





**Research Article** 

# The Effect of Self-Efficacy, Self-Leadership, and Work Ethic on Employee Performance in Manufacturing Companies

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#### Abstract.

The purpose of this research was to analyze the role of self-leadership, self-efficacy, and work ethic on employee performance in manufacturing companies in Indonesia. This study used a quantitative approach with explanatory methods to determine the causality among variables. The population was manufacturing employees in Surabaya, Indonesia, with a sample of 260 employees who responded to the questionnaire distributed via Google Forms. Data analysis was done using multiple linear regression. T-test and F-test were used to test the hypothesis. The results showed that self-leadership, self-efficacy and work ethic play a role in the value of 0.680. In other words, the three aspects had a 68% influence on improving employee performance. While the hypothesis testing showed, the F-test had a significant effect of <0.05. The results implied a significant effect, but only self-efficacy has a significant effect. This indicates that employees should be encouraged to have self-efficacy to improve their performance.

Keywords: Self-Efficacy, Self-Leadership, work ethic and employee performance

### 1. Introduction

Competition in the business world is getting tougher both nationally and internationally, this is due to free trade in the world, resulting in every company required to make breakthroughs, supported by resilient human resources, eminent leadership spirit, high self-efficacy capabilities and optimal work ethic in the business performance. Performance is the result of work in quantity and quality achieved by an employee in carrying out tasks and in accordance with the responsibilities given [1]. According to [2] employee performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction, that contributes to the economy. According to [3] Performance is a level of progress resulting for his positive efforts to improve skills

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at work. Employee performance is the result of the work that has been done, either physically or mentally or other forms with a target level that must be achieved or carried out within a certain period of time [5].

To improve employee performance, qualified and competent human resources are needed. Human resources are important and irreplaceable assets to the key that determines the development of an agency or company. Therefore, every agency must manage its human resources properly so that it can improve the performance of its employees which will certainly affect the success of an institution. Self-efficacy is one of the variables that can improve employee performance. In line with the results of [6] shows that there is a significant relationship between self-efficacy and employee performance. Likewise, the results of a research by [7] shows that self-efficacy has a significant effect on improving employee performance. According to [8], self-efficacy refers to beliefs related to the ability and willingness of employees to achieve and complete predetermined tasks, because self-efficacy is one of the variables that influence how to think, motivate, and act. Individuals with eminent self-efficacy will be able to successfully complete the work or achieve goals from their performance [9]. High self-efficacy can improve employee performance [10]

Self-efficacy is a person's ability to think, motivate, and act. Individuals with eminent self-efficacy will be successfully complete the work or achieve goals from their performance [9]. Likewise, the results of research by [11], [12] and [13] which state that the higher someone's self-efficacy is, the more persistent the efforts are in achieving organizational goals.

In addition to self-efficacy, according to [14] self-leadership is also needed to improve employee performance. It proves that self-leadership has a significant effect on employee performance. Furthermore, employees who have self-leadership will have the ability to guide themselves even in challenging situations to achieving goals with clear plans and objectives. Besides that, it is a driving aspect to lead oneself in contributing to organizational performance. Thus, self-leadership provides sufficient strength to encourage employees to serve to organizational commitment. In addition, self-leadership is needed by an employee in generating their motivation and actions while carrying out the responsible tasks properly when a person's self-control is capable of producing the desired actions, both by himself and his organization. For this reason, high self-leadership can improve their performance [15]. Self-leadership is important in controlling one's motivation, cognition and actions in resulting a competency while



carrying out tasks properly. When a person is able to produce the desired action, both for himself and his organization, then it can be said that the person has a high level of self-leadership. They are likely to improve their performance even better [16], as well as the results of research by [17] which states that self-leadership has a significant effect on employee performance.

According to [18] Self leadership is defined as a process that exists within a person to increase motivation and direct himself to behave in a way that is in accordance with what others expect of him. However, according to the results of her research, Rachmawati stated that Self-Leadership has a significant effect on employee performance, this shows that it motivates employees to be able to lead themselves while contributing to organizational performance. Thus, the ability to lead personally at work provides enough power to encourage better employee performance for the organization. This is possible because the work environment provides space for each individual to complete work in their own way. In contrast, the research by [19] shows that self-leadership has no significant effect on performance.

Besides self-leadership and self-efficacy in this study discusses the work ethic which is one of the important factors in supporting the success of a company. Work ethic is a driven aspect to form characteristic and belief inside a person or a group. Work ethic can reflect the quality of a person. People who have a good work ethic can easily achieve success because not only benefit themselves but others too (colleagues). This is because the work ethic can also create a positive work environment and all of that will certainly improve employees' performance in an institution or company. According to [20] work ethic becomes a person or group character based on the way or the work perspective that is believed, and manifested through determination and concrete behavior in the world of work. According to [21] work ethic is a set of positive work behaviors that are rooted in strong cooperation, fundamental beliefs, accompanied by a total commitment to a strong work paradigm.

[21] also defines the work ethic as a set of positive work behaviors, which are rooted in awareness, fundamental beliefs, and total commitment to an integral work paradigm. The term paradigm in this concept implies the main concept of work itself, which includes the underlying ideals, governing principles, driving values, attitudes that are born, standards to be achieved, including the main character, basic thoughts, code of ethics, moral code and a code of manners where those elements of work ethic have a significant effect on employee performance [22]. Likewise, the results of his



research by [23] stated that work ethic has a positive and significant effect on employee performance.

These three aspects can be managed properly by employees as individuals or part of agencies or companies so that they can improve the quality of their human resources and have a positive impact on the performance of their employees. And vice versa, if an agency or company cannot manage these three aspects optimally, it is likely that the company will not be able to have skillful human resources, which of course will affect the low performance of its employee. Realizing the importance of these three things, the researcher is interested in conducting a further study from research entitled "The Influence of *Self leadership, Self-efficacy* and Work Ethics on Employee Performance at the Regional Financial and Asset Management Agency in Ende, East Nusa Tenggara Province". The result in this study is *Self leadership, Self-efficacy* and Work Ethics have a simultaneous effect on Employee Performance at the Regional Financial and Asset Management Agency, Ende, East Nusa Tenggara Province.

Based on the phenomenon and empirical studies, the problem in this study is formulated to "Does Self-Efficacy, Self-Leadership and Work Ethics affect the performance of employees?

# 2. Research Methods

This research was conducted using a quantitative approach with explanatory methods to determine the causality. Quantitative research aims to test theory, establish facts, show relationships between variables, provide statistical descriptions, interpret and predict results. This research is intended to prove to what extent the influence of self *efficacy*, *self leadership*, and work ethic on employee performance in a manufacturing company in Surabaya, Indonesia. The source of data in this research is using primary data. It is obtained through questionnaires that were given by researchers to respondents via Google form and tested first for validity and reliability. The population in this study were manufacturing employees in the city of Surabaya, Indonesia with a sample of 260 employees who answered the questionnaire distributed via the Google form. While the data collection technique in this study was a survey with a questionnaire instrument. The questionnaire is a data collection technique that is carried out by giving a set of questions or written statements for the respondent to answer. The questionnaire through the Google form contains questions that must be answered by respondents relating



to the performance of employees who are likely to be influenced by three aspects, namely self-*leadership*, *self-efficacy* and work ethic. The data analysis technique used in this study is multiple linear regression analysis which determine the magnitude of the influence in each variable examined in this study. To determine the role of the three variables on employee performance, R2 (Determination test) is used. while the test used the T test and F test.

# **3. Research Results and Discussion**

### 3.1. Research result

The results of this study were conducted to test the hypothesis in resolving the formulated problems. Prior to further analysis, the data in this study were tested for validity and reliability first. To test the validity of the Variable data for each question item about the variable self *efficacy*, self leadership, and work ethic and employee performance, researchers used SPSS analysis to obtain correlation values between question items and the results of all question items showed numbers above 0.30 so that it could be said that all question items were declared valid. Likewise, for Cronbach's alpha value for each variable shows a number above 0.60 so that it can be declared reliable. For this reason, it can be continued with multiple regression testing and hypothesis testing.

### 3.2. Multiple Linear Regression Test

Multiple regression analysis is used to determine how much influence the variables Self Efficacy, self-leadership and work ethic have on employee performance. The results of multiple regression analysis calculations can be seen in table 1.

	Model Unstandardized Coefficients		Standardized Coefficients	Т	Sig.	
		В	Std. Error	Beta		
1	(Constant)	18.405	6.580		2.797	.007
	Self Efficacy	.106	.086	.128	1.234	.223
	Self leadership	.535	.111	.597	4.791	.000.
	Work ethic	.146	.086	.179	1.707	.093

TABLE 1: Results of Multiple Regression Analysis.

Source: Primary Data



Table 1 shows the results of multiple regression analysis, and if it is stated in the regression equation it will be as follows:

AND = a + b1X1 + b2X2 + b3X3 + It is

$$Y = 18,405 + 0,106X1 + 0,535X2 + 0,146X3 + e$$

From the multiple linear regression equation, it can be explained that *Self-efficacy* has an effect on y of 0.106, while self-leadership has an effect of 0.535, on the other hand, the Work Ethics Variable has an influence of 0.146, this means that if employees have an increase in self-efficacy at one level, performance will increase by 0.106 as well as for self-leadership and work ethic. This shows that the increase of Self-Efficacy, selfleadership and work ethic of employees can influence their work performance.

### 3.3. Hypothesis test

#### 3.3.1. T Test (Partial)

The T test is used to test the hypotheses partially, namely whether each independent variables partially affect employee performance. Table 1 also shows that the t test value and alpha were set at 0.05. Resulting in the Self-efficacy variable on a significant value of 0.223 which was higher than 0.05 so, therefore, it can be said that Self-efficacy has no significant effect on employee performance at manufacturing company in Surabaya, Indonesia. While self-leadership gets a t-test value of 4.791 with a significant level of 0.00. As a result, the hypothesis is accepted or self-leadership has a significant effect on employee performance. Likewise with work ethic getting a t-test value of 1.707 and a significant level of 0.093 indicates that work ethic has no significant effect on employee performance.

### 3.3.2. F Test (Simultaneous)

The F test is used to test whether the independent variables simultaneously affect the dependent variable. To test this hypothesis simultaneously, the F-test is carried out to analyze it. With the provision of a significant level  $\alpha$  = 0.05, the results of this test can be seen in table 2.

Source: Primary Data

	Table 2 F Test Results (Simultaneous)							
	Model	Sum of Squares	Df	Mean Square	F	Sig.		
1	Regression	1572.328	3	524.109	40.092	.000		
	Residual	732.072	56	13.073				
	Total	2304.400	59					

TADLE	2
TABLE	2

Table 2 shows the results of testing the hypothesis through the F test, specifically testing the influence of self-leadership, self-efficacy and work ethic together on employee performance. The results of the F test analysis show the p-value is 0.000 <0.05, which means these three aspects have a significant effect on employee performance, because the F value is 2.77 is higher than the F table value, 2.77, and a significance value of 0.00 indicates a significant number, smaller than 0.05. On this account, there is a positive and significant influence among three aspects on employee performance.

The analysis results of the coefficient of determination ( $R^2$ ) above showed the R is 0.517. Based on the output above, the number of  $R^2$  (Adjusted R Square) is 0.236 or 23.6%. This shows the percentage of contributions to the influence of the independent variables (Work Stress, resilience and Competence) on the dependent variable (Employee Performance) resulted 23.6%. While the remaining percentage (100% - 23.6%) = 76.4%) is influenced by other variables outside this study.

### 3.3.3. The Coefficient of Determination Analysis

The Coefficient of Determination Analysis is used to determine the function of self-efficacy, self-leadership and work ethic on employee performance in manufacturing companies in Surabaya, Indonesia. The Coefficient of determination ( $\mathbb{ZZ}^2$ ) test results in this study can be seen in table 3.

Table 3 Determination Coefficient Test Results(R <sup>2</sup> )							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.826 <sup>a</sup>	.680	.660	3.616			

TABLE 3

#### Source: Primary Data

Table 3 shows that the magnitude *Adjusted R Square* is 0.660. This means that 66% of employee performance variations (Y) can be explained by independent variables such



as efficiency, self-leadership and work ethic. While the remaining 33.5% is explained by the external factor of the model in this study. This shows that the function of the three aspects on the performance of manufacturing company employees in this study is 66%.

### 3.4. Discussion

Based on the results of hypothesis testing, it can be said that the self-efficacy variable has no significant effect on employee performance in manufacturing companies in Surabaya, Indonesia. This indicates that the results of this study do not support the results of several studies such as Goleman (2009) and Bandura (1997) which state that the higher a person's self-efficacy, the more persistent the efforts are in achieving organizational goals. The results of research by [15] also states that self-efficacy has a significant effect on employee performance as well as the results of the research by [24] stated that Self-efficacy has a positive influence on employee performance. This shows that the higher self-efficacy owned by an employee, the higher the performance is. The self-efficacy is very important in improving employee performance, however the results of this study are the opposite to such an extent, it can be said that self-efficacy is not a priority in managing a company, because its value does not give a considerable role to employee performance achievements. This is possible because the employees' duties in manufacturing companies require primary completing targets. Therefore, selfefficacy becomes less important for them, what is important is the targets that must be achieved.

The results of data analysis show that self-leadership has a significant effect on employee performance in a manufacturing company in Surabaya, Indonesia. This reveals that employees who have self-leadership are those who have the ability to direct themselves in any situation in order to achieve clear goals and plans and objectives. Besides that, they can also lead themselves in contributing to organizational performance, thus the ability to lead personally provides sufficient strength for employees to improve their performance. Therefore, the results of this study support the results of [14], claiming that Self-leadership owned by employees will improve their performance. This research is also supported by [15]. Which states that self-leadership has a significant effect on employee performance. Likewise, the results of research by [16], [17] confirms that self-leadership has a significant effect on employee performance.

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The results of testing the third hypothesis can be concluded that work ethic has no significant effect on employee performance. It can be said that even though employees have an eminent work ethic, they do not necessarily have good performance. This contradicts to the research results of [25] which state that work ethic has a significant influence on employee performance, as well as the results of [22] and in line with the research results of [23] proves that work ethic has a positive and significant effect on employee performance. Thus, it can be concluded that the results of this study affirms that employees who have a eminent work ethic do not necessarily have high performers.

Testing the hypothesis about the influence of self-Efficacy, Self-leadership, and work ethic simultaneously affect the performance of employees. These three aspects affirm that they simultaneously have a significant effect on employee performance. To conclude, if the three variables are applied well together by employees in manufacturing companies, their performance will likely improve. Likewise, employees who are capable of leading themselves well, have confidence in their ability to achieve goals and have an eminent work ethic will affect their performance improvement.

# 4. Conclusions and Implications

The results of this study indicate that self-efficacy has no significant effect on employee performance, where self-efficacy in this study is measured by level, strength and generality. Whereas Self Leadership based on research results shows that there is a significant influence on employee performance, and the instruments being measured are self-awareness, self-direction and self-management. It was further concluded that the work ethic in this study has no significant effect on employee performance. In other words, self-efficacy and work ethic have no significant effect on employee performance, while self-leadership has a significant effect on performance. This implies that self-leadership plays an important role in improving employee performance compared to self-efficacy and work ethic.

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