The Influence of Employee Engagement, Self Esteem, Self-Efficacy On Employee Performance In Small Business

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ABSTRACT

Human resources is a company asset that can determine the progress of a company. This study aims to analyze the effect of employee engagement, self esteem, self efficacy on employee performance. The study was conducted on three small companies in Bali in 2019. Data collection techniques through interviews and questionnaires, with a total of 75 respondents. The research method used is quantitative descriptive. The analysis technique used is multiple linear regression, multiple correlation analysis and t test with the application of SPSS V.23 for Windows. The results showed that employee engagement and self efficacy had a positive effect on employee performance, while self esteem had no effect on employee performance.

1 INTRODUCTION:

The key to the success of the company in the 4.0 era is one of them through employee competitiveness resulting from the performance of each employee. To improve employee performance, of course, by treating employees as company assets. Employees are human resources (HR) that need to be managed and fostered as well as possible, so that they can carry out work optimally so that it produces performance according to the goals set by the company (Widyawati, 2018).

Employee performance is inseparable from the concept of employee engagement, which makes employees to exert their performance beyond what is expected by the company (Gibbons, 2013). Besides that employee performance can be seen from the self concept. Self concept seen from two perspectives, namely the employee’s internal perspective is called self esteem and the employee’s external perspective is called self efficacy (Robbins and Judge, 2011).

There are several studies analyzing the effect of employee engagement self esteem, self efficacy on employee performance. The results of Luthans and Peterson’s (2012) research, employee engagement and self efficacy have positive and significant effects on employee performance, however Redwaith (2017) employee engagement and self esteem studies do not affect employee performance. Angreni (2015), Widyawati et.al (2018) stated that self esteem and self efficacy had positive and significant effects on employee performance. But different results obtained from Fatmasari (2017) research that self efficacy does not affect employee performance.

Problem Formulation

1. How does employee engagement influence employee performance?
2. How does self-esteem influence employee performance?
3. How does self efficacy affect employee performance?

Research Objectives

1. To analyze the effect of employee engagement on employee performance.
2. To analyze the effect of self esteem on employee performance.
3. To analyze the effect of self efficacy on employee performance.

2 LITERATURE REVIEW:

Employee Performance

Gibson, et al (2009) states that employee performance is the result of employee work related to organizational goals, efficiency and effectiveness of other performance effectiveness. Employee performance needs an assessment with a view to providing a good opportunity for employees on their career plans in terms of strengths and weaknesses.
There are 6 (six) indicators to measure employee performance (Robbins, 2008: 260), namely (1) Quality, (2) Quantity, (3) Timeliness, (4) Effectiveness, (5) Independence and (6) Work commitment. 

**Employee Engagement**

Employee engagement is an illusory force (commitment to the organization, pride in work, the mobilization of time and energy, passion and interest) that motivates employees to perform at a higher level (Concelmen, 2004). According to Gibbons (2004) employee engagement makes employees to exert their performance beyond what is expected by the company. Another understanding was also conveyed by Robinson, et al (2004) that employee engagement is a positive attitude that employees have towards the values and goals of the organization, showing employee awareness of the business context and the willingness to work with colleagues to improve performance at work and in the interest of the organization. There are 7 (seven) indicators of employee engagement (Anita, 2014): (1) Work environment, (2) Leadership, (3) Team and work relations, (4) Training and career development, (5) Compensation, (6) Policy organization and (7) Work welfare.

**Self Esteem**

Self esteem is one part of one’s personality in everyday life. Reasoner (2010: 3) explains that individuals with low self-esteem, often experience depression and unhappiness, have a high level of anxiety, exhibit greater aggressiveness impulses, are irritable and vengeful, and always suffer from dissatisfaction with daily inhalation day. Self esteem is an individual’s assessment of himself expressed by positive and negative attitudes. Self esteem is related to how people judge about themselves will affect their daily lives. There are 5 (five) indicators to measure self esteem (Reasoner, 2010: 4), namely: (1) Feeling of security, (2) Feeling of identity, (3) Feeling of belonging, (4) Feeling of competence, and (5) Feeling of worth.

**Self Efficacy**

Lunenburg (2011: 10) argues that self efficacy is an individual's belief in facing and disregarding the problems he faces in various situations and being able to determine actions in completing certain tasks or problems, so that the individual is able to overcome obstacles and achieve the expected goals. There are 4 (four) indicators to measure self efficacy (Lunenberg, 2011: 36), namely: (1) Past performance, (2) Vicarious experience, (3) Verbal persuasion, and (4) Emotional cues.

### 3 CONCEPT FRAMEWORK AND HYPOTHESES:

**Hypothesis**

1. **H1**: Employee engagement has a positive and significant effect on employee performance.
2. **H2**: Self esteem has a positive and significant effect on employee performance.
3. **H3**: Self efficacy has a positive and significant effect on employee performance.

### 4 RESEARCH METHODS:

**Identification of Variables Independent**

1. Variables (X) are employee engagement (X1), self esteem (X2), and self efficacy (X3)
2. Dependent variables are employee performance (Y)

**Operational Definition Variables**

1. Engagement variables (X1) are measured with indicators namely: work environment, leadership, team and work relations, training and career development, compensation, organizational policies, work welfare.
2. The variable self esteem (X2) is measured by indicators, namely: feeling of security, feeling of identity, feeling of belonging, feeling of competence, feeling of worth.
3. The variable self efficacy (X3) is measured by indicators, namely: past performance, vicarious experience, verbal persuasion, emotional cue.
4. Employee performance variables (Y) are measured by indicators namely quality, quantity, timeliness, effectiveness, independence, work commitment.

**Data Collection Methods Data**

used in this study are primary data. The method used in data collection is interviews and questionnaires. Statements on the questionnaire are measured using a Likert scale by involving respondents to choose one of the alternative answers in the form of five rating points: (5) strongly agree, (4) agree, (3) neutral, (2) disagree, (1) strongly disagree agree.

**Method of Determination of Samples**

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Samples in this study amounted to 75 respondents. Each company is taken 25 respondents. The number of questionnaires submitted for 3 (three) small business in Bali was 75, which means that each company received 25 questionnaires.

Data Analysis Techniques
Data were processed using the help of a computer program SPSS V. 23. The level of significance used in this study was α = 5% (0.05).

1. Testing of Research Instrument

Testing of research instrument using the test of validity and reliability. Validity test is used to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. While reliability is actually a tool to measure a questionnaire which is an indicator of variables. A questionnaire is said to be reliable or reliable if a person’s answer to a statement is consistent or stable over time (Sugiyono, 2011).

2. Testing of Classical Assumptions

Theoretically the use of regression models will produce valid parameter values, if the model can meet the requirements of classical assumptions. The classic assumptions that must be met are normality test, autocorrelation test, heteroskedasticity test, and multicollinearity test.

3. Analysis of Multiple Linear Regression

This analysis is used to determine the effect of independent variables on the dependent variable.

Model the following equation:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \]

Description:

- \( Y \) = employee performance
- \( a \) = constant
- \( \beta_1 \) = regression coefficient employee engagement
- \( X_1 \) = Employee engagement
- \( \beta_2 \) = coefficient Self esteem regression
- \( X_2 \) = Self esteem
- \( \beta_3 \) = Coefficient of self efficacy regression
- \( X_3 \) = Self efficacy
- \( e \) = error

If the regression coefficient \( b_1, b_2, b_3 \) has a positive value meaning the independent variable \( X_1, X_2, X_3 \) has a positive influence on the dependent variable \( Y \), conversely if the regression coefficient \( b_1, b_2, b_3 \) has a negative value means the independent variable \( X_1, X_2, X_3 \) has a negative influence on the dependent variable \( Y \).

4. Analysis of Multiple Correlation

This analysis is used to determine the level of closeness of the relationship \( R \) between the independent variables to the dependent variable. Correlation value \( R \) between 0 to 1. Where the value of \( R \) approaches 0 then the relationship gets weaker, while the value of \( R \) approaches 1 then the relationship gets stronger.

5. t-test

This test is used to determine whether the independent variable has a significant effect on the dependent variable. If the value of sig. \( t \) ≤ 0.05, then the independent variables \( X_1, X_2, X_3 \) have a significant effect on the dependent variable \( Y \), otherwise if the value of sig. \( t \) > 0.05, then the independent variables \( X_1, X_2, X_3 \) have no effect on the dependent variable \( Y \).

5 RESULTS AND DISCUSSION:

Research Results
Based on testing research instruments all questionnaires were declared valid and reliable. Similarly, after testing the classical assumptions obtained normal data, there is no correlation, there is no heteroscedasticity and multicollinearity does not occur.

The recapitulation of the results of the analysis with the SPSS Program is shown in Table 1 below.

| Variables | Regression Coefficient | Sig.  | Description |
|-----------|------------------------|-------|-------------|
| X1 -> Y   | 0.287                  | 0.001 | H1 received |
| X2 -> Y   | 0.623                  | 0.148 | H2 rejected |
| X3 -> Y   | 0.341                  | 0.000 | H3 received |

R rejected.= 0.734

Source: Data processed (2019)

Based on Table 1, the results of multiple linear regression analysis can be explained as follows:

1. Regression coefficient for variables \( X_1 = 0.623 \), this means employee engagement \( X_1 \) has a positive effect on employee performance \( Y \). This can be interpreted that as employee engagement increases, employee performance will also increase.

2. Regression coefficient for the variable \( X_2 = 0.287 \), this means that self esteem \( X_2 \) has a positive effect on employee performance \( Y \). This can be interpreted that the higher self esteem will improve employee performance.

3. Regression coefficient for the variable \( X_3 = 0.341 \), this means that self efficacy \( X_3 \) has a positive effect on employee performance \( Y \). This can be interpreted that increasing self-efficacy will improve employee performance.

Based on Table 1, also obtained the value of \( R = 734 \). This value is close to 1, then the employee engagement, self esteem and self efficacy variables have a strong relationship with employee performance.

Sig value in Table 1 obtained as follows:

1. Value of sig. \( t (X_1) = 0.001 \) < 0.05, then the variable \( X_1 \) employee engagement has a significant effect on the variable \( Y \) employee performance.

2. Value of sig. \( t (X_2) = 0.148 \) > 0.05, then the \( X \) variable 2 self esteem has no effect on the \( Y \) variable employee performance.
3. Value of sig. t (X3) = 0.000 < 0.05, then the variable
X3 self efficacy significant effect on the variable Y em-
ployee performance.

6 RESEARCH DISCUSSION:
Based on the results of data analysis, the following research results are discussed:

1. Discussion of Hypothesis 1
Hypothesis 1 states that employee engagement has a posi-
tive and significant effect on employee performance. Based on the results of the analysis note that the regression coeffi-
cient of X1 employee engagement with a positive sign of 0.623 and sig. t of 0.001. These results indicate that em-
ployee engagement has a positive and significant effect on employee performance, this means hypothesis 1 is accepted.

The results of this study are consistent with the results of research conducted by Luthans and Peterson (2012), stat-
ing employee engagement has a positive and significant ef-
fect on employee performance. Employee engagement is the
involvement of employees with the deployment of their abil-
ities, so that the performance of the employees concerned
will increase.

2. Discussion of Hypothesis 2
Hypothesis 2 states that self esteem has a positive and
significant effect on employee performance. Based on the results of the analysis note that the value of the regression coeffi-
cient X2 self esteem with a positive sign of 0.287 and sig. t of 0.148. These results indicate that self-esteem has
no effect on employee performance, this means hypothesis 2 is rejected.

The results of this study contradict Angreni (2015),
Widyawati et.al (2018) who stated that self esteem had a
positive and significant effect on employee performance. But these results are in line with Redwaith (2017) research, that
self esteem has no effect on employee performance. This as-
essment can be positive or negative. Every rich man will
judge himself differently: Employees who are able to as-
sess themselves positively will lead to confidence in their abilities, dare to make decisions with careful calculations,
conversely employees who supply themselves negatively will
cause inferiority, anxiety and doubt in decision making. Of
course these circumstances will affect the increase or de-
crease in employee performance.

3. Discussion of Hypothesis 3
Hypothesis 3 states that self efficacy has a positive and
significant effect on employee performance. Based on the results of the analysis note that the value of the regression coeffi-
cient X3 self efficacy with a positive sign of 0.341 and sig. t of 0.000. These results indicate that self efficacy has
a positive and significant effect on employee performance,
this means hypothesis 3 is accepted.

The results of this study are consistent with the results
of research conducted by Angreni (2015), Widyawati et al.
(2018) states that self efficacy has a positive and signif-
icient effect on employee performance. Self efficacy is the
confidence of every employee in facing and regretting the
problems they face in various situations and being able to
determine actions in completing certain tasks or problems.
Employees who have the confidence to be able to solve the
problems faced, of course will be able to also improve their
performance, conversely employees who are unable to solve
the problems they face will reduce their performance. The
results of this study indicate that the higher the self-efficacy
of an employee, in this case the more able the employee is
to solve the problem at hand, the employee’s performance
will increase.

7 CONCLUSIONS AND SUGGESTIONS:
Conclusions:
Based on the results and discussion of the study conclu-
sions can be drawn as follows:

1. Employee engagement has a positive and significant
effect on employee performance.
2. Self esteem has no effect on employee performance.
3. Self efficacy has a positive and significant effect on em-
ployee performance.

Suggestions:
Suggestions that can be raised in this study, namely:

1. The results obtained by the two independent variables
namely employee engagement and self efficacy have a
positive and significant effect on the dependent vari-
able namely the performance of employees, then com-
pany leaders should pay attention to the increase in
employee engagement and self efficacy by providing
real examples so that the performance of employees
can improve.

2. The results of this study can be used by subsequent
researchers to add other variables related to how to
motivate themselves and employee collaboration in im-
proving their performance.

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