The Effect of Self-Efficacy and Communication Skills on Employee Performance and Work Engagement at Online Transportation Companies

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This research is conducted to examine the effects of self-efficacy, work engagement, and communication skills of the millennials working at online transportation companies. A Structural Equation Modelling (SEM) was employed as the method of research. All employees listed in the online transportation companies categorised as unicorn – Grab and Gojek – were selected as the population. Samples were collected by means of purposive sampling technique. The samples involved all employees of online transportation companies who belong to the Millennial generation born in 1981-1997 or aged 18 to 34 by 2015. Primary data was gathered by means of a Survey using a questionnaire. Findings of the study show that Self-Efficacy has a significant effect on Work Engagement; Communication Skill has a significant effect on Work Engagement; Work Engagement has a significant effect on Employee Performance.

Key words: Self-Efficacy, Work Engagement, Employee Performance, Communication Skill, Millennial Generation, Online Transportation.

Introduction

The Human Resources Departments (HRD) of many companies are currently encountering three generations living side by side and communally in a working atmosphere. They are the Baby Boomers, X generation, and Y generation, commonly called the Millennials. This drives a change in organisational behaviour. Leaders of companies are dealing with unique work ethics since each generation has its own characteristics of organisational behaviour, with significant differences. In addition, another phenomenon occurring is that the Baby Boomers
are on the edge of the retirement period, so that implies more recruitment open for millennials. Such differentiation between generations in the workforce may often be problematic to the leaders (Kaifi, Nafei, Khanfar, & Kaifi, 2012).

In 2018 the population of Indonesia that was categorised into the productive age between 15-64 reached 181 million. This is six times as many as that of Malaysia. Out of the productive population, half belongs to the millennial generation born between 1980-2000. They are a unique generation that were born and grew up in the middle of a transformation in the political and social situation, as well as in the development of the Internet world (Lidya Julita Sembiring, 2018). The National Planning and Development Agency (Bappenas) notes that Indonesia has a large young population; i.e. 90 million of millennial (age of 20-34) (Lidya Julita Sembiring, 2018).

The wave of Industrial Revolution 4.0 has brought a fundamental shift in various orders of global life, inclusive of economic competition. In addition to this, the industrial revolution 4.0 takes the creative economy in combination with information technology as one strategic issue because it is considered being able to holistically develop and increase the economy of a country; therefore, it can be a strategy to win in the sphere of global competition. In Indonesia, the development of a creative economy on the basis of information technology is marked by more new types of entrepreneurship created by the millennial generation. The entrepreneurship utilises the development of information and technology, which has been pinpointing its existence as a spearhead for economic creative development in many derivative sub-sectors. This is in line with the data of the Ministry of Research, Technology and Higher Education stating that the development of startups has been rocketing for the last four years; there have been 956 startups, which is over the target of 850 (Zakiul Fahmi, 2014). In the second quarter of 2017, Tech In Asia suggests that the startups dominating Indonesia’s economy originate from e-Commerce and the Fintech industry and there have been four startup unicorns originating from Indonesia: Traveloka, Tokopedia, Bukalapak & GO-JEK (Cohive, 2019).

The domination of the millenials serving as the workforce, particularly those involved in the business platform field, should make the leaders of the companies realise that they have to give the millennial generation a priority. The vast and significant difference that exists between the characteristics of the baby boomers and millennials will definitely influence the pattern of organisational behaviour. Sprague cites in his publication that the Y generation, or the millennial, is regarded as having no patience, loyalty and respect for authority. Further, it spends too much time doing online activities and has bad communication skill (Andiyasari & Pitaloka, 2010). Thus, this research was conducted to examine the self-efficacy, work engagement and communication skills of the millennial generation working at online transportation companies.
Literature Review

Employee Performance

Company performance is highly determined by the performance of the company’s employees. The fulcrum between good and bad performance of the company relies on how an employee is able to optimise all of the company’s resources. The employee performance is the output of development and training the company has conducted. Wanza, Nkuraru (2016:190) explains that employee performance is crucial in an organisation to meet the target and goal of the company. Dewi (2013:210) supports that employee performance is the output or result of the employees’ work in parallel with their task and responsibility to meet the goal of the organisation. Sunaryo (2017:104), in the same vein, also explains that performance is the work produced by an employee within a certain period of time compared to such outcomes as standard, target, or criteria previously determined and communally agreed with. The standard itself is set hoping that it may enable the employees to meet the target the company has set up and that it can be a benchmark for the employee performance itself. Some experts note that employee performance is therefore the work that one or a group of people in an organisation could possibly achieve either quantitatively or qualitatively, corresponding to each authority and responsibility, in the attempt to legally meet the organisational goal without breaking the law and in line with morals and ethics.

Work performance is basically individual in its nature as every employee has varied levels of ability while doing his or her task. Performance depends on a combination of ability, effort and opportunity gained. This means that work performance is the output of the employees’ work within a certain period of time and emphasises the finished output completed by the employees in a certain period of time. In addition, work performance describes the level of program accomplishment to realise the target, goal, mission and vision of the organisation.

Mathis and Jackson (2006:378) suggest that employee performance for common work can generally be measured by quantity, quality, accuracy, effectiveness, and attendance. On the other side, Dessler (1997) in Chasanah (2008) claims 6 categories are used to measure employee performance; they are quality, quantity, time accuracy, effectiveness, independence, and commitment. Based on the shared theories, there is a dimension which covers quantity, quality, time accuracy, effectiveness, independence, and commitment used to measure the employee performance.

Self-Efficacy

Self-Efficacy is particularly needed to develop employee performance as it helps individuals raise their confidence in their abilities to complete the task in a timely fashion that their superior
assigns. Self-efficacy emerges from one’s ability to influence the way of thinking, of self-motivating, and of taking action. An individual with high self-efficacy will be able to complete his or her work and to accomplish the goal (Ghufron, 2010). Self-efficacy refers to people’s justification over their ability to manage and execute an action needed to meet the goal and to realise performance (Niu, 2010). Self-efficacy is a belief referred by goal, relatively specific contexts, and is oriented to one’s future competence. This belief remains undeniable since it relies on the task (Rakoczy et al., 2019). Some experts point out that self-efficacy is a judgment and belief that an individual has toward his or her ability to encounter a challenge in life by organising a series of actions in order to obtain a positive final output.

Pepe (2010) states in Maghfiroh (2014) that self-efficacy can be measured with 3 indicators: ability to handle difficulties in work, ability to manage and build courage to strive, and belief to perform a task. In the meantime, Chasanah (2008) suggests that the indicators of self-efficacy include a good sense of being able to perform a job, of having better ability, of willingly doing challenging work, and of work satisfaction. However, the dimension of self-efficacy in this research will compromise one revealed by (Bandura A., 1997) – that is magnitude, strength and generality.

**Work Engagement**

An organisation in a company obliges its employees to be proactive and to show initiative in order that they can successfully compete with others, and to have engagement with their role and commitment to performing high standard work (Bakker and Leiter, 2010). Work performance is influenced by such factors as individual, organisation, and psychology (Gibson et al., 1995).

A concept that addresses a positive psychological aspect in relation to men and their work is engagement (Bakker et al., 2006). One form of work engagement defined as a positive mental condition satisfies and relates to work, which is characterised by strength, dedication, and devotion. Bakker et al (2006) claims that an employee with high work engagement tends to be creative, more productive, and willing to take on extra work. Referring to several research findings, it can be concluded that work engagement is one important aspect individuals should have to help them finish their work, believing that it can promote performance. Work engagement is selected in this research as it should logically exist in the employees.

(Robinson, 2004), explains, “Engagement is a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve within the job for the benefit of the organisation”. This definition clarifies that work engagement is a positive attitude that employees have toward the
organisation and its values. When he or she realises it, one tries hard to improve his or her job for the sake of the organisation.

(Bakker, 2011) argues that, “In essence, work engagement captures how workers experience their work: as stimulating and energetic and something to which they really want to devote time and effort (the vigour component): as a significant and meaningful pursuit (dedication); and as engrossing and something on which they fully concentrated (absorption)”. The definition explains how employees undertake their work by really devoting their time and effort as a part of dedication. Based on the above mentioned, work engagement can be defined as the commitment of the employees in the company to involving their roles physically, knowledgeably, and emotionally so that they consider a job significant and they have responsibility for completing it. The indicators employed by the researcher in this research are positive thinking, satisfaction, dedication, absorption and those corresponding to jobs having vigorous characteristics.

**Communication Skill**

Communication skill is employees’ skill to deliver a message to others in order to inform and wholly change attitude, opinion, or behaviour, either directly by words or indirectly. This is in line with what Purwanto (2006) notes, that communication skill is the level of skill for delivering a message by someone to others in order to inform and wholly change attitude, opinion or behaviour either directly by words or indirectly. Next, (Rowley, 2002) argues that communication skill is the ability to deliver messages that support goal accomplishment but maintain social acceptance as well. An employee has to possess this in a communication process; they are information delivery, problem solving and feedback. Communication skill is a set of communicators’ abilities to utilise various resources in a communication process. In other words, communication skill is a type of knowledge – employees have to communicate well using appropriate and effective messages (Yakub, 1978). Based on the aforementioned experts, communication is a process of delivering ideas, opinions, or behaviours either directly or indirectly to the recipient by means of media and a process of receiving feedback from the recipient.

Communication Skill is a very fundamental social process and vital in life; it is a process of message delivery by someone to others in order to inform or change attitude, opinion, and behaviour, either directly by words of indirectly by media; by this means a positive result will be attained. Communication skill dimensions of this research are: knowledge, Skill, Attitude.

Based on the analysis and theoretical description as well as experts’ opinions, hypothesis of the research is formulated as follows:
a. H1: Self-Efficacy has a positive and significant effect toward Employee Performance
b. H2: Communication Skill has a positive and significant effect toward Employee Performance
c. H3: Work Engagement has a positive and significant effect toward Employee Performance.

Figure 1. Research Framework

Method

Research Methodology

A Structural Equation Modelling (SEM) was employed in this research to explain the relationship between observed variables and latent variables through their indicators (Prasetyo, 2008 : 33). Three stages were conducted. Firstly, it was an in-depth literature study on theories and former studies in conjunction with this research. Next, a theoretical framework and hypothesis were formulated. Finally, a survey to collect data was conducted by means of questionnaire distributed to respondents. The data gathered was analysed by means of SPSS for an explanatory factor analysis and AMOS for confirmatory factor analysis.

All employees of the unicorn categorised online transportation, Grab and Gojek, were involved as population of the research. 200 respondents belonging to the employees of the millenial generation born in between 1981-1997 or aged between 18 to 34 (Fry, 2016) were selected as samples of the research. Data employed was primary data collected from a survey using a questionnaire. A particular number of samples was involved in the survey to considerably represent the population or generalisation. The number of respondents depended upon the objectives and limitation of the research (Sunyoto, 2012). Following this, a validity test was
performed to correlate each score of the indicators with the total score of variable indicators. The obtained result was compared with a critical value of significance level 0.05 (5%). A reliability test was conducted to investigate consistency using the technical measuring tool Alpha Cronbach, in which an instrument can be said to be reliable if it has a reliability coefficient of alpha as much as 0.6 or more.

Results and Discussion

Based on data process and analysis, the Self-Efficacy variable has 9 items of interrelated statements. The descriptive analysis of the respondents’ answers on Self-Efficacy variable results showed “Agree” as the most answers with 44.7%, and “Strongly Disagree” as the least with 0.3%. KMO on the Self-Efficacy variable shows 0.942, the result of KMO has reached > 0.5. Bartlett’s Test of Sphericity, with a significance level of 0.00, meets the criteria <0.05. This proves that the collected data has been able to be factorised.

The Communication skill variable has 9 items of interrelated statements. The descriptive analysis of the respondents’ answer on price variable results show “Agree” as the most answers with 45.3%, and “Strongly Disagree” as the least with 0.6%. The KMO on Communication Skill variable shows 0.945, the result of KMO has reached >0.5. Bartlett’s Test of Sphericity, with a significance level of 0.00, meets the criteria <0.05. This proves that the collected data has been able to be factorised.

The Work Engagement skill variable has 9 items of interrelated statements. The descriptive analysis of the respondents’ answer on Work Engagement variable results show “Agree” as the most answers with 53.9%, and “Strongly Disagree” as the least with 0.3%. The KMO on the Work Engagement variable shows 0.893, the result of KMO has reached >0.5. Bartlett’s Test of Sphericity, with a significance level of 0.00, meets the criteria <0.05. This proves that the collected data has been able to be factorised.

The Employee Performance variable has 9 items of interrelated statements. The descriptive analysis of the respondents’ answer on Employee Performance variable results show “Agree” as the most answers with 51.1%, and “Strongly Disagree” as the least with 0.4%. The KMO Employee Performance variable shows 0.878, the result of KMO has reached >0.5. Bartlett’s Test of Sphericity, with a significance level of 0.00, meets the criteria <0.05. This proves that the collected data has been able to be factorised.

Exploratory Factor Analysis

Factor Analysis was performed as a procedure to identify items or variables based on their similarity which was shown with a high correlation value. The items with high correlation
would form a group of factors. Since the factors were attained from a set of items having high inter-correlation, the researcher had to rationalise a set of items and put a label to describe them. The factor analysis of free variables (exogenous) of self-efficacy, communication skill, work engagement as well as tied variable (endogenic) employee performance, formed a full model which can be possibly processed next as the researcher wished for a process of first order construct, second order construct, and fit model tests.

Result of Fitted Model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Free Variable</th>
<th>C.R</th>
<th>Result</th>
<th>Standardised total effects</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Work Engagement</td>
<td>Self-Efficacy</td>
<td>6.983</td>
<td>Accepted</td>
<td>0.385</td>
<td>Weak</td>
</tr>
<tr>
<td>H2</td>
<td>Work Engagement</td>
<td>Communication Skill</td>
<td>6.582</td>
<td>Accepted</td>
<td>0.362</td>
<td>Weak</td>
</tr>
<tr>
<td>H3</td>
<td>Employee Performance</td>
<td>Work Engagement</td>
<td>11.312</td>
<td>Accepted</td>
<td>1.166</td>
<td>Very Strong</td>
</tr>
</tbody>
</table>

Based on the table above, a hypothesis test was able to be conducted as follows:

1. Of the Self-Efficacy variable toward Work Engagement, the model has a C.R. (critical ratio) value of 6.983 which means higher than 2.00, and standardised total effects value of 0.385 which is interpreted as weak, so that the third hypothesis stating that Self-Efficacy has a positive effect and is significant toward Work Engagement is accepted.

2. Of the Communication Skill variable toward Work Engagement, the model has a C.R. (critical ratio) value of 6.582 which means higher than 2.00, and standardised total effects value of 0.362 which is interpreted as weak, so that the fourth hypothesis stating that Communication Skill has a positive and significant effect toward Work Engagement is accepted.

3. Of the Work Engagement variable toward Employee Performance, the model has a C.R. (critical ratio) value of 11.312 which means higher than 2.00, and standardised total effects value of 1.166 which is interpreted as very strong, so that the fourth hypothesis stating that Work Engagement has a positive and significant Employee Performance is accepted.

Findings of the research based on the analysis show that data process from the questionnaire over 200 respondents of online transportation (Gojek & Grab) reveals that 1) Age distribution of the respondents are as follows: 93% aged 22 – 26, 6% aged 27 – 31 and 2% aged 32 – 37.

2) Previous educational background of the respondents is as follows: 2% (4 respondents) is junior high school graduates, 51% (102 respondents) is senior high school graduates (SMA/SMK), 11% (21 respondents) is Diploma III graduates, and 35% (70 respondents) is
undergraduate (S1) and 2% (3 respondents) is postgraduate. 3) Employment status of the total 200 respondents is as follows: 3% (6 respondents) have been unemployed, 5% (10 respondents) have been employed for <1 year, 62% (124 respondents) have been employed for 1-2 years, 17% (34 respondents) have been employed for 3-5 years, and finally 13% (26 respondents) have been employed for 5 years.

Findings also show that some factors influence the Employee Performance variable. There are four variables affecting purchase intention namely Self-Efficacy, Work Engagement and Communication Skill that drives implications as follows: 1) Result of the first analysis shows that Self-Efficacy variable has a positive and significant effect toward Employee Performance, 2) Result of the second analysis shows that Communication Skill has a positive and significant effect toward Employee Performance, 3) Result of the third analysis shows that Work Engagement has a positive and significant effect toward Employee Performance.

**Conclusion and Recommendation**

Having analysed the primary data of the effect of Self-Efficacy, Work Engagement, Communication Skill toward Employee Performance as well as the test result of respective variables, it is calculated that the variables significantly affect one another.

The descriptive research analysis based on data process from the questionnaire involving over 200 respondents of online drivers (Gojek & Grab) is elaborated below:

1. Age distribution of the respondents is as follows: 93% aged 22 – 26, 6% aged 27 – 31 and 2% aged 32 – 37.
2. Previous educational background of the respondents is as follows: 2% (4 respondents) junior high school graduates, 51% (102 respondents) senior high school graduates (SMA/SMK), 11% (21 respondents) Diploma III graduates, and 35% (70 respondents) undergraduate (S1), and 2% (3 respondents) postgraduate.
3. Employment status of the total 200 respondents is as follows: 3% (6 respondents) have been unemployed, 5% (10 respondents) have been employed for <1 year, 62% (124 respondents) have been employed for 1-2 years, 17% (34 respondents) have been employed for 3-5 years, and finally 13% (26 respondents) have been employed for 5 years.

Findings of the research show that some factors affect the Employee Performance variable. There are four variables influencing purchase intention namely Self-Efficacy, Work Engagement, Communication Skill that implies the following:

1) Result of the first analysis shows that Self Efficacy has a positive and significant effect toward Work Engagement, 2) Results of the second analysis shows that Communication Skill
has a positive and significant effect toward Employee Performance, 3) Results of the third analysis shows that Work Engagement has a positive and significant effect toward Employee Performance.

1. Result of the first analysis shows that the Self-Efficacy variable has a positive and significant effect toward Employee Performance so that the first hypothesis is accepted.
2. Result of the second analysis shows that Communication Skill has a positive and significant effect toward Employee Performance so that the second hypothesis is accepted.
3. Result of the third analysis shows that Work Engagement has a positive and significant effect toward Employee Performance so that the third hypothesis is accepted.

This research suggests and recommends that the companies running the online transportation industry be vigilant about all aspects with regards to consumers. Furthermore, this has to be more positive and professional considering the service provided. A good service in the eye of consumers is a valuable asset for the company to lead the market (market leader). The image shaped by this association will be the basis of deciding whether or not to use online transportation so that it can create consumer loyalty.

It is also recommended that the online transportation company care for the drivers by ensuring their safety through insurance as stipulated on Laws No. 13 of 2003 in case of accident. Thus, the drivers will have more confidence to the company and do their best to meet the company’s goals.

Future researchers may continue the research by employing similar methods and instruments. Nevertheless, they have to bear in mind that research always has restricted space and time so that the findings do not remain absolute and eternal. It is suggested that the researchers in the future enrich the variation of the factors that affect Employee Performance moderated by Work Engagement.

**Contribution/Originality**

Findings of the research show that there are factors positively and significantly affecting employee performance of those working at the online transportation companies. The effects involve such variables as Self-Efficacy, Work Engagement, and Communication Skill. The image built by the associated variables will therefore lead to consumer’s loyalty.
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