

# The Influence of Personality on Performance in Mediation of Work Engagement

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

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**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.

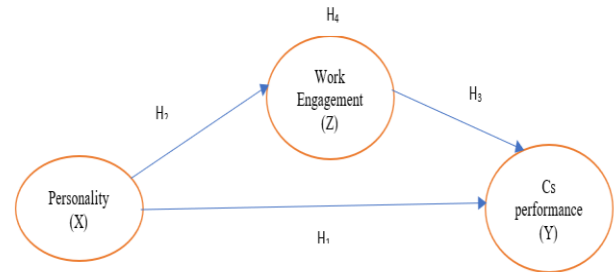


Figure 1. Conceptual Frame

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).

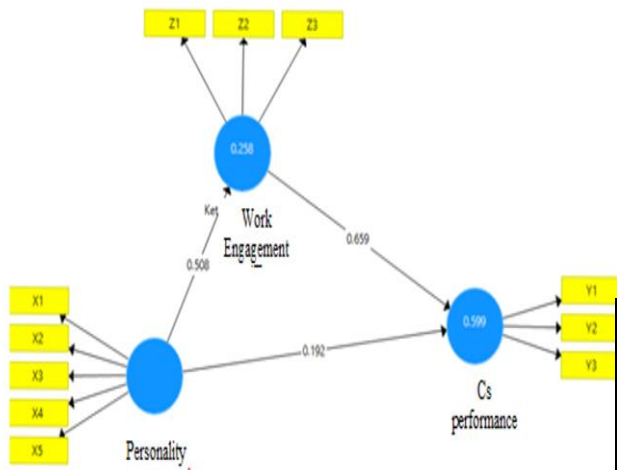


Figure 2. Evaluation of outer model and inner model

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
<b>Personality (X)</b>			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			
<b>CS Performance (Y)</b>			0,774	0,869	0,690
Y1	2,013	0,882			
Y2	1,424	0,791			
Y3	1,729	0,816			
<b>Work Engagement (Z)</b>			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

- 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.
- 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.

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