

The Influence of Empowerment and Self-Efficacy on Employee Performance

Nadhila Adelfrini Mansyur¹

¹Faculty of Economics and Business, Indonesian Muslim University, Indonesia

*Corresponding Author: Nadhila Adelfrini Mansyur

Abstract. *The aims of the research to find the influence of empowerment and self-efficacy on employee performance. This study employs a qualitative and quantitative approach. Empowerment has a significant impact on the performance of employees. The presence of self-efficacy has been found to have a favorable impact on the performance of employees. It is evident that employees consistently exhibit a sense of competence, perceiving themselves as capable of successfully accomplishing any task. Moreover, they hold the belief that their skills are on par with, if not surpassing, those of their colleagues.*

Keywords: *Self-efficacy, Performance, Employees*

Received: October 13, 2023

Received in Revised: October 26, 2023

Accepted: November, 12 2023

INTRODUCTION

The importance of human resources cannot be overstated, as they form the foundation of any company or organization. In the contemporary age of globalization, characterized by advanced technology, the present millennial generation is transforming numerous aspects of human existence, encompassing individual motivation, behavior, ethics, and cognitive processes. Hence, it is imperative for organizations to effectively handle their human resources to cultivate competent teams and individuals capable of thriving in a competitive environment.

The company has high expectations for the performance of its employees. In order to achieve optimal performance, it is imperative for companies to implement empowerment programs. If this occurs, it will undoubtedly boost employee morale, leading to improved performance for the organization or company.

According to Eisenberger et al. (1999), performance is the outcome of an individual's work when they diligently carry out their assigned tasks, drawing upon their skills, experience, and dedication to complete them within the given timeframe. Organizations that exhibit strong performance will be well-positioned to effectively compete by upholding their commitment to excellence and ethical conduct. Attaining optimal employee performance yields a direct correlation to enhanced production levels. Enhancing production will result in a corresponding increase in sales. In order to generate profits, it is crucial for sales to experience growth. These profits can then be utilized to fund the various operations of the company. High performance is often a result of having individuals of exceptional caliber.

An important factor that can have an impact on the performance of employees is the concept of employee empowerment. As per Hansen & Mowen (2004), empowerment entails granting employees the authority to plan, control, and make decisions regarding their assigned work, without the need for explicit approval from higher-level managers. Meanwhile, as stated by

Cacioppe (1998), empowerment is a process in which management grants employees the autonomy to make decisions and take actions that contribute to the achievement of organizational success.

During the process of empowerment, it is common to encounter unexpected obstacles that can arise from various sources, both internal and external to the company or organization. As stated by Robbins et al. (2002), there exist various challenges encountered during the empowerment process. These include management's inadequate expertise in empowerment, insufficient encouragement and commitment from management, employee resistance towards empowerment, significant costs and time investment, and a failure on the part of management to offer feedback and constructive suggestions.

There are various models or strategies that companies can utilize to enhance employee empowerment. One such model is the coaching and counseling approach, which encompasses elements like fostering worker involvement, building trust, boosting self-confidence, establishing credibility, promoting accountability, and facilitating effective communication.

In a study conducted by Judge in Hall (2008), it was found that empowerment not only has a positive impact on performance improvement, but it can also lead employees to develop a desire to terminate their duties or leave the organization. Employees who experience job satisfaction are more likely to remain in their current workplace, whereas those who experience job dissatisfaction may feel uneasy and opt to seek employment elsewhere.

According to Ibua (2014), a consensus among management experts exists regarding the positive impact of empowerment on organizations. Empowerment is widely recognized as a catalyst for fostering employee creativity and promoting growth. Creativity involves generating innovative ideas and developing strategies for advancement. The concepts discussed are crucial for individuals to consider and apply in order to effectively address and resolve emerging societal issues. In addition to empowerment, self-efficacy is also a crucial factor in enhancing employee performance. Self-efficacy refers to an individual's belief in their own abilities to effectively organize, execute tasks, accomplish goals, produce results, and take necessary actions to achieve desired outcomes. Self-efficacy plays a significant role in individuals' daily lives as it greatly impacts their decision-making process and actions towards achieving their goals. It encompasses an individual's understanding of their own capabilities and influences their perception of the challenges they may encounter along the way.

According to Bandura (1997), self-efficacy pertains to an individual's confidence in their capacity to achieve success in a given task. As per Santrock's research in 2007, self-efficacy refers to an individual's belief in their competence to effectively handle a given situation and achieve positive outcomes. Hence, self-efficacy must be taken into account when seeking to enhance employee performance. The cultivation of self-efficacy is crucial in fostering employee motivation and ensuring their commitment to completing all assigned tasks within the organization. The objective is to enhance employee performance within the organization.

Nevertheless, in contemporary times, it is not unusual for this sense of empowerment to yield adverse consequences. An adverse consequence of empowerment is the occurrence of conflict. An issue that often arises for employees in this scenario is internal conflict. Conflicts that commonly arise internally include feelings of complacency and varying perceptions among employees.

The company's efforts to empower its employees can enhance their abilities and skills, leading to improved performance. Similarly, self-efficacy plays a crucial role in an employee's confidence to successfully accomplish their tasks and meet the company's objectives. Hence, it is crucial to maintain a harmonious equilibrium between employee empowerment and self-efficacy. This correlation is essential in fostering optimal performance among employees and cultivating effective work teams within the organization.

METHODS

This study employs a qualitative approach. The research sample consists of 30 employees from Bank Sulselbar Makassar Sharia Branch. The data collection technique employed in this study is the questionnaire method. The methodology employed in this study is quantitative analysis. The research utilizes the statistical analysis technique of descriptive analysis and multiple linear regression models.

RESULTS AND DISCUSSION

Validity test

The concept of validity pertains to assessing the authenticity and accuracy of a test. A test is considered valid when it accurately measures the intended construct. According to Ghazali (2011), a questionnaire is considered valid when the questions it contains effectively measure what they are intended to reveal. In order to determine the validity of the questionnaire, it will be subjected to testing using a product moment. In order to evaluate the validity of the test, it is necessary to consider certain criteria. Specifically, if the calculated r value exceeds 0.3, it can be concluded that the statement item is indeed valid. Conversely, if the calculated r value is below 0.3, the statement item is deemed invalid. The research conducted a data validity test for 30 respondents using the SPSS tool. Based on the validity test results it is clear that the calculated r values for each statement item are positive and surpass 0.3. Based on the evidence presented, it can be inferred that the questionnaire has shown validity. It can be inferred from the statement that the items (instruments) used in the questionnaire have the ability to accurately measure the research variables.

Reliability Test

Reliability is a crucial factor in evaluating the credibility of an instrument used for data collection in the field. It signifies the instrument's capacity to accurately disclose information. Reliability of a questionnaire is determined by the consistency of an individual's response to a statement over a specific duration. The study aimed to evaluate the questionnaire's reliability by analyzing the Cronbach's Alpha value. The degree of reliability is denoted by a numerical value referred to as the reliability coefficient, which ranges from 0 to 1. A reliability test will be conducted using the SPSS computer application to assess the reliability of the questionnaire. In Ghazali (2011), the determination of a questionnaire's reliability was based on the assessment of the Alpha coefficient result. If the result exceeds the significance level of 60% or 0.6, it suggests that the questionnaire demonstrates reliability and consistency. Conversely, if the Alpha coefficient result falls below the significance level of 60% or 0.6, it indicates that the questionnaire lacks reliability or consistency.

When the value of Alpha is less than 0.5, it is regarded as having low reliability. If the value of Alpha is within the range of 0.5 and 0.7, it is regarded as indicative of a moderate level of reliability. If Alpha displays a value greater than 0.7, it suggests that the reliability is satisfactory, indicating sufficient reliability. When Alpha surpasses the threshold of 0.8, it is deemed to demonstrate a high level of reliability. In a similar vein, when Alpha exceeds 0.9, it is considered to have impeccable reliability. A lower Alpha value indicates a greater level of unreliability or inconsistency among the items. A reliability standard above 0.7 is deemed satisfactory. Table 1 below presents the results of the final data reliability test, which was conducted using the SPSS 16.0 for Windows software tool:

Table 1. Reliability Test Results

| Variable | <i>Cronbach's Alpha if Item Deleted</i> | <i>Cronbach's Alpha</i> | Information |
|--------------------|---|-------------------------|-------------|
| Empowerment (X1) | 0,830 | 0,6 | Significant |
| Self-Efficacy (X2) | 0,646 | 0,6 | Significant |
| Performance (Y) | 0,967 | 0,6 | Significant |

Source: Processed Primary Data (2020)

The results obtained from the reliability testing indicate that all variables demonstrate a Cronbach's Alpha value greater than 0.6 when an item is removed. Furthermore, the overall Cronbach's Alpha also exceeds 0.6. Thus, it can be deduced that all the research variables have successfully undergone the reliability test. The results of the reliability test indicate a substantial level of reliability and consistency. It can be inferred from the data that the items in the questionnaire consistently assess the construct or research variable.

Data Analysis and Discussion of Research Results

Multiple Linear Regression Analysis

This study utilizes a multiple linear regression analysis model to support the research hypothesis, specifically to investigate the influence of the variables empowerment (X1) and self-efficacy (X2) on performance (Y). The analysis employs input obtained from the questionnaire data. The statistical calculations in the multiple linear regression analysis conducted in this research were carried out using the SPSS16.0 for Windows software. The findings of the multiple linear regression analysis in this study are displayed in the subsequent table:

Table 2. Multiple Linear Regression Analysis Test Results

| Variable | Standardized Coefficients Beta | P value | Information |
|--------------------|--------------------------------|---------|--------------------------|
| Empowerment (X1) | 0,369 | 0,017 | Positive and Significant |
| Self-Efficacy (X2) | 0,495 | 0,002 | Positive and Significant |

Source: Processed Primary Data (2020)

Based on Table 3, the multiple regression equation model that can be written from the test results is: $Y = 0.369X1 + 0.495X2$

With the following interpretation:

The value of b1 is 0.369, indicating that there is a positive relationship between empowerment (X1) and performance (Y). The results suggest that the congruence between an individual's aspirations and their occupation plays a crucial role in enhancing the significance of their work. In addition, the aspiration to meet goals, making informed career decisions, collaborating effectively with colleagues, displaying competence in task completion, and delivering exceptional customer service all contribute to improved performance. The performance of the employee is enhanced by their belief in their own abilities. The results indicate that various factors, including confidence in one's capabilities, self-confidence, the influence of the work environment, the attractiveness of the job, and overall job satisfaction, contribute positively to the performance of employees.

Conducting a Test for Partial Significance

The hypothesis testing in this study is based on the significance value (p value) and standardized beta coefficients to assess the impact of the independent variables on the dependent variable. When the significance level is below 0.05 ($\alpha = 5\%$) and the regression coefficient is positive (+), the hypothesis is deemed to be accepted. There is a clear and substantial impact of the independent variable (X) on the dependent variable (Y) when considered separately.

Table 3. Significant Test Results

| Variable | p value (sig.) | Information |
|--------------------|----------------|-------------|
| Empowerment (X1) | 0,017 | Significant |
| Self-Efficacy (X2) | 0,002 | Significant |

Source: Processed Primary Data (2020)

According to the findings presented in the table, the significance value of empowerment (X1) and self-efficacy (X2) is less than 0.05. It has been demonstrated that the variables of

empowerment (X1) and self-efficacy (X2) have a notable impact on performance (Y) when considered individually.

Hypothesis Test Results

Effect of Empowerment (X1) on Performance (Y) H1: empowerment has a positive effect on performance

Based on the data presented in Table 3 and Table 4, it is clear that the standardized coefficient value of the empowerment variable beta (X1) is 0.369, suggesting a positive relationship. Furthermore, this relationship is statistically significant at a level of 0.017, which is below the conventional threshold of 0.05. Based on the findings, it can be inferred that the first hypothesis (H1) is supported, indicating that empowerment has a positive effect on performance.

One of the key findings in this study is that employees have a strong sense of self-confidence in their abilities and view their tasks as highly meaningful. As a result, employees are driven to give their best for the company's advantage. Employees exhibit a high level of self-assurance in their work and hold the conviction that they can effectively achieve the work objectives they have established. Employees report high levels of job satisfaction, positive relationships with colleagues, and the ability to establish strong connections with customers.

In line with previous research conducted by Fajriana (2017), this finding suggests that empowerment has a positive effect on performance.

The Influence of Self-Efficacy (X2) on Performance (Y) H2: self-efficacy has a positive effect on performance

Based on the data provided in Table 3 and Table 4, it is clear that the standardized coefficient value of the self-efficacy variable beta (X2) is 0.495, suggesting a positive correlation. Furthermore, this relationship is statistically significant at a level of 0.002, which is below the conventional threshold of 0.05. Based on the findings, it can be concluded that the second hypothesis (H2) is supported, indicating a significant and positive influence of self-efficacy on performance. The validation of the second hypothesis in this study is grounded in the observation that employees consistently demonstrate a strong sense of competence in their ability to effectively complete tasks, and maintain the belief that their skills are either equal to or superior to those of their colleagues. At work, people will value engaging tasks and find a sense of satisfaction in the results of their efforts. This finding is consistent with the results of prior research conducted by Fajriana et al. (2022) & Chasanah (2008), suggesting that self-efficacy has a beneficial effect on performance.

CONCLUSION

Empowerment has a significant impact on the performance of employees. This can be observed from the perspective in which employees perceive themselves as well-matched to their work. They also hold a strong sense of the significance of their work, leading them to exert their utmost effort for the benefit of the company. Moreover, employees exhibit a sense of confidence in their abilities and possess a belief in their capacity to attain the set work objectives. Additionally, employee's express satisfaction in working alongside competent colleagues and establishing positive relationships with customers. The presence of self-efficacy has been found to have a favorable impact on the performance of employees. It is evident that employees consistently exhibit a sense of competence, perceiving themselves as capable of successfully accomplishing any task. Moreover, they hold the belief that their skills are on par with, if not surpassing, those of their colleagues. Consequently, they actively seek out challenging assignments in the workplace and derive a sense of fulfillment from the outcomes of their efforts.

REFERENCES

Bandura, A. (1997). *Self Efficacy – The Exercise of Control (Fifth Printing, 2002)*. New York: W.H. Freeman and Company.

- Cacioppe, R. (1998). An integrated model and approach for the design of effective leadership development programs. *Leadership & organization development journal*, 19(1), 44-53.
- Chasanah, N. (2008). *Analisis Pengaruh Empowerment, Self Efficacy dan Budaya Organisasi Terhadap Kepuasan Kerja Dalam Meningkatkan Kinerja Karyawan (Studi Empiris pada Karyawan PT. Mayora Tbk Regional Jateng dan DIY)* (Doctoral dissertation, program Pascasarjana Universitas Diponegoro).
- Eisenberger, R., Rhoades, L., & Cameron, J. (1999). Does pay for performance increase or decrease perceived self-determination and intrinsic motivation. *Journal of personality and social psychology*, 77(5), 1026.
- Fajriana, F., Effendy, L., & Suryantara, A. B. (2022). Analisis Kinerja Pemungutan Pajak Daerah Kota Dan Kabupaten di Nusa Tenggara Barat. *Jurnal Aplikasi Perpajakan*, 3(1).
- Ghozali, I., (2011). *Aplikasi Analisis Multivariate dengan Program SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hall, M. (2008). The effect of comprehensive performance measurement systems on role clarity, psychological empowerment and managerial performance. *Accounting, organizations and society*, 33(2-3), 141-163. <https://doi.org/10.1016/j.aos.2007.02.004>
- Hansen & Mowen. (2004). *Manajemen Biaya, Edisi Bahasa Indonesia, Buku Kedua*. Jakarta: Salemba Empat.
- Ibua, M. P. (2014). *The influence of institutional factors and job-related attitudes on the relationship between employee empowerment and performance of public universities in Kenya* (Doctoral dissertation, University of Nairobi).
- Robbins, T. L., Crino, M. D., & Fredendall, L. D. (2002). An integrative model of the empowerment process. *Human resource management review*, 12(3), 419-443. [https://doi.org/10.1016/S1053-4822\(02\)00068-2](https://doi.org/10.1016/S1053-4822(02)00068-2)