

# IMPROVING EMPLOYEE PERFORMANCE THROUGH WORK MOTIVATION AND SELF-EFFICACY MEDIATED BY JOB SATISFACTION

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**Abstract:** The research aims to find out whether there is any significant correlation between work motivation and self-efficacy and employee performance, mediated by job satisfaction in Regional Licensing and Investment Agency of East Kalimantan Province. The research method used in this research is a quantitative method. The data was collected using questionnaires and the sampling technique used in this research is saturated-sampling. Population and sample in this research is all employees working in Regional Licensing and Investment Agency of East Kalimantan Province with a total of 77 respondents. Data analysis method used in this research is Partial Least Square (PLS) method, using 3.0 SmartPLS program. The result of the research shows that motivation influences job satisfaction, self-efficacy influences job satisfaction, job satisfaction influences employee performance, self-efficacy influences employee performance, motivation influences employee performance mediated by job satisfaction, and self-efficacy influences employee performance mediated by job satisfaction.

**Keywords:** motivation, self-efficacy, job satisfaction, employee performance.



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An organization has its vision, mission and objectives to be achieved, as a manifestation of the reasons why the organization is formed. Achieving the vision, mission and objectives of the organization requires optimal and maximum skill of all employees. Giving optimal, maximal, and effective direction to all employees will lead to optimal employee performance in reaching the vision, mission and objectives of the organization. Employees are a key figure in the success of an or-

ganization. In order for an organization's activities to run properly, the organization must have broad-minded employees with good skills and effort to manage the organization optimally, so that employee performance will increase. According to Setiawan and Waridin (2006), employee performance is the result or achievement of employees, which is assessed in terms of quality and quantity, based on the standards determined by the company. Good performance is optimal performance, which meets the standards set by the organization and supports the achievement of organizational goals as well. A good organization is an organization that seeks to improve the ability of its employees because it is a major factor to improve employee performance. Increase in employee performance will bring progress to the organization to survive in the tight

competition. Therefore, various efforts to improve employee performance are challenges faced by the organization currently, as the success to achieve organizational objectives and to survive the tight competition depends on the quality of employee performance. Hasibuan (2009), argues that members of an organization who are capable of mobilizing all their ability optimally to realize the vision, mission and goals of the organization have a high motivation and attachment to the organization they work in. Members of organization that are able to realize the vision, mission and goals of the organization are known to have sufficient level of job satisfaction. therefore, the organization has high employee performance. In this regard, company needs to motivate the employees to improve the performance of employees. By motivating employees, it is expected that employees can work better. Without motivating employees, it will be difficult for a company to achieve its organizational goals targeted previously. Developing organization and successful organization depends on the employees working in the organization. To get employees who can work optimally, there are so many challenges that must be faced. Employees should have strong work motivation. Therefore, the results obtained by the company can be satisfactory. In addition to motivation, self-efficacy also plays an important role in improving employee performance of a company. Self-efficacy is one aspect of knowledge about self or self-knowledge which is influential in everyday life. This is because self-efficacy that exists within each individual influences individuals in determining their actions to be taken to achieve a goal. Bandura and Wood (in Ghufroon and Rini, 2010) explain that self-efficacy refers to the beliefs and abilities of individuals to drive their motivation, cognitive ability, and actions which are necessary to meet the demands of the situation. Baron and Byrne (in Ghufroon and Rini, 2010) state that self-efficacy is an evaluation of a person's ability or competence to perform a task, achieve goals, and overcome obstacles faced. Employees with high self-efficacy believe in themselves that they are capable of carrying out their responsibilities, while employees with low self-efficacy will not be confident and feel incapable of car-

rying out their responsibilities. It is important for a company to be able to improve the self-efficacy of their employees given that self-efficacy can affect employee performance. In increasing job demands nowadays, employees with low self-efficacy tend to give up easily. Meanwhile, employees with high self-efficacy will try harder to overcome the challenges they face. The same thing is expressed by Gist (in Ghufroon and Rini, 2010) that the sense of self-efficacy plays an important role in motivating workers to accomplish challenging work in relation to goal achievement. Self-efficacy has been studied by many academics in psychology.

The motivation that arises from within an individual will form a belief and confidence in performing a task or work that is given to him. Therefore, more aspects of human behavior are studied here. However, in this study, the researchers try to direct the behavior that would be produced by self-efficacy associated with job satisfaction and employee performance. In an organization, the role of human resources is a dominant factor in determining the success of the organization. Given the importance of the role of human resources, job satisfaction factor should be managed and processed in such a way, so that the performance of employees is improved. So far, job satisfaction has been identified as a variable that has a relationship with employee performance. Job satisfaction is the assessment of employees, which is how far their overall job satisfies their needs and generally, limitation can be given as a person's feelings towards his work. For many people, especially the well-educated and skilful people, one of the objectives of working is to obtain job satisfaction. Job satisfaction will be achieved if the work can drive a strong motivation to achieve better performance. Basically, job satisfaction is about what makes a person happy in his job or out of his job. Factors that affect the job satisfaction of employees significantly are challenging jobs, proper salary, good work environment, and well-built interpersonal relationships between colleagues. Although it is only one factor of many other influential factors, job satisfaction also affects employee performance level. With job satisfaction which has been obtained, all employees are expected to show high

performance. Without job satisfaction, employees will not work as expected by the company. Consequently the performance of employees will be low, so that the objectives of the company will not be achieved. As a large governmental organization, where the work environment exists throughout the territory of the Republic of Indonesia, government is required to have optimal performance. Currently, optimal performance from both individuals and from organization becomes the reference for ministries in giving feedback. One of them is in the form of appreciation to employees and organization.

Regional Licensing and Investment Agency (BPPMD) is a governing body which conducts the preparation and implementation of regional policies that engage in licensing and investment. Since 2012, BPMPTSP (d/h. BPPMD) has achieved many achievements, beginning with the acquisition of ISO 9001: 2008 for PTSP, and by 2015 it would expand its scope for Control and Supervision (*Dalwas*), together with BPMPTSP as an integrity zone to the Corruption Free Area (WBK). The following year, in 2013, it has gained recognition as the 3<sup>rd</sup> national champion after East Java and West Java province in the field of investment, indicating that the policy of East Kalimantan Provincial Government is conducive in encouraging the growth of the business climate. The phenomenon above shows that Regional Licensing and Investment Agency of East Kalimantan Province has carried out vision, mission and objectives of the organization which have been planned previously well. This success cannot be separated from the role of employee performance. Employee performance is a very important thing in the effort of the institution to achieve its objectives. It is interesting to do a study about the variables that affect employee performance. Hasibuan (2009), states that members of an organization who are capable of performing all their ability optimally to realize the vision, mission and goals of the organization have high motivation and attachment to the organization. In this case, the state apparatuses who work at Regional Licensing and Investment Agency of East Kalimantan Province have performed all of their skill optimally in realizing the vision, mission and objectives of the organization. Therefore, the organiza-

tion does not only achieve its vision, mission, and organizational goals, but it is also gets award as a result of good employee performance. The same thing is expressed by Gist (in Ghufroon and Rini, 2010), who shows evidence that self-efficacy plays an important role in motivating workers to accomplish challenging work related to goal achievement. In this case, the state apparatuses working at Regional Licensing and Investment Agency of East Kalimantan Province have good self-efficacy. Confidence gives them good motivation to complete the work given to them. Government apparatus is a citizen of the Republic of Indonesia that has fulfilled the stipulated requirements, appointed by an authorized official, and assigned a duty in a public office or handed over to other state duties. Therefore, it can be said that government apparatus has a very decisive role in achieving the objectives set previously, and becomes the key in determining the success of government in performing its authority. Based on the explanation above, the performance of government apparatus should be assessed and improved on an ongoing basis. Improving the performance of employees is always done in order to achieve the goal of providing excellent service for the community, namely providing services in accordance with the standards, and building a positive image. Government apparatus must have a good skill in managing human resources in their area. Local government tries to improve the quality and quantity of work in improving its performance, both individually and in group or institution. The main function of government apparatus is to serve the society and meet the interest of society with the existing tools. In Regional Licensing and Investment Agency of East Kalimantan Province, undergraduates and graduates lead to a research on the motivation of state apparatuses in that environment. The existence of permanent employees and contract employees also lead to a research about how job satisfaction and self-efficacy of the state apparatuses while working in this government agency. Based on the background above, there is a fundamental question for human resource management observers: how to improve employee performance to achieve organizational goals and even exceed the target? The main concern is on

motivation, self-efficacy, and job satisfaction, in which those variables are the first step to produce the latest innovations in improving employee performance. Based on the phenomenon that has been described, the researchers are interested in studying a thesis entitled “Effectiveness of Motivation and Self-Efficacy on Employee Performance Mediated by Job Satisfaction (Study at Regional Licensing and Investment Agency of East Kalimantan Province)”.

The purpose of this study is to obtain an in-depth picture and provide empirical evidence regard-

ing the influence of motivation, self-efficacy and job satisfaction on employee performance. From this research, it is expected that motivation, self-efficacy, and job satisfaction contribute to employee performance. It is also expected to contribute to other government agencies that have problems in decreasing employee performance and provide input to government agencies as study materials and considerations in formulating strategies and human resource policies for the employee development in the future. This research is also expected to add information and be a reference for all parties who need it

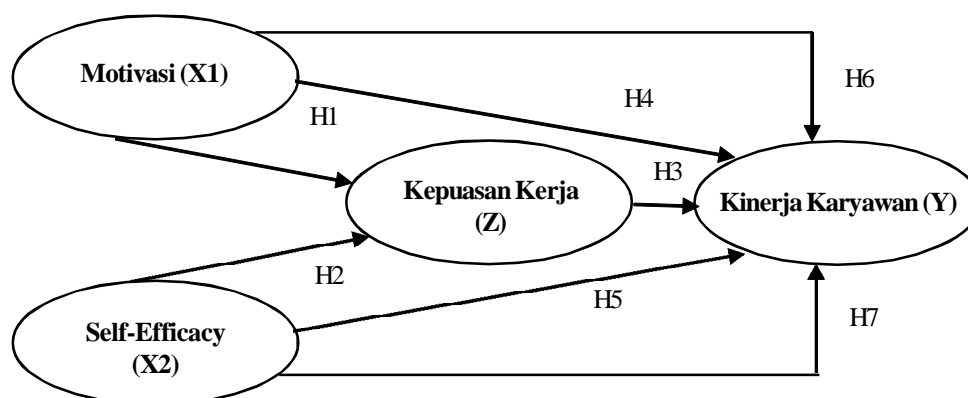


Figure 1 Theoretical Framework

## LITERATURE REVIEW

### Motivation

The word “motivation” is derived from word “motive”, which means impulse. In doing a certain action, one must be driven by a certain motive. Motivation usually arises due to needs which are not met yet, goals to be achieved, or because of the expectations. The two-factor theory was proposed by Frederick Herzberg. Based on the results of his research, Herzberg divides two factors that affect the performance of someone in the organization, namely satisfaction and dissatisfaction. Satisfaction, which is commonly referred to as motivator factors or satisfies, including the factors that drive achievement and morale, among others achievement, rec-

ognition, work itself, responsibility, and advancement (progress). Satisfaction is said to be a satisfying factor because it can give a person job satisfaction and also can improve the performance. Satisfaction is also called intrinsic motivation. Dissatisfaction, which is commonly also referred to as hygiene factor or maintenance factor, is a factor that comes from job dissatisfaction. These factors include company policy and administration, supervision, salary, interpersonal relations, working condition, job security, and job status. Dissatisfaction is also commonly referred to as extrinsic motivation because the factors that cause it is not from a person himself but from outside.

### **Self – Efficacy**

Self-efficacy is one aspect of knowledge about the most influential self-knowledge in everyday life. This is because self-efficacy has an influence on individuals in determining the action to be taken to achieve a goal, including the estimation of various events being faced (Gufron & Rini, 2010). How a person behaves in a particular situation depends on the reciprocal between the environment and the cognitive conditions, especially the cognitive factors which are associated with his belief that he is capable or unable to perform satisfactory actions (Alwisol, 2010).

According to Bandura (1997), self-efficacy in each individual will differ from one individual to another based on three dimensions. The following are those three dimensions a). The level of confidence: this dimension is related to the level of difficulty of the task when the individual feels able to do so. When the individual is faced with tasks that are arranged according to the level of difficulty, the individual's self-efficacy may be limited to easy tasks, moderate, or even the most difficult tasks, in accordance with the limit of ability to meet the demands of behavior required at each level. This dimension has implications for the selection of behaviors that will be done or avoided. Individuals will try the behavior they feel able to do by avoiding behavior that is beyond their limit of capabilities. b). the level of belief of hope, this dimension relates to the level of strength of the individual's beliefs or expectations of his ability. The weak expectation is easily shaken by unsupportive experiences. Conversely, a steady expectation drives the individual to survive in his efforts although there might be less supportive experience found. This dimension is usually directly related to the level dimension, i.e. the higher the difficulty level of the task, the weaker the confidence to solve it. c) The attitude of self-belief: this dimension is related to the field of behavior in which the individual feels confident in his ability. Individuals can feel confident about his ability. Whether limited to a particular activity and situation or to a range of activities and situations that vary.

### **Job Satisfaction**

Robbins (in Wibowo, 2013) defines job satisfaction as a positive feeling about work as a result of an evaluation of its characteristics. Robbins has four factors that are conducive for high employee satisfaction level, namely a) Mentally challenging jobs, people prefer jobs that give them the opportunity to use their skill and ability and offer a variety of tasks, freedom, and feedback about how well they did that. These characteristics make the job mentally challenging. b) Reasonable rewards, employees want a payment system that they consider unambiguous and in line with their expectations. If the payment seems fair based on job demand, individual skill level, and the standard of community pay, satisfaction may be generated. c) The supportive environmental condition, employees are concerned about their work environment when it comes to personal comfort issues and problems with the ease of working. There are many studies show that employees prefer a harmless or comfortable physical environment. In addition, most employees prefer to work not far from home, work in clean and relatively modern facilities, with adequate tools and equipment. d) Supportive co-workers, in working, people get more than just money or achievements, for some employees work also can fill their need for social interaction. Therefore, it is not surprising that supportive and friendly partner can improve the job satisfaction of employees.

### **Employee Performance**

Performance is a universal concept that is an operational efficiency of an organization, part of the organization, and its employees based on predefined standards and criteria. Bernadin (1993) explains that a person's performance can be measured based on 6 criteria generated from the work in question. Those six criteria are quality, the level in which the final result is almost perfect, in meeting the objectives expected by the company. Quantity is the amount generated by work activity, such as the number of rupiahs, the number of units, and the number of cycles of activities you have completed. Timeli-

ness is the extent to which a job can be completed on time by observing coordination with other outputs, as well as time available to others. Cost-effectiveness is the extent to which the use of human resources in an organization such as human, nature, financial capital, technology, and information can be maximized to achieve the highest results or to reduce the losses of each unit of resource use. Need for Supervision is the extent to which a worker can perform a job function without requiring supervision from superiors to minimize undesirable actions. The interpersonal impact is the extent to which employees maintain their self-esteem, good image, and cooperation with leaders and co-workers.

## METHOD

This research was designed with quantitative approach. The data used is primary data. Primary data was obtained by documentation of questionnaire results from respondents. Secondary data were obtained from the data of bookkeeping and research results. Secondary data is normatively used to support the interpretation of primary data analysis results. The sampling method described above is similar to what is referred to as saturated sampling. According to Sugiyono (2006), saturated sampling is a technique of sampling when all members of the population are used as the sample. Because the number of populations can be identified and affordable. Therefore, this study took 77 respondents.

To obtain the necessary data in this research, the researchers used questionnaire distribution as data collection method. The questionnaire is used to obtain information from various samples or sources. Data analysis technique used in this study is descriptive analysis, which is used to illustrate or describe the state of each variable (Ferdinand, 2006: 289), which includes work motivation, self-efficacy, job satisfaction, and employee performance. The descriptive measure used is numbering, either in number or in percent.

The number of samples involved in this research is 77 respondents. This study used Partial Least Square (PLS) analysis method using SmartPLS 3.0 program, which requires samples of at least 30 to 50 respondents or large sample over 200 respon-

dents. The reason for using Partial Least Square analysis (PLS) in this study is to confirm previous theories about the effect of work motivation, self-efficacy, and job satisfaction on employee performance.

In Partial Least Square (PLS), there are two models: inner model and outer model. The test criteria were performed on both models. The inner model that specifies the relationship between latent variables (structural model) is also called inner relation. It describes the relationship between latent variables based on research theory. There are several structural model tests of R Square in endogenous constructs. R Square value is the coefficient of determination of endogenous constructs. According to Chin (1998), the value of R square is 0.67 (strong), 0.33 (moderate), and 0.19 (weak). The higher the R Square value, the better the prediction model of the proposed research model (Hartono and Abdillah, 2016). The estimate for Path Coefficients is the coefficient value of the path or the magnitude of the relationship or influence of the latent construct. It is performed by using bootstrapping procedure. Outer model is a model of measurement to assess the validity and reliability of a model (Hartono and Abdillah, 2016). Validity and reliability tests are tests which are conducted to find out how far a test or set of operations measures what should be measured (Hartono, 2004). Validity and reliability testing in PLS consists of convergent validity, loading factor value on latent variable and indicators. Expected value  $> 0.7$ . Discriminant validity, a cross loading factor that is useful to know that the construct has an adequate discriminant, which is by comparing the loading value on the intended construct which must be greater than the value of loading with other constructs. In other words, validity occurs if two different instruments measuring two constructs which have been predicted to have no correlation produce uncorrelated scores (Hartono and Abdillah, 2016). Composite Reliability, data that has composite reliability  $> 0.8$  has high reliability. Average Variance Extracted (AVE), expected AVE value  $> 0.5$ . Cronbach Alpha, reliability test is reinforced with Cronbach's alpha. Expected value  $> 0.6$  for all constructs.

Hypothesis testing in this study was conducted by determining the level of significance or critical value ( $\alpha$ ) that is amounted to 5% and comparing the t-statistics value in the bootstrapping output view of the SmartPLS 3.0 program with t-table value. If t-statistics is higher than the t-table value, then the hypothesis is supported. The test used a significance level of 5% and had the t-table value of 1.96 for 2-tailed hypothesis and 1.64 for the 1-tailed hypothesis.

## RESULTS

The data was analyzed by using SmartPLS version 3.0. SmartPLS was used because it does not require the assumption of data distribution, so that it can analyze complex models at all data scale. it also does not require normally distributed data and can solve multicollinearity problems that often appear on the relationship between variables (Solimun, 2011). Therefore, it can be used for a research using a small sample size, predictive data, and only a few basic theories. The validity of the model that cannot be ascertained (Wong, 2013).

### Instrument Testing (Outer Model)

#### Convergent Validity Test

Convergent validity is based on the loading factor, in which instruments having a loading factor greater than 0.6 indicate that the instrument meets the validity convergent. From the result of goodness of fit outer model on motivation (X1), self-efficacy (X2), job satisfaction (Z), and employee performance (Y), loading factor value of each indicator obtained is greater than 0.600 and t statistic value of each indicator is greater than 1.960, so that the indicator of each variable is valid.

#### Discriminant Validity Test

Based on the measurement of cross loading in the table above, it can be seen that overall the indicators of motivation (X1), self-efficacy (X2), job satisfaction (Z), and employee performance (Y) generates loading factor value greater than the cross loading on other variables. Therefore, it can be stated

that each indicator is able to measure the latent variables corresponding to the indicator.

### Reliability Test

Four variables in this research are reliable because they have composite reliability and Cronbach's alpha above 0.7, namely motivation variable amounted to 0.910 and 0.889, self-efficacy amounted to 0.824 and 0.876, job satisfaction variable amounted to 0.834 and 0.734, and employee performance variable amounted to 0.858 and 0.851.

### Model Testing (Inner Model)

The structural model of this research is formed by four latent variables, namely motivation (X1), self-efficacy (X2), job satisfaction (Z), and employee performance (Y). Job satisfaction (Z) is influenced by motivation (X1) and self-efficacy (X2) with the coefficient of determination ( $r^2$ ) amounted to 0.652. It shows that 65.2% job satisfaction factor (Z) is influenced by motivation variable (X1) and self-efficacy (X2), while other factors that influence job satisfaction (Z) equal to 34.8%. Employee performance (Y) is influenced by motivation (X1), self-efficacy (X2), and job satisfaction (Z) with determination ( $r^2$ ) of 0.890. This shows that 89.0% of employee performance factor (Y) is influenced by motivation (X1), self-efficacy (X2), and job satisfaction (Z), while another factor affecting employee performance (Y) is 11.0%. Other examination of the goodness of fit inner model can use the coefficient of total determination ( $Q^2$ ), which shows that the structural model that is formed can represent the existing data. The result of the calculation of the coefficient of total determination ( $Q^2$ ) is as follows:

$$\begin{aligned} Q^2 &= 1 - [(1 - R_1^2) \times (1 - R_2^2)] \\ Q^2 &= 1 - [(1 - 0.652) \times (1 - 0.683)] \\ Q^2 &= 1 - 0.110 \\ Q^2 &= 0.890 \end{aligned}$$

Based on the calculation, value of the coefficient of total determination obtained amounted to 0.890 or 89.0%, which means that the structural model formed can explain about 89.0% of the research data.

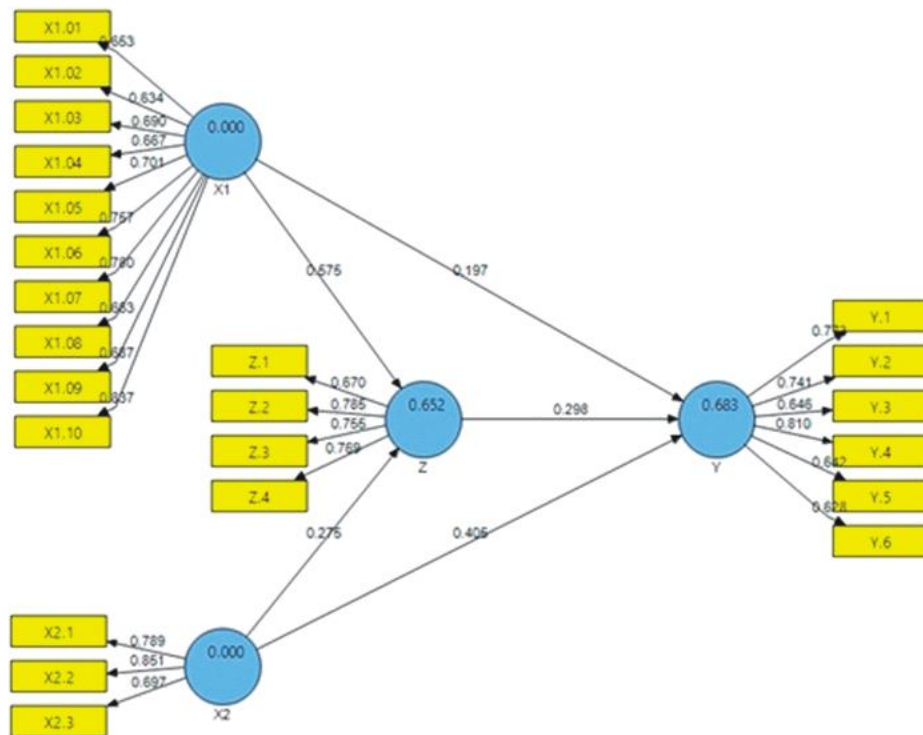


Figure 2 Structural Model of Research Variable

## DISCUSSIONS

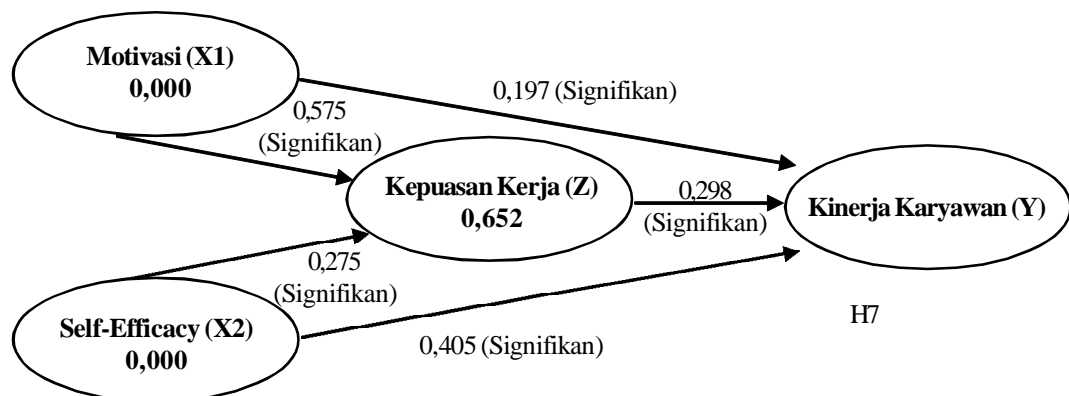


Figure 3 Result of Hypothesis Test

### H1 Test: Work Motivation affects job satisfaction

Based on the test results, t statistical value obtained amounted to 6.865, which is greater than the value of t table of 1.960. Therefore, it can be said

that there is an influence of motivation (X1) on job satisfaction (Z), so that hypothesis one is proven to be true. Path coefficient of 0.575 has a positive sign, which indicates the influence of motivation (X1) on job satisfaction (Z) is directly proportional. The bet-



ter or the high motivation (X1), the better or the higher the job satisfaction (Z). The success of an organization is determined by the work of the employees. To carry out its duties, the organization must divide the tasks and the work to all employees in their work units according to hierarchy. An organization must be able to create a conducive atmosphere, give enough attention, give the reward to employees who have the good achievement, and establish good communication with all employees. To create such conditions, it is necessary to improve work quality and job satisfaction for every employee. This is possible if there is an increase in employee motivation because after all one of the goals of an organization is to improve employee welfare and job satisfaction. The results of this study are in line with research which was conducted by Tella, et al. (2007), suggesting that motivation has a significant relationship with job satisfaction. Jehanzeb, et al. (2012), showed that motivation has a significant positive relationship with job satisfaction.

## **H2 Test: Self – efficacy affects job satisfaction**

Based on the test results, t statistics value obtained of 3.245, which is greater than the value of t table of 1.960. Therefore, it can be said that there is an influence of self-efficacy (X2) on job satisfaction (Z), so that hypothesis two is proven to be true. Path coefficient of 0.275 has a positive sign, which indicates that the influence of self-efficacy (X2) on job satisfaction (Z) is directly proportional, i.e. the better or the higher the self-efficacy (X2), the better or the higher the job satisfaction (Z). In everyday life, self-efficacy leads us to determine challenging ideas and survive facing the difficulties. When problems arise, strong self-efficacy encourages employees to remain calm and seek solutions rather than contemplate their inadequacy. Effort and persistence lead to good achievement. It is important for a company to be able to improve self-efficacy in their employees given that self-efficacy can affect employee performance. High self - efficacy will cause high job satisfaction as well. The results of this study are in line with the research which was conducted by Tojjari et al. (2013), indicating that self-efficacy has a significant effect on job sat-

isfaction. Chen-Lai and Chen (2013) state that self-efficacy has a positive effect on job satisfaction.

## **H3 Test: Job satisfaction affects employee performance**

Based on the test results, t statistics obtained amounted to 3.479, which is greater than the value of t table of 1.960. Therefore, it can be said that there is the influence of job satisfaction (Z) on employee performance (Y), so that hypothesis three is proven to be true. Path coefficient amounted to 0.298 with positive sign shows that job satisfaction (Z) on employee performance (Y) is directly proportional, i.e. the better or the higher job satisfaction (Z), the better or the higher the employee performance (Y). With job satisfaction obtained, employees are expected to show high performance. Without job satisfaction, employees will not work as expected by the company, and consequently, the performance of employees will be low, so that the company's objectives will not be achieved. In doing high-quality work, there must be increasing demand for job satisfaction, along with the competition of other business organizations. The results of this study are in line with research which was conducted by Platis et al. (2014), showing a significant positive relationship between job satisfaction and nurse performance. Pushmakumari (2008), revealed that there is a positive correlation between job satisfaction and employee performance. Prasanga and Gamage (2012), proved that there is a fairly positive relationship between job satisfaction and employee performance.

## **H4 Test: Work motivation directly affects employee performance**

Based on the test results t statistical value obtained amounted to 2.296, which is greater than the value of t table of 1.960, so it can be said that there is an influence of motivation (X1) on employee performance (Y). Therefore, hypothesis four is proven to be true. Path coefficient amounted to 0.197 has a positive sign, which indicates that the influence of motivation (X1) on employee performance (Y) is directly proportional, i.e. the better or the higher motivation (X1), the better or the higher employee

performance (Y). In this regard, the company needs to motivate employees in order to improve employee performance. By motivating employees, employees are expected to work better. Without motivating employees, it will be difficult for the company to achieve its organizational objectives targeted previously. Developing and successful organizations depend on the employees working in the organization. To get employees who can work optimally, there are so many challenges that must be faced. Strong motivation is needed by employees so that the results obtained by the company can be satisfactory. The results of this study are in line with research which was conducted by Broni (2012), concluding that there is a very significant relationship between motivation and employee performance. Zameer, et al. (2014), argue that motivation plays an important role in employee performance in the beverage industry. Azar and Shafighi (2013), showed that work motivation has a positive and significant influence on employee performance. Bonsu and Kusi (2014), showed that employees prefer higher salaries as the main incentive for higher performance in an organization, which affirms Herzberg's theory. Nowadays, employees are more motivated by intrinsic factors rather than extrinsic factors.

#### **H5 Test: Self-Efficacy directly affects employee performance**

Based on the test results, t statistical value obtained amounted to 4.685, which is greater than the value of t table amounted to 1.960, so it can be said that there is an influence of self-efficacy (X2) on employee performance (Y). Therefore, hypothesis five is proven to be true. Path coefficient amounted to 0.405 has a positive sign, which shows that the influence of self-efficacy (X2) on employee performance (Y) is directly proportional, i.e. the better or the higher the self-efficacy (X2), the better or the higher the employee performance (Y). Self-efficacy also plays an important role in improving performance for the company. Baron and Byrne (in Gufron and Rini, 2010) state that self-efficacy is an evaluation of a person's ability or competence to perform a task, to achieve goals, and to overcome obstacles. Employees with high self-efficacy believe

in themselves that they are capable of carrying out the responsibilities given to them, while employees with low self-efficacy will not be confident and feel incapable of carrying out the responsibilities given to them. It is important for a company to be able to improve self-efficacy of their employees given that self-efficacy can affect employee performance. The results of this study are also in line with research which was conducted by Fadzilah (2006), suggesting that self-efficacy has a positive effect on employee performance. Cherian and Jacob (2013) argue that from the results of the study that have been observed, the theory of self-efficacy can be applied in the work related to employee performance and the implication in providing employee motivation.

#### **H6 Test: Workmotivation indirectly affectsemployee performance through job satisfaction**

Based on the test results, t statistics value obtained amounted to 3.078, which is greater than the value of t table amounted to 1.960, so it can be said that there is an influence of motivation (X1) on employee performance (Y) through job satisfaction (Z). Therefore, hypothesis six is proven to be true. Path coefficient amounted to 0.172 has positive sign, which shows the effect of work motivation (X1) on employee performance (Y) through job satisfaction (Z) is directly proportional, i.e. the better or the higher the motivation (X1), the better or the higher the employee performance (Y) through job satisfaction (Z). Herzberg suggests that there are two factors that affect one's work in the organization, namely satisfaction, and dissatisfaction. Ordinary satisfaction is also referred to as motivation factor because it can provide employee job satisfaction. It has a good impact on employee performance. The results of this study are in line with the research which was conducted by Brahmasari and Suprayetno (2008), stating that work motivation has a positive and significant effect on job satisfaction of employee, leadership has a negative and significant effect on job satisfaction of employee, organizational culture has a positive and significant impact on job satisfaction of employee, work motivation has no significant effect on company performance, leadership

has positive and significant effect on company performance, organizational culture has a positive and significant influence on company performance, and employee job satisfaction has a positive and significant influence on company performance

### **H7 Test: Self-efficacy indirectly affects employee performance though job satisfaction**

Based on the test results, *t* statistic value obtained amounted to 2.322, which is greater than *t* table value amounted to 1.960, so it can be said that there is an influence of self-efficacy (X2) on employee performance (Y) through job satisfaction (Z). Therefore, hypothesis seven is proven to be true. Path coefficient of 0.082 has positive sign, which indicates that the influence of self-efficacy (X2) on employee performance (Y) through job satisfaction (Z) is directly proportional, i.e. the better or the higher the self-efficacy (X2), the better or the higher employee performance ) through job satisfaction (Z). The results of this study are in line with the theory put forward by Bandura (1997) that self-efficacy is an individual belief about his ability in performing tasks to achieve certain goals. This shows that self-efficacy plays an important role in motivating employees to accomplish challenging work in relation to the achievement of specific goals. Self-efficacy is related to job satisfaction, in which a person who has a high self-efficacy tends to succeed in his task so that it increases the satisfaction of what he does.

## **CONCLUSIONS AND SUGGESTIONS**

### **Conclusions**

Based on the results of this research about the influence of work motivation and self-efficacy on employee performance mediated by job satisfaction at Regional Licensing and Investment Agency of East Kalimantan Province, it can be concluded that work motivation affects job satisfaction. This means that the higher the work motivation of employees, the higher the job satisfaction of employees. Self-efficacy has an effect on job satisfaction. This means that the higher the self-efficacy, the higher the job satisfaction. Job satisfaction affects employee performance. This means that the higher the job

satisfaction of employees, the better employee performance. Motivation affects employee performance. This means that the higher the work motivation of employees, the better the employee performance. Self-efficacy has an effect on employee performance. This means that the higher the self-efficacy, the better the employee performance. Motivation affects employee performance mediated by job satisfaction. This means that the better or the higher the work motivation of employees, the better or the higher the performance of employees through job satisfaction. Self-efficacy affects employee performance mediated by job satisfaction. This means that the better or the higher the self-efficacy, the better or the higher the performance of employees through job satisfaction.

### **Suggestions**

In accordance with the results of research and conclusions that have been presented before, there are some suggestions for Regional Licensing and Investment Agency of East Kalimantan Province to improve employee performance and suggestions for further researchers (in research objects). In order to improve employee performance in Regional Licensing and Investment Agency of East Kalimantan Province, the leaders should improve the work motivation of employees, especially in creating a pleasant work environment and meeting the facilities for employees.

In order to improve employee performance at Regional Licensing and Investment Agency of East Kalimantan Province, the leaders should encourage employees to be confident in their ability, ensure that employees are not easily affected by things that can degrade their performance, and encourage employees to remain consistent in their work. In order to improve employee performance at Regional Licensing and Investment Agency of East Kalimantan Province, the leaders must provide the challenging task to their employees and give them the freedom to behave in the work provided.

The researchers recommend future researchers to study this problem by adding other variables that were not studied in this research. It is necessary to conduct a research on self-efficacy and its

impact on a company, given the lack of research with the variable of self-efficacy.

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