

Employee Self-efficacy in Chinese Multinational Manufacturing Companies in Thailand

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Abstract

Self-efficacy influences the tasks employees choose to learn and the goals they set for themselves. It also impacts on their learning ability, the effort that people exert on the job, and the persistence with new and difficult tasks. Employee who has high level self-efficacy will create effective performance for company. This research will enhance understanding on the role of self-efficacy on the relationship between employee's job experience and supervisor's verbal persuasion on job performance. Respondents are 251 employees of Chinese Multinational Company in Thailand. The research result confirmed the mediating effect of self-efficacy between job experience and job performance while only direct effect for verbal persuasion on self-efficacy and on job performance. As we can see in the paper, it is clear that the employee's job experience and Supervisor's verbal persuasion positively impacts on employee's self-efficacy ability and as a result Self-efficacy has positive influence to employees' job performance.

Keywords: Job Experience, Verbal Persuasion, Self-Efficacy, Job Performance

Introduction

Background

Nowadays in a globalization economic environment, every company faces more and more competitive and pressure. A successful organization makes sure creating a good match and coordinated relation between the employee and the job (Kristof-Brown, Zimmerman, & Johnson, 2005). Managers know that employee performance is crucial since it helps leaders to create excellent organizations and make high economic value. Employees who have good performance tend to develop a bond with an organization and create better business.

Self-efficacy refers to "beliefs in one's capabilities to organize and execute the courses of action required producing given attainments" (Bandura, 1997). It affects ones' performance and learning behavior (Schunk, 1995) because the self-efficacy influences motivation and cognition through make influence on task interest, persistence, the goals they set and internal self-believe (Van Dinther, Dochy, & Segers, 2011). On-the-job experiences is an important factor in the context of management development (McCauley, Ruderman, Ohlott, & Morrow, 1994). In 1997 Bandura's study, one of most important sources of self-efficacy is past performance. The verbal persuasion as another factor which is impact the self-efficacy ability, it can significantly increase self-efficacy expectations. Effective persuasion from supervisor have positive influence to creating an enduring sense of personal efficacy, it can contribute to the successes achieved through corrective behavior and performance.

The objective of this paper has threefold. The first objective is to explore the employees' self-efficacy ability and job performance. The second objective is to study the impact of employee's job experience and Supervisor's verbal persuasion on employees' self-efficacy. The third objective is to find the role of employee's job experience and Supervisor's verbal persuasion on job performance.

Literature Review

The Self- efficacy theory and its effects

Bandura (1997) formally defined self-efficacy as "personal judgments of one's capabilities to organize and execute courses of action required to attain designated types of performances. It is concerned not with the skills one has but with judgments of what one can do with whatever skills one possesses " (Bandura, 1986). Self-efficacy affects ones motivation, learning and performance (Schunk, 1995). Self-efficacy beliefs are not simply forecasts about ones behavior, it express not that I believe I will do but what I believe I can do, its ones beliefs about what ones are capable of doing (Maddux, 2012).

The self-efficacy beliefs mean the ones' judgments how about their capability on completes a job or task performance level. Judgments of self-efficacy also determine how much effort ones will expend and how long that effort will continue (Bandura, 1986). The Self-efficacy is not the only influence on behavior; behavior is a function of many variables. There are some other important variables in achievement settings, such as skills, outcome expectations, and the perceived value of outcomes (Schunk & Hanson, 1989).

The self-efficacy has influence on human mind, the affects as follows: (Gist, Stevens, & Bavetta, 1991): (1). High self-efficacy assists person integrates performance and related knowledge by more developed schemas; (2). Self-efficacy helps reducing nervousness to improve retrieval process in the memory; (3). Self-efficacy creates stronger motivation to keep learned skills.

The relationship between Job experience, Verbal persuasion and Self-efficacy

Job experience means any experience that a person gains while working in a specific field or career, but the expression is widely used to mean a type of volunteer work that is commonly intended, because everyone has different experience in different environment and level. Performance accomplishments have a strong effect on ones self-efficacy (Hill, Smith, & Mann, 1987). Personal success experiences tend to raise efficacy, while repeated failures lower them. Employees who have succeeded experience on job-related tasks will be more confident than employees who have been unsuccessful, to complete similar tasks in the future (Bandura, 1997).

Bandura's (1986) suggests that the Supervisors play a key role in determining self-efficacy, the Supervisor's Verbal persuasion is key for efficacy development on complex, challenging activities in which support of effective performance are required (A. Bandura, 1997). Employees rely on clue to collect views relevant to complete actions from members of their work environments, including views of their own capability (Ford, 1996). The verbal persuasion has positive effort to convince employees that they are capable of being creative, through verbal expression of trust, confidence, positive and praise may be helpful in shaping creativity-related efficacy beliefs (Miller, Deci, & Ryan, 1988). Wayne, Shore, & Liden (1997) found that supervisors' expectations contributed to development the high quality relationship between supervisor and employee, the expectation also led to higher performance levels.

Self-efficacy and job performance

Self-efficacy beliefs have positive affect on academic performance through influencing a number of behavioral and psychological processes (Bandura, 1986). Low self-efficacy may

inhibit effort even when skill is present, and it may lead to negative emotion or easy discouragement. Albert Bandura (1982) found the Self-efficacy has influence on one's learning and performance in three ways: First, Self-efficacy influences the goals that employees choose for themselves. An employee who has high self-efficacy is tried to set high personal goals, research shows that one's learning and performance both has inseparable relationship with their self-efficacy beliefs; Second, Self-efficacy influences learning and the effort that people exert on the job. Employees with high self-efficacy will work hard to learn how to perform new tasks, continue improve themselves and be more confident, the efforts will be successful and their high efficacy ability prompt them challenge new things; Third, Self-efficacy influences the persistence with which people attempt new and difficult tasks. Employees with high self-efficacy will be more confident, exert more effort and believe them self can learn and perform a specific task. They are likely to persist in their efforts even when problems are coming or facing tough things.

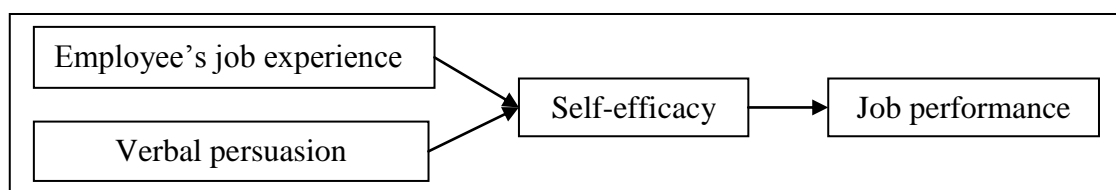


Figure 1 Conceptual Framework

Hypotheses

- H1: The employees' job experience has positive effect on their self-efficacy ability;
- H2: The verbal persuasion is positively predicting employee's self-efficacy ability;
- H3: The self-efficacy has positive influence on employees' job performance;
- H4: The employees' job experience has positive influence on job performance through self-efficacy;
- H5: The verbal persuasion has positive influence on employees' job performance through self-efficacy;

Research Methodology

Subjects: This is an empirical research based on primary data. The research is designed to understand self-efficacy ability and highlights factors that contribute to the level of self-efficacy for employees as well as to find the relationship between employee's self-efficacy ability and job performance. Data were obtained from two large Chinese Multinational Manufacturing companies in Thailand. 251 valid questionnaires were collected for analysis. Regression analysis was employed to test hypotheses. 55% of the respondents are female while 50% of respondents are in the age between 20-30 years old. 80% of participants earned bachelor degree as their highest education level. 49% of respondents are from Marketing Department and Operation Department. 50% of respondents are entry level staff while 55% of respondents have been working for the company for 3 to 8 years.

Measures: The study investigates through measure four variables; job experience measured on nominal scale expressed by working time. The other three variables, verbal persuasion, self-efficacy and job performance, are measured on 5-point Likert scale (1 for strongly disagree and 5 for strongly agree). Job experiences which reflect through working time include six items: 1.) 0-2 years; 2.) 3-5 years; 3.) 6-8 years; 4.) 9-10 years; 5.) 11-15 years; 6.) 16 years and above. Five measurement items of verbal persuasion are adopted from Tschannen-Moran & Hoy (2007). Some of the items are "I think my supervisor is a good persuader" and "I usually get support from my supervisor encourages". Nine measurement

items of self-efficacy are developed from Chen, Gully and Eden (2001). Sample items included, “when facing difficult tasks, I am confident that I can accomplish them” and “I will be able to achieve most of the goals that I have set for myself”. Seven measurement items of job performance are adopted from Goodman & Svyantek (1999), Gong (2009) and Janssen & Yperen (2004). Sample items included, “Makes innovative suggestions to improve the overall quality of the department” and “I make signification to the overall performance of our work unit”.

Validity Test: KMO value of Verbal persuasion, self-efficacy and job performance are above 0.8 reflecting sample adequacy of each variables, thus, confirm to proceed for factor analysis. Factor loading of items of each three constructs were converge with value greater than 0.50 for each component. Thus, the measurement scales of all construct have convergent validity.

Reliability Test: This study employed Cronbach’s Alpha to test the internal consistency of measurement items of each variable. All variables have Cronbach’s Alpha value above 0.8 which reflected that all variables have high internal consistency (Verbal persuasion=.831, Self-efficacy=.872, and Job performance=.809).

Research Findings

Antecedent of employee’s self-efficacy ability and job performance

To test hypothesis 1 and hypothesis 2, we estimated two regression models for employee self-efficacy that include employees’ job experience and verbal persuasion as independent variables for each model. The results provide strong support for H1-H2. The model is significant ($F=44.365, p<0.01$) and ($F=182.848, p<0.01$) respectively.

Table 1 Linear regression on self-efficacy and job performance

Dependent Variables	Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			B	Std. Error			
Self-efficacy	1	(Constant)	-0.748	0.126		-5.912	.000
		job experience	0.268	0.04	0.389	6.661	.000
	2	(Constant)	-1.60E-16	0.048		0	1.000
		verbal persuasion	0.651	0.048	0.651	13.522	.000
Job performance	3	(Constant)	3.29E-16	0.043		0	1.000
		self-efficacy	0.74	0.043	0.74	17.384	.000

According to table 1, job experience and verbal persuasion have positive impact on self-efficacy significantly at 99% level of confidence.

The Effect of self-efficacy

To test hypothesis 3, we estimated the regression model for job performance which is the effect of self-efficacy. The results provide strong support for H3. The model is significant ($F=302.208, p<0.01$). Thus, as shown in table 1, self-efficacy has positive impact on job performance significantly at 99% level of confidence.

Mediating effect of self-efficacy

To test hypothesis 4 and hypothesis 5, first, we estimated two regression models for job performance that include employees’ job experience and verbal persuasion as independent variables of each model respectively. We found that the model is significant ($t= -2.943, p<0.01$) and ($t=0.000, p<0.01$) respectively. Then, we include self-efficacy as another independent variable in both models to test the mediating effect of self-efficacy. If

employee's job experience or verbal persuasion effect is changed to not statistically significant impact on employee's job performance while self-efficacy is statistically significant impact on employee's job performance, the mediating effect of self-efficacy is confirmed. The result support hypothesis 4 but did not support hypothesis 5.

Table 2 Linear regression to test mediating effect of self-efficacy on job performance

Antecedents	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Job experience and self-efficacy	1 (Constant)	-.396	.134		-2.943	.004
	job experience	.142	.043	.206	3.316	.001
	2 (Constant)	.186	.098		1.905	.058
	job experience	-.067	.032	-.097	-2.111	.036
	self-efficacy	.778	.046	.778	16.948	.000
Verbal persuasion and self-efficacy	3 (Constant)	2.05E-16	.05		.000	1.000
	verbal persuasion	.619	.05	.619	12.435	.000
	4 (Constant)	2.99E-16	.041		.000	1.000
	verbal persuasion	.238	.054	.238	4.393	.000
	self-efficacy	.586	.054	.586	10.818	.000

a. Dependent Variable: job performance

For hypothesis 4, according to table 2, employee's job experience significantly impacts on job performance. However, when self-efficacy is added to the model, the impact of job experience on job performance became insignificant ($p > 0.01$) while self-efficacy is significantly impact on job performance ($p < 0.01$). Thus, self-efficacy mediates the relationship between job experience and job performance. Hypothesis 4 is supported.

For hypothesis 5, according to table 2, verbal persuasion significantly impact on job performance. Furthermore, when we include self-efficacy to the model, verbal persuasion remain significant effect on job performance ($p < 0.01$). Hence, self-efficacy is not mediated the relationship between verbal persuasion and job performance. Hypothesis 5 is not supported.

Discussion

This study examined the relationship between employee self-efficacy and job performance. The research confirms that employee who has high level self-efficacy ability to perform better and contribute to the overall success of an organization. On the other hand, employee who has low or enough self-efficacy ability do not perform well even becomes a barrier to success. The organizations can encourage higher performance goals from the employee who has high levels self-efficacy ability to gain higher levels of job performance, it is important point for many organizations in environment of high competition today (Bayramoğlu et al., 2013). We suggest that organization shall focus on improving employee's self-efficacy and performance, organizations can be more successful through this research and study.

The results of this research provide evidence that employee's job experience and supervisor's verbal persuasion have positive affect on employee's self-efficacy ability. Enactive experiences are the most powerful source of creating a strong sense of efficacy, because they provide employees authentic evidence that they have the capability to succeed at the task (Van Dinther et al., 2011). Supervisor' persuasion can be adopted by organizations to enhance

employees' self-efficacy, managers should encourage employees to let them believe that, they have the ability and skills to succeed, give verbal encouragement to their employees in order to help them build confidence and overcome self-doubt or negative emotions, not just focus on giving their best effort to the task at hand (Mensah & Lebbaeus, 2013).

This study examined that employee's job experience has positively and directly impacted on job performance which confirms the result was found in Michael A. McDaniel (1988) which indicates that for all levels of job experience and for both low-and high-complexity jobs, the correlation between job experience and job performance is positive (McDaniel et al., 1988). In this study, even employee's job experience has positively and indirectly impacted on job performance when self-efficacy as mediate. The supervisor's verbal persuasion has direct positively impacted on job performance. Expressing a faith in one's ability is particularly relevant in times when employees have performance difficulties and may question their personal efficaciousness (Stajkovic, 2016). However, when employee's self-efficacy ability as mediate, this relationship is invalid.

Conclusion and Recommendations

This research confirmed the role of employee self-efficacy on job performance as well as the influence of verbal persuasion and working experience on self-efficacy. The finding asserted that the supervisors and managers should improve on giving appropriate encouragement to employees. According to company's budget plan, manager shall make appropriate training and development program. The employees who have high self-efficacy ability, and working between 3 to 8 years shall be the main target of training. In addition, company should adopt the three general intervention strategies suggested by Gist (1992) to enhance the self-efficacy (Gist & Mitchell, 1992): (1) Providing sufficiency information to employee about task; (2) Training employees to improve their abilities and skills; (3) Informing employees to enhance their understanding on all of the factors, activities, strategies, and job performance.

Limitations

There are several possible limitations to the research study. First, half of the respondents in this study are entry level staff, hence, it may limited on application on other managerial level staff. Second, this research includes only two antecedents of self-efficacy; working experience and verbal persuasion, which may strict on recommendation for improvement. This research did not include the culture factor in the analysis as it conducted a study on Chinese employees in Thailand.

Suggestion and Recommendation for future research

This paper focuses on study the impact factors of employees' self-efficacy and the relationship between self-efficacy ability and job performance, but how to improve employees' self-efficacy have not much study, although we find the training and development program are effective strategy. By this study, we can see the employees' self-efficacy has large positive impact on job performance, so we recommend the research on how to improve employees' self-efficacy, also need pay attention on the company how to make appropriate training and development program.

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