

## THE INFLUENCE OF PERSONALITY ON EMPLOYEE ENGAGEMENT AND EMOTIONAL INTELLIGENCE [AN EMPIRICAL STUDY ON EMPLOYEES OF RURAL BANKS IN WEST JAVA, INDONESIA]

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### ABSTRACT

*The aims of this study are to 1) analyze the influence of personality on employee engagement, 2) analyze the influence of personality on emotional intelligence, 3) analyzed the influence of emotional intelligence on employee engagement. The units of analysis of this study are employees of Rural Banks in West Java. Viewed from the time horizon, this research is a cross-sectional research. This study uses 233 respondents as research sample, taken by using proportional random sampling. The research analysis uses PLS-SEM analysis technique (Partial Least Square - Structural Equation Modeling) in Smart PLS software. Personality is an important factor forming employee engagement. This is because the personality of a good employee such as the characteristic of agreeableness, conscientiousness, openness to experience, neuroticism and extraversion will be able to form a high employee engagement, both to the job and organization. The results showed that personality significantly influences employee engagement. Personality is also a factor that can make a person's emotional intelligence high. Employees who have a high level of emotional intelligence will be formed or seen from their personality characteristics, whether good or bad. This can be seen from some types of personality, such as; agreeableness, conscientiousness, openness to new things, neuroticism and extraversion that can affect a person's emotional intelligence, both the personal competence and social competence. The results showed that personality significantly influences emotional intelligence. Employees with a high level of emotional intelligence, viewed from personal competence and social competence, will be able to form a high engagement both to the work and organization or company. So, to build a high engagement, the company should be able to create employees with a high emotional intelligence. The results showed that emotional intelligence significantly influences employee engagement. The research results showed that personality has been proven to significantly affect employee engagement. The research results showed that the personality has been proven to significantly affect emotional intelligence.*

Keywords: personality, employee engagement and emotional intelligence

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### Introduction

Global competition certainly presents a very diverse challenge and intense competition to every industry including the banking industry. In an era of global competition, companies are required to always anticipate changes in the organizational environment both internally and externally. So, companies need to be responsive and adaptive to the market environment with a tight competition. The organization should be more flexible in adjusting to a competitive environment that is increasingly competitive.

In Indonesia, there were 75.491 rural banks recorded until October 2014 (Bank Central of Indonesia; 2014). The high number of Rural Bank certainly results in more competitiveness for the banks. Besides, in recent years, Rural Bank faces a stiff competition because the market of microfinance has now also been served by national banks, foreign banks, pawn shops, cooperatives and multi-finance companies.

The high level of competition in the banking industry experienced by Rural Bank in West Java results in the worsening performance of Non-Performing Loan (NPL). Based on data from the Financial Services Authority (2015), the performance of Rural Bank in West Java seen from NPL from 2010 to 2015, has a bad score. The average NPL is above 5%, whereas under the provisions of the Financial Services Authority, the maximum NPL is 5% (FSA; 2015). This shows that the overall performance of Rural Bank reflected in the Non-Performing Loan (NPL) exceeds the maximum limit set by the Financial Services Authority. This phenomenon occurs because of several factors categorized as **external factors** such as economic conditions, government regulations, and inflation, and **internal factors** such as HR issues.

Employee engagement in Rural Bank in West Java is one of the important elements that must be owned by employees. With the high level of it, employees will be able to contribute energy and thoughts for the company so that they can work comfortably and have a high sense of belonging to the organization. Basically, employee engagement can be created by the company through the positive supports given to employees. Supports could be provided by a company to employees in various methods, such as creating a comfortable working environment, giving rewards to the dedicated and high performing employees, caring for employees, and creating openness and fairness in the enterprise system.

However the other hand, employee engagement in Rural Bank in West Java can be seen from the seriousness and responsibilities of employees in carrying out the tasks assigned to them. In this case, the employees conduct the duty thoroughly and responsibly but there are still obstacles or issues in employee engagement, namely the employee spirit, comfort of work, the ability of

employees to resolve the difficulties of work, and there are some employees desiring to leave the company if there are better employment opportunities. So, it is risky as it can create an atmosphere which is less conducive to the career development of the employees who have been working for decades. The companies abandoned by their best employees shall have a decreasing performance in general. Therefore, the human resource issues need to be paid attention by the leaders or management.

Besides, the emotional intelligence of employees needs to be a concern of management. Based on observation, the emotional intelligence competence of employees in Rural Bank in West Java is relatively less stable in providing services. There is also a lack of self-control of employees to do their work independently. Other factors associated with the emotional intelligence of employees in Rural Bank in West Java are the less integrity in performing the tasks, the less initiative to perform a better work as they should always be motivated by the leaders, the less empathy in serving customers so that customers feel convenient when doing transactions, less mutual support and less the ability to resolve conflicts when running tasks. All of these things need much attention of the company management.

Personality is trait or character of employees of Rural Bank in West Java. There are some of the employees who tend to be selfish, less concerned about the problem of customers, less friendly in social relations, monotone or disliking changes and variability, rigid, conventional, less cautious towards work, working in a way that may cause confusion and stress.

Previous studies showed a strong relationship between individual differences (e.g. personality characteristics) and fatigue (Allen & Mellor, 2002; De Vries & Van Heck, 2002; Goddard et al, 2004). If the emotion of employees can be characterized by a personality profile, it can be assumed that the similar personality traits can predict the employee engagement. Although there is a development of previous research related to employee engagement, the study of employee engagement is still very limited, especially about the effect of individual differences.

Andre Azourya et al (2013) in their study explained that psychological factors which are compensation and communication have a positive relationship with employee engagement and organization commitment, other results also explained that employee engagement is strongly influenced by the form of the company. The employees working at an individual company will engage more than the employees who work at the non-family company. Ravichandra K. et al (2011) described that emotional intelligence and behavioral engagement of employee are the interconnected linear variables owned by employees.

The gap between the theoretical concepts with empirical findings, therefore this study is expected to help to enlighten to put the issue in accordance with research questions that have been presented at formulation problem. While the purpose of this research is to describe the relationship between variables, such as; personality on employee engagement, personality on emotional intelligence, and emotional intelligence on employee engagement.

The research questions of the quantitative one are as follows:

1. How is the influence of personality on employee engagement in Rural Bank in West Java?
2. How is the influence of personality on emotional intelligence in Rural Bank in West Java?
3. How is the influence of emotional intelligence on employee engagement in Rural Bank in West Java?

## LITERATURE REVIEW

### Personality

The personality difference between each individual has implication for individual behavior when interacting with the environment in addressing various situations and conditions that are less favorable to that individual. Personality can be defined as a whole thing where an individual reacts and interacts with other individuals as a function of hereditary or inborn and factor of environmental or experience (Robbins & Judge, 2008).

Another explanation of the personality concept says that personality is a combination of stable physical and mental characteristics which can provide an identity for an individual (Kreitner & Kinicki, 2014).

From the above definition, it is clear that personality can change and is unique for the adjustment to the environment. Personality is the dynamic organization of a psychological system which is the combination of individual characteristics both physically and psychologically within a person. These, in turn, determine the typical adjustments made to the environment. So, personality can be interpreted as a whole means used by a person to react and interact with the environment that is fixed and can change according to the environmental factors experienced.

As a part of stable characteristic, personality may also be influenced by interpersonal factors characterizing the individual interpretation of the environment. Personality may influence the interpretation process of employees in their organization environment. Furthermore, individual personality has a characteristic which is informally and interpreted by other people.

In the other hand, personality is the dynamic organization of a psychological system within somebody which in turn determines the typical adjustments made to the environment. So, personality can be interpreted as a whole means used by a person to react and interact with other people

Kreitner & Kinicki (2014) described the dimensions of personality in the "The Big Five Model" which is the basis of all other dimensions. The big five factors are described in Table 1.

**Table 1. The Big Five Model of Personality**

No	Personality Dimensions	Personality Characteristics
11	Extraversion	Outgoing, talkative, sociable and firm
22	Agreeableness	Trust easily, kind, cooperative
33	Neuroticism	Reliable, diligent, and achievement oriented
44	Conscientiousness	Calm, relaxed, not worried easily
55	Openness to experience	imaginative, intellectual, creative, open minded, curious

Source: Kreitner & Kinicki (2014) Adapted from MR Barrick & MK Mount, 1993

There is the difference between the two theoretical explanations about personality traits expressed by Robbins & Judge (2008) and Kreitner & Kinicki (2014). It can be seen trait agreeableness of Kreitner & Kinicki is wider because there are soft trait or characteristics. For the traits of emotional stability in the concept of Robin & Judge, there are negative stability characteristics, namely easily depressed, anxiety. While the positive ones are calm, safe, and not easy to worry. But the concept of Kreitner and Kinicki for traits emotional stability, there is only positive one with no explanation or description of the negative one. The next differences from the concept of big five traits are traits Conscientiousness (Robin & Judge) and Neuroticism (Kreitner & Kinicki), while the same characteristics are reliable, diligent and achievement-oriented.

Meanwhile, a different view is from Witt (2002) stating that the personality can be observed from three indicators, namely conscientiousness, extraversion, and agreeableness. In this concept, the characteristic of traits or personality is measured only by the three characteristics, namely; conscientiousness, extraversion, agreeableness while the two traits such as openness to experience and emotional stability are included in the three traits therein. They added personality traits into five major personality models, namely; virtue, competence, and hedonism.

### Employee Engagement

Engagement is a condition of individual presence in a psychological form involving two essential components, namely; attention and absorption. Attention refers to the availability of cognitive and amount of time spent by an employee in carrying out his or her responsibilities, while the absorption means employee's feeling of being united with responsibility so he or she has an intensive focus on the work. He or she does not feel heavy in performing the tasks.

Schaufeli et al (2002) defined engagement as "a state of mind positively characterized by vigor, dedication, and absorptions". Schaufeli extended the concept to other measurements of engagement, i.e. the vigor and dedication.

In more detail, Schaufeli et al. (2002) described the aspects of engagement as follows:

1. Vigor reflects a readiness to devote efforts in work, an attempt to keep energetic at work and a tendency to keep trying in facing difficulty or failure characterized by a high level of strength and resilience of mental work, willingness to work earnestly, and being persistent in facing adversity.
2. Dedication is characterized by the feeling of meaningfulness, inspiration, and pride. It is also shown in the sacrifice of energy, thoughts, and the time to reach success in achieving the goal.
3. Absorption is characterized where a person becomes totally immersed in the work, has a full concentration and a deep interest in work, feels the time passed quickly and is difficult to break away from work.

The above explanation regarding the definition of engagement is supported by Schaufeli and Bakker (2004) by using the engagement as a form job engagement, hereinafter defined as a positive state of mind characterized by vigor, dedication, and absorption. Thus, engagement is characterized by vigor, dedication, and absorption. However, a different opinion is expressed by May et al (2004). In their study of engagement testing Kahn's model, they found that the condition of psychological significance, security, and feeling of being present are positively associated with engagement. So, the engagement element can be viewed from the three factors, namely; psychological significance, security and the feeling of being present positively.

But May, Gilson and Harter (2004) mentioned that engagement has three main dimensions, namely: physical component in the form of energy used to carry out the work; emotional component shown by the dedication of employee; and mind component in the form of employee's absorption in his or her work, so he or she forgets the things around.

From some of the concepts of employee engagement above, engagement has a diverse perspective. Rothbard (2001), Schaufeli (2002), and Schaufeli & Bakker (2004) mentioned that engagement can be measured by vigor, absorption, and dedication while Hewitt (2014) stated that engagement can be seen from the behavior associated with say, stay, and strive of the employee. Robbin moreover explained that engagement can be seen from the components of physical, emotional, and cognitive of the employee. This is in line with Konrad (2006; in Endres & Mancheno-Smoak, 2008) explaining that there are three relationship components in employee engagement, namely; cognitive, emotional and behavioral. Cognitive aspects of employee engagement include the employees' conviction on organizations, leaders and working conditions. Emotional aspects are concerned about the feelings of employees on each factor and whether they have a positive or negative attitude towards the organization and leaders.

Behavioral aspects of employee engagement are a value-added component to the organization consisting of efforts for freedom to choose, working overtime, and devoting strength and intellectual to the tasks and company.

Meanwhile, Saks (2006) gave the conceptualization of employee engagement which broads the concept of employee engagement by including two important aspects, namely job engagement and organization engagement. But Fleming and Asplund (2007) from Gallup research defined that employee engagement is the capacity of empathy, heart, and soul of the employee to instill the intrinsic desire and passion in achieving excellence for the company. The involved employees have a desire for the organization to achieve success because people feel bonded emotionally, socially, and even spiritually in accordance with the mission, vision, and goals of the organization.

While Madhura Bedarkar & Deepika Pandita (2014) in their study stated that employee engagement is seen as a powerful source of competitive advantage in the time of turbulence. Their study explored the concept of employee engagement by particularly analyzing the three factors of employee engagement, namely communication, work-life balance, and leadership. Employee engagement has been the attention of leaders and managers of organizations around the world because it has been recognized as an important element in determining the degree of organization's effectiveness, innovation and competitiveness. Because companies in various industries are trying to survive and continue excel amid the increasingly fierce competition, the physical and mental wellbeing of employees will be the important aspects that need to be focused on by HR managers.

From some explanations about employee engagement, there is a general similarity in the identification of engagement shape, i.e. engagement is employee commitment to the company that can be mirrored in the aspect of employee behavior to the company in the form of emotion, physic, and cognitive (CIPD, 2006) and satisfaction, commitment and advocacy (WA Schiemann, 2009). Nonetheless, another different case is described by Madhura Bedarkar & Deepika Pandita (2014) measuring employee engagement aspects from the external side of employees which are communication, work-life balance, and leadership.

To measure the concept of an employee engagement latent variable, this study uses indicators of job engagement and organizational engagement from Saks (2006). This is because the wider concept of engagement can explain the concept both in internal and external aspects of employees. From the aspect of analysis unit i.e. Rural Bank in West Java, it is expected that employee behavior can be seen especially on how employees may have an engagement to the work and organization. So, the use of both manifest variables is very suitable in explaining the latent variable of employee engagement of Rural Bank in West Java.

#### **EQ (Emotional Intelligence)**

One of the most important mechanisms of the human being is the intelligence involving the ability to adapt to the environment. Intelligence may appear in interpersonal relationship and social relationship. Gardner in the theory of eight intelligence presented individual intelligence (intrapersonal and interpersonal) and it has been considered as one of the aspects of intelligence in emotional awareness, distinguishing between individuals and using the information to provide an effective answer to the environment (Plamer & Donaldson, 2001).

The basic component of emotional intelligence means the ability to understand the emotion of others and the ability to organize and control him self and others in a way that is adaptive. It is expected that the individuals who have a high level of emotional intelligence will be able to demonstrate a social adaptation and better social skills. This is because social skill is a social life facilitator that can help people to have a useful interaction and mutual benefit with others. In addition, social skills have two ways and the individuals demonstrating good social skills will behave well so that other people will like them (Palmer & Donaldson, 2001).

Bar-On and Parker considered that emotional intelligence is the intelligence generated from emotions and thoughts and it reaches the construction of general emotion, personal, and social skill affecting the ability to cope with the pressures and environmental demands (Chiva & Algere, 2008).

Salovey and Mayer (in Shapiro, 2003) defined emotional intelligence as a subset of social intelligence involving the ability to; monitor the feelings and emotions of ourselves and others; sift through them all, and then use the information to develop the minds and actions. The definition explains that emotional intelligence relates to the direction of a person's actions in personal and social life.

Bar-On (in Mayer et al, 2001) defined emotional intelligence as a series of personal ability, emotional and social ability affecting a person's ability to succeed in overcoming demands and environmental pressures. Robbins & Judge (2008) explained that emotional intelligence is a person's ability to detect and process the instructions and emotional information. The emotional intelligence consists of five dimensions, namely:

1. Self-Awareness, the ability to know what is being felt.
2. The personal setting, the ability to control emotions to have a positive impact on the task implementation.
3. Motivation, the ability to use desire in order to move and guide someone towards the target.
4. Empathy, the ability to feel the feeling of others and to understand the perspectives of others.
5. Social skill, the ability to respond to emotions well when interacting with other people, to read situations and social networks accurately, and interact or work together smoothly.

Goleman (2005) stated that emotional intelligence is the ability of emotion including the ability to have self-control, to have endurance when facing a problem, to control impulses, to be self-motivated, to able to set the mood, to empathize and build

relationships with others. Emotional intelligence, often measured as Emotional Quotient (EQ), describes an ability and skill to observe, assess, and manage self-emotion, other people's emotion and groups' emotion.

There are many arguments about the definition of emotional intelligence. These arguments relate to the functional content of a relationship and are equal with the relationship involving the flow of emotional feelings, tool or real assistance, information, and the like.

Based on the above explanation, it can be concluded that emotional intelligence is an ability to observe, understand, and integrate emotion and mind to enhance personal growth. The model of emotional intelligence introduced by Daniel Goleman (2005) focuses on emotional intelligence as a broad array of competence and skill determining leadership performance. The Goleman model underlies four main constructs of emotional intelligence.

1. Self-awareness - the ability to read emotion in oneself and recognize the consequences of using gut feelings to guide decisions.
2. Self-management – the ability to control emotion and impulse of oneself to adapt to a changing environment.
3. Social awareness - the ability to sense, understand, and react to the emotion of others when or while understanding social networks.
4. Relationship management - the ability to inspire, influence, and develop others when or while managing conflict.

Kreitner & Kinicki (2014) stated that emotional intelligence can be measured in two dimensions, namely personal competence and social competence as in the following table:

**Table 2. Emotional Intelligence**

<b>Personal Competence: capabilities of how someone can manage him or herself</b>
<p><b>Self-Awareness:</b></p> <ul style="list-style-type: none"> <li>- <b>Self-emotional Awareness:</b> capability to read the emotions oneself and recognize the impact when using the gut feelings in making decisions</li> <li>- <b>The accurate self- assessment:</b> capability to know one self's strengths and weaknesses</li> <li>- <b>Self-confidence:</b> capability to know the value of self-esteem and self-capability</li> </ul> <p><b>Self-Management:</b></p> <ul style="list-style-type: none"> <li>- <b>Self-emotion control:</b> capability to keep emotions and annoying encouragements in control.</li> <li>- <b>Transparency:</b> capability to show honesty, integrity, and trust</li> <li>- <b>Adaptability:</b> flexibility in adapting to changing situations or overcoming obstacles</li> <li>- <b>Achievement:</b> capability to have the drive to improve performance in order to meet the standard of excellence in oneself</li> <li>- <b>Initiative:</b> capability to have the readiness to act and catch opportunities</li> <li>- <b>Optimism:</b> capability to see advantages in certain situation</li> </ul>
<b>Social Competence: capabilities determining how an individual manages relationships</b>
<p><b>Social Awareness:</b></p> <ul style="list-style-type: none"> <li>- <b>Empathy:</b> capability to feel the emotions of others, understand other perspectives and pay attention</li> <li>- <b>Organizational awareness:</b> capability to read flows, network decisions, and politic at the organization level</li> <li>- <b>Dedication:</b> capability to recognize and meet the needs of subordinates, clients or customers</li> </ul> <p><b>Relationship Management:</b></p> <ul style="list-style-type: none"> <li>- <b>Inspirational leadership:</b> capability to guide and motivate with a convincing vision</li> <li>- <b>Influence:</b> capability to use tactics to persuade</li> <li>- <b>Developing others:</b> capability to support the capabilities of others through feedback and guidance</li> <li>- <b>Change quality:</b> capability to initiate, manage and lead a new direction</li> <li>- <b>Conflict management:</b> capability to arbitrate disputes</li> <li>- <b>Build bonds:</b> capability to flourish and maintain relationship</li> <li>- <b>Cooperation and team collaboration:</b> capability to cooperate and build team</li> </ul>

Source: Kreitner & Kinicki (2014) adapted from Goleman & Boyatzis (2002)

Reza Pishghadam & Samaneh Sahebjam (2012) studied the personality and emotional intelligence in the fatigue phenomena experienced by teachers by using an adaptation of Persian Bar On-EQI (Bar-On, 1997) to measure emotional intelligence consisting of: intrapersonal, adaptability, general mood, interpersonal, and stress management.

To measure emotional intelligence, this study uses the concept of Kreitner & Kinicki (2014) where the emotional intelligence is the individual skills to; identify self-emotion and others, understand the self-emotion and others, use the emotions used in thinking, regulate and control positive and negative emotions; use the information to guide thoughts, actions and intellectual development to recognize the self-emotion and others, understand the self-emotion and others, use emotion effectively, and organize and control self-emotion and others. In the concept of Kreitner & Kinicki, emotional intelligence is measured by two manifest variables, namely personal competence and social competence (adapted from the theory of Golemand & Boyatzis, 2002). This is consistent with the ability of employees in the banking industry who have more frequency in meeting with customers, so there is a need for competence in controlling emotions while performing a task or job.

The quantitative verification hypotheses are as follows:

1. Personality significantly influences employee engagement
2. Personality significantly influences emotional intelligence.
3. Emotional Intelligence significantly influences employee engagement.

**Research methods**

The units of analysis in this study are employees of Rural Bank in West Java. Viewed from its time horizon, this study is cross-sectional research, meaning that the information from the majority of the population (the sample of respondents) is collected directly on the spot in an empirical way in order to know the opinion of the majority population on the object being studied (Sekaran, 2009).

This research sample is 233 respondents. After determining the number of employees to be the research sample, the next step is to distribute the sample by using proportional random sampling.

Statistical tests were used to measure quantitative data and test the hypotheses. Quantitative analysis is stressed to disclose the analysis of the relationship between the variables studied and to confirm the theory (Chin & Newsted, 1999). The technical analysis of this research uses PLS-SEM analysis technique (Partial Least Square - Structural Equation Modelling) in software SmartPLS 3.0. PLS-SEM analysis consists of two sub-models, namely the Measurement Model or often called the Outer Model and the Structural Model or commonly called the Inner Model (Ghozali, 2012).

**Results and Discussion**

**Measurement Model (Outer Model)**

In this section is shown the Measurement Model (Outer Model) PLS for the variable Personality, Employee Engagement, Emotional Intelligence, Job Burnout and Turnover Intention. The model consists of A) Validity test and B) Reliability test. Validity test in PLS is to test the Convergent Validity consisting of 1) Outer loading, and 2) Communality/AVE and Discriminant Validity consisting of 3) Analysis of Cross Loading and 4) Comparison of AVE roots with latent variable correlation. While the Reliability test is to test the value of 1) Cronbach Alpha and 2) Composite Reliability.

**Validity Test**

**1) Outer Loading (Convergent Validity)**

Here is the value of outer loading of each latent variable on its indicators.

**Table 3. Outer Loading (Convergent Validity)**

	Personality	Employee Engagement	Emotional Intelligence
X1	0.783		
X2	<b>0.847</b>		
X3	0.789		
X4	0.789		
X5	0.810		
Y11		0.824	
Y12		<b>0.870</b>	
Y21			0.870
Y22			<b>0.894</b>

According to the table above, it is shown that the value of outer loading of all indicators is above 0.700, so it can be concluded that the criterion for indicator outer loading requiring above 0.600 has been met (Chin 1998 in Ghozali, 2012). The value of outer loading on each latent variable can be explained as follows:

**a. Measurement Model of Personality Variable**

**Table 4. Measurement Model of Personality Variable**

Dimension (Manifest Variable)	Loading Factor	Rank	Equation Model of Measurement
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X1. Extraversion	0.783	5	$X1 = 0.783 X + 0.387$
X2. Agreeableness	0.847	1	$X2 = 0.847 X + 0.283$
X3. Neuroticism	0.789	4	$X3 = 0.789 X + 0.377$
X4. Openness in new thing	0.789	3	$X4 = 0.789 X + 0.377$
X5. Conscientiousness	0.810	2	$X5 = 0.810 X + 0.344$

From the table above it is known that of the five dimensions reflecting the personality, the dimensional of Agreeableness provides the highest coefficient loading of 0.847, followed by Conscientiousness (0.810), Openness in the new thing (0.789), Neuroticism (0.789), and dimensions Extraversion (0.783). The sequence shows the contribution made by each dimension in reflecting the latent variables.

**b. Measurement Model of Employee Engagement Variable**

**Table 5. Measurement Model of Employee Engagement Variable**

Dimension (Manifest Variable)	Loading Factor	Rank	Equation Model of Measurement
Y11. Engagement to work	0.824	2	$Y11 = 0.824 Y1 + 0.321$
Y12. Engagement to organization	0.870	1	$Y12 = 0.870 Y1 + 0.243$

From the table above it is known that of two dimensions reflecting Employee Engagement, Engagement to organization provides the highest loading coefficient of 0.870 and Engagement to work is the second (0.824). The sequence shows the contribution made by each dimension in reflecting the latent variables.

**c. Measurement Model of Emotional Intelligence Variable**

**Table 6. Measurement Model of Emotional Intelligence Variable**

Dimension (Manifest Variable)	Loading Factor	Rank	Equation Model of Measurement
Y21. Personal Competence	0.870	2	$Y11 = 0.870 Y2 + 0.243$
Y22. Social Competence	0.894	1	$Y12 = 0.894 Y2 + 0.201$

From the table above it is known that of two dimensions reflecting Emotional Intelligence, Social Competence dimension provides the highest loading coefficient of 0.894 and Personal Competence dimension is the second (0.870). The sequence shows the contribution made by each dimension in reflecting the latent variables.

**2) Communalities / AVE (Convergent Validity)**

Here is the value of AVE of each latent variable.

**Table 7. Communalities/AVE (Convergent Validity)**

Latent Variable	AVE / Commuality
Personality	0.646
Employee Engagement	0.719
Emotional Intelligence	0.778

Based on the table above it is known that all latent variables have the Commuality value / AVE more than the minimum limit of 0.500, so AVE criterion as part of the convergent validity has been fulfilled (Vinzi & Chin, 2010).

**3) Cross Loading (Discriminant Validity)**

Here is the value of cross loading, i.e. the loading factor value of each indicator on all latent variables studied.

**Table 8. Cross Loading (Discriminant Validity)**

	Personality	Employee Engagement	Emotional Intelligence
X1	0.783	0.233	0.329

<b>X2</b>	<b>0.847</b>	0.240	0.307
<b>X3</b>	<b>0.789</b>	0.206	0.278
<b>X4</b>	<b>0.789</b>	0.223	0.308
<b>X5</b>	<b>0.810</b>	0.249	0.326
<b>Y11</b>	0.293	<b>0.824</b>	0.253
<b>Y12</b>	0.200	<b>0.870</b>	0.266
<b>Y21</b>	0.335	0.312	<b>0.870</b>
<b>Y22</b>	0.344	0.232	<b>0.894</b>

According to the table above, it is shown that the value of loading factor of each indicator has the highest value for the related latent variables. The loading factor values of indicator X1, X2, X3, X4 and X5 generate the highest value for the latent variable of Personality; loading factors of indicator Y11 and Y12 generate the highest value for the latent variable of Employee Engagement; loading factors of indicator Y21 and Y22 generate the highest value for the latent variable of Emotional Intelligence. With these results, the criterion for cross loading on the discriminant validity has been met.

**4) AVE Square Root comparison with Latent Variable Correlation (Discriminant Validity)**

Here is the comparison of AVE square root value with the correlation of each latent variable.

**Table 9 Comparison of AVE square root value with the correlation of each latent variable (Discriminant Validity)**

Latent Variable	AVE Square root	Correlation with other Latent Variables		
		X	Y1	Y2
X	0.804	1.000	0.286	0.385
Y1	0.848	0.286	1.000	0.306
Y2	0.882	0.385	0.306	1.000

According to the table above, it is shown that the AVE square root value for variable X (0.804) is higher than all of the correlation coefficients between variable X with other variables (0.286; 0.385; 0.169; and 0.382). The square root AVE for variable Y1 (0.848) is higher than all of the correlation coefficients between variable Y1 with other variables (0.286; 0.306; 0.286; and 0.193). The square root AVE for variable Y2 (0.882) is higher than all of the correlation coefficients between variable Y2 with other variables (0.882; 0.385; 0.306; and 0.278). From all of these values, it can be concluded that the criterion of AVE square root comparison with the correlation among the latent variables in discriminant validity has been met.

**Reliability Test**

**1) Cronbach Alpha**

Here is the comparison of Cronbach Alpha value for each latent variable:

**Table 10. Cronbach Alpha**

Latent Variable	Cronbach Alpha
Personality	0.863
Employee Engagement	0.610
Emotional Intelligence	0.715

Based on the table above, the value of Cronbach Alpha for each latent variable exceeds the minimum value required, i.e. 0.600 (Hair in Vinzi & Chin, 2010). Thus, the reliability criterion of Cronbach Alpha has been met.

**2) Composite Reliability**

Here is the comparison of Composite Reliability value for each latent variable:

**Table 11. Composite Reliability**

Latent Variable	Composite Reliability
Personality	0.901
Employee Engagement	0.836
Emotional Intelligence	0.875



Based on the table above, the value of Composite Reliability for each latent variable exceeds the minimum value required, i.e. 0.600 (Hair in Vinzi & Chin, 2010). Thus, the reliability criterion of Composite Reliability has been met.

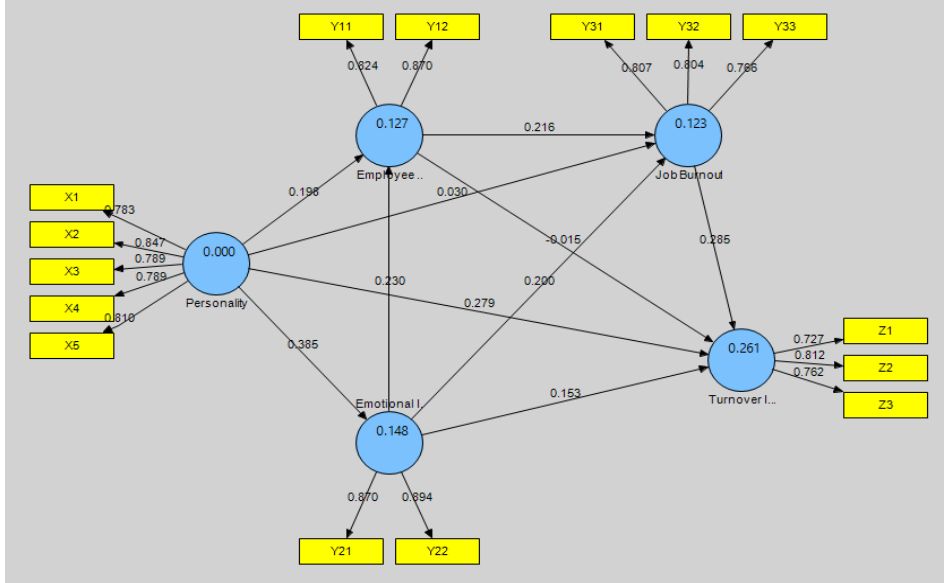
From the series of tests above, it is clear that all criteria of the outer model have been met so the next step is to conduct the inner model analysis.

**Structural Model (Inner Model)**

In the inner model analysis, path coefficient, hypothesis testing and goodness of fit test are presented.

**Path Coefficient**

Here are the results of path coefficient analysis by using SmartPLS software, shown in graph and table.



**Figure 1. Path Coefficients of Research Model**

**Table 12. Path Coefficient**

	Y1. Employee Engagement	Y2. Emotional Intelligence
X. Personality	0.198	0.385
Y1. Employee Engagement		
Y2. Emotional Intelligence	0.230	

In this section is presented the verification of hypothesis tests, i.e. the hypothesis explaining the relationship and causal relationship of the exogenous latent variable on endogen latent variable as formulated in the problem formulation. The test of hypothesis uses bootstrapping method in SmartPLS software by using t-student test. The critical value for  $\alpha=5\%$  and  $n=233$  in t-table is 1.960. If the t-count is larger than 1.960, the hypothesis is significant or rejecting  $H_0$ . Conversely, if the t-count is smaller than 1.960, the hypothesis is insignificant or receiving  $H_0$ .

**Goodness of Fit Model**

The evaluation of inner model shows the structural relationship and the influence among latent variables as well as the quality of the model formed. Some of the measurements of Goodness of Fit used to test the inner model are R square, GoF, and Q-square.

The interpretation for R-square value is; 0.67 is strong; 0.33 is moderate and; 0.19 is weak. Imam Ghozali (2012) stated that GoF; 0.10 is small; 0.25 is moderate; and 0.36 is large. Vinzi & Chin (2010) stated that if the value of Q square is more than 0, it is good (has relevance predictive). But if the value of Q square is less than 0, it is declared bad (does not have predictive relevance).

The test results of Goodness of Fit are presented as follows:

**Table 13. Goodness of Fit**

Latent Variable	Communality	R Square	GoF	Q <sup>2</sup>
Emotional Intelligence	0.778	0.148	0.333	0.518
Employee Engagement	0.719	0.127		

Personality

0.646

From the test results presented in the table above, the value of R square shows that the contribution of latent construct affecting Emotional Intelligence variable is very weak ( $<0.19$ ), the contribution of latent construct affecting employee engagement latent variable is very weak ( $<0.19$ ), the contribution of latent construct latent affecting Job Burnout latent variable is very weak ( $<0.19$ ), the contribution of latent construct affecting the latent variable of Turnover Intention is weak ( $<0.19$ ).

The GoF value of 0.333 is greater than 0.25, indicating that the model has a moderate power in explaining the causal relationship of the latent variable constructs studied.

While the  $Q^2$  value is 0.518 which is greater than 0. It indicates that the model built has a good predictive relevance. With all of those results, it can be concluded that the proposed model has a good quality in explaining the causal relationship and has a good predictive power and is accountable.

## Discussion

The research results prove that the employee's personality in Rural Bank in West Java significantly influence employee engagement. The dimension of personality is shaped by agreeableness, conscientiousness, openness to new things, neuroticism and extraversion. While employee engagement is formed by two dimensions: the dimensions of engagement to the organization and to the work. Conscientiousness and agreeableness are more dominant in influencing employee engagement. A person with a good conscientiousness and agreeableness has a concern with coworkers, forms a high cooperation and collaboration, and has high trust in other people. All of these make other people feel more comfortable at work. As it has been known that working in a bank requires employees to have good communication skills, friendliness, and courteousness, nice character, responsibility for accomplishing the work, precision in working, high motivation to form engagement both to the work and to the organization.

The results of this study also prove that a high level of personality will form a good employee engagement both to the work and the organization. This happens also at Rural Bank in West Java which has employees who are 36 years old in average and they have a maturity level that can affect their engagement to the job. Most of the employees are male so they have more obligation in providing for their families, while women only work as an attempt to help the family economy alone. Judging from the educational background, the majority of employees are bachelor degree holders (S1). With this background, it is proven that the higher education level, the more responsible the employees will be on the job and the organization. Another thing is that employees realize that they work at the local government enterprise. This can encourage them to be committed to the organization.

The results of this research are consistent with the study of Kim et al (2007) stating that employee's personality factors can affect the level of employee engagement. Ologbo C. Andrew et al (2012) explained that there are significant differences between the personality and employee engagement (engagement to the work and engagement to the organization) and this will have an impact on the work of each individual.

This research is in line with the study of Hyun Jeong Kim et al (2009). In their study, they focused on the relationship between personality on fatigue and engagement. The personality variable is measured by using the Big Five Model, namely; extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience. Their research results showed that employee engagement and fatigue are highly influenced by the employee personality. The most dominant personality traits in influencing employee engagement are neuroticism and agreeableness. It has been proved that employee engagement is the level of commitment owned by an employee to the organization and strongly influenced by individual factors.

The research results prove that at PD BPR in West Java, employee personality significantly influences emotional intelligence. In this research, the high level of agreeableness, conscientiousness, extraversion, openness to a new thing, and neuroticism influence the emotional intelligence, both in social competence and personal competence.

Empirically, it is proven that personality with conscientiousness and extraversion types are more dominant in influencing the emotional intelligence of employees. This is because employees who have a sociable personality, good communication skill, meticulous, good responsibility, and high motivation will result in a good emotional intelligence, both personal competence, and social competence.

Employees at Rural Bank in West Java, characterized by 36-year age, bachelor degree holders (S1), and married, can demonstrate emotional intelligence level both in terms of personal competence and social competence.

This study supports the study of Priya et al (2014) showing that there is a positive and significant correlation between personality and emotional intelligence. And there is a significant influence of personality variables and demographic indicators on emotional intelligence.

Ajai Pratap Singh et al (2010) in the research explained the influence of personality trait and emotional intelligence on leadership effectiveness. Their findings revealed that personality trait 'openness to experience' is the best predictor of leadership effectiveness, followed by awareness, emotional intelligence, agreeableness, and extraversion. Their results are in contrast with this result showing that employee personality by type of agreeableness, conscientiousness, openness to experience are dominant

in affecting the emotional intelligence of employees. This is because the employees who have compassion, good cooperation and collaboration, mutual trust, thoroughness in work, responsibility, high motivation, creativity, and willingness to keep learning, will have the good personal competence and social competence needed by organization or company.

The results also proved that emotional intelligence of employees at Rural Banks in West Java, formed by the dimension of social competence and personal competence, has a significant influence on employee engagement, both to the organization and to the work. In this study, the effect of emotional intelligence on employee engagement is dominated by the influence of social competence on employee engagement variables. This makes sense because the employees who have empathy, keep improving themselves, avoid conflicts in work, maintain friendships, and have a high leadership orientation, can have more engagement to the organization and the work.

The results of this study are consistent with Sultan Ali Suleiman et al (2015) studying the influence of emotional intelligence dimensions as measured by indicators (self- emotions appraisal, other-emotions appraisal, use of emotions, regulation of emotions) on employee engagement. The results showed a significant positive relationship between emotional intelligence self-emotions appraisal, use of emotions, and regulation of emotions on employee engagement. However, one indicator of emotional intelligence that is other-emotions appraisal does not affect employee engagement significantly.

However, this study is different from the study of K. Ravichandran et al (2011) studying the effect of emotional intelligence on the behavior of employee engagement. Their results proved that there is an insignificant influence between overall indicators of emotional intelligence on employee engagement. Swatee Sarangi et al (2015) in their empirical study mentioned that emotional intelligence, measured by attention, clarity, mood repair, significantly affects employee engagement.

Azizian and Samadi (2012) in their study exploring the relationship between emotional intelligence of employees and self-efficacy showed that there is a significant and positive correlation between the dimensions of emotional intelligence, i.e. self-awareness, self-control, intimacy, social skills, self-motivation, and self-efficacy.

The study by Singh (2011) showed that there is a significant and positive relationship between the dimensions of emotional intelligence, namely self-awareness, interpersonal connectivity, emotional regulation and ethics in the workplace, leading to an effective performance and employee satisfaction.

Based on the research results mentioned above, it can be concluded that emotional intelligence affects the level of employee engagement. It is clear that when an employee is able to build or manage his or her emotional feelings, he or she could have more engagement to the company or the work. In this study, it is known that the employees of rural bank in West Java have a high emotional intelligence, especially in terms of social competence, empathy, avoiding conflict, and maintaining good relationships with office colleagues or customers. Some of these traits can certainly increase or boost their engagement to the organization or company.

## CONCLUSIONS

1. Personality is an important factor in forming employee engagement. With a good personality such as extraversion, agreeableness, neuroticism, openness to experience, and conscientiousness, an employee will be able to have a high engagement both to the job and the organization. The research results showed that personality has been proven to significantly affect employee engagement. This shows that there is a recursive relationship between personality variables and employee engagement so that hypothesis 1 is accepted.
2. Personality is also a factor that can make a person's emotional intelligence high. Employees who have a high level of emotional intelligence can be formed or seen from their personality characteristics, whether good or bad. It can be seen from some types of personality, such as; agreeableness, conscientiousness, openness to new things, neuroticism and extraversion that can affect a person's emotional intelligence, both the personal competence and social competence. The research results showed that the personality has been proven to significantly affect emotional intelligence. It shows that there is a recursive relationship between personality variables and emotional intelligence. Thus, hypothesis 2 is accepted.
3. Employees with a high emotional intelligence level, both the personal competence and social competence, will be able to have a high engagement both to the work and organization or company. So, to build a high engagement, a company should be able to create employees with a high emotional intelligence. The research results showed that emotional intelligence has been proven to significantly affect employee engagement. This shows that there is a recursive relationship between emotional intelligence variables and employee engagement. Thus, hypothesis 3 is accepted.

## Suggestion

1. In recruiting employees, the company should pay attention to the personality characteristics of employees to match the needs in the banking industry. Any company needs to carry out personality development programs so that employees can have a good communication skill, become sociable, caring, cooperative, optimistic, curious, creative, meticulous, responsible, and high self-motivated. It is important so that employees can perform the job well and can support the achievement of corporate goals. This makes sense because employees are key assets for any organization. If they are not given the right space and time to create the perfect blend of work and a pleasant working environment, they will not have a sense of engagement with the company.
2. Employee engagement should be created so it becomes a learning process which is continuously improved. If it is created, as efforts to build engagement to the job, employees will feel satisfaction and have seriousness and concentration in their work. In addition, employees will feel they are meaningful to the company, have a pride of the company, feel fairness within the company, always recommend the company's products to other people, as well as

have a high commitment to the company as a form of their engagement to the company. Thus, any company must meet the expectations of its employees as this action has an impact on the performance of employees and eventually the organization.

3. The company should create a working environment which can support the creation of emotional intelligence for employees. So, they can cultivate personal competence, understand their emotions, know their strengths and weaknesses, know their capabilities, maintain their emotions, and have openness. It is also expected that employees can build their social competence, have high empathy, have high motivation to be a leader, have a high self-improvement, avoid conflicts, and maintain relationships.

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