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THE EFFECT OF INTERPERSONAL LEADERSHIP ON EMPLOYEE ENGAGEMENT THROUGH ORGANIZATIONAL IDENTIFICATION AS THE INTERVENING VARIABLE

Survey on Employee of PT Bank Mandiri (Persero) Tbk. Medan City

UNDERGRADUATE THESIS

Proposed as a Requirement to Pursue the Degree of Sarjana from Faculty of Administrative Science of Brawijaya University

Nasya Zuniga
NIM. 145030207121005

BRAWIJAYA UNIVERSITY
FACULTY OF ADMINISTRATIVE SCIENCE
DEPARTMENT OF BUSINESS ADMINISTRATION
HUMAN RESOURCE MANAGEMENT CONCENTRATION
MALANG
2018

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VALIDATION SHEET

This undergraduate thesis has been examined in front of the board of examiners, Faculty of Administrative Science Brawijaya University at:

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Written by : Nasya Zuniga

Tittle : The Effect of Interpersonal Leadership on Employee Engagement Through Organizational Identification as the Intervening Variable (Study on Employee of PT Bank Mandiri Persero Tbk. Medan City)

And declared

PASSED

BOARD OF EXAMINER

Chairman,

Tri Wulida Afrianty, S.Sos., M.Si., MHRM, Ph.D
NIP. 19760404 199903 2 001

Member,

Arik Prasetya, S.Sos., M.Si, Ph.D
NIP. 19760209 200604 1 001

Member,

Aulia Luqman Azis S.S., S.Pd., M.Pd
NIP. 201304 860713 1 001

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ORIGINALITY STATEMENT

I declare with truth and all my knowledge, there is no scientific papers that have been asked by other to get the work or opinion which has ever written or published by other, except for the written quotes in this undergraduate thesis, it is referred and mentioned in the source references.

If evidently in this undergraduate thesis, may be proven elements of plagiarism, am willing for thesis being disqualified and academic degree I have gained for Bachelor Degree (S-1) is canceled, then will be proceed in accordance with Law in force (UU) No. 20 of 2003, Article 25 of Paragraph 2 or in the article 70.

Malang, 2nd of July 2018

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6000
ENAM RIBU RUPIAH

Nasya Zuniga
NIM. 145030207121005

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Appendix 10 *Curriculum Vitae*

Curriculum Vitae

I. Identity

Name : Nasya Zuniga
NIM : 145030207121005
Religion : Islam
Date of Brith : Jakarta, 22 November 1996
Address : Jl. Rawasari Barat No. 129 Jakarta
Phone : 081314317542
Email : nasyazuniga2296@gmail.com

II. Educational Background

1. 2002: SD Kanaan Banjarmasin
2. 2003: SD Islam At-Taufiq Jakarta
3. 2005:SD IKAL Medan
4. 2008: SMPN 77 Jakarta
5. 2009: SMPN 1 Jakarta
6. 2011: SMAN 77 Jakarta
7. 2014: Universitas Brawijaya

III. Organizational and Committee Experiences

1. 2014-2015 : Staff of Publication & Decoration by HIMABIS
2. 2015 : Staff of Publication by HORE Brawijaya
3. 2015 : Staff of Sponsorship on FNR (Fia Night Run) by BEM FIA
4. 2015 : Coordinator of Sponsorship on TASMAFIA by BEM FIA
5. 2015 : Staff of Public Relation on Indi(e)sche Party by AMC
6. 2015 : Staff of Sponsorship on Adface by BEM FIA
7. 2015-2016 : Staff of LO (Liason Officer) on ESPRIEX 2.0 by FIA
8. 2015-2016 : OC (Organizing Committee) on AIESEC Brawijaya
9. 2015 : Staff of Business Development on AIESEC Brawijaya

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10. 2016 : Staff of Korlap on Pasar Brawijaya by EM Brawijaya
11. 2016 : Staff of Public Relation on October Project by HIMABIS
12. 2016-2017 : Manager of Business Development on AIESEC Brawijaya
13. 2017-2018 : Vice President of Business Development on AIESEC Brawijaya

IV. Job Experiences

1. 2016: Volunteer of winter project on AIESEC Brawijaya
2. 2017: Internship Program of PT. Bank Mandiri (Persero) Tbk. Jakarta

V. Ability

1. Microsoft Office (Skor *Good Grade* TRUST Training Partners)
2. TOEFL Score >500

Malang, July 2nd 2018

Nasya Zuniga

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SUMMARY

Nasya Zuniga, 2018. **The Effect of Interpersonal Leadership on Employee Engagement Through Organizational Identification as the Intervening Variable** (Survey on Employee of PT Bank Mandiri Persero Tbk. Medan City). Tri Wulida Afrianty, S.Sos., M.Si., MHRM, PhD. 182 Hal + xv

This research aimed to (1) explain the effect of Interpersonal Leadership on Organizational Identification, (2) explain the effect of Organizational Identification on Employee Engagement, and (3) explain the effect of Interpersonal Leadership on Employee Engagement through Organizational Identification as intervening variable.

The type of this research is explanatory research with quantitative approach. The variables of the research are Interpersonal Leadership, Organizational Identification, and Employee Engagement. The criteria of population in this research are employees who have a leader or an employee who has a job level above them. The sampling technique for this research was using purposive sampling and the data collection method by distributing questionnaire indirectly (online) to 77 respondents according to population criteria. Data analysis used descriptive analysis and path analysis.

The results showed that (1) Interpersonal Leadership has significant effect on Organizational Identification, (2) Organizational Identification has significant effect on Employee Engagement, and (3) Interpersonal Leadership has significant effect on Employee Engagement through Organizational Identification as intervening variable. Based on the results of this research, it would be better if the corporate or Bank Mandiri can enhance activities that raise awareness of the importance of the role of leader who has interpersonal and organizational identification. In addition, it is necessary to increase the skills to the human resources in the company to increase employee engagement.

Keywords: Interpersonal Leadership, Organizational Identification, and Employee Engagement

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RINGKASAN

Nasya Zuniga, 2018. **The Effect of Interpersonal Leadership on Employee Engagement Through Organizational Identification as the Intervening Variable** (Survey on Employee of PT Bank Mandiri Persero Tbk. Medan City). Tri Wulida Afrianty, S.Sos., M.Si., MHRM, PhD. 182 Hal + xv

Penelitian ini bertujuan untuk (1) menjelaskan pengaruh *Interpersonal Leaderhip* terhadap *Organizational Identification*, (2) menjelaskan pengaruh *Organizational Identification* terhadap *Employee Engagement*, dan (3) menjelaskan pengaruh *Interpersonal Leaderhip* terhadap *Employee Engagement* melalui *Organizational Identification* sebagai variabel intervening.

Jenis penelitian ini adalah eksplanatori (*explanatory research*) dengan pendekatan kuantitatif. Variabel pada penelitian ini terdiri dari *Interpersonal Leadership*, *Organizational Identification*, dan *Employee Engagement*. Kriteria populasi dalam penelitian ini adalah karyawan yang memiliki pemimpin atau karyawan yang jabatannya berada di atas karyawan tersebut dan berada di Kota Medan pada saat dilakukannya penelitian. Teknik pengambilan sampel yang digunakan adalah *purposive sampling* dan metode pengumpulan data melalui kuesioner secara tidak langsung (*online*) kepada 77 responden yang sesuai dengan kriteria populasi. Analisis data yang digunakan adalah analisis deskriptif dan analisis jalur *(path analysis)*.

Hasil penelitian menunjukkan bahwa *Interpersonal Leadership* berpengaruh secara signifikan terhadap *Organizational Identification*, *Organizational Identification* memiliki pengaruh yang signifikan terhadap *Employee Engagement*, dan *Interpersonal Leadership* berpengaruh signifikan terhadap *Employee Engagement* melalui *Organizational Identification* sebagai variabel intervening. Berdasarkan hasil penelitian, sebaiknya perusahaan Bank Mandiri dapat meningkatkan kegiatan yang meningkatkan kesadaran akan pentingnya peran seorang pemimpin yang mempunyai interpersonal dan juga *organizational identification*. Selain itu perlu adanya peningkatan pada pemimpin-pemimpin di perusahaan untuk meningkatkan *employee engagement*.

Kata kunci: *Interpersonal Leadership*, *Organizational Identification*, dan *Employee Engagement*

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PREFACE

Al-hamdu lillahi rabil ‘alamin.

Praise to Allah SWT for His blessings and grace which have been given to me in finishing my undergraduate thesis "The Effect of Interpersonal Leadership on Employee Engagement Through Organizational Identification as the Intervening Variable (Survey on Employee of PT Bank Mandiri Persero Tbk. Medan City)". This undergraduate thesis is appealed to complete the eligibility to be a Bachelor of Business Administration in Faculty of Administrative Science of Brawijaya University.

I am aware that this paper is still imperfect, and I do realize that this undergraduate thesis could be well completed because of supports by many people. Therefore, I would like to deliver my sincere thanks to those honorable people. Their uncompromising quest for excellence has significantly shaped me in the learning process. Thus, my deepest thanks for:

1. Bapak Prof. Dr. Bambang Supriyono, M.S. as the Dean of Administrative Science Faculty in Brawijaya University.
2. Bapak Dr. Drs. Mochammad Al Musadieq, MBA. as the Head of Business Administration Department in Administrative Sciences Faculty, Brawijaya University.
3. Ibu Nila Firdausi Nuzula, S.Sos., M.Si., Ph.D as head of Business Administration Program, Faculty of Administrative Sciences, Brawijaya University.

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4. Ibu Tri Wulida Afrianty, S.Sos., M.Si., MHRM, PhD as chairman of the supervisor of my undergraduate thesis, for her encouragement, patience and guidance given to me upon the completion of this minor thesis.
5. All the honored lecturers of Business Administration Department in Faculty of Administrative Science, Brawijaya University that have given their all-in teaching and sharing knowledge during my years of study. Also, all the staffs and cavity of Administrative Science Faculty that have helped students with the administration process.
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13. Dearest bestfriends since high school, Feni Pandu, who always cherish the researcher.
14. All other parties who helped me through this research that I couldn't mention here.

The researcher expressed gratitude for all the support and assistance that has been given during the making of the thesis. For the sake of the perfection of this minor thesis, criticism, and suggestions that are constructive are expected by the author. Hopefully, this research can be useful and make a meaningful contribution to the parties who need.

Malang, 2nd July 2018

Nasya Zuniga

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CHAPTER I

INTRODUCTION

A. Background

Human Resource (HR) is one of the most important asset; in fact human resource could not be separated from organizations, institutions, or companies. Human resources contain two insights. First, it is a work effort or service that can be provided in the production process. In other respects, HR reflects the quality of business provided by a person within a certain time to produce goods and services. According to the second statement, HR concern about human being able to work to provide services or business work. Human resources has important role in developing the organizations, institutions, or even companies because it is impossible to run by itself but there are human resources who run it behind the successful of the organizations, institutions, or companies. Intrinsically, human resources are the key to run the organizations, the institutions, and the companies in terms of achieve their goals.

Competence of human resources followed by their good performance, is the key to the success of an organization, institution, and company as well as to achieve competitive advantage in the real world. Human resources of an organization should have at least developments, knowledge, and their own expertise, but also good attitudes. They are needed to increase the productivity in the workplace environment and also to create a great team work between each employee; therefore, an organization could manage its human resource effectively and

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efficiently.

A competent human resources, committed, and always motivated to always want to achieve the best, as called as employee engagement, is one of the main reason of an organization grow big. A recent survey by Gallup's Global Workplace (2013) stated employee engagement is fuel for performance engine of organization. Meanwhile, International Survey Research (ISR) defines employee engagement as a process by which an organization increases commitment and continuation of its employees to the achievement of superior results (Storey, 2009: 300). Various of challenges from external as well as internal from its organization could affect the level of employee engagement toward the organization itself.

Based on previous research by Hansen *et al.* (2013), employee engagement could be achieved if the employees feel safe to show and empower themselves. They feel themselves useful and valuable for the organization and have enough resources to carry out its role by (Kahn, 1990). Feeling engaged can not only encourage the development of the organization or company where the employee is working, but also the economic growth of a country. An employee would join with a company and stay long if they believe there is strong leadership in the company.

A recent survey by Gallup's Global Workplace Analytics website on 2013 (as shown in figure 1.1) has proven 84% employees is the highest point in Southeast Asia not feeling engaged. In this respect, Gallup's latest research on employee engagement paints a grim picture. Only 8% of Indonesian employees are engaged at work, while 15% are actively disengaged. If businesses, private or state-owned, do not realize how important great workplaces are to economic development and

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job creation, the Indonesian economy might run out of steam in the next few years.

Figure 1.1 Employee Engagement in Southeast Asian
Source: https://news.gallup.com/ (2016)

Lagging Behind Other Southeast Asian Nations

Among Southeast Asian nations, employee engagement is highest in the Philippines, where 29% of employees are engaged and 8% are actively disengaged. In contrast, only 8% of Indonesian employees are engaged at work, while 15% are actively disengaged.

	Engaged	Not engaged	Actively disengaged
Philippines	29%	63%	8%
Thailand	14%	84%	2%
Malaysia	11%	81%	8%
Singapore	9%	76%	15%
Indonesia	8%	77%	15%

GALLUP

Existence of leaders hold the important role in the course of the organization and create employee engagement environment. Leadership is an ability (throught whatever means) to influence the behavior of other in a particular direction (Chung *et al.* in Djanaid, 2004: 4). A leader is one of the important aspect in determine the development and the progress of an organization. A leader should have ability of influence, empower, and lead his employees to work effectively and efficiently, beside that a leader is expected to has good relations with the employees in order to achieve great teamwork.

Leadership which is applied of a leader in an organization holds the key in achieving great workplace environment (Rafferty *et al.*, 2005). In terms of creating employee engagement culture affect to productivity increases and employees' performance, so that the main purpose of the organization will be achieved. Rafferty *et al.* (2005) also stated the effective leadership is a leader who could adjust to his leadership style based on the maturity level of employee. There are a lot of previous researchs proven that transformational leadership style influence employee

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engagement. According to Hansen *et al.* (2013), engagement is best predicted by interpersonal leadership behaviors, such as caring about followers demonstrated by transformational leaders. However, leaders not only demonstrate relational behaviors when they enact supportive styles such as transformational leadership, but also when using approaches that build socioemotional resources such as applying fairness principles (Cropanzano *et al.*, 2000).

Employee engagement or employee participation in work activities should be noted because there is existence of employee engagement lead the employees willingly create a good teamwork. One of the implementable way to attract employee engagement is to create participation or employee involvement in decision making. Employee engagement will give intrinsic motivation to the employees by increase the chance to growth, responsibility, and engagement of its job. A leader should find out what kind of resources and the main purpose by the employee and have the most possibility to create a bigger responsibility by engagement. A leader also should understand if employee engagement is long term asset and a process which needed continuity interaction from time to time to create loyalty and mutual interdependence situation (Cropanzano and Mithchell in Saks, 2006).

Employee engagement represents a psychological and motivational state, wherein employees invest in their work and promote organizational goals (Kahn, 1990 and Schaufeli *et al.*, 2002). Companies in which 60 percent (or more) of the workforce is engaged have average five-year total returns to shareholders (TSR) of more than 20 percent. That compares to companies where only 40 to 60 percent of

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the employees are engaged, which have an average TSR of about six percent (Baumruk *et al.*, 1996; in Storey, 2009: 302).

Leaders demonstrate powerful relational behaviors when practicing interpersonal and informational justice (synonymous with fairness), both of which conveying respect, empathy, and caring (Hansen *et al.*, 2013). Research into the nature of the relationship between justice and leadership, however, has been mixed. That is, some suggest justice predicts leadership, others that leadership predicts justice, and still others suggest they are integrated (Hansen *et al.*, 2013). Despite their conceptual linkage, few researchers have examined interpersonal and informational justice with transformational leadership. Researchers believe an examination of these constructs together with engagement can inform to more understanding of the relational leader-engagement relationship.

Employees' experience of work is created through their exchange with the organization and its leader (Kahn, 1990). According to Hansen *et al.* (2013) the relations between interpersonal leadership and employee engagement will be more powerful with organizational identification. Organizational identification (OID) is a term populating the organizational studies literature ever since the 60's. Yet, it was only the last two decades that have witnessed a surge in interest in the organizational identification research. Employees develop a sense of self-concept and belongingness to the organization when cognitive categorizationn occurs in organizations, also known as organizational identification (Ashforth and Mael, 1989). Leaders who are relationship-oriented create organizations with employees who have strong feelings of organizational identification (Hansen *et al.*, 2013).

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This research was conducted at PT Bank Mandiri (Persero) Tbk. located in Uniland Plaza Jl. MT Haryono No. A-1, Medan. This research was conducted at PT Bank Mandiri (Persero) Tbk. is because the company has been the third biggest Bank in Indonesia for several years with the amount asset is IDR910 trillion based on Kompas, 2017. According to Djanaid (2004: 61) the greatest achievement a company will get it because of the leaders itself or the employees. It means PT Bank Mandiri (Persero) Tbk. has qualified leaders to run its company. Leaders expect their employees could do their job effectively and efficiently. The role of leaders really needed because should consider the company's needs and also inputs from the employees. PT Bank Mandiri (Persero) Tbk. is BUMN who develop disruptively, based on that the researcher interested to seek the influence of interpersonal leadership towards employee engagement through organizational identification as mediator.

Based on the previous paragraphs, that there is linkage between interpersonal leadership towards employee engagement in the company, so the researcher does research as entitled "**The Effect of Interpersonal Leadership on Employee Engagement through Organizational Identification as the Intervening Variable**" (Study on Employee of PT Bank Mandiri (Persero) Tbk. Medan City).

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B. Research Problems

Based on the background above of this research, formulate problems in this research such as:

1. Does interpersonal leadership have a significant impact on organizational identification?
2. Does organizational identification have a significant impact on employee engagement?
3. Does organizational identification mediate the relationship between Interpersonal Leadership and Employee Engagement?

C. The Research Purpose

Based on the research problems in this study, the objectives to be achieved in this research are as follows:

a. To analyze whether interpersonal leadership has a significant impact on organizational identification.
b. To analyze whether organizational identification has a significant impact on employee engagement.
c. To elucidate the influence of interpersonal leadership on employee engagement with organizational identification as intervening variable.

D. Research Contributions

The results of this study are expected to contribute both academic contributions and practical contributions:

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1. Theoretical Contribution
   a. Researchers as contributing ideas to increase the depth of knowledge in Business Administration, especially Human Resource Management, which is expected to be useful in the future.
   b. As a further reference material research to enhance this research.
   c. As a means of applying the theory which has been obtained with the actual situation in the field as well as a lesson for researchers.
2. Practical contribution
   a. For researchers as a means to deepen the knowledge about how interpersonal leadership relates to employee engagement and analyze the factor of itself.
   b. For consideration and additional information for the company in making decisions about the problems faced by the company in terms of the how interpersonal leadership relates to employee engagement.

E. Discussion Systematics

Systematics Discussion used in this study, are as follows:

CHAPTER I : INTRODUCTION

This chapter describes the principal issues to be addressed in this study, which covers the background of the problem, formulation of the problem, research objectives, the contribution of research, and systematic discussion.

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CHAPTER II : LITERATURE REVIEW

This chapter sets out the results of previous research related to the title of the study, the theory related to the title of the study of scientific books, journals, articles, magazines, and research related thesis.

CHAPTER III : RESEARCH METHODOLOGY

This chapter describes the types of research, the focus of the study, the research sites, data sources, data collection techniques, research instruments, and data analysis.

CHAPTER IV: RESULT AND DISCUSSION

In this chapter contains a general description of the company used as the object of research, general overview of respondents, the results of descriptive analysis of variables, the results of analysis techniques used, and discussion of research.

CHAPTER V : CONCLUSION

This chapter shows the conclusions obtained based on the results of research and suggestions that are useful for the company and further research.

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CHAPTER II

LITERATURE REVIEW

A. Previous Research

The previous research serves to get a picture, a frame of mind, and simultaneously to study the sharing of analytical methods used by researchers beforehand. With the empirical framework there will be no repetition of the research. The empirical framework that can be proposed in this research is as follows.

1. Research By Lubis (2012)

Research conducted by Lubis (2012) entitled *Analisis Pengaruh Gaya Kepemimpinan Terhadap Employee Engagement di PT XYZ*. This study aims to analyze the level of employee engagement and leadership style in PT XYZ and the influence of leadership styles (transformational, transactional, laissez faire) on employee engagement (vigor, dedication, absorption). Data was taken from the 250 respondents who are permanent employees. Data analysis is conducted using descriptive statistics and multivariate technique. The results showed that PT XYZ has a high employee engagement and the leadership style that has significant effect on employee engagement in the PT XYZ is transactional leadership. Transactional leadership has a positive influence on the dimensions of employee engagement are vigor, dedication and absorption. This study suggests for the effectiveness of implementation of performance management system and career management that can increase employee engagement in XYZ.

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2. Research By Hansen *et al.* (2013)

Research conducted by Anne Hansen, Zinta Byrne, Christa Kiersch (2013) entitled "How Interpersonal Leadership Relates to Employee Engagement". The purpose of this research is to examine organizational identification as an underlying mechanism for how perceptions of interpersonal leadership are related to employee engagement, and its relationship with commitment and job tension. The findings of this research are organizational identification mediated the relationship between perceived interpersonal leadership and engagement, which mediated the relationship between perceived interpersonal leadership and commitment. Engagement mediated the relationship between identification and job tension. A sample of 451 full-time employees at an international firm completed a web-based survey.

Data analysis in this research used Confirmatory Factor Analysis (CFA) to examine several measurement models by focusing on whether transformational leadership, informational and interpersonal justice were best represented as one factor (Model A), two factors (separating leadership from the two justices: Model B), three factors (each construct as a distinct factor: Model C), or a hierarchical factor (the three constructs forming first-order factors, which then serve as indicators for a second-order construct: Model C). The standardized path coefficients between the first order factors and the higher order construct were 0.87 for informational justice, 0.98 for transformational leadership, and 0.80 for interpersonal justice.

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3. Research By Anitha (2014)

The research entitled "Determinants of Employee Engagement and Their Impact on Employee Performance". The purpose of this paper is to identify the key determinants of employee engagement and their predictability of the concept. It also studies the impact of employee engagement on employee performance. The researcher used method of causal study to study the impact of relationships. A survey questionnaire was developed and validated using a pilot data (α = 0.975). Simple random sampling was used to select the employees from middle and lower managerial levels from small-scale organizations. A total of 700 questionnaires were distributed and 383 valid responses collected. Regression and structural equation modelling were used to predict and estimate the relationships.

There was found findings that all the identified factors were predictors of employee engagement (r^2, 0.672), however, the variables that had major impact were working environment and team and co-worker relationship. Employee engagement had significant impact on employee performance (r^2, 0.597). The above study emphasizes the importance of employee engagement and also identifies various aspects that have a significant effect on it. It also shows that there is a strong significant relationship between employee engagement and employee performance. Regression analysis predicts that out of the various important factors that have an overall effect on employee engagement, there are two factors that came out with significant path validity or t value. Working environment and team and co-WORKER relationship were found to have

significant t values in relating with employee engagement. The paper also quotes previous studies and suggest measures on factors that improve working environment and team and co-worker relationship.

4. Research By Stevanie *et al.* (2015)

Researcher conducted a study entitled "*Pengaruh Keterlibatan Karyawan, Gaya Kepemimpinan, dan Komitmen Organisasional Dalam Meningkatkan Kinerja Karyawan*" (study on BRI Probolinggo) aims to analyze the effect of employee engagement and leadership style on organizational commitment affecting employee performance. The population of the study are employees of the marketing department at the BRI branch of Probolinggo. The variable in this study is Employee Engagement and Leadership Style as an independent variable, Employee Performance as the dependent variable, and Organizational Commitment as an intervening variable. The results of this study indicate several findings. First when the level rises, the Employee Engagement Organizational Commitment of employees increased as well. This proves that the change in the level of employee involvement also affects the level of employee performance. Second, leadership style also affects employee performance. Third, Organizational Commitment is not mediating the effect of leadership style on employee performance.

5. Research By Prasetio (2015)

The research entitled "The Effects of the Leadership Towards Employee Performance" (a study on the employees of HRD PT PLN Office Distributed

West Java and Banten) aims to analyze the relationship between leadership and employee performance in PLN Office Distribution West Java and Banten. In doing this research used quantitative method, while data collection was done by asking questionnaire to employees of division of HRD PT PLN Office Distribution West Java and Banten. The study was conducted on 27 employees of HRD division of PT PLN Distribution Office of West Java and Banten. The hypothesis used in this research is descriptive analysis and simple linear regression analysis assisted data processing using SPSS 22.0 for windows in data processing using linear regression.

From simple regression test the influence between leadership style as variable X on employee performance as variable Y that correlation between leadership style to employee performance equal to R = 0,796 including strong relation category. The determination coefficient is 0.633 which means leadership style affect the employee performance of 63.3% while 36.7% influenced by other factors. And the results of pears, aim regresinya namely: Y = 7.698 + 0.391X, meaning that the value of 7.698 is a constant value a which indicates that if the variable style of leadership constant or permanent employee performance of 7.698. If there is an increase for leadership style variables have increased 1 unit, then the performance of employees increased by 0.391.

Based on the hypothesis testing, the value of T is missing (6,565)> T table (2.06), so H0 is rejected and H2 is accepted which means there is a positive and significant relationship between leadership style and employee

performance in division of HRD PT PLN Distribution Office West Java and Banten.

Table 2.1 Previous Research Mapping

No.	Title	Variable	Methods	Results
1.	*Analisis Pengaruh Gaya Kepemimpinan Terhadap Employee Engagement di PT XYZ*	a. Leadership Style (X) b. Employee Engagement (Y)	This research use descriptive study and general linier model multivariate	Employee engagement of PT XYZ to its work is categorized as high. It is in high spirits for high spirits and passion, dedication (awareness of an important role for the company and pride in it) and absorption (the concentration and enjoyment of today's work).
2.	How Interpersonal Leadership Relates to Employee Engagement	a. Transformational Leadership (X1) b. Interpersonal Justice (X2) c. Informational Justice (X3) d. Employee Engagement (Y) e. Organizational Identification (Z)	Participants were 451 full-time employees at a fir within the USA and Canada, who voluntarily completed a web-based survey. The authors invited 3,070 employees to participate. To minimize method bias, the authors included	The results demonstrate engaged employees feel connected to their organization in multiple ways, a finding that support clear distinctions between engagement, commitment, and identification, contributing significantly to the construct validity of engagement as such distinctions have not been

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No.	Title	Variable	Methods	Results
			the promise of confidentiality, provided access to the survey from any computer, and spatially separated the criterion variables from other variables on the survey by having participants respond to non-study related items requested by the organization.	previously shown.
3.	Determinants of Employee Engagement and Their Impact on Employee Performance	a. Employee Engagement (X) b. Employee Performance (Y)	Causal study was done to study the impact of relationships. A survey questionnaire was developed and validated using a pilot data ($\alpha = 0.975$). Simple random sampling was used to select the employees from middle and lower managerial levels from small-scale organizations. A total of 700	The implications involve significant impact for organizations in terms of improvement in productivity and hence signify substantial economic impact for organizations. Apart from this, the determinants of employee engagement connote a healthy working atmosphere for employees.

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No.	Title	Variable	Methods	Results
			questionnaires were distributed and 383 valid responses collected. Regression and structural equation modelling were used to predict and estimate the relationships.	
4.	*Pengaruh Keterlibatan Karyawan, Gaya Kepemimpinan, dan Komitmen Organisasional Dalam Meningkatkan Kinerja Karyawan*	a. Employee Engagement (X_1) b. Leadership Style (X_2) c. Organizational Commitment (X_3) d. Employee's Performance	This research is quantitative research, with aim to clarify (explanatory research). The population in this study are all employees (marketing staff) at BRI Probolinggo Branch, which does not occupy position (non kasubag / kabag), that is as much as N = 120 employees. All members of the population were sampled, so the sampling technique used was saturated sampling, so this study	The results show that the mean / mean value of the Employee Engagement variable is 3.954 or are in a sufficient position. Leadership style of 3.634 or in position enough. Organizational Commitment of 3.720 or in a sufficient position. Employee Performance of 3.873 or in a sufficient position.

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No.	Title	Variable	Methods	Results
			is census. Data analysis using componentized structural modeling (Generalized structural Component Analysis) with software GeSCAversionl ine.	
5.	The Effects of the Leadership Towards Employee Performance	a. Leadership Style (X) b. Employee Performance (Y)	From simple regression test the influence between leadership style as variable X on employee performance as variable Y that correlation between leadership style to employee performance equal to R = 0,796 including strong relation category.	Explain that leadership has an effect on employee performance. Thus, PLN should focus on building a leadership style that suits the needs of employees.

Source: Literature Review, 2018

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B. Theoretical Framework

1. Interpersonal Leadership

a. Definition of Interpersonal Leadership

A company can not be separated from the existence of a leader. A leader in the company plays an important role for the company to grow rapidly, so that corporate objectives can be achieved. According to Daft (2016: 313) leadership is "the ability to influence people to achieve organizational goals". Rivai (2006: 2) argues that “widespread leadership involves influencing processes in determining organizational goals, motivating followers’ behavior to achieve goals, and influencing to improve their group and culture. Understanding the concept of leadership is essential in examining the relationship between leadership style and intent to stay. This section includes relevant studies related to the concept of leadership. Topics covered in this section include the definition of leadership, leadership theories, and leadership styles. The interaction between leader and each respective follower therefore represents the most fundamental unit of the leadership process (Bass, 2008).

The conclusion that leadership is the ability possessed by a person to influence others in order to work more effectively and efficiently. Good leadership will have a positive impact on employee productivity so that company goals will be achieved. The achievement of the company's goals can not be separated from the role of a leader who managed to create a good cooperation with its employees.

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Business as usual will not be sufficient in coming decades. Leadership capability will be a key differential in the future, and this will require a new and different emphasis on the leader's capacity for development (Ross, 2012). Interpersonal Leadership is about self-expression that makes a difference, that enriches the lives of others (Smith *et al.*, 2002). But the core of effective relationships is authenticity. Authenticity forms the core around which synergy and trust grows. One of the powerful leadership is interpersonal leadership. The interpersonal leadership is a powerful interpersonal communications tool that focuses on individual styles of behavior and the impact different styles have on the quality of relationships and personal and team performance (Storey, 2009 : 214).

According to Lamm *et al.* (2013) from previous research and classification systems, the following behavioral categories were identified to guide a through analysis of the interpersonal leadership literature: understanding, caring and consideration for others, communication competence, fostering and maintaining good relations, managing conflict, delegating and empowering, fostering happiness, promoting collective decision making, personal attributes, developing others, recognizing others, motivating others, encouraging innovative thinking, and supporting others can be seen on Figure 2.1. The existent taxonomic approaches were used as a grouping schema in a review of the literature. Resultant themes were grouped according to taxonomic category.

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Interpersonal Leadership is a relatively new leadership paradigm which still has been developed by many researchers.

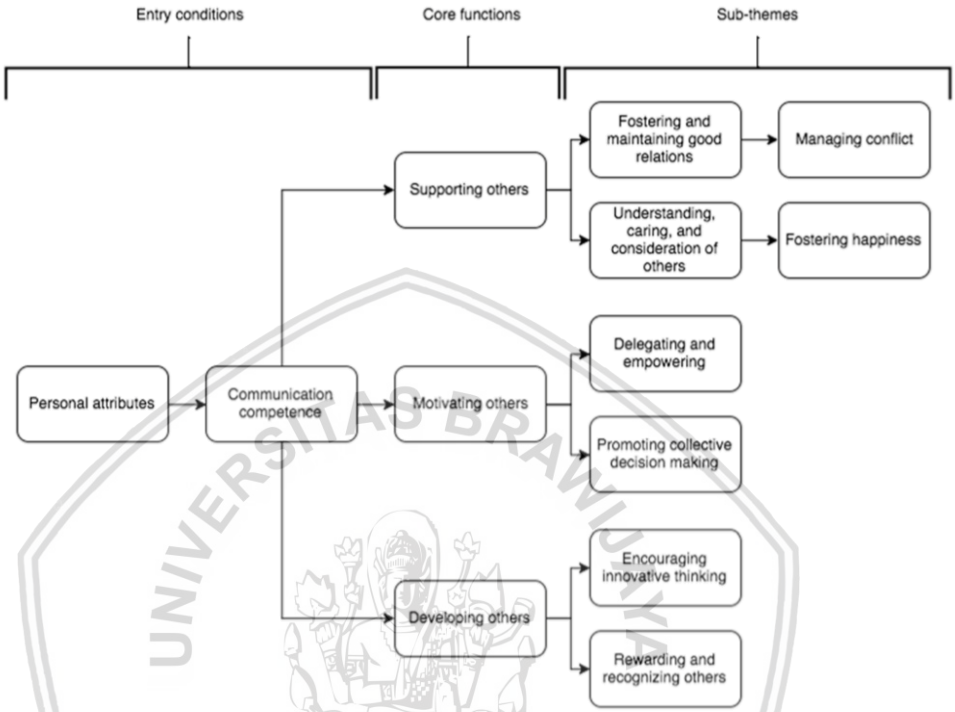

Figure 2.1 Conceptual Model of Interpersonal Leadership
Source: Lamm *et al.* (2013)

Based on Figure 2.1, it is explained the conceptual model of interpersonal leadership. First concept is entry conditions consist of personal attributes and communication competence which lead to the second concept which is the core functions consist of supports others, motivates others, and develops others. The third concept model is the sub-themes which consist of fostering and maintaining good relations; understanding, caring, and consideration of others, delegating and empowering; promoting collective decision making; encouraging innovatiove thinking; rearding and recognizing others; managing conflict; and fostering happiness.

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Authentic leadership focuses on whether leadership is genuine or "real" (Penn, 2013). Although this theory is still in its formative phase of development, there are several ways in which it can be defined. One way to define authentic leadership is to say that it is interpersonal; that is, it occurs when the leader maintains strong, honest relationships with his or her followers. The key here is to be open with his or her followers and to practice what the leader preach. In return, followers will recognize the authenticity of a leader and work with the followers towards the common goal.

There is an example for an authentic leadership which is factory workers were sacrificing their healthcare benefits while Fields commuted to the company's headquarters in Detroit on the weekends from his house in Florida on the company's private jet (Deutschman, 2009). It is no wonder why no one wanted to follow him. Being an authentic leader means sharing the struggle and risks with your followers and maintaining an honest, transparent relationship. If followers see that a leader's actions are not in line with the stated values, followers will not see a leader as being genuine and the leadership attempts will be likely to fail.

Another way to define authentic leadership is to say in is an interpersonal quality that has to do with what is going on in the leader's head. It is about the leader being true to himself or herself, and also being able to self-regulate their behaviors and develop accurate self concepts (PSU, 2012).

According to Hansen *et al.* (2013) by assessing relational leadership characteristics under the umbrella of perceived interpersonal leadership, which

integrates transformational leadership and interpersonal and informational fairness. Leaders not only demonstrate relational behaviors when they enact supportive styles such as transformational leadership, but also when using approaches that build socio-emotional resources such as applying fairness principle. Leaders demonstrate powerful relational behaviors when practicing interpersonal and informational justice (synonymous with fairness), both of which convey respect, empathy, and caring (Bies and Moag in Hansen *et al.*, 2013). Research into the nature of the relationship between fairness and leadership, however, has been mixed.

1) Transformational Leadership

The word "to transform" as a term means to change the appearance or character of something completely or someone, especially so that that thing or person is improved (Cambridge Dictionary, 2015). Transformational leaders transform the personal values of followers to support the vision and goals of the organization by fostering an environment where relationships can be formed and by establishing a climate of trust in which visions can be shared. Transformational leaders focus on restructuring the school by improving school conditions. In many ways, transformational leadership has captured the imagination of scholars, of noted practitioners, and of students of leadership (Bass & Riggio, 2006).

The relation between transformational could support interpersonal leadership because transformational leaders motivate their employees by transforming their attitudes, beliefs, and values into a common vision (Bass,

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1985) which from the interpersonal first. Though transformational leadership was originally delineated into four dimensions, lack of support led many to embrace the five dimensions proposed by (Rafferty and Griffin, 2004). These include: vision, the charismatic expression of a positive future; inspirational communication, confidence-building and encouraging messages about the organization; supportive leadership, concern for followers and their individual needs; intellectual stimulation, enhancing employees' interest in organizational problems while increasing their ability to creatively problem solve; and personal recognition, which occurs when a leader shows individuals' their efforts are valued, and rewards achievement consistent with the organizational vision.

Transformational leadership alone, however, is not enough to explain how leaders promote engagement. (Hansen *et al.*, 2013) Only 25 percent of the variance in engagement in their study was explained by transformational leadership. Their work is valuable, demonstrating that transformational leadership is related to engagement, however, a substantial amount of variance in engagement is still left to be explained. Second, (Kahn, 1990) described a context of mutual respect, information, certainty of procedures and goals, and predictability as creating the atmosphere necessary for psychological meaningfulness and safety. Behaviors that create these perceptions are not represented in transformational leadership and, therefore, we suggest that the inclusion of interactionally fair leadership creates the interpersonal leadership style that fits Kahn's theoretical framework.

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To fully conceptualize the notion of transformational leadership, a reflective examination of its inception and development is absolutely essential. Burns defines leadership as the reciprocal process of mobilizing, by persons with certain motives and values, various economic, political, and other resources, in a context of competition and conflict, in order to realize goals independently or mutually held by both leaders and followers (Bailey & Axelrod, 2001).

The dynamics of transformational leadership involve followers having a strong personal identification with the leader, a shared vision for the future, and the ability to work collectively for the benefit of the group (Kelloway *et al.*, 2003). These dynamics help followers make a positive transformation in themselves. Transformational leadership, defined as "leader behaviors that transform and inspire followers to perform beyond expectations while transcending self-interest for the good of the organization". Bass in Rafferty (2004) identify five sub dimensions of transformational leadership that will be used for the measurement of interpersonal leadership.

a) Vision

Vision is the expression of an idealized picture of the future based around organizational values (Rafferty, 2004). Vision as an important leadership dimension encompassed by the more general construct of charisma. The most general and important component of transformational leadership is charisma. Charisma, as discussed in the transformational model, does not incorporate all of these components. The contribution of the situation surrounding leaders and followers, the personal qualities linked

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with charisma, and the association that followers make between a charismatic leader and transcendent powers are not explored. A common theme when discussing charisma is the importance of articulating a vision. Vision as opposed to the broader construct of charisma or idealized influence proposed by Bass and his colleagues.

b) Inspirational Communication

Inspirational communication is he expression of positive and encouraging messages about the organization, and statements that build motivation and confidence. Charisma and inspirational motivation are displayed when a leader envisions a desirable future, articulates how it can be reached, sets an example to be followed, sets high standards of performance, and shows determination and confidence. Inspirational communication is the combination of both of charisma and inspirational motivation.

A recruiting element within existing definitions of inspirational leadership is the use of oral communication to motivate and arouse followers' emotions. As a result, focus on inspirational communication, or the use of appeals and emotion-laden statements to arouse followers' emotions and motivation, as opposed to the broader construct of inspirational motivation.

c) Intellectual Stimulation

Intellectual stimulation is enhancing employees' interest in, and awareness of problems, and increasing their ability to think about problems

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in new ways. The effects of intellectual stimulation are seen in increases in followers' abilities to conceptualize, comprehend, and analyze problems and in the improved quality of solutions that they generate (Bass, 1990).

d) Supportive Leadership

Supportive leadership is expressing concern for followers and taking account of their individual needs. Supportive leadership is a key aspect of effective leadership in path goal theory (House in Rafferty, 2004). House in Rafferty (2004) defined supportive leader behavior as ''behavior directed toward the satisfaction of subordinates' needs and preferences, such as displaying concern for subordinates' welfare and creating a friendly and psychologically supportive work environment.''

e) Personal Recognition

Personal recognition is the provision of rewards such as praise and acknowledgement of effort for achievement of specified goals. The use of the term ''personal recognition'' to capture that aspect of contingent reward that is conceptually related to transformational leadership. Personal recognition occurs when a leader indicates that he or she values individuals' efforts and rewards the achievement of outcomes consistent with the vision through praise and acknowledgment of followers' efforts.

2) Interactionally Fair Leadership

Interpersonal justice, the fairness of interpersonal treatment or respect, and informational justice, the fairness of explanations and information shared by leaders are characteristics of relational leadership (Knippenberg in Hansen,

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2013). For example, an interpersonally fair leader treats his or her followers with respect and dignity, and holds them in high regard. Candid and timely explanations of decisions, and communications tailored to individuals' situation and needs are characteristic of leaders demonstrating informational justice. By creating a trusting, respectful, and information-rich environment, interactionally fair leaders support the development of psychological meaningfulness and safety.

Based on definition, interpersonal justice reflects the degree to which people are treated with politeness, dignity, and respect by authorities and third parties involved in executing procedures or determining outcomes. Meanwhile informational justice focuses on explanations provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion (Colquit *et al.*, in Hansen, 2013).

b. The Aspects of Leadership

1) Characteristics of leadership

In conducting its leadership, a leader has some leadership traits. The leadership traits of a leader will have an effect on the success of leading a company or organization. according to Keith Devis in Rivai (2006: 133) there are four characteristics of leadership, such as:

a) Intelligence

The results prove that the leadership has a higher level of intelligence compared to the lead. However, what is very interesting about the research is that leaders can not go beyond too many of their followers' intelligence.

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b) Maturity and flexibility of social relationships

Leaders tend to mature and have stable emotions, and have a broad attention to social activities. He has a desire to appreciate and be respected.

c) Self motivation and achievement motivation

Leaders have relatively strong motivational motivation to perform. They work to gain an intrinsic reward rather than extrinsic.

d) The attitudes of human relationships

Successful leaders are willing to acknowledge the dignity and honor of their followers and be able to take sides with it.

Based on the characteristics of leadership above authors conclude that a leader should be a role model by employees to achieve corporate goals. In addition, a leader should be able to encourage his employees to be motivated. So the leader will successfully lead a company or organization he leads.

2) Behaviors of Leadership

Behavior is the way in which one acts or conducts oneself, especially towards others (Oxford Dictionary). When the leader establishes trust within the team, it truly shows. Team members feel secure in sharing the opinions without the fear of judgment or retribution, freely share information and openly collaborate on projects and know that if the leader pushes the team, so does with the best interests in mind, the result might be highly motivated and productive workforce (Walter, 2015). According to Walter (2015) the behaviors one needs to display to earn trust of the team:

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a) Lead by example

Leaders who do not walk the talk lose trust. The leader need to display first, then the team members will display certain behavior.

b) Over communicate

Transparency builds trust. Secrets destroy it. True leaders are direct and honest. And they communicate all the time. Lack of information creates assumptions that are usually negative or disruptive to team's motivation and productivity.

c) Admit the mistakes and acknowledge the limitations

Publicly own up to the mistakes when a leader makes ones. Admitting the leader were wrong is not a sign of weakness, but strength. Acknowledge the mistakes and outline the new course.

d) Keep your promises and stick to your commitments

No one trusts those who do not keep a word. A leader need to make a commitment and stick to it.

e) Trust your team

Hire the best and trust them to lead. Trust is a two-way street. If a leader does not trust the team, the team will not trust the leader.

f) Ask for feedback

Failure is the greatest teacher. If a leader could ask feedback from the team, the other team will feel more productive and could improve the work environment.

g) Treat everyone fairly

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Treat all of the team fairly will build the confidence within the team. Clearly fair and equal is not the same.

h) Listen

A great leader would like to take the time to get to know every single member of the team. Ask questions, consistently, then listen.

i) Act with consistency

Consistency is key to great leadership. Consistency of acts, behaviors, moods, expectations.

j) Put the success of the team before your own

A great leader would put the importance of the team member in above his personal importance.

3) Leadership Skills

One of the aspect of leadership is skills. A great leader without skills and abilities would drown slowly. Recently Zenger *et al.* in Peter (2014) published the results of a study they conducted on the skills that leaders need to succeed in their current positions. The top 10 leadership skill by Zenger *et al.* in Peter (2014) are:

a) Inspires and motivates others

b) Displays high integrity and honesty

c) Solves problems and analyzes issues

d) Drives for results

e) Communicates powerfully and prolifically

f) Builds relationships

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g) Displays technical or professional expertise

h) Displays a strategic perspective

i) Develops others

j) Innovates

2. Employee Engagement

Engagement is fostered by the development of three psychological states: meaningfulness, availability, and safety (Kahn, 1990). Psychological meaningfulness refers to feeling worthwhile and valuable for one's work. Rewarding interpersonal interactions help create psychological meaningfulness. Psychological availability refers to having enough physical and emotional resources to persist without distraction at work. Psychological availability is generally achieved by feeling supported and enjoying well-being outside of work. Psychological safety refers to trusting one can take risks of self-expression and voice in the interest of making a positive contribution. Factors increasing perceptions of psychological safety include positive interpersonal relationships, supportive management style, and organizational norms that reinforce trust and respect.

a. Employee Engagement Definition

There are several opinions that define employee engagement. Employee engagement is a condition consisting of the cognitive, emotional, and behavioral components associated with employee roles and performance (Saks, 2006). According to Schaufeli *et al.*, (2002: 74), engagement is a positive state of mind for fulfilling and resolving work-related issues, characterized by vigor

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(energy and mental resilience while working), dedication (enthusiasm and pride in work), and absorption happy in working). Employee engagement is the level of commitment and involvement of an employee to their organization and the values contained therein (Anitha, 2014). When an employee feels attached, he is aware of his or her responsibility for achieving organizational goals and can also motivate his coworkers for the success of organizational goals. The researcher described employee engagement as a deeper psychological presence of an employee that includes attention and appreciation (Saks, 2006).

From the various opinions above, it can be concluded that employee engagement is a condition associated with positive thoughts, commitment and involvement of an employee to their work and organization. (Kahn, 1990) proposed that leaders, in general, play an important role in creating the right context for employees to become engaged. We advance his model by proposing specific forms of leadership, and offer an explanatory variable that ties leadership to engagement.

b. Employee Engagement Dimensions

In this study, the dimensions used in this study were as suggested by Schaufeli *et al.* (2002: 74-75) namely vigor, dedication, and absorption. Further explanation as follows:

1) Vigor

This dimension is characterized by high energy levels and mental resilience in work. In addition, vigor is also characterized by a willingness to contribute to the maximum job and never give up despite facing a

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difficulty.

2) Dedication

This dimension is characterized by enthusiasm in doing a job, feeling proud and challenged by what is done, and assuming that it is needed in the work.

3) Absorption

This dimension is characterized by concentration and attention to work, feeling that time passes when working, and finding it difficult to get away from work.

c. Employee Type Based on Employee Engagement Level

An engaged employee will be loyal and concerned with the future of his organization. The employee has a willingness to make extra efforts for the achievement of organizational goals to grow and develop. Gallup (2004) classifies 3 types of employees based on the level of engagement, namely:

1) Engaged

The engaged employee is a builder. They will always show maximum performance in completing the task and work. Employees of this type will be willing to give their full strength and talent to develop the organization.

2) Not Engaged

Employees of this type only focus on tasks rather than achieving the goals of the job. They lack the initiative to work, meaning just waiting for orders from superiors and only going to do as instructed to them. These employees tend to have a low contribution to work.

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3) Actively Disengaged

Employees of this type are unattached employees. They consistently and openly demonstrate their opposition and dissatisfaction with the work they are given. They tend to have a negative effect on engaged employees.

d. Factors Affecting Employee Engagement

There are several factors that affect employee engagement. Bakker (2010: 312) suggests that there are no major factors affecting employee engagement, namely:

1) Job Resources, consisting of social support from colleagues and superiors, performance feedback, autonomy and opportunities for growth. Job resources that refer to the physical, social and organizational aspects can provide benefits in achieving performance goals.
2) Salience of Job, related to how important or useful the work resources possessed by individuals.
3) Personal Resources, employees who are tied to their work have properties such as, optimism, self efficacy, and resilience that helps them to achieve career performance and success.

e. The Benefits of Employee Engagement

Handoko (2008) explains that many advantages associated with high level of linkage, namely:

1) Increase productivity
2) Increase corporate profits

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3) High work quality
4) Improve work efficiency
5) Low turnover
6) Reduce absenteeism
7) Minimize employee cheating and mistakes
8) Increased customer satisfaction
9) Increased employee satisfaction
10) Reduce time lost due to work accident
11) Minimize complaints Employee Employment Opportunity (EEO)

Based on these opinions can be seen that the factors that can bring engagement on the self one of them determined from the attitude and behavior of the superior from the organization to subordinates. The treatment of accepted superiors is a benchmark for employees as a reference for employees to engage in work and organization. Employees prioritize harmonious relationships with people around the workplace including with their superiors.

3. **Organizational Identification**

An early description of organizational identification listed several important and interwoven phenomena as its constituent parts. Organizational identification (OID) is a situation in which the employee and the company share the same goals and values (Hansen *et al.*, 2013). OID is one of the important aspect as it relates to the business environment. An unifying theme of interpersonal leadership is the centrality of relations – through inspirational communication, supportiveness, recognition, respect, and transparency of

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explanations for decisions, interpersonal leaders communicate value and respect to their employees and make them part of and connect them to the organization and others within (Hansen *et al.*, 2013).

Employees' experience of work is created through their exchange with the organization and its leaders (Kahn, 1990). In this research advance Kahn's model by proposing that organizational identification is a connector or antecedent between employees and the organization. Social identity theory holds that people categorize themselves into groups, whereby they define themselves as part of their social environment. When cognitive categorization occurs in organizations, known as organizational identification (Mael in Hansen *et al.*, 2013), employees develop a sense of self-concept and belongingness to the organization. As a result, they are more likely to support the organization, express pride and loyalty, and internalize the values and norms of the organization (Tyler and Blader, 2003).

Leaders who are relationship-oriented create organizations with employees who have strong feelings of organizational identification (Pierro in Hansen *et al.*, 2013). Baumeister and Leary (1995) argued that people have a fundamental need for belongingness, driving them to seek connection with others. Similarly, people have a fundamental need to be liked, which results in their susceptibility to identification as a social influence process (Kahn, 1990). The group engagement model (Blader in Hansen *et al.*, 2003) proposes that identification is the psychological mechanism through which follower's perceptions of their leader's fairness influences their attitudes, values, and behavior. Thus,

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interpersonal leaders use social influence processes to help employees feel they belong to an organization focused on an inspiring vision. Furthermore, employees want to identify with high status groups to ensure a strong social identity (Mael in Hansen *et al.*, 2013).

These comprised a perception of shared characteristics with the members of the organization, a feeling of solidarity with the organization, and support of the organization. Basically, the foundations of organizational identification rest on a notion that members share a sense of similarity with each in terms of interests and goals. Furthermore, the solidarity component described underscores the importance for members' sense of belongingness with the organization. Lastly, supportive component rests on a feeling of loyalty towards organizational goals and policies. This included the will to defend organizational goals and policies. Therefore, Rolf Van Dick (2010) identify five sub dimensions of organizational identification that will demonstrate discriminant validity with each other and with outcomes, such as:

a. Cognitive; Psychological processes involved in acquisition and understanding of knowledge, formation of beliefs and attitudes, and decision making and problem solving. They are distinct from emotional and volitional processes involved in wanting and intending. Cognitive capacity is measured generally with intelligence quotient (IQ) tests.

b. Affective; The tendency of a worker to stay with a company that is based on an emotional attachment. An employee of a business who displays affective commitment to their company will often identify

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strongly with the company and its objectives, and might turn down offers to move to a new company, even if they seem more attractive financially.

c. Evaluative; Rigorous analysis of completed or ongoing activities that determine or support management accountability, effectiveness, and efficiency. Evaluation of completed activities is called ex-post evaluation, post-hoc evaluation, or summative evaluation. Evaluation of current or on going activities is called in-term evaluation.

d. Behavioral; The belief that a leader's rate of success is based on the way in which they behave.

The company has values, goals, aims, and desires just like anything or anyone else, and organizational identification (OID) is the degree with which the company and the people in the organization share the same values, goals, desires, and aims. As the people in the company share the values of the organization, the company begins to get closer and starts working more like one big team as opposed to different departments staffed by different individuals.

C. Linkage Among Variables

1. Linkage between Interpersonal Leadership and Organizational Identification

Leaders who are relationship-oriented create organizations with employees who have strong feelings of organizational identification (Cicero and Pierro, 2007). A unifying theme of interpersonal leadership is the centrality of relations – through inspirational communication, supportiveness, recognition, respect,

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and transparency of explanations for decisions, interpersonal leaders communicate value and respect to their employees and make them part of and connect them to the organization and others within. Baumeister and Leary (1995) argued that people have a fundamental need for belongingness, driving them to seek connection with others. So the hypothesis can be drawn as follows:

H1: **Interpersonal Leadership (IL) has a significant Influence on Organizational Identification (OID).**

2. Linkage between Organizational Identification and Employee Engagement

Employees' organizational identification is essential for engagement because it creates a mental structure that shapes employees' experience of Kahn's (1990) psychological conditions of engagement. Specifically, identification creates feelings of security in the work and role status by generating feelings of belongingness, essential to availability and meaningfulness. Identification also gives employees a feeling of connectedness and creates an environment of predictability and reduced uncertainty, which builds psychological safety (Hansen *et al.*, 2013).

Furthermore, because of its capacity to provide strong feelings of belongingness, organizational identification can be viewed as a psychological resource, which directly predicts engagement (Bakker *et al.*, 2010). The job demands-resource model (JD-R) proposes job resources (organizational and social resources that support the work environment) directly result in engagement (Bakker *et al.*, 2010). The model adds that job demands (elements

of the job requiring attention and action by the employee) increase the saliency of resources for enabling engagement, thereby making the presence of positive psychological resources such as organizational identification more salient:

H2: **Organizational Identification has a significant influence on employee engagement.**

3. Linkage between Interpersonal Leadership and Employee Engagement Through Organizational Identification

Employees' experience of work is created through their exchange with the organization and its leaders (Kahn, 1990). Social identity theory holds that people categorize themselves into groups, whereby they define themselves as part of their social environment (Tajfel in Hansen 2013). When cognitive categorization occurs in organizations, known as organizational identification (Ashforth and Mael in Hansen 2013), employees develop a sense of self-concept and belongingness to the organization. Thus, interpersonal leaders use social influence processes to help employees feel they belong to an organization focused on an inspiring vision. The author suggest indications of success are evident in the interpersonal leader's use of interpersonal leadership behaviors. In summary, by following an interpersonal leader, employees feel connected, cared for, and develop a mental model of themselves that says they identify with the values of the organization for which the leader is an agent (Eisenberger in Hansen *et al.*, 2013). So the hypothesis can be drawn as follows:

H3: **Interpersonal Leadership has a significant influence on employee engagement through organizational identification.**

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D. Hypothesis Model and Hypothesis Research

1. Model Hypothesis

Hypothesis is a temporary answer to the formulation of research problems, where the formulation of research problems has been expressed in the form of a question sentence (Sugiyono, 2015: 64). Based on the existing of concept model development which continued on a hypothetical model, the hypothesis in this research can be explained as follows:

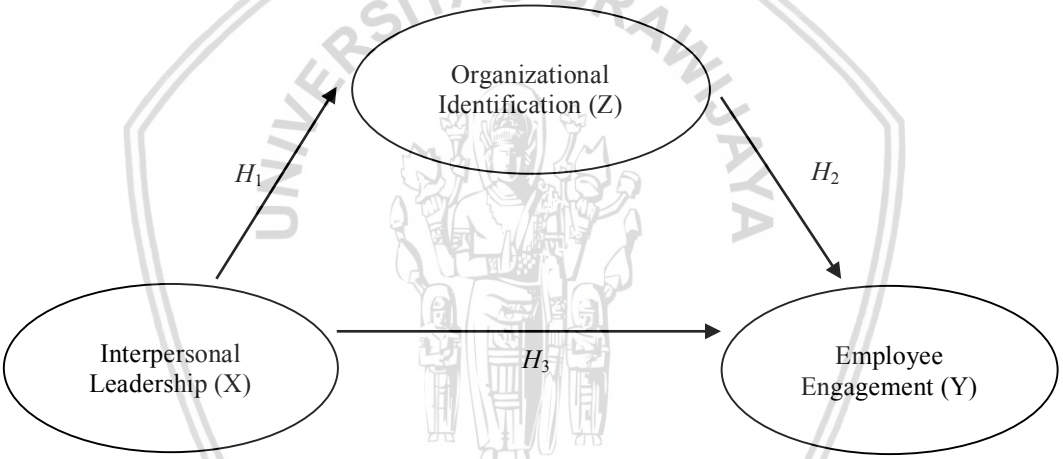

Figure 2.3 Hypothesis Model
Source: Primary Data Processed, 2018.

2. Hypothesis Research

According to model hypothesis, the research hypothesis as follows:

H_1 : Interpersonal Leadership (X) has a significant influence on Organizational Identification (Z).

H_2 : Organizational Identification (Z) has a significant influence on Employee Engagement (Y).

H_3 : Interpersonal Leadership (X) has a significant influence on Employee Engagement (Y) through Organizational Identification (Z).

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CHAPTER III

RESEARCH METHODOLOGY

A. The Type of Research

The type of research used in this study is explanatory research. Singarimbun and Effendi (2006: 5) explained that explanatory research is a research with explanatory approach to test the previously formulated hypothesis explanatory research not only describes the existing phenomena but also aims to explain the causal or causal relationship between variables and hypothesis testing. According to Sugiyono (2015: 8) quantitative research methods can be interpreted as research methods based on positivism philosophy, used to examine the population or a particular sample, data collection using research instruments, data analysis is quantitative / statistical, with the aim to test the hypothesis that has been set.

Based on the explanation above, it can be concluded that this research is explanatory research because it explains about the influence between variables in the study. This research formulates the influence of interpersonal leadership to employee engagement through organizational identification at PT Bank Mandiri (Persero) Tbk Medan, testing the statistical hypothesis and measuring the social phenomenon described into components of problems, variables, indicators and items in which each variable is measured by symbolizing numbers through quantitative approaches.

B. Research Location

This research was conducted at PT Bank Mandiri (Persero) Tbk Medan which is located at Uniland Plaza Jl. MT Haryono No. A-1 in Medan City. Reasons to

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choose a research place at PT Bank Mandiri (Persero) Tbk Medan is to know the interpersonal leadership used by a leader in the company of PT Bank Mandiri (Persero) Tbk Medan when faced for organizational identification which leads to employee engagement. Quoting from website bisniskeuangan.kompas.com PT Bank Mandiri (Persero) Tbk has been the third place on the biggest bank in Indonesia for two years in a row which mean PT Bank Mandiri (Persero) Tbk has great strategies by qualified leaders. Huge companies must have great demands to create an environment that can lead to a sense of employee engagement so it is very influential on the development of the organization or company. Company where the research and survey are willing to provide data and information needed.

C. Variables, Operational Definitions and Measurement Scale

1. Variables

Kerlinger in Sugiyono (2015: 38) states that the variable is a quality in which the researcher learns and draws his or her remarks. Another definition of the variables is whatever may distinguish or bring variations on the value, the value may vary at different times for the same object or person or at the same time for different objects or people. The variables used in this research are as follows:

a. Independent Variable

According to Sugiyono (2015: 39) independent variables or often called antecedent and independent variables is a variable that affects or which causes the change or the emergence of the dependent variable (bound). Independent variable in this research consists of 1 (one) variable which is Interpersonal Leadership variable (X).

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b. Dependent Variable

Dependent variables are often referred to as output variables, criteria, consequent which are the variables that are affected or which are the result, because of the independent variable (Sugiyono, 2015: 39). The variable Y is caused by variable X, then the variable Y is called the dependent variable. Dependent variable in this research are Employee Engagement (Y).

c. Mediating or Intervening Variable

The intervening variable in this case Tuckman in Sugiyono (2015: 39) stated an intervening variable is that factor theoretically affect the observed phenomenon but cannot be seen, measure, or manipulate. Intervening variable in this study is Organizational Identification (OID) variable (Z).

2. Operational Definitions

According Sugiyono (2015: 31), the operational definition is a constricting indicator or properties to be studied so as to be a variable that can be measured. The operational definition describes the particular way used for cooking and the operation of the constants, making it possible for other researchers to replicate in the same way or develop better ways of measuring constants. This research is intended to explain the concept so that required variables that can support the concept and can limit a study. The operational definition in this research is as follows:

a. Interpersonal Leadership (X)

Leaders who have interpersonal leadership are leaders who caring about their followers demonstrated by transformational leaders and also

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demonstrate powerful relational behaviors when practicing informational and interpersonal justice. The indicators are:

1) Transformational leaders act as role models and display a charismatic personality that influences others to want to become more like the leader. There are more focused sub dimensions of transformational leadership such as (Rafferty and Griffin's, 2004):

   a) Vision, the expression of an idealized picture of the future based around organizational values.
   b) Inspirational Communication, he expression of positive and encouraging messages about the organization, and statements that build motivation and confidence.
   c) Intellectual Stimulation, enhancing employees' interest in, and awareness of problems, and increasing their ability to think about problems in new ways.
   d) Supportive Leadership, expressing concern for followers and taking account of their individual needs.
   e) Personal Recognition, the provision of rewards such as praise and acknowledgement of effort for achievement of specified goals.

2) Interpersonal fairness is an additional to strengthen the interpersonal leadership because the core is justice. Then, Hansen *et al.* (2013) put some additional indicators to make it more relevant:

   a) Informational Justice focuses on explanations provided to people that convey information about why procedures were used in a certain

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way or why outcomes were distributed in a certain fashion.

b) Interpersonal Justice reflects the degree to which people are treated with politeness, dignity, and respect by authorities and third parties involved in executing procedures or determining outcomes.

b. Employee Engagement (Y)

Employee Engagement is a condition consisting of the cognitive, emotional, and rigid components associated with the role of a leader. The indicator used in employee engagement variables is an indicator put forward by Schaufeli *et al.* (2002), namely:

1) Vigor is an aspect characterized by high levels of strength and mental resilience in work, the desire to earnestly work in the work, persistent in the face of adversity.
2) Dedication is a feeling that is full of meaning, inspiration, pride and challenging in the work.
3) Absorption is a condition characterized by a deep concentration and interest, drowning in the work, and individuals are difficult to get away from work so forget about something around.

c. Organizational Identification (Z)

Organizational identification is a situation in which the employee and the company share the same goals and values. In this lesson, we will discuss the importance of that aspect as it relates to the business environment. The indicators from Mael and Ashforth's (1992).

The indicators and items used are presented in the following table:

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Table 3.1 Concept, Variables, Indicators, and Items

Variable	Indicator	Item	Source
Interpersonal Leadership (X)	Transformational Leadership - Vision	1. Has a clear understanding of where are going 2. Has a clear sense of where he/she wants our unit to be in 5 years 3. Has no idea where the organization is going	*Rafferty and Griffin's (2004)*
	Transformational Leadership - Inspirational Communication	1. Says things that make employees proud to be a part of this organization 2. Says positive things about the work unit 3. Encourages people to see changing environments as situations full of opportunities	
	Transformational Leadership - Intellectual Stimulation	1. Challenges me to think about old problems in new ways 2. Has ideas that have forced me to rethink some things that I have never questioned before 3. Has challenged me to rethink some of my basic assumptions about my work	
	Transformational Leadership - Supportive Leadership	1. Considers my personal feelings before action 2. Behaves in a manner which is thoughtful of my personal needs 3. Sees that the interests of employees are given due consideration	
	Transformational Leadership - Personal Recognition	1. Commends me when I do a better than average job 2. Acknowledges improvement in my	

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Variable	Indicator	Item	Source
		quality of work 3.Personally compliments me when I do outstanding work	
	Interpersonal Justice	1.Treated me in a polite manner 2. Treated me with dignity 3. Treated me with respect 4. Refrained from improper remarks or comments	*Colquitt et al. (2014)*
	Informational Justice	1. He/she has been candid in his/her communications with me 2. Explained the procedures thoroughly 3. Explanations regarding the procedures reasonable 4. Communicated details in a timely manner 5. Seemed to tailor his/her communications to individuals' specific needs	
Organizational Identification (Z)	Organizational Identification	1. When someone criticizes other members of the organization, it feels like a personal insult 2. I am very interested in what others think about other members of the organization. 3. When I talk about the organization, I usually say "we" rather than "they". 4. The organization's successes are my successes. 5. When someone praises other members of the organization it feels	*Mael and Ashforth's (1992)*

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Variable	Indicator	Item	Source
		like a personal compliment. 6. If a story in the media criticized the school, I would feel embarrassed.	
Employee Engagement (Y)	Vigor	1. Have a passion when going to work 2. Feeling full of energy when working 3. Feeling persistent in working despite problems 4. Able to continue my work in a relatively long time 5. Have a mental toughness in work 6. Feeling serious in work	*Schaufeli et al. (2002)*
	Dedication	1. Feeling challenged with work 2. Feel inspired by his work 3. Feel enthusiastic about the job 4. Feel proud of what is done 5. Feel the job is meaningful and purposeful	
	Absorption	1. Forget everything around while working 2. I feel time flies by while working 3. I feel lost in work 4. Find it hard to get away from work 5. Have good concentration in work Feel happy when working hard	

Source: Secondary Data Processed, 2018.

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3. Measurement Scale

Sugiyono (2015: 93) states Likert Scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena, then the variable to be measured is translated into a variable indicator. Here is an example of the answers and scores given for each question item as shown in the following table:

Table 3.2 Determination of Respondents Answer Score

No.	Respondents Answer	Score
1	Strongly Agree	5
2	Agree	4
3	Neutral	3
4	Disagree	2
5	Strongly Disagree	1

Source: Sugiyono (2015: 94)

From Table scoring Likert Scale, can be determined class size (length of interval) with the following formula (Supranto, 2000: 64):

$$c = \frac{X_n - X_1}{K}$$

Description:

c = Estimated class size

K = Number of class

X_n = the largest observation

X_1 = the smallest observation

$$c = \frac{5-1}{5} = 0.8$$

Based on the calculation with the above formula, it can be obtained the value of class intervals on the Likert scale is as follows:

Table 3.3 Interval Likert Scale Class

No.	Notation	Score	Interval Grade
1.	Strongly Agree	5>	>4.2 - 5
2.	Agree	4>	>3.4 - 4.2
3.	Neutral	3>	>2.6 - 3.4
4.	Disagree	2>	>1.8 - 2.6
5.	Strongly Disagree	1	>1 - 1.8

Source: Supranto (2006: 64)

D. Population and Sample

1. Population

Population is a generalization region consisting of objects / subjects that have certain qualities and characteristics set by the researchers to be studied and then drawn conclusions (Sugiyono, 2015: 80). Based on this statement, the population in this study are employees who work at PT Bank Mandiri (Persero) Tbk, Uniland Plaza Jl. MT Haryono No. A-1 Medan. From the results of information obtained on the company, the existing population as many as 95 employees.

Table 3.4 Employee Database at PT Bank Mandiri (Persero) Tbk. Medan

No.	Work Unit	Amount
1	Regional Business Control	25
2	Micro Banking	2
3	Small Medium Enterprise	5
4	Transaction Banking Retail	5
5	Retail Funding	5
6	Credit Card	5
7	Consumer Loan	2
8	Wealth Business	5
9	Transaction Banking Wholesale	10
10	Human Capital	10

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No.	Work Unit	Amount
11	Legal	5
12	Regional Chief Financial	4
13	Service Quality Officer	4
14	Network Management & General Affair	4
15	Treasury	4
Total		**95**

Source: HC PT Bank Mandiri (Persero) Tbk. Medan, 2018

2. Sample

The sample is part of the number and characteristics possessed by that population. When the population is large, and researchers are unlikely to study everything in the population, for example because of the lack of funds, manpower, and time, the researcher can use samples taken from the population (Sugiyono, 2015: 80). Samples to be taken in this study used the formula proposed by Slovin as follows:

$$n = \frac{N}{1 + Ne^2}$$

Description:

n = number of sample

N = population size

e = error level (inaccuracy looseness due to sampling error that can be tolerated)

Note: the researcher can determine his own level of error. generally used Issac and Michael error level 1%= 0,01 or 5%= 0,05 or 10%= 0,1 (Martono, 2015: 271)

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This sampling formula, can be seen that with a population of 95 employees and a significance level of 0.05, it will obtain a number of samples:

$$\boldsymbol{n = \frac{N}{1 + Ne^2}}$$

$$\boldsymbol{n = \frac{95}{1 + 95(0,05)^2}}$$

$$\boldsymbol{n = \frac{95}{1 + Ne^2}}$$

$\boldsymbol{n = 76,76}$ rounded up to 77 people

Based on the calculation the number of samples of respondents from employees of PT Bank Mandiri (Persero) Tbk. Medan, sampling technique in this research using probability sampling technique with proportional sampling method for each division. The type which is sampling technique from member of population in every division in PT Bank Mandiri (Persero) Tbk. Medan. Fraction per cluster sampling method is used as follows:

$$\boxed{ni = \frac{Ni}{N}.n}$$

Description:

ni = The amount of members are included in the sub-samples

Ni = Number of people in the cluster

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N = Total number of population (95)

n = Total number of samples (77)

Table 3.5 Data of Cluster Sampling at PT Bank Mandiri (Persero) Tbk. Medan

No.	Work Unit	Formula	Total
1	Regional Business Control	25/95*77	20
2	Micro Banking	2/95*77	2
3	Small Medium Enterprise	5/95*77	4
4	Transaction Banking Retail	5/95*77	4
5	Retail Funding	5/95*77	4
6	Credit Card	5/95*77	4
7	Consumer Loan	2/95*77	1
8	Wealth Business	5/95*77	4
9	Transaction Banking Wholesale	10/95*77	9
10	Human Capital	10/95*77	9
11	Legal	5/95*77	4
12	Regional Chief Financial	4/95*77	3
13	Service Quality Officer	4/95*77	3
14	Network Management & General Affair	4/95*77	3
15	Treasury	4/95*77	3
Total			**77**

Source : Secondary Data Processed, 2018.

E. Data Sources

Data collection techniques is the most important step in the research, because the main purpose of the research is to get the data. Without knowing data collection techniques, so researchers will not get data that meets the established data standards.

The data source is the subject from which data is obtained. In this study, data obtained from two sources, namely:

a. Primary data

Primary data is data that directly derived from the source and processed jointly by the institution concerned to be utilized. Primary data in this study was

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obtained through online questionnaires given to employees of PT Bank Mandiri (Persero) Tbk Medan.

b. Secondary Data

Secondary data is research data obtained indirectly through intermediary media (generated by others) or used by other institutions that are not the processing, but can be utilized in a particular study. Secondary data is obtained or collected by people conducting existing research and resources. Secondary data is obtained from libraries or from previous research reports.

F. Validity and Reliability Test

1. Validation Test

The meaning of validity in content analysis is not the relationship between variables and theories, but rather this validity is between the classification of schemes or variables that come from an interpretation of the text or symbols that relate the contents to the cause. Valid means a specified instrument can be used to measure what should be measured (Sugiyono, 2015:121). Data processing in this research using software SPSS for windows. The measurement scale used in this study is Likert scale so the data are scaled intervals or ratios. To test the validity of research instruments used product moment correction technique (t arithmetic) are formulated as follows:

$$r_{xy} = \frac{\mathbf{n}\sum \mathbf{xy} - (\sum \mathbf{x})(\sum \mathbf{y})}{\sqrt{\{\mathbf{n}\sum \boldsymbol{x}^2 - (\sum \boldsymbol{x})^2\}\{\boldsymbol{n}\sum \boldsymbol{y}^2 - (\sum \boldsymbol{y})^2\}}}$$

Description:

r_{xy} = Coefficient of correlation

n = The amount of respondents (sample)
x = Scores of each respondent for each item of question or statement
y = Scores of each respondent for each item of question or statement

The validity of an instrument can be determined by comparing the Pearson's moment product correlation index with a significance level of 5%. If the probability of a correlation result is less than 0.05 (5%) then the instrument is valid and if the probability of the correction result is greater than 0.05 (5%) then the instrument is declared invalid.

b. Reliability Test

According to Arikunto (2006: 142) reliability is a fairly reliable instrument to be used as a data gathering tool because the instrument is already good. Realiability test is intended to determine the consistency of measuring instruments in the use of tau in other words the measuring tool has consistent results when used many times at different times. According to Arikunto (2006: 171) for the test reliability used Alpha croncbach technique because that instrument; used has a range of values. The formula used is as follows:

$$r = \left[\frac{k}{k-1}\right]\left[1 - \frac{\sum \sigma b^2}{\sigma t^2}\right]$$

Description:
r = Reliability Instrument
k = Number of Question
σb^2 = Number of Variant
σt^2 = Total Variants

The basis of the decision whether an item or variable is reliable or not is the value of alpha croncbach. If the value of alpha croncbach is greater

than 0.6 then the question item is said to be reliable and vice versa if the value of alpha croncbach is less than 0.6 then the question item is said to be unreliable.

G. Data Analysis

Data analysis is grouping data based on variable and respondent type, tabulating data based on variable from all respondent, presenting data of each variable studied, doing calculation to answer problem formulation, and doing calculation to test hypothesis which have been proposed (Sugiyono, 2015: 147). This study uses SPSS 24 for Windows to facilitate the calculation. Methods of data analysis used this research are:

1. Descriptive Statistics Analysis

This analysis is used to analyze data by way of describing or describing the data that has been collected as it is without intending to make conclusions that apply to the public and generalization. Descriptive statistics are statistics used to analyze data by way of describing or describing data that has been accumulated as is without intending to make conclusions that apply to the public and generalization (Sugiyono, 2015: 147).

2. Path Analysis

Path analysis is the path analysis used when theoretically we believe in dealing with the problem of causality. The goal is to explain the direct and indirect consequences of a set of variables, as causal variables, to other variables that are the result variables. The hypothesis test in this research is proved by using path analysis. Path analysis is a statistical analysis technique used to analyze the causal

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relationships that occur in multiple regression This relationship is analyzed if the independent variables affect the dependent variable not only directly but also indirectly. This technique is developed from multiple linear regression. Some important assumptions of using path analysis are as follows (Supranto, 2012: 101-102):

a. The path analysis model assumes that the relationship between the variable is linear.
b. All errors (residual variables) are assumed to be uncorrelated between each other.
c. Only recursive models which considered, one-way relationships within a system; in this case the reciprocal relationship between variables is ignored.
d. The path analysis model assumes that the endogenous variable has at least a level of interval measurement.
e. The observed variables were measured using a gauge that had no error (valid and reliable).
f. The relationship model developed by the researcher is a model that is theoretically assumed to be true, meaning that all variables are considered to have an influence on endogenous variables

In path analysis the things are to do as a follows:

a. Standardize research data from each variable in research. As follows: Variable X and Z as exogenous variables with Y_1 and Y_2 as endogenous variables.

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b. Model path analysis:

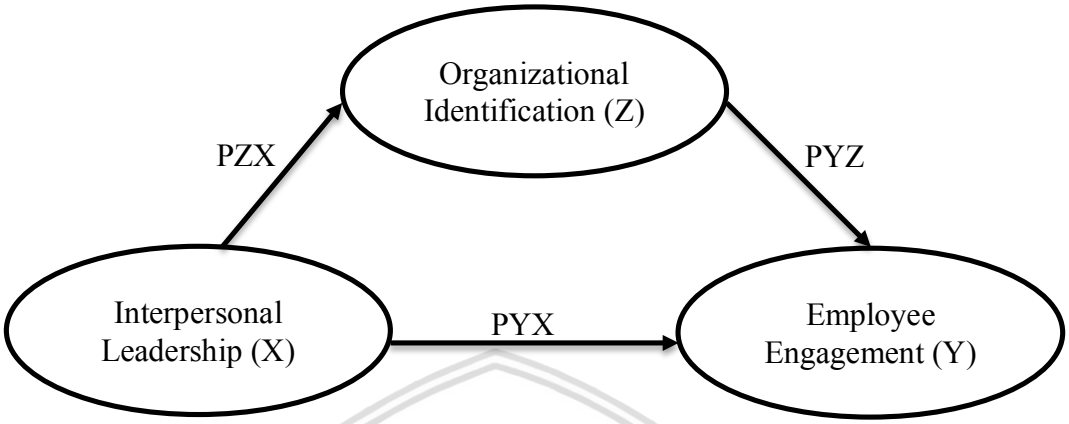

Figure 3.1 Path Analysis Model

c. Finding influence directly and indirectly. Seeking direct influence between exogenous and endogenous variable, so must be made equation of structure advance in accordance with plot in path diagram.

$$Z_{\text{Organizational Identification}} = \rho_{Zx} Z_{\text{Interpersonal Leadership}} + \varepsilon_{\text{Organizational Identification}}$$

$$Z_{\text{Employee Engagement}} = \rho_{YZ} Z_{\text{Organizational Identification}} + \rho_{Yx} Z_{\text{Interpersonal Leadership}} + \varepsilon_{\text{Employee Engagement}}$$

Description:

X = Interpersonal Leadership

Z = Organizational Identification

Y = Employee Engagement

$\varepsilon 1$ = variable residues or variables that affect Z but not discussed in this research

3. Hypothesis Test (T Test)

Hypothesis test aims to test whether the hypothesis that has been done on the research accepted or not supported. The research hypothesis to be tested

is formulated to be the following statistical hypothesis:

$H_a : \beta Y1X1 > o$

$H_0 : \beta Y1X1 < o$

T test formula calculated by the formula (Ferdinand, 2006: 304):

$$t - test = \frac{bk}{Sbk}$$

Description:

t = measure of significance of individual regression coefficients
b_k = regression coefficient
Sb_k = default error of each parameter

Furthermore, to know the significance of the analysis compare between probability value 0,05 with Sig probability value with decision base as follows:

1. If the probability value is 0.05 ≤ Sig, then hypothesis is not supported.

2. If the probability value is 0.05 ≥ Sig, then hypothesis is supported.

This means that the independent variable has a significant influence on the dependent variable. The hypothesis in this study is influenced by the value of the significance of the corresponding variable coefficients after testing.

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CHAPTER IV

RESULT AND DISCUSSION

A. Overview of Research Location

1. History of PT Bank Mandiri (Persero) Tbk Establishment

PT Bank Mandiri (Persero) Tbk was established on October 2nd 1998, as part of the bank restructuring program implemented by the Indonesian government. In July 1999, four state banks - *Bank Bumi Daya*, *Bank Dagang Negara*, Indonesian Export-Import Bank and Indonesian Development Bank were merged into Bank Mandiri, each of which has an integral role in Indonesia's economic development. As of today, Bank Mandiri continues its tradition for more than 140 years of contributing to the world of banking and the Indonesian economy.

a. Consolidation and integration

After extensive consolidation and integration processes in all areas, Mandiri Bank has succeeded in establishing a solid bank organization and implementing a new integrated core banking system that replaces the core banking system of the four previously separated legacy banks. Since its establishment, Mandiri Bank's performance has always improved visible from an ever-increasing profit of Rp1,18 trillion in 2000 to Rp5.3 trillion in 2004. Mandiri Bank conducted its initial public offering on July 14, 2003 at 20% or equivalent to 4 billion shares.

b. Transformation Program Phase I (2005 - 2009)

In 2005 became a turning point for Mandiri Bank, which Mandiri

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Bank decided to become a regional champion bank.

c. Advanced Transformation Program (2010 - 2014)

In order to maintain and continue to improve its performance, Mandiri Bank undertakes a further transformation in 2010-2014, by revitalizing its vision to "Become Indonesia's most admired and ever progressive Financial Institution". With that vision, Mandiri Bank is aiming to achieve financial milestone in 2014, which is market capitalization value above Rp225 trillion with market share of income approaching 16%, ROA reaching 2.5% and ROE close to 25%, while maintaining asset quality which is reflected from the gross NPL ratio below 4%.

In 2014, Mandiri Bank is targeted to achieve the largest market capitalization value in Indonesia as well as entering the Top 5 Bank in ASEAN. Furthermore, by 2020, Mandiri Bank targets to enter the Top 3 in ASEAN in terms of market capitalization and become a major player in the region.

To achieve this vision, Mandiri Bank's future growth strategy will focus on 3 (three) main areas as follows:

1. Strengthening leadership in the wholesale segment by deepening relationship with customers. This strategy aims to enable Mandiri Bank to increase its share of wallet and crossover revenue ratio from Mandiri's wholesale customers through the provision of integrated wholesale product solutions, expert-based solutions in the customer's business sector, and actively support Mandiri's business activities that expand

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business to the country with the provision of solutions that are cross border.

2. Become the preferred bank of customers in the retail segment, with business acceleration in key segments that are the main drivers of Bank Mandarin's business growth: (a) In the micro segment, Mandiri Bank wants to be the strongest challenger in the market, through ease of access of micro Mandiri Bank distribution network. (-) In the Small Medium Enterprise (SME) segment, Mandiri Bank wants to become the preferred Primary Bank of SME customers, through penetration and customer acquisition focused on potential sectors, to meet all the needs of SME customers. (-) In the Individual segment, Mandiri Bank focuses on building leadership through a comprehensive and competitive consumer product offering, innovating to strengthen dominance in retail payment.
3. Integrating business in all segments in Mandiri Bank, including with Subsidiaries. Through this strategy, Mandiri Bank wants to encourage cross-sell culture, both among the work units that handle the wholesale and retail segments, including with subsidiaries, and encourage the regionalization of business and optimize the distribution network in the region.

The three focus areas will also be supported by strengthening the organization to provide integrated service solutions, infrastructure improvements (branch offices, IT, operations, risk management) and strengthening of human resources.

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2. Company's Location

The location of PT Bank Mandiri (Persero) Tbk. Medan City is located at Uniland Plaza East Tower Jalan MT Harryono No. A-1, District Helvetia, Medan City. Currently PT Bank Mandiri (Persero) Tbk has a total employee of 95 permanent employees. PT Bank Mandiri (Persero) Tbk. Medan City has provided 18 branches which are Putri Hijau, Balaikota, Perintis Kemerdekaan, Imam Bonjol, Iskandar Muda, S. Parman, Gatot Subroto, Marelan, Sukaramai, Medan Kirana, Jalan Cirebon, Pulo Brayan, Gunung Krakatau, JW Marriot, Medan Asia, Universitas Sumatera Utara, Zainul Arifin, and Wilayah II.

3. Vision and Mission

Vision is a state that will be realized and has never experienced before the organization, this is also a challenge containing the ideals and images that want to be realized by a mission. Mission is a broad and durable general formula. Mission is a statement about things to do in order to realize the vision. The vision and mission of PT Bank Mandiri (Persero) Tbk. are as follows:

a. Vision

Become Indonesia's most admired and always progressive Financial Institution.

b. Mission

1) Oriented to the fulfillment of market needs
2) Developing professional human resources
3) Providing maximum benefits to stakeholders
4) Implement open management

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5) Caring for the benefit of society and the environment

4. Organizational Structure

The organizational structure is the formal organizational framework. The existence of the framework, tasks, responsibilities distributed and coordinated to employees so that the activities of the company can be done effectively, efficiently and realized a good cooperation. The organizational structure of PT Bank Mandiri (Persero) Tbk. Medan City uses line or straight line method, each subordinate is responsible to his supervisor directly. To clarify the description, the organizational structure of PT Bank Mandiri (Persero) Tbk. Medan city can be seen in Appendix 2.

5. Division of Tasks

a. Head Office

Lead the entire board or executive committee

- Offer vision and imagination at the highest level (usually in collaboration with MD or CEO)
- Lead a general meeting, in the case of: to ensure the implementation of the order; justice and opportunity for all to contribute appropriately; adjust time allocation per item of issue; determine the order of the agenda; directing the discussion toward consensus; explain and conclude actions and policies
- Act as a representative of the organization in relation to the outside world
- Play a prominent part in determining the composition of the board and subcommittee, so as to achieve harmony and effectiveness.

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- Make decisions as delegated by BOD or to certain situations deemed necessary, decided upon, at BOD meetings.
- Carry out the responsibilities of the company directors in accordance with ethical and legal standards, as a reference in the director's policy document standards.

b. Deputy President Directors

- Arrange the appointment system of Members of the Board of Directors and Commissioners.
- Establish performance appraisal system for Board of Directors and Commissioners.
- Prepare and provide recommendations on the establishment of a payroll system and allowances for members of the Board of Directors and Commissioners.

c. Independence of the Board of Commissioners

Members of the Board of Commissioners have fulfilled the number, composition, criteria and independence in accordance with Bank Indonesia Regulation No.11 / 33 / PBI / 2009 concerning Implementation of GCG for Commercial Banks and Business Units. Bank is required has an independent Commissioner which is a member of the Board of Commissioners who does not has financial, management, share ownership and / or relationship familial relationship with the controlling shareholder, Board member Board of Commissioners and / or members of the Board of Directors or financial and / or relationship relationships share ownership

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with the Bank. In addition the PBI also regulates that at least 50% (fifty percent) of the total members of the Board of Commissioners is an Independent Commissioner

d. Internal Audit

Evaluate the conformity of risk management policies with their implementation and to supervise and evaluate the execution of the duties of the Risk Management Committee and Risk Management Work Unit.

B. Validity and Reliability Test Result

After digging the research data, the data is processed and used as the basis of research instruments that have been in the category of valid, reliable, or normal. Result of validity test from this research can be seen in Table 4.1. The result of validity test for each variable item in this research is shown in Table 4.1 as follows:

Table 4.1 Validity Test Result

Variable	Item	Pearson Correlation	R Table	Note
Interpersonal Leadership (X)	X.1	0,794	0,361	Valid
	X.2	0,804	0,361	Valid
	X.3	0,753	0,361	Valid
	X.4	0,928	0,361	Valid
	X.5	0,938	0,361	Valid
	X.6	0,912	0,361	Valid
	X.7	0,895	0,361	Valid
	X.8	0,919	0,361	Valid
	X.9	0,933	0,361	Valid
	X.10	0,909	0,361	Valid
	X.11	0,911	0,361	Valid
	X.12	0,896	0,361	Valid
	X.13	0,942	0,361	Valid
	X.14	0,930	0,361	Valid

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Variable	Item	Pearson Correlation	R Table	Note
	X.15	0,926	0,361	Valid
	X.16	0,896	0,361	Valid
	X.17	0,919	0,361	Valid
	X.18	0,930	0,361	Valid
	X.19	0,859	0,361	Valid
	X.20	0,913	0,361	Valid
	X.21	0,920	0,361	Valid
	X.22	0,932	0,361	Valid
	X.23	0,919	0,361	Valid
	X.24	0,909	0,361	Valid
Organizational Identification (Z)	Z.1	0,924	0,361	Valid
	Z.2	0,916	0,361	Valid
	Z.3	0,922	0,361	Valid
	Z.4	0,720	0,361	Valid
	Z.5	0,888	0,361	Valid
	Z.6	0,928	0,361	Valid
Employee Engagement (Y)	Y.1	0,878	0,361	Valid
	Y.2	0,928	0,361	Valid
	Y.3	0,954	0,361	Valid
	Y.4	0,927	0,361	Valid
	Y.5	0,924	0,361	Valid
	Y.6	0,735	0,361	Valid
	Y.7	0,833	0,361	Valid
	Y.8	0,877	0,361	Valid
	Y.9	0,789	0,361	Valid
	Y.10	0,811	0,361	Valid
	Y.11	0,816	0,361	Valid
	Y.12	0,681	0,361	Valid
	Y.13	0,736	0,361	Valid
	Y.14	0,710	0,361	Valid
	Y.15	0,794	0,361	Valid
	Y.16	0,759	0,361	Valid
	Y.17	0,691	0,361	Valid

Source: Primary Data Processed, 2018. (Appendix 5)

Based on Table 4.1 it can be seen that all the research instrument of the three variables used in this study has the value of r count> r table (0.361) from

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the calculation DF = n-2 with alpha value 0.05, meaning that the research instrument has been valid so it can be used for do further research. The reliability test results for each variable item in this study are shown in Table 4.2 as follows:

Table 4.2 Reliability Test Result

Variabel	*Cronbach's Alpha*	Note
Interpersonal Leadership (X)	0.969	Reliable
Organizational Identification (Z)	0.812	Reliable
Employee Engagement (Y)	0.963	Reliable

Source: Primary Data Processed, 2018. (Appendix 6)

Based on Table 4.2 can be seen that all the variables which are interpersonal leadership (X), organizational identification (Z), and employee engagement (Y) have reliability Cronbach's Alpha ≥ 0.600 then the research instrument which is used is reliable so it can be used for further research.

C. The Overview of The Respondents

Description of respondents is very important to know the characteristics of respondents. Respondents in this research are employees of PT Bank Mandiri (Persero) Tbk. Medan City as many as 77 employees. Description of the respondents is divided into six kinds including age, gender, last education level, length of work, current work unit, and current position. Analysis of respondent description is done to give description about respondent identity. The data was collected by distributing questionnaires to employees of PT Bank Mandiri (Persero) Tbk. online through google form.

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1. **Description of Respondents Based on Gender**

Description of respondents based on gender is included to find out the average of the respondent's gender who became the sample of the study. Gender frequency distribution of respondents can be seen in table 4.1.

Table 4.3 Data of Respondent According to Gender

Gender	Number of Respondents	Percentage (%)
Male	47	61%
Female	30	39%
Total	**77**	**100%**

Source: Primary Data Processed, 2018. (Appendix 7)

Based on table 4.3 respondents who have male gender is 47 people (61%). Meanwhile, respondents whom are women there are 30 people (39%). So, the majority of respondents are employees of male gender as many as 47 people (61%).

2. **Description of Respondents Based on Age**

Description of respondents based on age is included to know the average age of respondents who become the sample research. The choices for age is made open for make easier to answer. Therefore, for the classification of age respondents are calculated using the formula Sturges (Supranto, 2000:61) are as follows:

$$K = 1+3.3\log_n$$

Description:
K = Total of interval classes
N = Total of sample
Log = Logarithm

Calculation:

K = 1 + 3,3log$_{77}$
K = 7,3 rounded up to 7

Calculation of class size (length of interval) used (Supranto, 2000:61) as follows:

$$c = \frac{X_n - X_1}{K}$$

Description:
c = Estimated class size
K = Number of class
X_n = the largest observation
X_1 = the smallest observation

$$c = \frac{55 - 24}{7} = 4{,}4 \; rounded \; down \; to \; 4$$

Description of respondent based on age is listed to find out the average of respondent age who become the sample research. The frequency distribution of respondents by age can be seen in Table 4.2.

Table 4.4 Data of Respondent Based on Age

Age	Number of Respondents	Precentage (%)
≥ 21 – ≤ 24 years old	3	3,9%
≥ 25 – ≤ 28 years old	22	28,6%
≥ 29 – ≤ 32 years old	16	20,8%
≥ 33 – ≤ 36 years old	10	12,9%
≥ 37 – ≤ 40 years old	6	7,8%
≥ 41 – ≤ 44 years old	2	2,6%
≥ 45 - ≤ 48 years old	9	11,7%
≥ 49 - ≤ 53 years old	4	5,2%
≥ 54 years old	5	6,5%

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Age	Number of Respondents	Precentage (%)
Total	**77**	**100%**

Source: Primary Data Processed, 2018. (Appendix 7)

Based on Table 4.4 it is known that in PT Bank Mandiri (Persero) Tbk. Medan city that respondents aged more than or equal to 21 to less than or equal to 30 years as many as 3 respondents (3.9%), age classification more than or equal to 25 to less than or equal to 28 years as many as 22 respondents (28.6%), age classification more than or equal to 29 to less than or equal to 32 years as many as 16 respondents (20.8%), age classification more than or equal to 33 to less than or equal to 36 years as many as 10 respondents (12.9%), age classification more than or equal to 37 to less than or equal to 40 years as many as 6 respondents (7.8%), age classification more than or equal to 41 to less than or equal to 44 years as many as 2 respondents (2.6%), age classification more than or equal to 45 to less than or equal to 48 years as many as 9 respondents (11.7%), age classification more than or equal to 49 to less than or equal to 53 years as many as 4 respondents (5.2%), and age classification more than or equal to 54 years as many as 5 respondents (6.5%). It shows employees who are still classified as productive age. Employees of productive age can work optimally so that optimal performance can be achieved by employees.

3. **Description of Respondents Based on Last Education Level**

Description of respondents based on the last level of education included to know the average level of education respondents who became the sample

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research. The frequency distribution of last education level of respondent can be seen in table 4.5.

Table 4.5 Data of Respondent Based on Last Education Level

Last Education Level	Number of Respondents	Percentage (%)
Diploma	5	6,5%
Bachelor	59	76,6%
Master	13	16,9%
Total	**77**	**100%**

Source: Primary Data Processed, 2018. (Appendix 7)

Based on table 4.5, it was found that the respondents had Bachelor education as many as 59 people (76.6%), Master 13 people (16.9%), and Diploma as many as 5 people (6.5%). Thus, the majority of respondents are Bachelor's last educated employee as many as 59 people (76.6%). Most of the employees on duty who need a smart Microsoft skills and also need a strategic mindset in order to advance PT Bank Mandiri (Persero) Tbk, therefore require high-educated employees so that at least have a Diploma degree.

4. Description of Respondents Based on Duration of Work

Description of respondents based on duration of work is included to know the average working period of respondents during working in PT Bank Mandiri (Persero) Tbk. Medan city. The division of total can be determined with the following formula (Supranto, 2000:61):

$$K = 1 + 3{,}3\log_n$$

Description:
K = Totalof interval classes
N = Total of sample
Log = Logarithm

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Calculation:
K = 1 + 3,3log$_{77}$
K = 7,3 rounded up to 7

Calculation of class size (length of interval) using (Supranto, 2000: 61) as follows :

$$c = \frac{X_n - X_1}{K}$$

Description:
c = Estimated class size
K = Number of class
X_n = the largest observation
X_1 = the smallest observation

$$c = \frac{34 - 1}{7} = 4{,}7 \; rounded \; up \; 5$$

Distribution of respondent frequency based on duration of work can be seen in table 4.6.

Table 4.6 Data of Respondent Based on Duration of Work

Duration of Work	Number of Respondents	Percentage (%)
≥ 1 - ≤ 5 years	29	37,7%
≥ 6 – ≤ 10 years	20	25,9%
≥ 11 – ≤ 15 years	8	10,4%
≥ 16 – ≤ 20 years	9	11,7%
≥ 21 – ≤ 25 years	5	6,5%
≥ 26 – ≤ 30 years	2	2,6%
≥ 31 years	4	5,2%
Total	**77**	**100,0**

Source: Primary Data Processed, 2018. (Appendix 7)

Based on these data it can be seen that the respondent's working life is more than or equal to 1 to less than or equal to 5 years as many as 29 respondents

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(37.7%), more than or equal to 6 to less than or equal to 10 years as many as 20 respondents (25.9%), more than or equal to 11 to less than or equal to 15 years of 8 respondents (10.4%), more than or equal to 16 to less than or equal to 20 years of 9 persons (11.7%), more than or equal to 21 to less than or equal to 25 years as many as 5 people (6.5%), more than or equal to 26 to less than or equal to 30 years as many as 2 respondents (2.6%), and more than or equal to 31 years as many as 4 respondents (5.2%). Thus, the majority of respondents are employees who have a working period of more than or equal to 1 year to less than or equal to 5 years as many as 29 people (37.7%).

5. Description of Respondents Based on Current Unit

Description of the respondent based on current unit is used to know the respondent's current work unit. The current frequency distribution of work units can be seen in table 4.7.

Table 4.7 Data of Respondent Based on Current Unit

Current Unit	Number of Respondents	Percentage (%)
Regional Business Control	20	25,9%
Micro Banking	2	2,6%
Small Medium Enterprise	4	5,2%
Transaction Banking Retail	4	5,2%
Retail Funding	4	5,2%
Credit Card	4	5,2%
Consumer Loan	1	1,3%
Wealth Business	4	5,2%
Transaction Banking Wholesale	9	11,7%

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Current Unit	Number of Respondents	Percentage (%)
Human Capital	9	11,7%
Legal	4	5,2%
Regional Chief Financial	3	3,9%
Service Quality Officer	3	3,9%
Network Management and General Affair	3	3,9%
Treasury	3	3,9%
Total	**77**	**100%**

Source: Primary Data Processed, 2018. (Appendix 7)

Based on table 4.7 employees in the regional business control unit as many as 20 respondents (25.9%), micro banking units as many as 2 respondents (2.6%), small medium enterprise unit as many as 4 respondents (5.2%), transaction banking retail unit there are 4 respondents (5.2%), retail funding unit there are 4 respondents (5.2%), credit card unit there are 4 respondnets (5.2%), consumer loan unit as many as 1 respondent (1.3%), wealth business unit as many as 4 respondents (5.2%), transactions banking wholesale unit there are 9 respondents (11.7%), human capital unit there are 9 respondents (11.7%), legal unit there are 4 respondents (5.2%), regional chief financial unit as many as 3 respondents (3.9%), service quality officer unit there are 3 respondents (3.9%), network management and general affairs unit there are 3 respondents (3 , 9%), and treasury unit there are 3 respondents (3.9%). So, the majority of respondents are employees of business control unit as many as 20 respondents (25.9%).

D. The Results of Descriptive Analysis Variable

This analysis is conducted to obtain descriptive description of the research

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variables used. Descriptive analysis is used to determine the description of data characteristics, composing and presenting research data in the form of frequency distribution table obtained from the spread of questionnaires. Based on the results of the questionnaires that have been answered by the respondents, can know the percentage of the distribution for each item of research of variable interpersonal leadership (X), organizational identification (Z), and employee engagement (Y).

1. **Frequency Distribution of Interpersonal Leadership Variable (X)**

Interpersonal leadership variable (X) study was measured through 24 items of questions according to Rafferty and Griffin's (2004). The result of distribution of interpersonal leadership variable of this research can be seen in table 4.8.

Table 4.8 Variable Frequency Distribution Interpersonal Leadership (X)

Item	5		4		3		2		1		Total		Mean
	f	%	f	%	f	%	f	%	f	%	Total	%	
X.1	44	57.1	25	32.5	5	6.5	2	2.6	1	1.3	77	100	4.42
X.2	37	48.1	33	42.9	5	6.5	1	1.3	1	1.3	77	100	4.35
X.3	7	9.1	6	7.8	5	6.5	15	1.,5	44	57.1	77	100	4.08
X.4	25	32.5	39	50.6	9	11.7	3	3.9	1	1.3	77	100	4.09
X.5	32	41.6	33	42.9	7	9.1	3	3.9	2	2.6	77	100	4.17
X.6	22	28.6	39	50.6	14	18.2	1	1.3	1	1.3	77	100	4.04
X.7	26	33.8	36	46.8	12	15.6	2	2.6	1	1.3	77	100	4.09
X.8	29	37.7	35	45.5	10	12.9	2	2.6	1	1.3	77	100	4.16
X.9	27	35.1	34	44.2	12	15.6	3	3.9	1	1.3	77	100	4.08
X.10	11	14.3	31	40.3	22	28.6	5	6.5	8	10.4	77	100	3.43

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Item	5		4		3		2		1		Total		Mean
	f	%	f	%	f	%	f	%	f	%	Total	%	
X.11	7	9.1	35	45.5	22	28.6	8	10.4	5	6.5	77	100	3.40
X.12	15	19.5	38	49.4	17	22.1	5	6.5	2	2.6	77	100	3.77
X.13	25	32.5	29	37.7	17	22.1	5	6.5	1	1.3	77	100	3.94
X.14	28	36.4	34	44.2	12	15.6	1	1.3	2	2.6	77	100	4.10
X.15	24	31.2	32	41.6	14	18.2	6	7.8	1	1.3	77	100	3.94
X.16	35	45.5	35	45.5	3	3.9	2	2.6	2	2.6	77	100	4.29
X.17	31	40.3	33	42.9	8	10.4	3	3.9	2	2.6	77	100	4.14
X.18	28	36.4	38	49.4	7	9.1	4	5.2	0	0.0	77	100	4.17
X.19	25	32.5	37	48.1	7	9.1	4	5.2	4	5.2	77	100	3.97
X.20	26	33.8	36	46.8	11	14.3	2	2.6	2	2.6	77	100	4.06
X.21	26	33.8	39	50.6	9	11.7	1	1.3	2	2.6	77	100	4.12
X.22	25	32.5	39	50.6	9	11.7	3	3.9	1	1.3	77	100	4.09
X.23	29	37.7	34	44.2	8	10.4	5	6.5	1	1.3	77	100	4.10
X.24	25	32.5	35	45.5	12	15.6	3	3.9	2	2.6	77	100	4.01
Grand Mean													**4.04**

Source: Primary Data Processed, 2018. (Appendix 8)

Explanation:
5 (SA) = Strongly Agree
4 (A) = Agree
3 (N) = Neutral
2 (D) = Disagree
1 (SD) = Strongly Disagree

For reverse scoring (R) on item $X_{.1.3}$ then do reversal of score with provision that is: strongly disagree = 5, disagree = 4, neutral = 3, agree = 2, strongly agree = 1.

Based on table 4.8 it can be seen that the 1st item (X.1) is my leader has a

clear understanding of where are going, it is obtained that from the total of respondents are 77 respondents there are 44 respondents or 57,1 percent who stated strongly agree, 25 respondents or 32,5 percent who agreed, 5 respondents or 6,5 percent who declared neutral, 2 respondents or 2,6 percent who declared disagree, and 1 respondent or 1,3 percent stated strongly disagree. The mean score for the item is 4,42 which mean the result is included in the very well category. Based on these results it could be concluded that most of employees feel strongly agree that their leaders know the direction of the company.

The 2nd item (X.2) is that my leader has a clear sense of where he/she wants our unit to be in 5 years, it is obtained that from the total of respondents that is 77 respondents there are 37 respondents or 48,1 percent who stated strongly agree, 33 respondents or 42,9 percent who stated agreed, 5 respondents or 6,5 percent who declared neutral, 1 respondents or 1,3 percent who both disagreed and stated strongly disagree. The mean score for the item is 4,35 which mean the result is included in the very well category. Based on these results it could be concluded most of employees believe that their leaders has a clear sense of where he/she wants our unit to be in 5 years.

The 3rd item (X.3) is that my leader has no idea where the organization is going (R), it is found that from the total of respondents that is 77 respondents there are 44 respondents or 57,1 percent who stated strongly disagree, 15 respondents or 19,5 percent disagreed, 5 respondents or 6,5 percent who declared neutral, 6 respondents or 7,8 percent who declared agree, and 7 respondent or 9,1 percent who stated strongly agree. The mean score for the

item is as big as 4,08 which mean the result is included in the very well category, because the 3rd item (X.3) is a reverse scoring item, then the majority of respondents tend to strongly disagree to a statement "my leader has no idea where the organization is going", the conclusion is their leader has idea where the organization is going.

The 4th item (X.4) is my leader says things that make employees proud to be a part of this organization, it was found that from the total number of respondents as many as 77 respondents there are 25 respondents or 32,5 percent who stated strongly agree, 39 respondents or 50,6 percent agreed, 9 respondents or 11,7 percent stated neutral, 3 respondents or 3,9 percent stated disagreed, and 1 respondents or 1,3 percent stated strongly disagree. The mean score for the item is 4,09 which mean the result is included in the very well category. Based on these result it could be concluded their leaders say things that make employees proud to be a part of this organization.

The 5th item (X.5) that my leader says positive things about the work unit, obtained that from the total of respondents are 77 respondents there are 32 respondents or 41,6 percent who stated strongly agree, 33 respondents or 42,9 percent who agreed, 7 respondents or 9,1 percent who stated neutral, 3 respondents or 3,9 percent who declared not agree, and 2 respondent or 2,6 percent who stated strongly disagree. The mean score for the item is 4,17 which mean the result is included in the very well category. Based on these result it could be concluded their leaders say positive things about the work unit.

The 6th item (X.6) is that my leader encourages people to see changing

environments as situations full of opportunities, it is found that from the total number of respondents that is 77 respondents there are 22 respondents or 28,6 percent who stated strongly agree, 39 respondents or 50,6 percent stated agreed, 14 respondents or 18,2 percent who declared neutral, 1 respondents or 1,3 percent who disagreed, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for the item is 4,04 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders tend to encourage employees to see changing environments as situations full of opportunities.

The 7th item (X.7) is that my leader challenges me to think about old problems in new ways, it is obtained that from the total of respondents that is 77 respondents there are 26 respondents or 33,8 percent who stated strongly agree, 36 respondents or 46,8 percent who agreed, 12 respondents or 15,6 percent who stated neutral, 2 respondent or 2,6 percent who disagreed, and 1 respondents or 1.3 percent who stated strongly disagree. The mean score for the item is 4,09 which mean the result is included in the very well category. Based on these result it could be concluded that their leaders challenges the employees to think about old problems in new ways.

The 8th item (X.8) that my leader has ideas that have forced me to rethink some things that I have never questioned before, it is found that from the total of respondents that is 77 respondents there are 29 respondents or 37,7 percent who stated strongly agree, 35 respondents or 45,5 percent who agreed, 10 respondents or 12,9 percent who stated neutral, 2 respondents or 2,6 percent

who disagreed, and 1 respondents or 1,3 percent who stated strongly disagree. The mean score for the item is 4,16 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders have ideas to force the employees to rethink some things that have never questioned before.

The 9th item (X.9) that my leader has challenged me to rethink some of my basic assumptions about my work, obtained that from the total of respondents that is 77 respondents there are 27 respondents or 35,1 percent who stated strongly agree, 34 respondents or 44,2 percent who agreed, 12 respondents or 15,6 percent who declared neutral, 3 respondents or 3,9 percent who disagree, and who states strongly disagree there are 1 respondents or 1,3 percent. The mean score for the item is 4,08 which mean the result is included in the very well category. Based on these result it could be concluded that their leaders have challenged the employees to rethink some of the basic assumptions about work.

The 10th item (X.10) that my leader considers my personal feelings before action, obtained that from the total number of respondents that is 77 respondents there are 11 respondents or 14,3 percent who stated strongly agree, 31 respondents or 40,3 percent who agreed, 22 respondents or 28,6 percent who declared neutral, 5 respondents or 6,5 percent who declared disagree, and 8 respondents or 10,4 percent who stated strongly disagree. The mean score for the item is 3,43 which mean the result is included in the good category. Based on these result it could be concluded the employees tend to agree which their leaders consider about the personal feelings of employees before action.

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The 11th item (X.11) is that my leader behaves in a manner which is thoughtful of my personal needs, it is found that from the total of respondents that is 77 respondents there are 7 respondents or 9,1 percent who stated strongly agree, 35 respondents or 45,5 percent agreed, 22 respondents or 28,6 percent who declared neutral, 8 respondents or 10,4 percent who declared disagree, and 5 respondents or 6,5 percent who stated strongly disagree. The mean score for the item is 3,40 which mean the result is included in the very well category. Based on these result it could be concluded their leaders behave in a manner which is thoughtful of the personal needs of employees.

The 12th item (X.12) that my leader sees that the interests of employees are given due consideration, obtained that from the total of all respondents as many as 77 respondents there are 15 respondents or 19,5 percent who stated strongly agree, 38 respondents or 49,4 percent who stated agreed, 17 respondents or 22,1 who declared neutral, 5 respondents or 6,5 percent who disagreed, and 2 respondents or 2,6 percent who stated strongly disagree. The mean score for the item is 3,77 which mean the result is included in the very well category. Based on these result it could be concluded which their leader see that the interests of employees are given due consideration.

The 13th item (X.13) is that my leader commends me when I do a better than average job, it is obtained that from the number of 77 respondents there are 25 respondents or 32,5 percent who stated strongly agree, 29 respondents or 37,7 percent who agreed, 17 respondents or 22,1 percent who declared neutral, 5 respondents or 6,5 percent who said not agree, and 1 respondent or 1,3 percent

who stated strongly disagree. The mean score for the item is as big as 3.94 which mean the result is included in the very well category. Based on these result it could be concluded if their leaders commend the employees when they do better than average job.

The 14th item (X.14) is that my leader acknowledges improvement in my quality of work, it is obtained that from the number of respondents that is 77 respondents there are 28 respondents or 36,4 percent who stated strongly agree, 34 respondents or 44,2 percent who agreed, 12 respondents or 15,6 percent who declared neutral, 1 respondents or 1,3 percent who declared disagree, and 2 respondent or 2,6 percent who stated strongly disagree. The mean score for the item is 4,10 which mean the result is included in the very well category. Based on these result it could be concluded if their leaders acknowledge improvements in the work quality of employees.

The 15th item (X.15) is that my leader personally compliments me when I do outstanding work, it is obtained that from the total of respondents that is 77 respondents there are 24 respondents or 31,2 percent who stated strongly agree, 32 respondents or 41,6 percent agreed, 14 respondents or 18,2 percent who declared neutral, 6 respondents or 7,8 percent who disagree, and 1 respondents or 1,3 percent who stated strongly disagree. The mean score for the item is 3,94 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders personally compliment their employees when they do outstanding work.

The 16th item (X.16) that my leader treated me in a polite manner, it is

found that from the total of all respondents that is 77 respondents there are 35 respondents or 45,5 percent who stated strongly agree and agree equally, 3 respondents or 3,9 percent who declared neutral, 2 respondents or 2,6 percent who disagreed and strongly disagree equally. The mean score for the item is 4,29 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders treat their employees in a polite manner.

The 17th item (X.17) that my leader treated me with dignity, obtained that from the total of respondents that is 77 respondents there are 31 respondents or 40,3 percent who stated strongly agree, 33 respondents or 42,9 percent stated agreed, 8 respondents or 10,4 percent who declared neutral, 3 respondents or 3,9 percent who disagreed, and 2 respondents or 2,6 percent who stated strongly disagree. The mean score for the item is 4,14 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders treat their employees with dignity.

The 18th item (X.18) is that my leader treated me with respect, it is obtained that from the number of respondents that is 77 respondents there are 28 respondents or 36,4 percent who stated strongly agree, 38 respondents or 49,4 percent who agreed, 7 respondents or 9,1 percent who declared neutral, 4 respondents or 5,2 percent who declared disagree, and 0 respondent or 0,0 percent who stated strongly disagree. The mean score for the item is 4,17 in a which mean the result is included in the very well category. Based on these result it could be concluded if their leaders treat their employees with respect.

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The 19th item (X.19) is that my leader refrained from improper remarks or comments, it is obtained that from the number of respondents that is 77 respondents there are 25 respondents or 32,5 percent who stated strongly agree, 37 respondents or 48,1 percent who agreed, 7 respondents or 9,1 percent who declared neutral, 4 respondents or 5,2 percent who declared disagree, and 4 respondent or 5,2 percent who stated strongly disagree. The mean score for the item is 3,97 which mean the result is included in the very well category. Based on these result it could be concluded my leader refrained from improper remarks or comments.

The 20th item (X.20) is that my leader has been candid in his/her communications with me, it is obtained that from the number of respondents that is 77 respondents there are 26 respondents or 33,8 percent who stated strongly agree, 36 respondents or 46,8 percent who agreed, 11 respondents or 14,3 percent who declared neutral, 2 respondents or 2,6 percent who declared disagree, and 2 respondent or 2,6 percent who stated strongly disagree. The mean score for the item is 4,06 which mean the result is included in the very well category. Based on these result it could be concluded their leaders have been candid in his/her communications with me.

The 21st item (X.21) is that my leader explained the procedures thoroughly, it is obtained that from the number of respondents that is 77 respondents there are 26 respondents or 33,8 percent who stated strongly agree, 39 respondents or 50,6 percent who agreed, 9 respondents or 11,7 percent who declared neutral, 1 respondents or 1,3 percent who declared disagree, and 2 respondent or 2,6

percent who stated strongly disagree. The mean score for the item is 4,12 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders explained the procedures thoroughly.

The 22nd item (X.22) is that my leader's explanations regarding the procedures reasonable, it is obtained that from the number of respondents that is 77 respondents there are 25 respondents or 32,5 percent who stated strongly agree, 39 respondents or 50,6 percent who agreed, 9 respondents or 11,7 percent who declared neutral, 3 respondents or 3,9 percent who declared disagree, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for the item is 4,09 which mean the result is included in the very well category. Based on these result it could be concluded their leader's explanations regarding the procedures reasonable.

The 23rd item (X.23) is that my leader communicated details in a timely manner, it is obtained that from the number of respondents that is 77 respondents there are 29 respondents or 37,7 percent who stated strongly agree, 34 respondents or 44,2 percent who agreed, 8 respondents or 10,4 percent who declared neutral, 5 respondents or 6,5 percent who declared disagree, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for the item is 4,10 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders communicated details in a timely manner.

The 24th item (X.24) is that my leader seemed to tailor his/her communications to individuals' specific needs, it is obtained that from the

number of respondents that is 77 respondents there are 25 respondents or 32,5 percent who stated strongly agree, 35 respondents or 45,5 percent who agreed, 12 respondents or 15,6 percent who declared neutral, 3 respondents or 3,9 percent who declared disagree, and 2 respondent or 2,6 percent who stated strongly disagree. The mean score for the item is 4,01 which mean the result is included in the very well category. Based on these result it could be concluded which their leaders seemed to tailor his/her communications to individuals' specific needs.

Based on Table 4.8 for the interpersonal leadership (X) variable with the twenty four items having a grand mean of 4,04 or being at the level tend to agree that interpersonal leadership simply increases employee engagement.

2. **Frequency Distribution of Organizational Identification Variable (Z)**

Organizational identification variable (Z) was measured through 6 items of questions according to Mael and Ashforth's (1992). The result of the distribution of organizational identification variable of this research can be seen in table 4.9.

Table 4.9 Variable Frequency Distribution Organizational Identification (Z)

Item	5		4		3		2		1		Total		Mean
	f	%	f	%	f	%	f	%	f	%	Total	%	
Z.1	22	28.6	19	24.7	15	19.5	10	12.9	11	14.3	77	100	3.40
Z.2	25	32.5	36	46.8	10	12.9	5	6.5	1	1.3	77	100	4.02
Z.3	28	36.4	35	45.5	9	11.7	3	3.9	2	2.6	77	100	4.10
Z.4	34	44.2	25	32.5	10	12.9	6	7.8	2	2.6	77	100	4.10
Z.5	20	25.9	34	44.2	16	20.8	7	9.1	0	0.0	77	100	3.87
Z.6	27	35.1	29	37.7	12	15.6	7	9.1	2	2.6	77	100	3.96
Grand Mean													**3.91**

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Source: Primary Data Processed, 2018. (Appendix 8)

Explanation:
5 (SA) = Strongly Agree
4 (A) = Agree
3 (N) = Neutral
2 (D) = Disagree
1 (SD) = Strongly Disagree

Based on table 4.9 it can be seen that the 1st item (Z.1) is when someone criticizes other members of the organization, it feels like a personal insult, it is obtained that from the total of respondents are 77 respondents there are 22 respondents or 28,6 percent who stated strongly agree, 19 respondents or 24,7 percent who agreed, 15 respondents or 19,5 percent who declared neutral, 10 respondents or 12,9 percent who declared disagree, and 11 respondent or 14,3 percent stated strongly disagree. The mean score for the item is 3,40 which mean the result is included in the middle category. Based on these result it could be concluded when someone criticizes other members of the organization, just a few employees feel like a personal insult.

The 2nd item (Z.2) is that I am very interested in what others think about other members of the organization., it is obtained that from the total of respondents that is 77 respondents there are 25 respondents or 32,5 percent who stated strongly agree, 36 respondents or 46,8 percent who stated agreed, 10 respondents or 12,9 percent who declared neutral, 5 respondents or 6,5 percent who both disagreed, 1 respondent or 1,3 percent stated strongly disagree. The mean score for the item is 4,02 which mean the result is included in the very well category. Based on these result it could be concluded most of employees

are very interested in what others think about other members of the organization.

The 3rd item (Z.3) is that when I talk about the organization, I usually say "we" rather than "they", it is found that from the total of respondents that is 77 respondents there are 28 respondents or 36,4 percent who stated strongly agree, 35 respondents or 45,5 percent agreed, 9 respondents or 11,7 percent who declared neutral, 3 respondents or 3,9 percent who declared not agree, and 2 respondent or 2,6 percent who stated strongly disagree. The mean score for the item is as big as 4,09 which mean the result is included in the very well category. Based on these result it could be concluded most of employees talk about the organization, usually say "we" rather than "they".

The 4th item (Z.4) is the organization's successes are my successes, it was found that from the total number of respondents as many as 77 respondents there are 34 respondents or 44,2 percent who stated strongly agree, 25 respondents or 32,5 percent agreed, 10 respondents or 12,9 percent stated neutral, 6 respondents or 7,8 percent stated disagreed, and 2 respondents or 2,6 percent stated strongly disagree. The mean score for the item is 4,07 which mean the result is included in the very well category. Based on these result it could be concluded which the organization's successes are also the successes of the employees.

The 5th item (Z.5) that when someone praises other members of the organization it feels like a personal compliment, obtained that from the total of respondents are 77 respondents there are 20 respondents or 25,9 percent who

stated strongly agree, 34 respondents or 44,2 percent who agreed, 16 respondents or 20,8 percent who stated neutral, 7 respondents or 9,1 percent who declared not agree, and 0 respondent or 0,0 percent who stated strongly disagree. The mean score for the item is 3,87 which mean the result is included in the very well category. Based on these result it could be concluded most of employees feel like a personal compliment when someone praises other members of the organization.

The 6th item (Z.6) is that if a story in the media criticized the school, I would feel embarrassed, it is found that from the total number of respondents that is 77 respondents there are 27 respondents or 35,1 percent who stated strongly agree, 29 respondents or 37,7 percent stated agreed, 12 respondents or 15,6 percent who declared neutral, 7 respondents or 9,1 percent who disagreed, and 2 respondent or 2,6 percent who stated strongly disagree. The mean score for the item is 3,96 which mean the result is included in the very well category. Based on these result it could be concluded if a story in the media criticized the school, the employees would feel embarrassed.

Based on Table 4.9 for the organizational identification (Z) variable with the sic items having a grand mean of 3,91 or being at the level tend to agree that organizational identification simply increases employee engagement.

3. **Frequency Distribution of Employee Engagement (Y)**

Employee engagement variable (Y) research is measured through 17 items of questions according to Schaufeli et al. (2002: 89). The results of the

distribution of employee engagement variable of this study can be seen in table 4.10.

Table 4.10 Variable Frequency Distribution Employee Engagement (Y)

Item	5		4		3		2		1		Total		Mean
	f	%	f	%	f	%	f	%	f	%	Total	%	
Y.1	33	42.9	35	45.5	4	5.2	3	3.9	2	2.6	77	100	4.22
Y.2	35	45.5	32	41.6	6	7.8	3	3.9	1	1.3	77	100	4.26
Y.3	31	40.3	38	49.4	5	6.5	2	2.6	1	1.3	77	100	4.25
Y.4	20	25.9	34	44.2	11	14.3	9	11.7	3	3.9	77	100	3.77
Y.5	32	41.6	37	48.1	3	3.9	4	5.2	1	1.3	77	100	4.23
Y.6	37	48.1	33	42.9	3	3.9	3	3.9	1	1.3	77	100	4.32
Y.7	32	41.6	34	44.2	7	9.1	1	1.3	3	3.9	77	100	4.18
Y.8	30	38.9	37	48.1	6	7.8	3	3.9	1	1.3	77	100	4.19
Y.9	33	42.9	37	48.1	3	3.9	2	2.6	2	2.6	77	100	4.26
Y.10	37	48.1	30	38.9	5	6.5	3	3.9	2	2.6	77	100	4.26
Y.11	36	46.8	31	40.3	5	6.5	3	3.9	2	2.6	77	100	4.25
Y.12	15	19.5	19	24.7	24	31.2	14	18.2	5	6.5	77	100	3.40
Y.13	23	29.9	37	48.1	9	11.7	7	9.1	1	1.3	77	100	4.03
Y.14	14	18.2	30	38.9	20	26.0	12	15.6	1	1.3	77	100	4.09
Y.15	14	18.2	24	31.2	24	31.2	15	19.5	0	0.0	77	100	4.08
Y.16	26	33.8	38	49.4	7	9.1	5	6.5	1	1.3	77	100	3.87
Y.17	26	33.8	37	48.1	9	11.7	3	3.9	2	2.6	77	100	3.96
Grand Mean													**4.09**

Source: Primary Data Processed, 2018. (Appendix 8)

Explanation:
5 (SA) = Strongly Agree
4 (A) = Agree
3 (N) = Neutral

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2 (D) = Disagree
1 (SD) = Strongly Disagree

Based on table 4.10 it can be seen the 1st item (Y.1) that I have the spirit when about to go to work, it is found that from the total of respondents are 77 respondents there are 33 respondents or 42,9 percent who stated strongly agree, 35 respondents or 45,5 percent who agreed, 4 respondents or 5,2 percent stated neutral, 3 respondents or 3,9 percent who disagreed, and 2 respondents or 2,6 percent who stated strongly disagree. The mean score for this item is 4.22 which mean the result is included in the very well category. Based on these result it could be concluded which the employees have a passion when going to work.

The 2nd item (Y.2) is that I feel full of energy while working, it is obtained that from the total of respondents that is 77 respondents there are 35 respondents or 45,5 percent who stated strongly agree, 32 respondents or 41,6 percent who stated agreed, 6 respondents or 7,8 percent who declared neutral, 3 respondents or 3,9 percent who disagreed, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for this item is 4,26 which mean the result is included in the very well category. Based on these result it could be concluded which the employees feel full of energy when working.

The 3rd item (Y.3) is that I feel persistent in working although faced with problems, it is found that from the total of respondents that is 77 respondents there are 31 respondents or 40,3 percent who stated strongly agree, 38 respondents or 49,4 percent agreed, 5 respondents or 6,5 percent who declared neutral, 2 respondents or 2,6 percent who declared not agree, and 1 respondent

or 1,3 percent who stated strongly disagree. The mean for this item is as big as 4,25 which mean the result is included in the very well category. Based on these result it could be concluded that the employees feel persistent at work despite problems.

The 4th item (Y.4) is that I was able to continue my work in a relatively long time, it was found that from the total number of respondents as many as 77 respondents there are 20 respondents or 25,9 percent who stated strongly agree, 34 respondents or 44,2 percent agreed, 11 respondents or 14,3 percent stated neutral, 9 respondents or 11,7 percent stated disagreed, and 3 respondents or 3,9 percent stated strongly disagree. The mean score for this item is 3,77 which mean the result is included in the very well category. Based on these result it could be concluded that the employees are able to continue the work in a relatively long time.

The 5th item (Y.5) that I have a mental toughness in work, obtained that from the total of respondents are 77 respondents there are 32 respondents or 41,6 percent who stated strongly agree, 37 respondents or 48,1 percent who agreed, 3 respondents or 3,9 percent who stated neutral, 4 respondents or 5,2 percent who declared not agree, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for this item is 4,23 which mean the result is included in the very well category. Based on these result it could be concluded that the employees have a mental toughness at work.

The 6th item (Y.6) is that I feel serious in my work, it is found that from the total number of respondents that is 77 respondents there are 37 respondents or

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48,1 percent who stated strongly agree, 33 respondents or 42,9 percent stated agreed, 3 respondents or 3,9 percent who declared neutral, 3 respondents or 3,9 percent who disagreed, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for this item is 4,32 which mean the result is included in the very well category. Based on these result it could be concluded that employees feel serious in the work.

The 7th item (Y.7) is that I feel challenged with my work, it is obtained that from the total of respondents that is 77 respondents there are 32 respondents or 41,6 percent who stated strongly agree, 34 respondents or 44,2 percent who agreed, 7 respondents or 9,1 percent who stated neutral, 1 respondent or 1.3 percent who disagreed, and 3 respondents or 3,9 percent who stated strongly disagree. The mean score for this item is 4,18 which mean the result is included in the very well category. Based on these result it could be concluded the employees feel challenged in their work.

The 8th item (Y.8) that I feel inspired about their work, it is found that from the total of respondents that is 77 respondents there are 30 respondents or 38,9 percent who stated strongly agree, 37 respondents or 48,1 percent who agreed, 6 respondents or 7,8 percent who stated neutral, 3 respondents or 3,9 percent who disagreed, and 3 respondents or 3,9 percent who stated strongly disagree. The mean score for this item is 4,19 which the employees feel inspired by their work.

The 9th item (Y.9) that I feel enthusiastic with my work, obtained that from the total of respondents that is 77 respondents there are 33 respondents or 42,9

percent who stated strongly agree, 37 respondents or 48,1 percent who agreed, 3 respondents or 3,9 percent who declared neutral, and who states disagree and strongly disagree that there are 2 respondents or 2,6 percent respectively. The mean score for this item is 4,26 which mean the result is included in the very well category. Based on these result it could be concluded which the employees feel enthusiastic about their work.

The 10th item (Y.10) that I feel proud of what I do, obtained that from the total number of respondents that is 77 respondents there are 37 respondents or 48,1 percent who stated strongly agree, 30 respondents or 38,9 percent who agreed, 5 respondents or 6,5 percent who declared neutral, 3 respondents or 3,9 percent who declared disagree, and 2 respondents or 2,6 percent who stated strongly disagree. The mean score for this item is 4,26 which mean the result is included in the very well category. Based on these result it could be concluded that the employees feel proud of what they do.

The 11th item (Y.11) is that I feel my work is meaningful and purpose, it is found that from the total of respondents that is 77 respondents there are 36 respondents or 46,8 percent who stated strongly agree, 31 respondents or 40,3 percent agreed, 5 respondents or 6.5 percent who declared neutral, 3 respondents or 3,9 percent who declared disagree, and 2 respondents or 2,6 percent who stated strongly disagree. The mean score for this item is 4,25 which mean the result is included in the very well category. Based on these result it could be concluded that the employees feel their work is meaningful and purposeful.

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The 12th item (Y.12) that I forget everything around while working, obtained that from the total of all respondents as many as 77 respondents there are 15 respondents or 19,5 percent who stated strongly agree, 19 respondents or 24,7 percent who stated agreed, 24 respondents or 31,2 who declared neutral, 14 respondents or 18,2 percent who disagreed, and 5 respondents or 6,5 percent who stated strongly disagree. The mean score for this item is 3,40 which mean the result is included in the middle category. Based on these result it could be concluded that just a few employees forget everything around while working.

The 13th item (Y.13) is that I feel the time passes by while working, it is obtained that from the number of 77 respondents there are 23 respondents or 29,9 percent who stated strongly agree, 37 respondents or 48,1 percent who agreed, 9 respondents or 11,7 percent who declared neutral, 7 respondents or 9,1 percent who said not agree, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for this item is as big as 4,03 which mean the result is included in the very well category. Based on these result it could be concluded that the employee feels the time elapsed while working.

The 14th item (Y.14) is that I feel drift in the work, it is obtained that from the number of respondents that is 77 respondents there are 14 respondents or 18,2 percent who stated strongly agree, 30 respondents or 38,9 percent who agreed, 20 respondents or 26,0 percent who declared neutral, 12 respondents or 15,6 percent who declared disagree, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for this item is 4,09 which mean the result is included in the very well category. Based on these result it could be concluded

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that the employees feel lost on the job.

The 15th item (Y.15) is that I find it difficult to get away from work, it is obtained that from the total of respondents that is 77 respondents there are 14 respondents or 18,2 percent who stated strongly agree, 24 respondents or 31,2 percent agreed and neutral, 15 respondents or 19,5 percent who declared disagree, and 0 respondents or 0,0 percent who stated strongly disagree. The mean score for this item is 4,08 which mean the result is included in the very well category. Based on these result it could be concluded that the employees find it difficult to get away from work.

The 16th item (Y.16) that I have a good concentration in work, it is found that from the total of all respondents that is 77 respondents there are 26 respondents or 33,8 percent who stated strongly agree, 38 respondents or 49,4 percent stated agreed, 7 respondents or 9,1 percent who declared neutral, 5 respondents or 6,5 percent who disagreed, and 1 respondent or 1,3 percent who stated strongly disagree. The mean score for this item is 3,87 which mean the result is included in the very well category. Based on these result it could be concluded that most of the employees has a good concentration in working.

The 17th item (Y.17) that I feel happy when working hard, obtained that from the total of respondents that is 77 respondents there are 26 respondents or 33,8 percent who stated strongly agree, 37 respondents or 48,1 percent stated agreed, 9 respondents or 11,7 percent who declared neutral, 3 respondents or 3,9 percent who disagreed, and 2 respondents or 2,6 percent who stated strongly disagree. The mean score for this item is 3,96 which mean the result is included

in the very well category. Based on these result it could be concluded that employees feel happy when working hard.

Based on table 4.10 for employee engagement (Y) variables with the 17 items have a grand mean value 4,09 or to be at a level tends to agreed which means means that interpersonal leadership and organizational identification variables significantly increase employee engagement.

E. The Results of Path Analysis

The path analysis model in this study has one dependent variable, one intervening variable, and one independent variable. Path Analysis in this research is divided into two analysis based on path structure equation in this research, that is:

$$Z_{\text{Organizational Identification}} = \rho_{Zx} Z_{\text{Interpersonal Leadership}} + \varepsilon_{\text{Organizational Identification}}$$

$$Z_{\text{Employee Engagement}} = \rho_{YZ} Z_{\text{Organizational Identification}} + \rho_{Yx} Z_{\text{Interpersonal Leadership}} + \varepsilon_{\text{Employee Engagement}}$$

The first analysis examines the effect of Interpersonal Leadership (X) on Organizational Identification (Z). The second analysis examines the effect of Interpersonal Leadership (X) on employee engagement (Y) with Organizational Identification (Z) as intervening variable. The results of the path analysis of the Interpersonal Leadership (X) variable, Organizational Identification (Z), and Employee Engagement (Y) are described as follows:

1. Path Analysis of Interpersonal Leadership on Organizational Identification (X to Z)

The test results of interpersonal leadership (X) effect on organizational

identification (Z) can be seen in Table 4.11

Table 4.11 The Result of Path Coefficient Test of Interpersonal Leadership and Organizational Identification

Independent Variable	Dependent Variable	Standardized Coefficients (Beta)	t-statistic	P-value	Note
Interpersonal Leadership (X)	Organizational Identification (Z)	0.448	4.339	0.000	Significant
R Square (R^2) = 0.201 **n = 77**					

Source: Primary Data Processed, 2018. (Appendix 9)

Based on the result of path analysis in Table 4.14, it could be seen that the first analysis to show Interpersonal Leadership (X) has a significant effct on Organizational Identification (Z) with positive correlation. This statement is proven from the value of t-statistic X of 4.339 with a significant value of 0.000 is smaller than $\alpha = 0.05$ ($0.000 < 0.05$). The positive effect of Interpersonal Leadership (X) on Organizational Identification (Z) is seen from the coefficient value of the path that is equal to 0.448.

2. Path Analysis of Organizational Identification to Employee Engagement (Z to Y) and Interpersonal Leadership to Employee Engagement (X to Y)

The result of the path analysis of Organizational Identification (Z) and Intpersonal Leadership (X) on Employee Engagement (Y) could be seen in Table 4.12.

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Table 4.12 The Result of Path Coefficient Test of Interpersonal Leadership and Organizational Identification on Employee Engagement

Independent Variable	Dependent Variable	Coefficient (Beta)	t-*statistic*	P-value	Note
Interpersonal Leadership (X)	Employee Engagement (Y)	0.517	5.671	0.000	Significant
Organizational Identification (Z)		0.310	3.401	0.001	Significant
R Square (R^2) = 0.508 **n = 77**					

Source: Primary Data Processed, 2018. (Appendix 9)

Based on the results of path analysis in table 4.12, it can be seen that the first analysis to shows Interpersonal Leadership (X) has significant effect on Employee Engagement (Y) with positive correlation. This statement is proven from the value of t-statistic X of 5.671 and significant value of 0.000 is smaller than α = 0.05 (0.000 < 0.05). The positive correlation of Interpersonal Leadership (X) on Employee Engagement (Y) is seen from the coefficient value of the path that is equal to 0.517. The second analysis result is Organizational Identifiation (Z) on Employee Engagement (Y) with positive correlation. This statement is proven fro the value of t-statistic Z of 3.401 and significant value of 0.001 smaller than α = 0.05 (0.000 < 0.05). The negative correlation of Organizational Identification (Z) on Employee Engagement (Y) is seen from the coefficient value of the path is equal to 0.310.

3. Direct Effect, Indirect Effect, and Total Effect

In this research direct effect is the direct influence of one variable to other variables without going through intervening variable, while indirect effect (indirect effect) is indirect influence of one variable to other variable through

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intervening variable. While the total effect (total effect) is Whereas the total influence is the total influence of independent variables and intervening on the dependent variable. Path analysis can explain the direct and indirect effects of variables. Here is the recapitulation of direct effect, indirect effect and total effect contained in Table 4.13.

Tabel 4.13 The Recapitulation of Direct Effect, Indirect Effect and Total Effect

Independent Variable	Dependent Variable	Direct Effect	Inderect Effect	Total Effect	Sig.	Note
Z	X	0.448	-	-	0.000	Significant
Y	X	0.517	0.138	0.655	0.000	Significant
Y	Z	0.310	-	-	0.001	Significant

Source : Primary Data Processed, 2018. (Appendix 9)

According to Table 4.13 it is known that the direct effect of Interpersonal Leadership on Organizational Identification is 0.448, and the direct effect of Interpersonal Leadership to Employee Engagement is 0.517, and the direct effect of Organizational Identification to Employee Engagement by 0.310. This is the direct calculation or direct effect :

Direct Effect (DE) I $= \rho ZX = 0.448$

II $= \rho YZ = 0.310$

III $= \rho YX = 0.517$

Total Calculation shows that direct effect of Interpersonal Leadership (X) variable to the Organizational Identification (Z) is 0.448, and the direct effect of Organizational Identification (Z) to the Employee Engagement (Y) is 0.310, and the direct effect of Interpersonal Leadership (X) to the Employee Engagement (Y) is 0.517.

In this research there are also indirect effect. The indirect effect is the effect that exists because there is a third variable mediating the relationship of two variables. There are the results of indirect effect (IE):

Indirect effect of Interpersonal Leadership (X) on Employee Engagement (Y) through Organizational Identification (Z)

To determine the indirect effect of Interpersonal Leadership (X) on Employee Engagement (Y) through Organizational Identification (Z), done by multiplying the results of direct influence on the variables passed, the result is as follows:

Indirect Effect (IE) = PZX x PYZ

= 0.448 x 0.310

= 0.138

The results show that the indirect effect is 0.138. This result shows that the role of Organizational Identification (Z) as an intermediary or mediating between Interpersonal Leadership (X) on Employee Engagement (Y) is 0.138.

The total effect (TE) is the overall influence of all the variable relationships found in this research. The following elaboration of the calculation results of total or total effect:

Total Effect (TE) = Direct Effect + Indirect Effect

Total Effect (TE) = PYX + (PZX x PYZ)

= 0.517 + 0.138

= 0.655

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The result of the total effect is 0.655. This result shows that the effect of Interpersonal Leadership (X) on employee engagement (Y) through Organizational Identification (Z) is greater than the direct influence between Interpersonal Leadership (X) on employee engagement (Y) (0.655 > 0.517). The conclusion is that Organizational Identification (Z) as an intervening variable is needed to strengthen the effect of Interpersonal Leadership (X) on employee engagement (Y).

4. **Path Analysis Results**

The coefficient value on the results of three path analysis illustrates the magnitude of direct influence between variables. The following results of the overall path analysis are presented through the path analysis diagram.

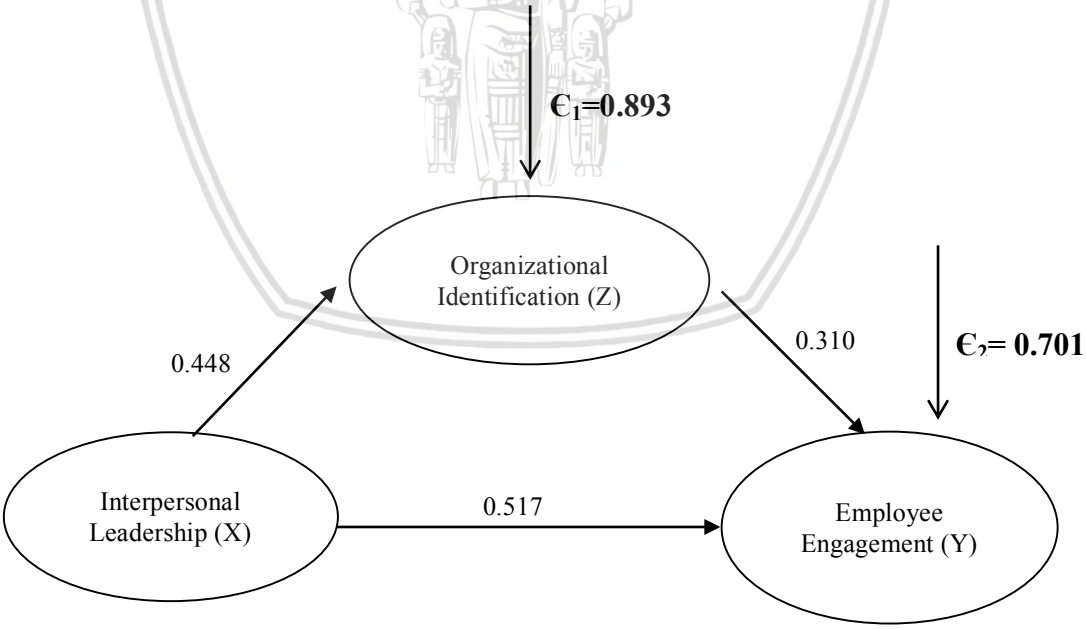

Figure 4.2 Path Analysis Diagram
Source: Primary Data Processed, 2018. (Appendix 9)

Before Calculation of e value :

$$\rho_{e1} = \sqrt{1 - R_1^2}$$

$$= \sqrt{1 - 0.201}$$

$$= 0.893$$

$$\rho_{e2} = \sqrt{1 - R_2^2}$$

$$= \sqrt{1 - 0.508}$$

$$= 0.701$$

The structural equation of the path analysis results in Figure as follows :

Y = 0.448 X + e1 0.893

Y = 0.310 Z + 0.517 X + e2 0.701

Based on the calculation, this research resulting in the path coefficient between the variables described in Figure 4.2 . The coefficient of Interpersonal Leadership to Organizational Identification is 0.448, then the Interpersonal Leadership coefficient on Employee Engagement is 0.517, and coefficient of Organizational Identification on Employee Engagement is 0.310.

5. **Assessment Model**

The assessment of the hypothetical model and the research data is measured from the relationship of the coefficient of determination (R^2) in the two equations. The results of assessment model is as follows:

R^2 Model **= 1- (1- R_1^2) (1- R_2^2)**

=1 – (1-0.201) (1-0.508)

= 1 – (0.799) (0.492)

$= 1 - (0.393)$

$= 0.607$ or 60,7%

The calculation result of assessment model determination is 60,7% explains that the contribution of the structural relationship of the three research variables is 607%. The remainder of the calculation result of 39,3% is explained by other variables not found in this research model.

F. Discussion of Linkage Among Variables

1. The Effect of Interpersonal Leadership (X) on Organizational Identification (Z)

Result of path analysis shows Interpersonal Leadership (X) has significant effect on Organizational Identification (Z) with positive correlation. This statement is evidenced from the value of t-statistic X is 4.339 and significant value of 0.000 is smaller than $\alpha = 0.05$ ($0.000 < 0.05$). The positive effect of Interpersonal Leadership (X) on Organizational Identification (Z) is seen from the coefficient value of the path that is equal to 0.448. The probability value on this analysis result is smaller than 0.05, it can be concluded that H_0 is rejected. So the first hypothesis that Interpersonal Leadership (X) have a significant effect on Organizational Identification (Z) accepted. The amount of influence of Interpersonal Leadership variable to Organizational Identification variable can be seen from the value of coefficient of determination (R^2) that is equal to 20,1% with influence of other variable not found in this research equal to 79,9%.

Result of path analysis show direct effect of Interpersonal Leadership (X) to Organizational Identification (Z) indicate that Interpersonal Leadership (X)

has significant effect on Organizational Identification (Z) with positive correlation. The results of this research support the results of the previous research of Hansen *et al.,* (2013) which shows that interpersonal leadership and organizational identification has a positive correlation with significant effect. It can be concluded by implementing interpersonal leadership in a company can increase the organizational identification. So, this shows that the first hypothesis is supported.

H_1 : Interpersonal Leadership has a significant effect on Organizational Identification, **SUPPORTED**.

2. The Effect of Organizational Identification (Z) on Employee Engagement (Y)

Result of path analysis shows Organizational Identification (Z) has significant effect on Employee Engagement (Y) with positive correlation. This statement is evidenced from the value of t-statistic X is 3.401 and significant value of 0.001 is smaller than α = 0.05 (0.001 < 0.05). The positive effect of Organizational Identification (Z) on Employee Engagement (Y) is seen from the coefficient value of the path that is equal to 0.310.

Result of path analysis show direct effect of Organizational Identification (Z) to Employee Engagement (Y) indicate that Organizational Identification (Z) has significant effect on Employee Engagement (Y) with positive correlation. According to Hansen *et al.,* (2013) organizational identification is one of employee engagement mediator to another variable. So, it can be proved that organizational identification has a significant effect on employee engagement

with positive correlation. So, the results of this research inline or support the results of the previous research by Hansen *et al.,* (2013). The conclusion is by increasing the implementation of organizational identification in the company may increase the employee engagement. So, this shows that the third hypothesis is supported.

H_2 : Organizational Identification has a significant effect on Employee Engagement, **SUPPORTED**.

3. The Effect of Interpersonal Leadership (X) on Employee Engagement (Y) Through Organizational Identification (Z)

Result of path analysis shows Interpersonal Leadership (X) has significant effect on employee engagement (Y) with positive correlation. This statement is evidenced from the value of t-statistic X of is 5.671 and significant value of 0.000 is smaller than α = 0.05 (0.000 < 0.05). The positive effect of Interpersonal Leadership (X) on employee engagement (Y) is seen from the coefficient value of the path that is equal to 0.517.

In this research there are also indirect effect. The indirect effect is the effect that exists because there is a third variable mediating the relationship of two variables. The third variable in this discussion is Organizational Identification (Z). The results of calculation show that the indirect effect is 0.138. This result shows that the role of Organizational Identification (Z) as an intermediary between Interpersonal Leadership (X) on employee engagement (Y) is 0.138. Based on this indirect effect, we can determine the role of intermediaries in this discussion by calculating the total effect.

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The result of calculation show that the total effect is 0.655. This result shows that the effect of Interpersonal Leadership (X) on employee engagement (Y) through Organizational Identification (Z) is greater than the direct influence between Interpersonal Leadership (X) on employee engagement (Y) (0.655 > 0.517). The conclusion is that Organizational Identification (Z) as an intervening variable is needed to strengthen the effect of Interpersonal Leadership (X) on employee engagement (Y).

According to Hansen *et al.,* (2013) organizational identification can be intervening variable on employee engagement. So, researcher conclude organizational identification can make greater the effect of employee engagement than direct effect from dependent variable. It can be proved by the result of calculation that show organizational identification as an intervening variable is needed to strengthen the effect of interpersonal leadership on employee engagement. But, this research found a different thing with previous research by Hansen *et al.,* (2013).

In this research find the effect is significant. It can be seen from the direct influence of interpersonal leadership on organizational identification has a significant effect and the effect of organizational identification on employee engagement is significant. According to Schaufeli *et al.*, (2002: 74), engagement is a positive state of mind for fulfilling and resolving work-related issues, characterized by vigor (energy and mental resilience while working), dedication (enthusiasm and pride in work), and absorption happy in working). It can be concluded that interpersonal leadership has a great significant of

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employee engagement based on the employees' leaders. The conclusion is organizational identification can be an intermediary or intervening of interpersonal leadership effect on employee engagement to greater the effect and significant effect. So, this shows that the third hypothesis is supported.

H_3 : Interpersonal Leadership has a significant influence on Employee Engagement through Organizational Identification, **SUPPORTED**.

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CHAPTER V

CONCLUSION

A. Conclusion

Based on the results of research and analysis that has been done to employee at PT Bank Mandiri (Persero) Tbk Medan City, to analyze the effect of interpersonal leadership (X) on employee engagement (Y) through organizational identification (Z). Based on the calculation of path analysis, it can be concluded as follows:

1. Interpersonal Leadership has a significant effect on Organizational Identification, which means that the Interpersonal Leadership earned has created an Organizational Identification on each of the employees in the company. This is evident with the beta coefficient 0.448 and the probability (0.000 <0.05), then there is a significant influence.
2. Organization Identification has a significant effect on Employee Engagement. This can mean that employees can identify organizational identification, will encourage employees in companies that feel more involved. This is evidenced by beta coefficient 0.310 and probability (0.001 <0.05), then there is a significant effect.
3. Interpersonal leadership proved has a significant effect on Employee Engagement through Organizational Identification as intervening variable. This suggests that organizational identification is increasingly strongly influencing interpersonal leadership towards employee engagement. This

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is evident with the beta coefficient 0.517 and the probability (0.000 <0.05), then there is a significant effect.

B. Research Implication

The findings in this research provide several implications, both theoretical and practical as follows:

1. Theoretical Implication
   a. The results of validity and reliability testing of the organizational identification instrument items consisting of 6 items and research instruments family interference with work (FIW) consisting of 9 items in the first developed by (Greenberg, 1993) and then in adaptation by Colquitt *et al*., (2014). This item is used in this research and translate from English into Indonesian language and then adjusted context to object and condition of this research. The results of validity with pearson corellation ranged from 0.720 to 0.928 with alpha cronbach value 0.812 for organizational identification. This indicates that research items developed by (Greenberg, 1993) valid and reliable for use in future research.
   b. The results of this research indicate that interpersonal leadership is important for the organization, the employee who has leader with interpersonal will improve the engagement of the employees. Employees who have strong attachments will behave positively toward the work and organization that can be demonstrated through their contribution. While interpersonal leadership is an important

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antecedent for the creation of organizational identification through organizational identification that can have a positive impact on increasing employee engagement.

2. Practical Implication

Employee engagement is the result of the leader's achievement in applying interpersonal leadership that can support organizational success. The existence of the benefits generated from employee engagement, then the organization can achieve the organization's important goals together with good cooperation. Variables in this study that have been shown to have a positive and significant effect on employee engagement is interpersonal leadership and organizational identification. Any practical implications that can be given in this research are as follows:

a. Interpersonal leadership in this study proved to have a positive and significant influence on organizational identification and employee engagement. The organization is expected to be able to maintain interpersonal leadership not only in its leader but also its employees because it has a total mean 4.04 which means interpersonal leadership in PT Bank Mandiri (Persero) Tbk. Medan City can be categorized very good.

b. The organization should recognize the earnest efforts of employees in carrying out their work, such as giving appreciation or praise, encouragement and motivation every day, asking for difficulties encountered to find solutions together, for items, "behaves in a

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manner which is thoughtful of my personal needs" has a total mean of 3.40. Although classified as good category, but the lowest when compared with other interpersonal leadership items.

c. The organization should consider organizational identification of awareness of the importance of belonging to the organization of PT Bank Mandiri (Persero) Tbk Medan City, because the variable has a positive impact on employee engagement and able to act as a mediator variable of indirect influence between interpersonal leadership to employee engagement.

d. All the variables studied in this study have a positive and significant effect so that the organization is expected to create terms and policies which can support and assist employees to do their jobs so that feel comfortable and willing to increase the engagement between employees for better cooperation.

C. Suggestion

Based on the results of research that has been done, researchers provide some suggestions that are expected to be useful for future research. The advice given is as follows:

1. Further research can be done in other state-owned companies experiencing business competition from private parties such as television station TVRI, public broadcasters RRI, public hospital owned by the government, and others. This is because of the possibility of strong employee perceptions bring themselves well established work on state

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enterprises, so as to make employees less aware of the importance of a competent leader figure.

2. The results of this study are allowed to become a reference for further researchers to develop relevant research by considering variables other than variables that have been used in this study.
3. Based on frequency distribution Interpersonal Leadership (X) it could be seen the lowest mean score is X.11 of 3.40 which is the leader behaves in a manner which is toughtful of the employee's personal needs. So, it will be better if the leaders on the company consider about the employes' needs if it is necessary.
4. The lowest mean score of Organizational Identification (Z) is Z.1 as amount as 3.40 which is when someone critizes other members of the organization, it feels like a personal insult for the employee. So, the suggestion is to build the awareness of the employee because it might affect the others.
5. The lowest mean score of Employee Engagement (Y) is Y.12 of 3.40 which is the employees forget everything around while working. It might be seen in a positive way that the employees not forget everything but still drifted in work because in Y.14 which is the employees feel drift in the work is pretty high amount of mean score is 4.09. So, the suggestion is to make the environment as comfortable as possible to make the employees keep focus.

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6. Related research with the same context of employee engagement, it is expected that further research can analyze other factors that support employee engagement, for example competence, work environment, workplace security, perceived organizational support, and organizational climate so that can be input for organization in order to increase employee engagement.

D. Research Limitations

This research has several limitations that are as follows:

Previous research related to the relationship between variables in this study is still very little, especially research that is in accordance with the context of current research, many studies that look for the relationship between leadership style on employee engagement but only a few use interpersonal leadership as the antecedent. Therefore, researcher should adapt from international research that may occur bias research because of differences in research context.

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