

The Influence of Employee Engagement and Self-Efficacy on Employee Performance Through Innovative Work Behavior at Pt Asam Jawa Medan

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ABSTRACT

This study aims to examine how employee engagement and self-efficacy affect employee performance through innovative work behavior at PT Asam Jawa Medan. It is categorized as quantitative descriptive research. The sample included 125 respondents selected using a non-probability sampling method. Data analysis was performed using both the outer model and inner model with the SmartPLS program. The results indicate that employee engagement, self-efficacy, and innovative work behavior positively and significantly impact employee performance. However, employee engagement has a negative and insignificant effect on innovative work behavior and does not significantly influence employee performance through innovative work behavior.

INTRODUCTION

Human resources play a crucial role in every organizational activity. Even with abundant facilities, infrastructure, and financial resources, the organization or company will not function effectively without the support of competent human resources. This demonstrates that human resources are the primary factor that must be prioritized. An organization or company must be able to bring out the best performance from every employee in the organization because an employee who has good performance can support the achievement of the goals and objectives set by the organization or company. Whether an employee is successful or not at work will be known if the company in question implements a performance appraisal system.

Employee performance is influenced by a range of factors, including those related to both the workforce and the organizational environment, with employee engagement playing a crucial role. Employee engagement refers to the level of commitment to work, involving the investment of time, skills, and energy, and viewing work as a central part of one's life. According to Erwina and Amri (2020), employee engagement is a critical issue in human resource management that offers numerous advantages for companies and organizations. In addition to fostering high loyalty among employees, employee engagement also leads to increased contributions to the company by enhancing performance.

Every individual in an organization with high self-efficacy will contribute to improving organizational performance. Self-efficacy is the confidence an individual has in their capability to effectively perform certain tasks (Andriew & Mohankumar, 2017). Employees with self-efficacy will successfully accomplish activities and tasks within their capabilities. Enhancing employee performance can also be achieved by fostering innovative work behavior. This behavior is crucial for organizational development and performance improvement through the optimization or efficiency of various activities. Innovative work behavior boosts performance and strengthens the organization's ability to meet established goals. As a facet of organizational behavior, innovative work behavior arises from the interactions among individual employees, workgroups, and organizational processes, which are part of standard management practices within the company (Elny, 2021).

PT. Asam Jawa is a company that can be categorized as a developing palm oil processing company, so that in carrying out its daily activities it really needs involvement and self-efficacy to support employee performance by increasing innovative work behavior so that every existing function can be carried out well. To achieve this goal, employees are required to give their best for the company. Employees who work well are expected to improve the company's overall performance, which ultimately brings collective prosperity. Employees who have high dedication try to prioritize their tasks. Employees are even willing to sacrifice personal time and forget when they leave work. However, on the other hand, we often find employees who are not highly dedicated, feel unattached, don't like or are unsure about their work.

THEORETICAL REVIEW

Employee Engagement on Employee Performance

Employee engagement reflects an employee's emotional commitment to the company or organization and its objectives, suggesting that employees genuinely care about their work and feel a sense of responsibility toward the company. In this situation, employees are driven not just by salary or promotions but also by a dedication to achieving the organization's goals. Behavior that brings a person attached to his work is also called employee engagement. Research by Cintani et al. (2020) demonstrates a positive and significant impact of employee engagement on employee performance.

H1: Employee Engagement has positive and significant effect on Employee Performance

Self Efficacy on Employee Performance

Self-efficacy is a person's confidence and belief in his or her ability to organize the actions to be taken so that the work and activities carried out can be completed effectively and efficiently. High self-efficacy will lead to high job satisfaction as well. The study by Anggi et al. (2023) indicates that self-efficacy has a positive and significant impact on employee performance.

H2: Self Efficacy has positive and significant effect on Employee Performance

Work Innovative Behavior on Employee Performance

Innovation is the capability of a company or organization to develop and implement updates by continuously expanding its product lines, new products and imitation products without abandoning their characteristics so that they are not easily imitated and are able to increase their business turnover in the market. The higher the product innovation, the higher the company's performance will be. The study by Sujarwo & Wahjono (2017) indicates that innovative work behavior positively influences employee performance. These findings align with the conclusions of Fairuz et al. (2018), who also determined that innovative work behavior has a positive effect on employee performance.

H3: Work Innovative Behavior has positive and significant effect on Employee Performance

Employee Engagement on Work Innovative Behavior

Employee engagement has evolved from earlier concepts like job satisfaction, employee commitment, and organizational behavior, with actively engaged employees signaling a positive work environment within the company. When employees are strongly connected to their workplace, they exhibit high enthusiasm for their work, often exceeding the primary duties outlined in their employment contracts. Fairuz's (2018) research indicates that employee engagement positively influences innovative work behavior.

H4: Employee Engagement has positive and significant effect on Work Innovative Behavior

Self Efficacy on Work Innovative Behavior

Self-efficacy is crucial because it affects how individuals perform their tasks to achieve goals and helps in anticipating potential outcomes. With high self-efficacy, employees will also have high motivation to achieve company goals. Agny and Dalia (2020) found that self-efficacy positively impacts innovative work behavior, while Nurmala and Widyasari (2021) assert that self-efficacy significantly and positively influences innovative work behavior.

H5: Self Efficacy has positive and significant effect on Work Innovative Behavior

Employee Engagement on Employee Performance Through Work Innovative Behavior

Employee engagement can drive success for companies by enhancing employee performance, productivity, attendance, work safety, customer satisfaction, retention, profitability, and customer loyalty. Consequently, high employee performance is a key factor in fostering strong employee engagement. Innovative work behavior makes employees carry out proactive behavior in the form of initiative behavior and new ideas that are directly related to performance in the organization. Innovative work behavior provides fresh insights into the interactionist perspective on employee innovation. This is supported by research from Luhglatno & Dwiatmadja (2020), which concludes that employee engagement through innovative work behavior positively impacts employee performance.

H6: Employee Engagement has positive and significant effect on Work Innovative Behavior

Self Efficacy on Employee Performance Through Work Innovative Behavior

Someone who has high self-efficacy and believes that they can meet their goals will be more likely to work harder to achieve the set goals and show higher achievement. Self-efficacy is essential for employees as it enhances their ability to perform assigned tasks, ensuring the company operates efficiently. Research by Sebayar and Sembiring (2017) indicates that self-efficacy significantly affects employee performance both individually and collectively. Similarly, Nurmala (2021) found that self-efficacy significantly impacts innovative performance behavior, and Nofi's research (2019) reported that self-efficacy, through innovative work behavior, positively influences employee performance.

H7: Employee Engagement has positive and significant effect on Work Innovative Behavior

Based on the explanation of the previous hypothesis, the conceptual framework in this research :

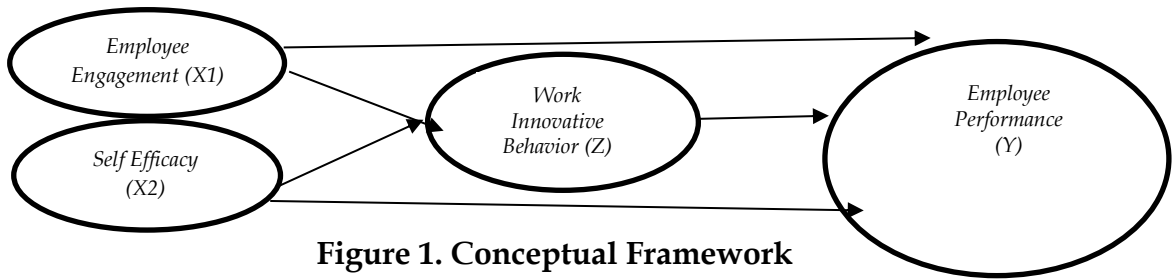


Figure 1. Conceptual Framework

METHODOLOGY

This research is a type of descriptive quantitative study. It involved a sample of 125 employees, and the sampling technique employed was non-probability sampling. Data analysis was conducted using both the outer model and inner model with the SmartPLS program.

RESULTS

Based on the results of data processing in this research, it can be concluded that the research results are as follows:

Table 1. Result of Path Coefficients

No.	Hypothesis	Path Coefficients	Significant	Result
1	X1 -> Y	0,257	0,021	Accepted
2	X2 -> Y	0,522	0,000	Accepted
3	X1 -> Z	0,155	0,104	Declined
4	X2 -> Z	0,677	0,000	Accepted
5	Z -> Y	0,678	0,000	Accepted
6	X1 -> Z -> Y	0,105	0,093	Declined
7	X2 -> Z -> Y	0,459	0,000	Accepted

Source: Author's Data Processing Results (2024)

Based on Table 1, the following correlation results between variables can be obtained:

1. The results of the hypothesis test indicate that the Employee Engagement (X1) variable has a positive and significant effect on Employee Performance (Y). This is proven by the path coefficient value (original sample) of 0.257 and is significant, with p-values = 0.021 < 0.05.
2. The results of the hypothesis test show that the Self-Efficacy (X2) variable has a positive and significant effect on Employee Performance (Y). This is

proven by the path coefficient value (original sample) of 0.522 and is significant, with p-values = $0.000 < 0.05$.

3. The results of the hypothesis test indicate that the Employee Engagement (X1) variable has a negative and insignificant effect on Innovative Work Behavior (Z). This is proven by the path coefficient (original sample) value of 0.155 and is significant, with p-values = $0.104 > 0.05$.
4. The results of the hypothesis test indicate that the Self-Efficacy (X2) variable has a positive and significant effect on Innovative Work Behavior (Z). This is supported by a path coefficient value (original sample) of 0.677, which is significant, with a p-values = $0.000 > 0.05$.
5. The results of the hypothesis test indicate that the Innovative Work Behavior (Z) variable has a positive and significant effect on Employee Performance (Y). This is proven by the path coefficient (original sample) value of 0.678 and is significant, with p-values = $0.000 < 0.05$.
6. The results of the hypothesis test indicate that the Employee Engagement (X1) variable has a negative and insignificant effect on Employee Performance (Y) through Innovative Work Behavior (Z). This is proven by the path coefficient (original sample) value of 0.105 and is significant, with p-values = $0.093 > 0.05$.
7. The results of the hypothesis test indicate that the Self-Efficacy (X2) variable has a positive and significant effect on Employee Performance (Y) through Innovative Work Behavior (Z). This is proven by the path coefficient (original sample) value of 0.459 and is significant, with p-values = $0.000 < 0.05$.

DISCUSSION

The Effect of Employee Engagement on Employee Performance

The statistical analysis of path coefficients shows that Employee Engagement has a positive and significant effect on Employee Performance. This is supported by a path coefficient value of 0.257, which is significant with a p-value = $0.021 > 0.05$. Engaged employees are more motivated to apply their skills and deliver high-quality results for the company. The hypothesis testing confirms that employee engagement positively influences employee performance. The results of the descriptive analysis support the hypothesis that employee engagement in a high state (engaged) will create a high state of employee performance so that if the level of employee engagement is increased, the level of employee performance will also increase.

The Effect of Self-Efficacy on Employee Performance

Statistical analysis of path coefficients shows that the Self-Efficacy variable has a positive and significant effect on employee performance. This is proven by the path coefficient (original sample) value of 0.522 and is significant, with p-values = $0.000 < 0.05$. This means that the higher the employee's confidence in completing work easily according to experience of success, the confidence in completing work easily even though there are many changes, but the type of work is relatively the same or routine so that the longer the employee works, the

more skilled he will be so his self-confidence increases. This can improve employee performance even better.

The Effect of Employee Engagement on Work Innovative Behavior

The statistical testing of path coefficients indicates that the Employee Engagement variable has a negative and insignificant impact on Innovative Work Behavior. This is demonstrated by a path coefficient value (original sample) of 0.155, which is significant, with a p-value of $0.104 > 0.05$. According to researchers, this is due to the fact that there are 86 employees who have worked for more than 5 years, where they have more work experience than 39 employees with less than 5 years of service. These employees have limited work experience and lack a sense of engagement, leading the company to view their ability to generate ideas or innovations as insufficient. The company needs to focus more on supporting employees' self-development and offer guidance and feedback on their assigned tasks. With this, an employee's engagement will be higher, which will then result in an employee's innovative work behavior.

The Effect of Self Efficacy on Work Innovative Behavior

Based on the results of statistical testing of path coefficients test show that Self-Efficacy variable has a positive and significant effect on Innovative Work Behavior. This is confirmed by a path coefficient value (original sample) of 0.677, which is significant with a p-value = $0.000 < 0.05$. These employees need to possess high self-efficacy to develop new ideas or innovations that enhance their performance. Employees with high self-efficacy are more likely to generate, promote, and implement new ideas, put greater effort into improving work processes, tackle challenging tasks, and engage in innovation. They are intrinsically motivated to fully utilize their abilities, become actively involved in their work, and independently overcome work challenges.

The Effect of Work Innovative Behavior on Employee Performance

Based on the results of statistical testing of path coefficients test show that Innovative Work Behavior variable has a positive and significant effect on Employee Performance. This is proven by the path coefficient (original sample) value of 0.678 and is significant, with p-values = $0.000 < 0.05$. This indicates that individuals who exhibit a high level of innovative work behavior and generate new ideas can achieve better performance results. Innovative behavior involves actions that introduce and implement new and valuable practices for the organization, such as developing new product ideas or technologies and modifying administrative procedures. These actions are aimed at enhancing work relationships or significantly improving work processes to boost efficiency and effectiveness.

The Effect of Employee Engagement on Employee Performance Through Work Innovative Behavior

The statistical testing of path coefficients reveals that the Employee Engagement variable has a negative and insignificant impact on Employee

Performance through Innovative Work Behavior. This is evidenced by a path coefficient value (original sample) of 0.105, which is not significant, with a p-value = 0.093 > 0.05. This is due to the lack of employees who feel engaged with the company so that these employees do not feel the need to channel their ideas or innovations to support performance and advance the company. Therefore, this research uniquely shows that differences in work engagement do not directly or indirectly influence employee performance through innovative work behavior as a mediator.

The Effect of Self-Efficacy on Employee Performance Through Work Innovative Behavior

The statistical testing of path coefficients indicates that Self-Efficacy has a positive and significant impact on Employee Performance through Innovative Work Behavior. This is supported by a path coefficient value (original sample) of 0.459, which is significant with a p-value = 0.000 > 0.05. Employees need to possess high self-efficacy to enhance their performance by introducing new ideas or innovations in their work. Increasing self-efficacy is essential for employees to improve their ability to execute tasks effectively, ensuring the company operates at its best.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis and discussion of the effects of Employee Engagement and Self-Efficacy on Employee Performance through Innovative Work Behavior, the following conclusions can be made:

1. The Employee Engagement variable has a positive and significant impact on employee performance at PT Asam Jawa Medan.
2. The Self-Efficacy variable positively and significantly influences employee performance at PT Asam Jawa Medan.
3. The Employee Engagement variable has a negative and insignificant impact on Innovative Work Behavior at PT Asam Jawa Medan.
4. The Self-Efficacy variable positively and significantly influences Innovative Work Behavior at PT Asam Jawa Medan.
5. The Innovative Work Behavior variable has a positive and significant impact on employee performance at PT Asam Jawa Medan.
6. The Employee Engagement variable does not significantly affect Employee Performance through Innovative Work Behavior at PT Asam Jawa Medan.
7. The Self-Efficacy variable significantly influences Employee Performance through Innovative Work Behavior at PT Asam Jawa Medan.

Based on the conclusions above, the researcher provides suggestions and provides input for the progress and development of PT Asam Jawa Medan, as follows:

1. Increasing employee engagement can be done by providing education and work enthusiasm to create a sense of attachment to the company so that it is easy for employees to provide ideas and solutions for the company's profits and progress, as well as improving and increasing the provision of

compensation and work welfare will be able to increase employee engagement.

2. The company provides employees with opportunities to develop their careers, so that these employees will be able to continue to channel their ideas or innovations easily.
3. The company pays attention to developing employee self-efficacy, especially in relation to broad areas of behavior (generality), one of which can be done through coaching programs specifically designed to suit employee needs.
4. The company provides soft skills and hard skills training to employees to improve abilities and skills, so innovative work behavior will also increase in conveying ideas to colleagues and with performance training it will also be more optimal to help employees reduce errors at work.

FURTHER STUDY

This research can be a source of reading and reference for future researchers who are conducting research on employee performance. Researchers suggest trying other variables that might influence employee performance which can later improve performance so as to provide a broader picture of employee performance.

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