, 2016.
- [4] T. H. Handoko, "Manajemen Personalia dan Sumber Daya Manusia Edisi 2," *Yogyakarta: BPFE*, 2001.
- [5] H. Haryanti, "Faktor-faktor yang Mempengaruhi Kinerja Karyawan pada Sekretariat Daerah Kabupaten Sleman," Universitas Teknologi Yogyakarta, 2021.
- [6] A. S. Ruky, *Sistem manajemen kinerja*. Gramedia Pustaka Utama, 2002.
- [7] S. P. Robbins and A. Judge Timothy, "Organizational Behavior. sixth printing," *Jakarta. Salemba Empat*, 2017.
- [8] R. R. McCrae, *The Five-Factor Model across cultures*. Praeger/ABC-CLIO, 2017.
- [9] D. T. Kooij, M. Tims, and J. Akkermans, "The influence of future time perspective on work engagement and job performance: the role of job crafting," *European Journal of Work and Organizational Psychology*, vol. 26, no. 1, pp. 4-15, 2017.
- [10] S. Robbins and T. Judge, "Essentials of Organizational Behaviour Thirteenth Edition, Global Edition," ed: Pearson Education Limited, Harlow, England, 2016.
- [11] R. R. McCrae and P. T. Costa Jr, "Personality trait structure as a human universal," *American psychologist*, vol. 52, no. 5, p. 509, 1997.
- [12] A. B. Bakker, M. Tims, and D. Derks, "Proactive personality and job performance: The role of job crafting and work engagement," *Human relations*, vol. 65, no. 10, pp. 1359-1378, 2012.
- [13] N. Langton, S. P. Robbins, and T. A. Judge, *Fundamentals of organizational behaviour*. Pearson Education Canada, 2013.
- [14] N. M. Rashid, N. F. M. Sah, N. M. Ariffin, W. S. W. A. Ghani, and N. S. N. M. Yunus, "The Influence of Bank's frontlines' personality traits on job performance," *Procedia Economics and Finance*, vol. 37, pp. 65-72, 2016.
- [15] L. Blignaut, L. M. Ungerer, and H. Muller, "Personality as predictor of customer service centre agent performance in the banking industry: An exploratory study," *SA Journal of Human Resource Management*, vol. 12, no. 1, p. 16, 2014.
- [16] N. J. Ashill, R. W. Semaan, T. Gibbs, and A. Gazley, "Personality trait determinants of frontline employee customer orientation and job performance: a Russian study," *International Journal of Bank Marketing*, 2020.
- [17] B. Dosajh and B. Gandhi, "An assessment of the impact of personality traits on job performance in banking industry," *The IUP Journal of Bank Management*, vol. 7, no. 3, pp. 59-70, 2008.
- [18] H. Sarwar, M. I. Ishaq, A. Amin, and R. Ahmed, "Ethical leadership, work engagement, employees' well-being, and performance: a cross-cultural comparison," *Journal of Sustainable Tourism*, vol. 28, no. 12, pp. 2008-2026, 2020.
- [19] S. M. Quarsita, "Pengaruh task significance, proactive personality, training terhadap work engagement pada karyawan frontline Pranaya Boutique Hotel, BSD, Tangerang Selatan," *SKRIPSI-2020*, 2020.
- [20] Z. Garanti and P. S. Kissi, "The effects of social media brand personality on brand loyalty in the Latvian banking industry: The mediating role of brand equity," *International Journal of Bank Marketing*, 2019.
- [21] K. Garg, I. A. Dar, and M. Mishra, "Job satisfaction and work engagement: A study using private sector bank managers," *Advances in Developing Human Resources*, vol. 20, no. 1, pp. 58-71, 2018.
- [22] F. L. Cooke, B. Cooper, T. Bartram, J. Wang, and H. Mei, "Mapping the relationships between high-

- performance work systems, employee resilience and engagement: A study of the banking industry in China," *The International Journal of Human Resource Management*, vol. 30, no. 8, pp. 1239-1260, 2019.
- [23] B. Ward, "The impact of personality on job satisfaction: A study of bank employees in the Southeastern US," *IUP Journal of Organizational Behavior*, vol. 18, no. 2, pp. 60-79, 2019.
- [24] C.-H. Wang and H.-T. Chen, "Relationships among workplace incivility, work engagement and job performance," *Journal of Hospitality and Tourism Insights*, 2020.
- [25] D. N. Fidyah and T. Setiawati, "Influence of organizational culture and employee engagement on employee performance: job satisfaction as intervening variable," *Review of Integrative Business and Economics Research*, vol. 9, no. 4, pp. 64-81, 2020.
- [26] J. Witasari and A. Gustomo, "Understanding the effect of human capital management practices, psychological capital, and employee engagement to employee performances," *The Asian Journal of Technology Management*, vol. 13, no. 1, pp. 1-15, 2020.
- [27] M. Ubaid, R. H. Lashari, and A. H. Rana, "The Role of Work Engagement in Relationship between Transformational Leadership and Job Performance in Banking Sector of Lahore (Pakistan)," *European Online Journal of Natural and Social Sciences*, vol. 9, no. 2, pp. pp. 493-502, 2020.
- [28] A. Zahoor, "Employee proactivity, work engagement, job resources and service recovery performance: a study of structural linkages," *Journal of Contemporary Marketing Science*, 2020.
- [29] M. Babar and M. Tahir, "The effects of big five personality traits on employee job performance among university lecturers in Peshawar city," *International Journal of Management & Entrepreneurship Research*, vol. 2, no. 1, pp. 43-50, 2020.
- [30] O. M. Karatepe, "High-performance work practices and hotel employee performance: The mediation of work engagement," *International Journal of Hospitality Management*, vol. 32, pp. 132-140, 2013.
- [31] A. A. Chughtai and F. Buckley, "Work engagement: Antecedents, the mediating role of learning goal orientation and job performance," *Career Development International*, 2011.
- [32] L. Tisu, D. Lupşa, D. Virgă, and A. Rusu, "Personality characteristics, job performance and mental health: the mediating role of work engagement," *Personality and Individual Differences*, vol. 153, p. 109644, 2020.
- [33] M. Nazir, "Metodologi Penelitian.[Research Method]," *Ghalia Indonesia. Jakarta.[Bahasa Indonesia]*, p. 54 2009.
- [34] I. Ghazali, "Partial Least Square, Teknik dan Aplikasi Menggunakan Program SmartPLS 3.0," ed: Semarang: Universitas Diponegoro, 2015.