EMPLOYEE ENGAGEMENT IMPACT THE PERFORMANCE OF EMPLOYEES THROUGH THE INTENTION TO QUIT IN BANKING SECTOR BANDUNG

Deddy Rusyandi¹, Ernie Tisnawati Sule², Joeliaty³, Wa Ode Zusnita Muizu⁴

Padjadjaran University, Bandung, INDONESIA.

¹derusy@gmail.com, ²ernie.tisnawati@fe.unpad.ac.id, ³joelyati@fe.unpad.ac.id, ⁴waode.suznita@fe.unpad.ac.id

ABSTRACT

Intention to quit an important issue that can affect employee performance. This problem experienced by frontline employees of the bank. There are indications that these problems arise because of frontline employees do not have an attachment to the job. This study aims to explore and examine and analyze the picture: employee engagement, intention to quit, and the performance of frontline employees of commercial banks in Bandung. Besides, analyzing the influence of employee engagement toward employee performance through intention to quit.

The method used is descriptive and verification, using the method of data collection through a questionnaire to 317 frontline employees Commercial Bank in the city of Bandung.

The study found that frontline employees of commercial banks in Bandung have an engagement that is low, the intention to quit high from bank where they worked, yet they show sufficient performance.

Another finding is that employee engagement positively affects employee performance, employee engagement negatively affect the intention to quit and intention to quit negative influence on employee performance. While the intention to quit only partially mediates the effect of engagement toward the performance of frontline employees of commercial banks in Bandung.

Keywords: Engagement, intention to quit, performance, frontline, Bandung, Commercial Bank.

INTRODUCTION

High employee performance has positive impact in achieving the objectives of the organization, including banks, because it reflects the productivity of an organization that reflects the employee’s ability to achieve the objectives as planned (Butali, et al.; 2013). The productivity of a bank as a service company can be seen from the quality of services provided to its customers. If the customer is satisfied, then the quality of service can be considered good, otherwise if customers are not satisfied then the service is considered no or poor (Awaldi; 2014).

The research results of MRI (Marketing Research Indonesia, 2010) about the quality of banking services in four cities, namely Jakarta, Bandung, Pekanbaru and Banjarmasin, found that industrially excellent service quality banks decline caused by the service aspect front liners, such as: officer security force (guards), customer service and teller. Security guard considered over service, which makes customers feel uncomfortable. While customer service and teller lacked skills to keep abreast of customer expectations continue to rise. In addition to the often heard or plastered customer complaints about bad service front liners in print or online media (http://www.infobanknews.com/ 2010 / ...).
Low employee performance front liners in the city of Bandung Commercial Bank indicated by the frequency of their salary deducted as a result of inaccuracies that could cause differences between records of transactions that occur with evidence of money received. As a result they have to replace the difference with cash their paychecks. Their skills can be said to be low because some of them can only calculate the cash quickly and accurately when using a calculating machine. Another thing that shows in their poor performance is often they make mistakes that a hedge on their frequent reprimanded or warned by their boss or supervisor.

Some studies reveal that one of the factors that can decrease employee performance is the intention or desire of employees to quit his job. Employees who pick intention to quit only physically present in an organization, while his mind was somewhere else. When the mind is not in the organization's employees, the organization may not get the best, and this can be detrimental to the productivity and efficiency of the organization (Balogun, et al; 2013). Employees who have a high intention to leave may be involved and stimulate the tendency to reduce their performance and become less productive, which in turn can lead to problems for the organization (Duan, Lam, Chen, and Zhong; 2010).

In line with the decline in bank employee performance, Awaldi (2014), said that the bank employee engagement index in Indonesia is still low. The low index of engagement is one of them is shown by the level of enthusiasm in serving customers who are likely still lacking, it is seen from the results of interviews with 24 employees frontline commercial bank in Bandung related to the attitude of enthusiasm, which showed that 18 of the 24 employees of frontline Banks in the city, or as much as 75% of frontline employees interviewed consider the more customers the higher workload, and so they become less enthusiastic in serving customers.

The reduced level of enthusiasm is an indication that the level of employee engagement frontline commercial bank in Bandung is still low. Employees who have a high level of engagement entirely very involved and enthusiastic in his work, concerned about the future of the company and are willing to invest the discretionary effort to see the organization succeed (Crim and Seijts, 2006). Other things that might be an indication of a bank's low employee engagement, among others: often complain when doing work outside the duties, any discretionary willingness to work overtime because their incentives rather than due to the need to complete the task.

Based on the explanation, the matter is very important to investigate given that there are indications that the intention to quit can reduce employee performance has implications for the disruption of overall organizational performance. There is a presumption that the intention to quit may be reduced if employees have engagement with his job, because they tend to have a desire for longer with the organization.

by exposure to the above, the research problems can be formulated as follows

1. How would describe employee engagement, intention to quit, and employee performance frontliners Banks in Bandung.

2. How does employee engagement on employee performance through intention to quit of frontline employees commercial banks in Bandung.

From the research problem above, the purpose of this study was to explore and reviewing and analyzing the following things:

1. An overview of employee engagement, intention to quit, and employee performance frontliners Banks in Bandung.
2. Effect of employee engagement on employee performance through intention to quit frontline employees of commercial banks in Bandung.

LITERATURE REVIEW

Employee engagement

Until now there is no generally accepted definition of employee engagement (Markos and Sridevi; 2010), however they construct according to employee engagement is distinguished from the concept of commitment, OCB and satisfaction, employee engagement which reflects the efforts of two-way exchange between the employee and the employer. Markos and Sridevi’s statement indicates that the employee engagement has a character such as a focus on motivation, job satisfaction, commitment, finding meaning in work, pride and have a relationship with the overall vision and mission of an organization.

Some researchers have tried to make the definition of employee engagement, including Gallup Organization (2005) defines employee engagement as "the involvement with and enthusiasm for work". This can be interpreted as engagement an employee with a job well done and enthusiasm for work. Crim and Seijts (2006) defines employee engagement as "a person who is fully Involved in, and enthusiastic about his or her work. Engaged employees care about the future of the company and are willing to invest the discretionary effort to see that the organization Succeeds ". In line with the Crim and Seijth, Lockwood (2007) stated that employee engagement work harder, are more likely to work in excess of the standards and expectations set. Meanwhile Robin (2012) defines employee engagement as engagement, satisfaction and individual enthusiasm to the work they do. Robin Opinion shows that the engagement of employees who feel engaged and satisfied with the work that showed enthusiastic attitude towards work.

From the definition of employee engagement can be further a construct that employee engagement is a "positive attitude that employees have to work, which is reflected in the enthusiasm, satisfaction and fully engaged with their work, they feel as an integral part of the organization in achieving its mission, which made them willing work harder together with colleagues and give discretionary effort (beyond the standard) to help achieve the goals of the organization ".

Intention to quit

Some people argue that the intention to quit the same as the turnover intention, as stated in the research Balogun, et al (2013) which implies that the intention to quit or turnover intention can be used interchangeably implying intention or willingness of employees to quit his job or leave his job in soon or immediately after employment. But actually there is a difference between the two, employees who want to move would have stopped, but people who want to quit will not necessarily change job, because there may be people who want to quit have not wanted to work again in any company. However, both will have an impact on turnover.

Intention to quit either completely stop would also move the work is also a big problem because when the mind is not in the organization's employee concentration and motivation will disappear and this will lower the productivity and efficiency of the organization. Tan, et al. (2007) says that there are several reasons related to one's intention to stop working. Eg job stress and job satisfaction were correlated with the commitments that have an impact on a person's decision to leave or stay in the organization.

Referring to the opinion of Balogun. et al (2013), Windya (2013), Schalkwyk et al. (2010), Mxenge, et al. (2014) constructs can be made that the intention to quit is the intention of the
employee to quit his job either completely stopped or moved to another company in the near future factors caused by individuals and organizations.

**Employee performance**

Employee performance is the result of the work or the output of the employee's job. Mathis & Jackson (2009) defines employee performance as "... performance is associated with the quantity of output, quality of outputs, timeliness of output, presence / attendance on the job, efficiency of the work completed [and] effectiveness of work completed". Tinofirei (2011) provides definitions on employee performance is "about the timely, effective and efficient completion of tasks the agreed mutually by the employee, as set out by the employer".

Other studies such as Tekeli and Didem (2011) defines performance as the workers have done the work in accordance with specific conditions or behavioral patterns of labor. While in Atilla (2012), Schmidt and Hunter, defining job performance is the dependent variable that is most important in industrial-organizational psychology. The general definition of a construct of the performance reflects the behavior (both visually observed would also not observed) that can be evaluated. Meanwhile in Kazan and Gumus (2013), defined as the product's performance as well as quantitative and qualitative measurement of the effort to achieve the goal. Another definition of performance is a quantitative and qualitative description of what things are given by a person, group of individuals or organizations towards the intended target associated with the work. While Kazan and Gumus (2013) itself defines that in general, the performance is the level of affordability for business purposes has been determined.

Of employee performance theories mentioned above can be developed a construct that employe performance, is the level of achievement of the work of an employee both in quantity and quality, of the efforts and ability to manage the resources devoted to achieve the goal.

**Framework**

Every company including Bank wants its employees to have a high performance, due to employee performance reflects the company's productivity that reflects the organization's ability to achieve the objectives as planned, however, seems to be difficult when employees intend to quit or exit from the company. Employee turnover intention is the intention to stop or leave the company. Intention to quit the phenomenon experienced by many bank employees, especially employees of the frontline. This is demonstrated by the high level of turnover in the banking sector.

Some researchers say, employee engagement has a tremendous advantage for the company, because the employee engagement is not about to leave the organization or they will stay longer in the organization. Employees whose engagement is always positive, as reflected in the enthusiasm, satisfaction and fully engaged with their work, they feel as an integral part of the organization in achieving its mission, which makes them more willing to work hard with his colleagues and give effort discretionary (exceeding standards) in helping achieve organizational goals. By having employees that engagement can enhance the company's efforts to retain our employees, especially a potential employee.

Some of the literature and research results reveal employee engagement can reduce intention to quit, which have an impact on increasing the company's performance, as reflected by its employee performance.
This problem is interesting to study considering that intention of stopping can interfere with employee performance. Intention to quit is likely to be reduced through employee engagement.

Based on the framework above, this research paradigm can be described as in Figure 1.

![Figure 1 Research Paradigm]

Based on the framework above the research hypothesis can be formulated as follows:

1. Employee engagement positively affects employee performance frontline of commercial banks in Bandung.
2. Employee engagement is a negative influence on intention to quit frontline employees of commercial banks in Bandung.
3. Intention to quit a negative effect on employee performance frontline of commercial banks in Bandung.
4. Intention to quit mediating influence on employee performance employee engagement frontline commercial bank in Bandung.

**RESEARCH METHODS**

This type of research is descriptive and verification because the research is aimed at exploring and analyzing the variables of employee engagement, intention to quit and employee performance. Employee engagement is the predictor variable (independent), while the intention to quit the intervening variables employee engagement with employee performance of commercial banks nationwide in Bandung, both state-owned banks would also bank privately owned.

The research subjects were also as the unit of analysis in this study is the frontline employee (teller and customer service) that serve common customers, where the employee's position is prone to turnovers.

Data required in this study consisted of primary data and secondary data. Secondary data was obtained from company documents and literature books and browsing the Internet that provide information on keengagementan, and intention to quit, and employee performance. While primary data obtained through observation or direct observation of the company, either through observation, questionnaires and interviews directly with the subject or respondent.

The subjects of this study are employees of the bank, with a frontline section analysis unit (teller and customer service) at the National Commercial Bank who work in branch offices.
(KC) and Branch Office (KCP) in Bandung. On all counts frontline employees who work in KC and the National Commercial Bank KCP Bandung is 1448 people.

To determine the number of samples used in this study, used a sampling technique by using the formula Slovin, is:

\[ n = \frac{N}{1 + \frac{N(e)^2}{N}} \]

Of these techniques with the degree kepercaaan 95%, then obtained a minimum sample size of \( n = \frac{1448}{1 + \frac{1448 (5\%)^2}{2}} \) or \( n = 313.42 \). Thus, the required minimum sample in this study were 314 people frontline employees.

The data has been analyzed using statistical software PLS (Partial Least Square), namely; "SmartPLS" version 2.0. Steps analasis with PLS this is to develop a structural model; and the validity and reliability.

An indicator declared invalid if it has a loading factor above 0.5. Furthermore, the indicators need to be tested by cross loading discriminant validity. An indicator declared invalid if it has the highest loading cross to construct the destination compared to other constructs. The other method is the square root value of average variance extracted (AVE) which suggested value is above 0.5. As for determining the reliability tests conducted by looking at the value of composite reliability above 0.7. To strengthen the reliability test should be tested on a Cronbach's Alpha which suggested value is above 0.6.

Descriptive analysis is used to explain the situation regarding: employee engagement, intention to quit, and employee performance at Commercial Bank in the city of Bandung. Hypothesis testing is used to determine the influence between each variable, ie keengagementan influence on employee performance through no intention of stopping.

**DISCUSSION**

An indicator declared invalid if it has the highest loading factor to construct the intended loading factor compared to other constructs. Another method to see the discriminant validity is to look at the value of the square root of average variance extracted (AVE). Recommended value is above 0.5.

<table>
<thead>
<tr>
<th>Table 1. Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AVE</strong></td>
</tr>
<tr>
<td>Engagement                0.666202</td>
</tr>
<tr>
<td>Intent To Quit             0.565456</td>
</tr>
<tr>
<td>Performance               0.674012</td>
</tr>
</tbody>
</table>

Source: Primary data

Table 1 shows the AVE value above 0.5 for all constructs contained in the research model. The lowest value AVE is equal to 0.565 456 in the variable Intent To Quit. From the testing that has been done either through Outer Loading, Loading and AVE Cross indicators show that it is valid to do research.

After the cross loading, loading factor and average variance extracted (AVE) qualifies the reliability test should also be done to see the value of the block of composite reliability.
indicator that measures the construct. Composite reliability results will indicate if a satisfactory score above 0.7. Here are the values of composite reliability.

**Table 2. Composite Reliability**

<table>
<thead>
<tr>
<th>Composite Reliability</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>0.947064</td>
</tr>
<tr>
<td>Intent To Quit</td>
<td>0.928388</td>
</tr>
<tr>
<td>Performance</td>
<td>0.960867</td>
</tr>
</tbody>
</table>

Source: Primary data

Table 2 shows that the composite reliability for all constructs is above 0.7 indicating that all construct the model estimated meet the criteria of discriminant validity. Composite value of the lowest reliability is equal to 0.905978 on the construct of job insecurity.

To strengthen the reliability test conducted testing on Cronbach's Alpha where output SmartPLS Version 2 provides the results as shown in Table 3.

**Table 3. Cronbachs Alpha**

<table>
<thead>
<tr>
<th>Cronbachs Alpha</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>0.937569</td>
</tr>
<tr>
<td>Intent To Quit</td>
<td>0.91425</td>
</tr>
<tr>
<td>Performance</td>
<td>0.954756</td>
</tr>
</tbody>
</table>

Source: Primary data

Recommended value is above 0.6 and the shows that the value of Cronbach's Alpha for all CONSTRUCTS be above 0.6. The lowest value is 0, 0.885995 in the construct of job insecurity (job insecurity). From the above test results, the indicators at each construct is reliable.

**Employee engagement Frontliner Commercial Bank in Bandung**

Overall employee engagement variables that are in the low category. This means that employees frontliner Commer-cial Banks in Bandung do not have any engagement with his work. They do not have a positive attitude that is reflected in the enthusiasm for the job, not mempeoleh job satisfaction from his job as their task and not fully engaged with his work. They do not feel as an integral part of the organization in achieving its mission, so they are not willing to work hard together with his colleagues and did not give discretionary effort (beyond the standard) in helping to achieve organizational goals.

**Intention to quit Employees Frontliner Banks in Bandung**

Overall variable intention to quit at the high category. Height dimensions on the variable intention to quit, meaning that the majority of frontline employees of commercial banks in Bandung have the intention or desire to get out of the bank where they worked. Reasons individual and organizational reasons given a strong push, that trigger intention or desire to quit frontline employees from their workplaces.
Employee performance Employee Frontliner Banks in Bandung

Overall category of employee performance variables in middle category, but the dimensions of the quantity of labor and the dimensions of the ability to be in the low category. Besides, most of the indicators in all the dimensions of employee performance variables are in the low category. This means that commercial banks frontline employee performance in Bandung still needs to be improved so that their performance is getting better.

Effect Against Employee performance Employee engagement Through Intention to quit

To examine the effect of employee engagement on employee performance through intention to quit, the model shown in Figure 4.2 was developed in the way that appears on the image 4.2a. It is intended to be clearer in the observation of the structure of a model that describes the relationship between variables employee engagement, intention to quit and employee performance.

Figure 2 illustrates how much the relationship of each latent variables, such as the variable employee engagement (ENG) showed a negative correlation to the intention to quit (ITQ), as well as intention to quit (ITQ) showed a negative relationship with employee performance (PER). While the variable employee engagement (ENG) showed a positive association on employee performance (PER). Variable intention to quit (ITQ) has the R-Square is 0.349 and employee performance (PER) has the R-Square is 0.432. R-square value of the construct of intention to quit (ITQ) amounted to 0.349, meaning that the intention to quit the variation can be explained by the construct of employee engagement by 35% and the rest is explained by other variables. While the R-square value of performance (PER) of 0.432, this means that the variation of employee performance can be explained by the construct of employee engagement, and intention to quit by 43% and the rest is explained by other variables.

In the process of calculation (calculate) bootstrapping with 317 cases per sample, as shown in Table 4.

| Variabel | Original Sample (O) | T Statistics (|O/STERR|) | T-tabel (α= 5%) |
|----------|---------------------|----------------|----------------|
| ENG -> PER | 0,4103 | 9,4986 | 1,96 |
| ENG -> ITQ | -0,3708 | 6,5984 | 1,96 |
| ITQ -> PER | -0,1994 | 3,7778 | 1,96 |

Source: Primary data
In the table above, the value of the original sample (O) indicates a positive or negative relationship between variables. While the t-statistic is used to see the significance of the relationship between variables. Relations were considered significant if the t-statistic is greater than t-table. With α of 5% was obtained t- 1.96.

**Influence of Employee Performance Against Employee engagement**

Table 4 shows that the value of the original sample (O) of the variable employee engagement (ENG) → employee performance (PER) of 0.4103. This means that the employee engagement a positive impact of 41% on employee performance, while the value of t-statistics is at 9.4986 where the value is greater than the value of the t-table, which is 1.96. T-statistics are higher than t-table shows that the relationship between employee engagement with employee performance is significant. These results indicate that employee engagement is quite a positive influence and significant impact on employee performance.

The results of this study are relevant to the research results Markos and Sridevi (2010); Sundaray (2011); and Mishra, et al. (2013). Markos research results and Sridevi (2010), about Employee Engagement: The Key to Improving Performance, found that "employee engagement is a strong predictor of positive performance organization that clearly shows two-way relationship between employer and employee.

Meanwhile Sundaray research study (2011), concluded that the engagement employees who have given an advantage to the company, including competitive and higher productivity, customer satisfaction and lower employee turnover. While the results Mishra, et al. (2013) show that employee engagement with organizations that have greatly contributed to the performance of the organization and be an asset to the organization. Organizations that make an effort to keep employee engagement will increase the commitment and contribution to the organization.

**Influence of Employee Engagement against Intention to quit**

From 4:32 table can also be seen that the value of the original sample (O) of the variable employee engagement (ENG) → intention to quit (ITQ) of -0.3708. This means that the employee engagement impact by 37% against the intention to quit, while a negative value indicates that the relationship between employee engagement by intention to quit inversely. While the value of t-statistics is at 6.5984 where the value is greater than t-table, which is 1.96. This shows that the relationship between employee engagement by intention to quit is significant, which means that employee engagement has a negative effect of 37% against the intention to quit, with a confidence level of 95%. These results indicate that employee engagement giving enough negative and significant impact on the intention to quit.

The results of this study are relevant to the research results Plooy and Roodt (2010); Halbesleben and Wheeler (2008); and Wegner (2011). Results of research Plooy and Roodt (2010) showed that in particular, keengagementan work and OCBs significantly negatively related to the intention of the turnover, as well as with the results of research Halbesleben and Wheeler (2008), which shows that engagemen and embeddedness contribute to the performance and intention to leave , While the research results Wegner (2011) shows that there is a significant linear relationship, strong, and positive between the level of employee engagement and employee retention rate, which is the company's efforts to retain its employees to keep it out of the company.

**Effect of Intention to quit Against Employee performance**

Intention to quit have a negative impact on employee performance frontline of commercial banks in Bandung, showed that the original value of the variable sample intention to quit
(ITQ) → employee performance (PER) of -0.1994. This means that the intention to quit an impact of 19.9% on employee performance, while a negative value indicates that the relationship between the intention to quit the performance is inversely proportional. While the value of t-statistic of 3.7778 is greater than t-table, namely 1.96 indicates that the relationship between the intention to quit with employee performance is significant. This means that the intention to quit the significant negative effect of 19.9% on employee performance, with a confidence level of 95%. These results indicate that the negative effects of intention to quit to performance is weak and significant impact on employee performance.

The findings of this study are relevant to the research results Balogun, et al. (2013) and Duan, et al (2010). Results of research Balogun, et al (2013) found that employees who have the intention to quit to be physically present in the organization, but his mind was somewhere else. When employees do not mind being in the organization, then the organization will not be the best, and this will be detrimental to the productivity and efficiency of the organization. The findings Duan, et al. (2010), also found that employees who have the intention to leave the organization becomes involved and stimulate the tendency to reduce their performance and become less productive, which in turn can lead to problems for the organization.

The amount of direct influence on employee performance employee engagement is 0.4103 while the amount of indirect effect, through intention to quit is 0.073938 (result of: -0.4103 - 0.1994 x). These results show that the indirect effect was smaller than the direct effect, but significant. Therefore to quit only mediate partial (partially) the impact of employee engagement on employee performance. Hence the hypothesis employee engagement positively affects employee performance frontline of commercial banks in Bandung with intention to quit is not proven or rejected.

The results of this analysis indicate that the variable intention to quit only mediate partial influence employee engagement on employee performance can be said to be new, given a number of previous studies that adopted not found research that produces findings either accept or reject that intention to quit mediate portion (partial) between employee engagement with employee performance. While research Juhdi, Pa’wan and Hansaram (2013) only examined the effects of turnover intention mediating between organizational commitment (OC) and keen engagementan organization (OE) in conjunction with the practice of human resources (HR).

CONCLUSION

The results of the research related to the influence of employee engagement and commitment of employees to the intention to quit moderated by job insecurity and the implications for employee performance that has been done above, it can be concluded that:

1. Commercial Bank Employees front liners in Bandung still has keengagementan with his work, this is indicated by the lower dimensions. has the intention to quit the organization or bank high, as demonstrated by all higher dimensions. However, they still show considerable performance dimensions although most still low.
2. Employee engagement positively affects employee performance frontline of commercial banks in Bandung.
3. Employee engagement is a negative influence on intention to quit frontline employees of commercial banks in Bandung.
4. Intention to quit a negative effect on employee performance frontline of commercial banks in Bandung.
5. Intention to quit only a partial mediating effect on employee performance employee engagement frontline commercial bank in Bandung.

REFERENCES


[18] Hussain, I. A., Yunus, N., Ishak, N. A., & Daud N. (2013). The Influence of Intention to Leave Towards Employee Engagement among Young Bankers in Malaysia International Journal of Business and Management; Vol. 8,(14); 2013 ISSN 1833-3850 E-ISSN 1833-8119 Published by Canadian Center of Science and Education.


