

## **THE EFFECT OF SELF EFFICACY AND LOCUS OF CONTROL ON THE PERFORMANCE OF EMPLOYEES OF PT. SRITRANG LINGGA INDONESIA**

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### **Abstract**

*Performance is the real foundation for an organization because without performance the organization's goals cannot be achieved. The purpose of this research is to determine and analyze the influence of self efficacy and locus of control on the performance of PT employees. Sritrang Lingga Indonesia. This research is research using quantitative methods with an associative approach. The population in this research is all production employees at PT. Sritrang Lingga Indonesia. This research uses a saturated sample, where the entire population is used as respondents, totaling 80 production employees. Data collection techniques in this research are observation, interviews and distributing questionnaires. Data analysis techniques in this research use Outer Model Analysis, Reliability, Inner Model Analysis, and Hypothesis Testing. This research uses SmartPLS 3.0 software to carry out data processing. The results of this research show that: 1) There is an influence of self efficacy on the performance of PT. Sritrang Lingga Indonesia employees, 2) Locus of Control does not influence the performance of PT. Sritrang Lingga Indonesia employees, 3) There is no locus of control moderating selfefficacy on the performance of PT. Sritrang Lingga Indonesia employees. . Sritrang Lingga Indonesia.*

**Keywords:** *employee performance, cell efficacy, locus of control.*

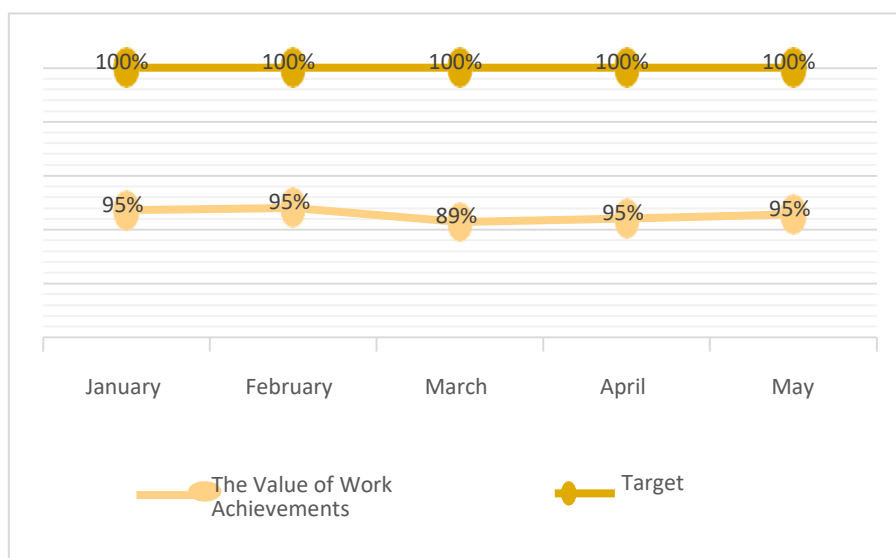
### **INTRODUCTION**

The performance of employees who have high self-efficiency will show a person who is confident in his competence and ability to carry out work. Self Efficacy is a part of self or self-knowledge information that affects people's daily lives. Self Efficacy is the belief that people have in doing something task or problem encountered in their work (Lunnenburg, 2011). Self efficacy also affects people when they act and take decisions to achieve your goals. Self-motives arise in humans encouraging belief in one's own abilities rather than in such things being objectively true (Medhayanti, 2015). Engko (2008) argues that self-efficacy has the ability to influence employee performance. Locus of control as a personality attribute where an individual is distinguished based on the degree of confidence in controlling the events that occur in their lives. The locus of control consists of an internal locus of control and an external locus of control. The locus of control is a personality trait that explains this concept whereby individuals determine the reasons for life events (Malik et al., 2015). Dewi (2014) argues that locus of control is a person's personality traits interpreting success and failure as caused by internal factors or external factors. The steering position is determined as one's beliefs about how and where events are perceived as pleasant or unpleasant, being the basis of action (Elena et al., 2015).

The locus of control is the perspective of a human reacting to an event in his life. PT. Sritrang Lingga Indonesia is a rubber industry that produces raw rubber into semi-finished.

PT. Sritrang Lingga Indonesia as a producer involved in the production process of goods (rubber) requires the performance of productive employees, so that they can produce goods (rubber) optimally. Therefore, this does not escape the performance of good employees so that company goals can be achieved as expected. According to (Hasibuan M., 2012) companies not only expect employees to be capable, capable, and skilled, but most importantly they are willing to work hard and want to achieve maximum results. The ability and proficiency of employees is meaningless to the company if they are not willing to work hard.

Employee performance in a company should be a pillar to run the company's life cycle, where employees are placed, and employee performance will be seen along with the results obtained within a certain period of time. Optimal employee performance is the essence of the assessment expected by the company to achieve high work productivity. At the company PT. Sritrang Lingga Indonesia has less than optimal employee performance with a decrease in performance. This can be seen from the graph of employee performance appraisal which tends to fluctuate at PT. Sritrang Lingga Indonesia for the January-May 2023 period as shown by experiencing a decrease but increasing in the following months.



**Figure 1** Employee Performance Appraisal  
(Source: The result of data processing from the Production Unit, 2023)

Based on the data above, it is known that there are problems with changing performance results. In February by 95% to March by 89%, this significant decline led to employee performance being evaluated. Due to the decrease in the amount of production from the target that has been given by the company so that the company's revenue is also not in accordance

with the existing target. This shows that the company must make changes so that there is no decrease in production output in the next period. The high self-efficacy of the human being can provide the ability to survive in itself in the face of difficulties and be able to overcome problems or obstacles that arise preventing the achievement of these goals.

Previous research conducted by Aziziyah, (2022) reported that there is an influence of self-efficacy and locus of control on employee performance at the Deli Serdang District Health Office both partially and simultaneously. Therefore, based on the description above, the following problems are raised: a. Does self-efficacy affect the performance of PT. Sritang Lingga Indonesia? b. What is the effect of locus of control on the performance of PT. Sritang Lingga Indonesia? c. Whether the locus of control can moderate self-efficacy on the performance of PT. Sritang Lingga Indonesia ?

## **RESEARCH METHODS**

The design in this research is an associative research design where research is carried out to determine influences, relationships and to test hypotheses. To complete this research, first, the researchers conducted observations at PT. Sritang Lingga Indonesia to observe existing problem phenomena. After making observations, research identifies existing problems from the results of observations and limits the research problem so that it does not expand from the problem to be researched. After that, the researcher created a framework containing the independent variables and dependent variables to be studied.

Data that has been collected through primary data or filling out questionnaires will later be analyzed using a structural equation model based on Partial Least Square (PLS). SmartPLS 3.0 software is used to help analyze the relationship between latent variables. Partial Least Square (PLS) analysis techniques include: Outer Model, Reliability Test, Inner Model. There are two tests in the outer model, namely (Convergent Validity), (Discriminant Validity), in the reliability test there are five tests, namely Loading Factor, Average Variance Extracted (AVE), Cross loading, Cronbach's Alpha, Composite Reliability and there is an R-Squares value test in the Inner Model. Then the researcher makes a hypothesis or guess of temporary results to answer the problem formulation that has been created. Then next, the researcher determines the objectives to be achieved from the research to be carried out.

## RESULT AND DISCUSSION

### 1. Descriptive Analysis of Respondent Characteristics

Descriptive analysis is intended to explain the frequency distribution of respondents' answers with the aim of describing the Effect of Self Efficacy and Locus Of Control on the Performance of PT Employees. Sritrang Lingga Indonesia with 80 production employees.

**Table 1.** Detailed Questionnaire Dissemination Data

Information	Number of Respondents	Percentage (%)
Distributed questionnaires	80	100%
Returning questionnaires	80	100%
Questionnaires that do not return	0	100%

Judging from the data generated in the table above, it can be explained that of the 80 questionnaires distributed, there were 80 questionnaires returned. Means that all questionnaires correspond to the sample on the study and are enough to conduct research. A descriptive description of respondents' gender can be seen in Table 2.

**Table 2.** Characteristics of respondents by sex

Gender	Number of Responden	Percentage
Man	76	76%
Woman	4	4%
<b>Sum</b>	80	100%

From the table above, it shows that respondents who answered the questionnaire were 76 male respondents or 76% and 4 female respondents or 4%. The description of respondents based on respondents' occupations can be seen in table 4.3 below.

**Table 3** Respondent Data by Occupation

Work	Number of Respondents	Percentage (%)
Production Section	80	100%
Total	80	100 %

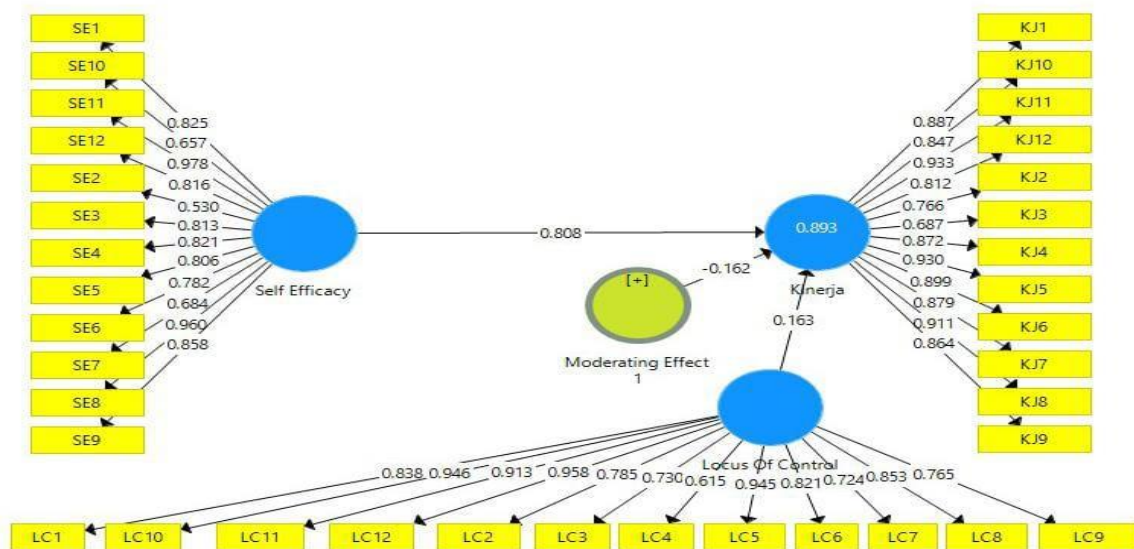
Judging from the data generated in the table above, it can be explained that the work of respondents is entirely part of production.

## 2. Outer Model Analysis

Outer Model analysis defines how each indicator relates to its late variable. The tests carried out on the outer model are:

### a. Convergent Validity Test

The calculation of the loading factor value of the indicators on each variable of this study uses the Partial Least Square (PLS) analysis technique with the SmartPLS 3 program. The following is a model scheme of the PLS program presented:



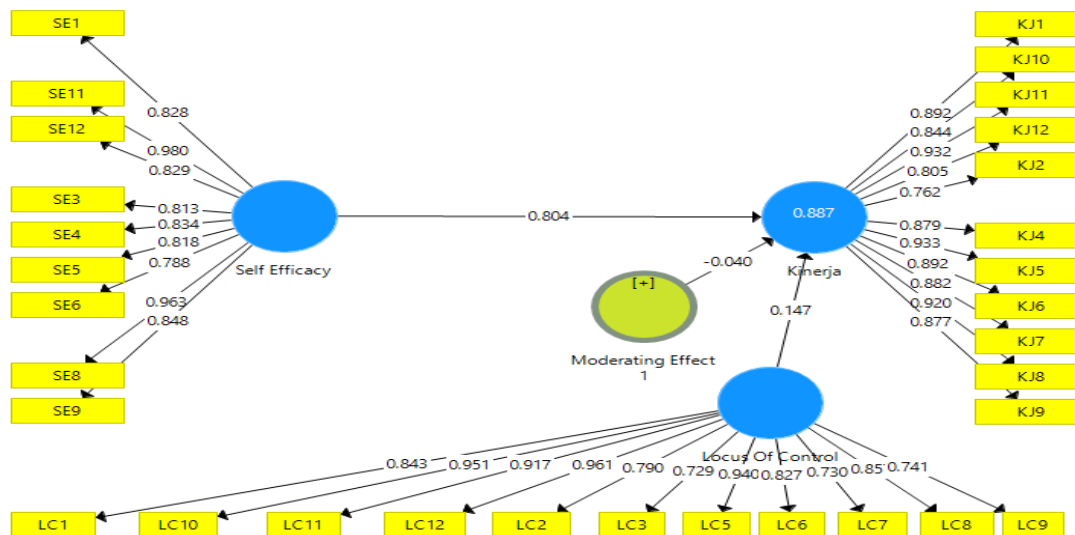
**Figure 2.** Construct Validity Test for the First Measurement Model

Based on Figure 2 above, the results of this research found indicators for each variable whose value was below 0.7 (invalid) estimated loading factor, namely 3 (three) indicators of the Self Efficacy (SE) variable, namely SE2 with a value of 0.530; SE7 with a value of 0.684; SE10 with a value of 0.657

- 1 (one) indicator of the Locus Of Control (LC) variable, namely LC4 with a value of 0.615
- 1 (one) indicator of the Performance variable (KJ), namely KJ3 with a value of 0.687
- The Locus Of Control moderation variable moderates Self Efficacy on Employee Performance with a value of 0.319

Furthermore, after 5 (five) indicators and 1 (one) moderation variable were dropped from the variable, the researcher tested the construct validity for the second measurement model by referring to the results of the previous loading factor estimation as shown in Figure 3. Based on Figure 3, it appears that the overall loading factor of the third CFA shows that

the model meets the convergent validity requirements because the loading factor value is more than 0.7. This means that all indicators are valid as a measuring tool for their respective variables so that the questionnaire used in this study can be used as a tool to measure the data collected by researchers.



**Figure 3.** Construct Validity Test for the Second Measurement Model

b. Convergent Validity (Validity Test Using Outer Loading)

The convergent validity of the measurement model with reflection indicators can be seen from the correlation between item scores or construct indicators. An individual indicator is considered valid if it has a correlation value above 0.70. The expected value  $>0.70$ , Validity testing for reflective indicators that uses the correlation between an item's score and its construct score. Measurement with reflection indicators shows changes in an indicator in a construct. If other indicators on other constructs change or are removed from the model. So it can be concluded that from all constructs of Self Efficacy, Locus Of Control and Employee Performance have valid data with a value above 0.50.

c. Discriminant Validity Test after Modification

After dropping or eliminating each indicator, it is obtained to pass the discriminant validity test The results of cross loading estimation, show that the loading value of each indicator item against the latent or constructive variables (X1, X2 and Y) is greater than the cross loading value. Thus, it can be concluded that all latent variables or constructs already have a good discriminant validity, which is  $> 0.7$  in each variable.



**Table 4.** Correlations Between Construct

Self Efficacy		Locus Of Control	Performance
Self Efficacy	1.000	0.967	0.941
Locus Of Control	0.967	1.000	0.920
Performance	0.941	0.920	1.000

Based on table 4, the correlation between constructs shows that the direct influence of self-efficacy on employee performance is 0.967, which means that if self-efficacy increases by one unit, employee performance can increase by 96.7%. This influence is positive. The direct effect of locus of control on employee performance is 0.941, which means that if the locus of control increases by one unit, employee performance can increase by 94.1%. This effect is positive. It can be concluded that all correlation variables between constructs have good values, namely  $> 0.7$  for each variable.

### Reliability

#### a. Composite Reliability Test

The outer model in addition to being measured to assess convergent validity and discriminant validity can also be done by looking at the reliability of latent variable or construct measured by looking at the composite reliability value of the indicator block that measures the construct. Composite reliability is a part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value of  $> 0.6$  (Imam Ghazali, 2015). The following is the composite reliability value of each variable used in this study:

**Table 5.** Composite Reliability Values

	Composite Reliability
Self Efficacy	0.962
Locus Of Control	0.965
Performance	0.973

The estimation results from table, show the value of composite reliability for all latent variables or constructs is above 0.7. Thus it can be concluded that all constructs have good reliability in accordance with the required minimum value limits. Where the value of composite reliability must be greater than 0.7 for confirmatory research and the value of 0.6-

0.7 is acceptable for exploratory research (Imam Ghozali, 2015).

b. Cronbach Alpha Test

The Outer Model in addition to being measured to assess Convergent Validity and Discriminant Validity can also be done by looking at the reliability of latent variables or constructs measured by looking at the Cronbach alpha value of the indicator block that measures the construct. A variable can be declared reliable or satisfy cronbach alpha if it has a cronbach alpha value of  $> 0.7$ . The following is the value of the Cronbach alpha of each variable:

**Table 6.** Cronbach's Alpha

	<b>Cronbach's Alpha</b>
Self Efficacy	0.954
Locus Of Control	0.960
Performance	0.969

The estimation results from table 4.10, show the Cronbach alpha value for all latent variables or constructs is above 0.6. Thus it can be concluded that all constructs have good reliability in accordance with the required minimum value limits. Where the value of composite reliability must be greater than 0.7 for confirmatory research and the value of 0.6 - 0.7 is acceptable for exploratory research (Imam Ghozali, 2015).

**3. Structural Model Analysis (Inner Model)**

a. R-Squares Analysis ( $R^2$ )

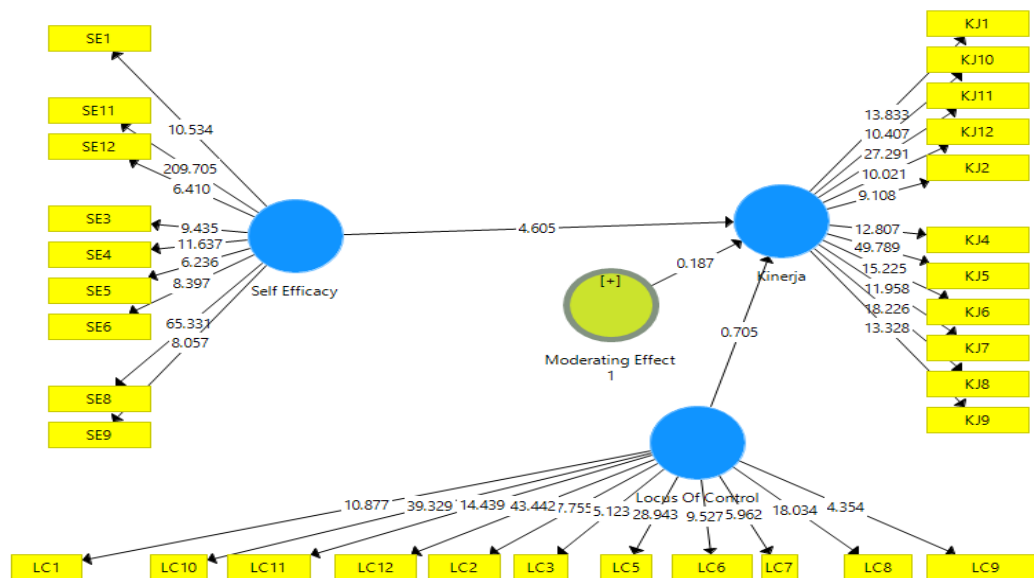
The  $R^2$  value indicates the level of determination between the eLKogen variable and its endogenous variable. A large  $R^2$  indicates a better level of determination.

**Table 7.**  $R^2$  Values (R-Squares)

	<b>R-Squares</b>
Performance	0.887

The calculation results of  $R^2$ -Squares for each endogenous latent variability can be seen in table showing that the value of  $R^2$ -Squares is at 0.196. Based on this, the calculation of  $R^2$  shows that  $R^2$  is included in strong (0.887). To show the model categories  $R^2$  values are 0.67 (Strong), 0.33 (Moderate) and 0.19 (Weak) (Chin, 1998) in (Imam Ghozali, 2015).





**Figure 5.** Bootstrapping Output

Based on figure 5, shows the estimation of the outer loading indicator value of each latent variable after modification by eliminating or drooping latent variables that are invalid or do not meet the validity convergen requirements.

#### 4. Test the hypothesis

**Table 8.** Total *Effect* dan *Specific Indirect Effect*

	<i>Original Sample(O)</i>	<i>Sample Mean(M)</i>	<i>Standard Deviation (Stdev)</i>	<i>T Statistics</i>	<i>P Values</i>
<i>Self Efficacy</i> → <i>Performance</i>	0.804	0.814	0.200	4.017	0.000
<i>Locus Of Control</i> → <i>Performance</i>	0.147	0.135	0.238	0.620	0.536
<i>Locus Of Control</i> → <i>Self Efficacy</i> → <i>Performance</i>	-0.040	0.016	0.231	0.172	0.863

Based on table 8, the regression results that Self Efficacy on Employee Performance is proven to be influential. This is due to the results of hypothesis testing which shows the results that Self Efficacy with Employee Performance shows an estimated original sample path coefficient value of 0.804 with significantly below 5% indicated by a t-statistic value of 4.017 which is greater than the t-table value of 1.984. P-Value value of 0.000. P-value (0.000) <  $\alpha = 5$ .

Based on table 8 the regression results that the Locus Of Control on Employee Performance proved to have no effect. This is due to the results of hypothesis testing which shows the results that the Locus Of Control with Employee Performance does not show the

original sample estimation path coefficient value of 0.147 with significantly below 5% indicated by the t-statistic value of 0.620 which is smaller than the t-table value of 1.984. P-Value value of 0.536.  $P\text{-value} (0.000) < \alpha = 5$ .

Based on table 8 the regression results that Locus Of Control moderating Self Efficacy on Employee Performance proved to have no effect. This is due to the results of hypothesis testing which shows the results that the Locus of Control moderating Self Efficacy on Employee Performance does not show the value of the original sample estimation path coefficient of -0.040 with significantly below 5% indicated by a t-statistic value of 0.172 which is smaller than the t-table value of 1.984. P-Value amounted to 0.863.  $P\text{-value} (0.000) < \alpha = 5$ . Thus, the estimation that the Locus Of Control moderates the Self Efficacy of Employee Performance does not have a positive effect on Employee Performance.

Based on the regression results, it can be concluded that the hypothesis is accepted, this means that the higher the Self Efficacy, the better the Employee Performance, the hypothesis has no effect on Locus Of Control on Employee Performance, and there is no moderation of Locus Of Control and Self Efficacy on Employee Performance.

## **DISCUSSION**

Based on research, Self Efficacy helps a person avoid work problems that often occur. The higher the self-confidence or Self Efficacy possessed, the better the expected performance. Thus, it can be concluded that the employees of PT. Sritrang Lingga Indonesia which has a high level of self-efficacy will encourage good performance as well. This is the same as the research conducted by Ary, Sriathi (2019) with the title The Effect of Self Efficacy and Locus Of Control on Employee Performance Studies at Ramayana Mal Bali with the results of research show that the variable Self Efficacy has a positive and significant effect on the performance of Ramayana Mal Bali employees (Oktavia, 2018).

Based on Locus Of Control research does not affect employee performance because employees of PT. Sritrang Lingga Indonesia is unable to empower locus of control both internally and externally in creating effective work conditions. This is the same as the research conducted by Dwi Wahyu Artiningsih Syahdi Rasyid (2013) with the title The Effect of Locus Of Control, Organization Citizenship Behavior and Quality of Work Life on Employee Performance (Case Study at Kotabaru Regional General Hospital) with the results of Locus of control does not affect employee performance or does not support the results of

previous research, this indicates that employees of the new City Hospital cannot empower locus of control both internally and externally in creating competitive working conditions and lack effort to be able to face problems in completing their work to be better in realizing better performance (Artiningsih & Rasyid, 2013).

Based on research, Locus Of Control cannot moderate Self Efficacy on the performance of PT employees. Sritrang Lingga Indonesia. This happens because there has been no research examining the Moderation between Locus Of Control on Self Efficacy on Employee Performance.

## **CONCLUSION AND SUGGESTION**

1. This research found that Self Efficacy on Employee Performance has proven to be influential. This is because the results of hypothesis testing show that Self Efficacy and Employee Performance show a t-table value that is more than the P-Value value of. This means that someone's trust can improve employee performance
2. This research found that Locus of Control on Employee Performance was proven to have no effect. This is because the results of hypothesis testing show that Locus of Control with Employee Performance does not show a t-table less than the P-Value.
3. This research found that Locus of Control moderates Self Efficacy on Employee Performance. It is proven that it cannot moderate. This is because the results of hypothesis testing which show that Locus of Control moderates Self Efficacy on Employee Performance does not show the original sample path coefficient value. Thus, Locus of Control moderates Employee Performance Self-Efficacy and does not have a positive effect on Employee Performance.

Based on the findings in this research, it is expected that the leadership of PT. Sritrang Lingga Indonesia should care about employees, to be able to maintain and improve Self Efficacy in the future because it positively affects employee performance. Although the Self Efficacy variable has the best effect, it should increase the Self Efficacy variable, because the variable also contributes to improving employee performance.

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