



**The Effect Of Competence And Self-Efficacy On Employee Performance With Work Discipline As A Moderating Variable In Chocolate SMEs In Badung Regency**

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**ABSTRACT**

The present study investigates the influence of competence and self-efficacy on employee performance. Work discipline is examined as a moderating variable in a chocolate-based small and medium-sized enterprise in Badung Regency, Indonesia. The research employed a quantitative causal approach, involving all 58 employees of the Junglegold Chocolate Factory. The selection of these employees was conducted through a saturated sampling technique. Primary data were obtained using a structured questionnaire measured on a five-point Likert scale and analyzed through Partial Least Squares Structural Equation Modeling using SmartPLS 25. The findings indicate that competence exerts a positive and significant influence on employee performance. Self-efficacy has been demonstrated to have a significant impact on employee performance. Furthermore, the impact of work discipline on the relationship between competence and employee performance, as well as the relationship between self-efficacy and employee performance, is found to be significant. The findings suggest that employee competence and psychological confidence, when supported by disciplined work behaviors such as punctuality, responsibility, adherence to rules, and consistent task completion, are more effective in improving performance. This study makes a significant contribution to the field of human resource management by underscoring the strategic importance of work discipline in enhancing employee performance within the context of SMEs.

**Keywords:** competence, employee performance, self-efficacy, work discipline

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**INTRODUCTION**

Human resources represent a strategic element that determines an organization's success in achieving its goals. In the context of intensifying business competition, organizations are expected to demonstrate not only the capacity to mobilize capital, technology, and operational systems, but also the ability to engage and retain employees who can perform optimally. Employee performance is a critical indicator because it

reflects an individual's ability to carry out tasks, meet work targets, maintain the quality of work output, and contribute to the organization's effectiveness. Consequently, human resource management should concentrate on endeavors to enhance employees' capabilities, self-confidence, discipline, and sense of responsibility.

Employee performance can be defined as the results achieved by an individual in carrying out tasks in accordance with the responsibilities assigned to them. It is imperative to acknowledge that performance is not exclusively contingent upon the quantity of work completed; it is also influenced by factors such as work quality, timeliness, effectiveness, efficiency, and the employee's capacity to align with organizational standards. In the context of manufacturing and service companies, such as the Junglegold Chocolate Factory in Mengwi, Badung, employee performance is of crucial importance. It is directly linked to production processes, product quality, service to customers or visitors, and the company's operational sustainability. The Junglegold Chocolate Factory is a commercial entity specializing in the production of chocolate.

The operational activities of the company demand precision, skill, discipline, and the capacity of employees to adhere to established procedures. As stated in the reference article, the company has a workforce of 58 employees and is experiencing performance issues that can be attributed to elements of competence, self-efficacy, and work discipline. Employee attendance data indicates that the average on-time attendance rate from January to December 2024 was 96.5%, though there were declines in certain months, including April and August.

Although the overall attendance rate appears satisfactory, punctual attendance alone does not fully represent employee discipline or work effectiveness. Discipline in the workplace also includes consistency in following procedures, responsibility in completing tasks, adherence to work standards, and the ability to maintain productivity. Therefore, the observed fluctuations in attendance and the existence of performance issues indicate that work discipline remains an important factor that requires further examination, particularly in relation to employee competence and self-efficacy.

In line with the background and research model, this study positions competence and self-efficacy as key factors influencing employee performance, with work discipline serving as a moderating variable. Accordingly, this study seeks to examine whether competence has a positive effect on employee performance and whether self-efficacy positively contributes to employee performance. In addition, this study investigates the moderating role of work discipline in strengthening or weakening the relationship between competence and employee performance, as well as the relationship between self-efficacy and employee performance.

Based on these research questions, the objectives of this study are to analyze the effect of competence on employee performance, examine the effect of self-efficacy on employee performance, and evaluate the extent to which work discipline moderates the influence of competence and self-efficacy on employee performance. Through these objectives, the study is expected to provide a clearer understanding of how individual

capability, personal confidence, and disciplined work behavior interact in improving employee performance.

## LITERATURE REVIEW

The most appropriate grand theory to apply in this article is Bandura's Social Cognitive Theory. This theory posits that individual behavior and performance are not solely determined by ability, but are shaped through the reciprocal interaction among personal factors, behavioral factors, and environmental factors. In Social Cognitive Theory, individuals are viewed as active agents who regulate their thoughts, motivation, and actions through self-reflection, self-regulation, and perceived self-efficacy (Bandura, 1986; Bandura, 1997). This framework is relevant in organizational studies because employee performance may be influenced by the interaction between competence, self-confidence, disciplined behavior, and the work environment (Zhai *et al.*, 2023).

Social Cognitive Theory is a pertinent framework in this context because the article identifies self-efficacy as one of the key variables. According to Bandura, self-efficacy refers to an individual's belief in their capability to organize and execute the actions required to achieve desired outcomes. Employees with high self-efficacy are more likely to accept challenging tasks, exert greater effort, persist when facing obstacles, and maintain performance quality under work pressure (Bandura, 1977; Bandura, 1997).

Moreover, this theoretical framework can explain the relationship between employee competence and performance outcomes. Competence refers to the underlying knowledge, skills, abilities, motives, traits, and work-related characteristics that enable individuals to perform tasks effectively. Competence is therefore not merely technical ability, but also includes behavioral and personal characteristics that distinguish superior performers from average performers (Boyatzis, 1982; Spencer & Spencer, 1993). In this sense, competent employees are more capable of understanding work procedures, solving problems, making decisions, and producing outputs aligned with organizational standards.

However, competence alone does not necessarily guarantee optimal performance. It must be supported by self-confidence and consistent work behavior. Therefore, work discipline functions as a behavioral factor that helps translate competence and self-efficacy into actual performance. Work discipline reflects employees' adherence to organizational rules, punctuality, task responsibility, consistency, and compliance with work standards. Disciplined employees are generally more capable of completing tasks systematically, maintaining work quality, and using organizational resources effectively.

Consequently, Social Cognitive Theory can serve as the primary theoretical foundation because it explains that employee performance is shaped by the interaction between personal factors, behavioral factors, and environmental factors. In this study, competence and self-efficacy represent personal factors, work discipline represents behavioral factors, and employee performance represents the outcome of the work process. This argument is consistent with Bandura's notion of reciprocal determinism,

which explains that human functioning is produced through continuous interaction among cognition, behavior, and environment (Bandura, 1986; Zhai *et al.*, 2023).

### **The Concept of Employee Performance**

The term employee performance refers to the results and behaviors demonstrated by an individual in carrying out duties in accordance with responsibilities, organizational standards, and organizational objectives. Campbell defines performance as behavior that is relevant to organizational goals, meaning that performance should not be understood merely as outcomes, but also as work-related actions that contribute to goal achievement (Campbell, 1990).

Performance is not solely determined by the quantity of work completed; it is also influenced by work quality, timeliness, accountability, initiative, and the ability to collaborate. Sonnentag and Frese explain that individual performance includes behavioral and outcome aspects that contribute to organizational effectiveness (Sonnentag & Frese, 2002). Similarly, Koopmans *et al.* conceptualize individual work performance through task performance, contextual performance, adaptive performance, and counterproductive work behavior (Koopmans *et al.*, 2011; Koopmans *et al.*, 2014).

Within an organization, employee performance serves as a pivotal indicator of the company's effectiveness in achieving its objectives. Employees who demonstrate high performance are generally characterized by their ability to execute tasks accurately, use resources effectively, maintain consistent work quality, and display work behavior that supports organizational productivity. Thus, enhancing employee performance depends not only on organizational systems, but also on individual factors such as competence, self-efficacy, and work discipline (Campbell, 1990; Koopmans *et al.*, 2014).

In this article, the dependent variable is employee performance. Therefore, employee performance is assumed to be influenced by competence and self-efficacy, and this influence may be strengthened or weakened by work discipline as a moderating variable. This formulation is theoretically consistent with Social Cognitive Theory, which views performance as the result of interactions among personal capability, belief systems, behavioral regulation, and environmental support (Bandura, 1986; Bandura, 1997).

### **Competence**

Competence is defined as a combination of knowledge, skills, abilities, attitudes, and personal characteristics that enables an individual to perform a job effectively. Boyatzis explains competence as an underlying characteristic of an individual that is causally related to effective or superior job performance. Spencer and Spencer also define competence as an individual characteristic related to effective and superior performance in a job or situation (Boyatzis, 1982; Spencer & Spencer, 1993).

Within an organizational framework, competence is important because competent employees are able to understand their roles, apply relevant knowledge and skills, adapt to task demands, solve work problems, make appropriate decisions, and produce outputs

that meet organizational standards. Competence also fosters employee autonomy and reduces errors in task execution.

The relationship between employee competence and performance can be explained through the assumption that employees with relevant knowledge, skills, and work attitudes are more likely to achieve favorable work outcomes. Employees who possess competencies aligned with their roles tend to demonstrate higher proficiency in meeting work objectives than employees with lower competence.

### **Self-Efficacy**

Self-efficacy is defined as an individual's belief in their ability to complete tasks, face challenges, and achieve expected results. Bandura argues that self-efficacy influences how individuals think, motivate themselves, regulate emotions, and behave in challenging situations (Bandura, 1977; Bandura, 1997).

Employees with high self-efficacy tend to possess strong confidence, greater resilience, and better readiness to manage work-related stress. In the workplace, self-efficacy influences employees' cognitive processes, emotional responses, and behavioral tendencies. Employees with high self-efficacy tend to set more ambitious work goals, work harder, persist longer, and remain resilient in the face of obstacles. Conversely, employees with low self-efficacy tend to avoid difficult tasks, become discouraged more easily, and perform below their potential.

The relationship between self-efficacy and employee performance can therefore be explained by the idea that strong self-belief motivates employees to give their best effort at work. Consequently, as employees' self-efficacy increases, the probability of demonstrating strong performance also tends to increase.

### **Work Discipline**

Work discipline is defined as employees' adherence to the rules, norms, procedures, and responsibilities established within an organization. Work discipline includes punctuality, compliance with organizational regulations, accountability for assigned duties, consistency in task completion, and willingness to follow organizational standards. In human resource management literature, work discipline is commonly associated with conformity between employee behavior and organizational rules, including punctuality, responsibility, and compliance with work standards (Hasibuan, 2019).

Work discipline constitutes a pivotal element of professional conduct because it facilitates the translation of employees' competence and self-efficacy into tangible actions. Work discipline reflects employees' compliance with organizational rules, punctuality, responsibility, consistency, and willingness to follow established work standards; therefore, disciplined employees are more likely to complete tasks consistently and achieve organizational targets (Hasibuan, 2019; Lestari, 2024). Empirical studies also indicate that work discipline and self-efficacy are positively associated with employee performance, suggesting that disciplined work behavior can strengthen the practical

realization of employees' confidence and capability in the workplace (Lestari, 2024; Hermawan, 2025).

Employees may possess adequate ability and confidence, but without discipline they may struggle to achieve optimal performance due to inconsistency, rule violations, or delays in task completion. Conversely, disciplined employees are more likely to use their competencies effectively, maintain work consistency, and achieve performance targets. In this study, work discipline is conceptualized as a moderating variable, meaning that it can strengthen or weaken the relationship between independent variables and the dependent variable. In moderation analysis, a moderator is understood as a variable that changes the strength or direction of the relationship between a predictor and an outcome (Baron & Kenny, 1986; Memon *et al.*, 2019).

The most appropriate grand theory to apply in this article is Bandura's Social Cognitive Theory. This theory posits that individual behavior and performance are not solely determined by ability, but are shaped by the reciprocal interaction among personal factors, behavioral factors, and environmental factors. In Social Cognitive Theory, personal beliefs, behavior, and environmental conditions continuously influence one another through the process known as reciprocal determinism (Bandura, 1986; Zhai *et al.*, 2023).

Social Cognitive Theory is a pertinent framework in this context because the article identifies self-efficacy as one of the key variables. According to Bandura, self-efficacy refers to an individual's belief in their ability to organize and execute the actions required to achieve desired outcomes. Individuals with strong self-efficacy are more likely to initiate action, exert effort, persist in the face of obstacles, and maintain performance when confronted with difficult tasks (Bandura, 1977, 1997).

Moreover, this theoretical framework can explain the correlation between employee competencies and performance outcomes. Competence refers to the underlying characteristics of an individual, including knowledge, skills, abilities, motives, attitudes, and personal traits, that enable effective or superior job performance (Boyatzis, 1982; Spencer & Spencer, 1993). Competencies therefore provide the capacity to perform, while self-efficacy provides confidence in executing the required actions, and work discipline ensures that such capability and confidence are consistently translated into actual work behavior.

Consequently, Social Cognitive Theory can serve as the primary theoretical foundation because it explains that employee performance is shaped by the interaction between personal, behavioral, and environmental factors. In this study, competence and self-efficacy represent personal factors, work discipline represents behavioral factors, and employee performance represents the outcome of the work process. This argument is also consistent with the definition of performance as behavior relevant to organizational goals, because performance is not merely a final result, but also a set of work behaviors that contribute to organizational effectiveness (Campbell, 1990; Koopmans *et al.*, 2014).

### **Relationships Among Variables**

Research has demonstrated a correlation between competence and employee performance. Employees who possess a strong foundation of knowledge, skills, and work attitudes tend to demonstrate higher levels of effectiveness in completing tasks. Competence serves as the foundation for employees to understand their work, apply appropriate work methods, solve work-related problems, and achieve results that meet organizational standards. Empirical studies also show that competence, work environment, and work discipline can positively and significantly influence employee performance (Boyatzis, 1982; Spencer & Spencer, 1993; Shofiyah *et al.*, 2025).

Self-efficacy exerts a significant influence on employee performance because self-confidence determines the extent of effort, perseverance, and resilience an individual exhibits in professional endeavors. Bandura explains that self-efficacy refers to an individual's belief in their ability to organize and execute actions required to achieve desired outcomes; this belief influences motivation, persistence, and behavior when facing obstacles (Bandura, 1977, 1997). Recent empirical research also confirms that self-efficacy positively influences employees' performance, including creative performance and work performance in organizational settings (Islam & Islam, 2025; Hermawan & Sary, 2025).

The impact of competence on employee performance is influenced by work discipline, such that high competence exerts a stronger impact on performance when supported by orderly, compliant, and consistent work behavior. Work discipline helps employees apply their competence in a more focused and consistent manner, thereby contributing to improved performance. This argument is supported by studies showing that competence and work discipline simultaneously improve employee performance, while high work discipline can amplify the effect of competence on performance (Hidayat, 2024; Shofiyah *et al.*, 2025).

The relationship between self-efficacy and employee performance is also influenced by work discipline. Employees with high self-efficacy tend to perform optimally when their confidence is supported by disciplined work behavior, including compliance with rules, punctuality, consistency, and responsibility. Empirical findings indicate that self-efficacy and work discipline have significant positive effects on employee performance, and that strengthening both factors is important for maintaining high performance levels (Lestari, 2024; Hermawan & Sary, 2025).

The theoretical framework of this study posits that employee performance is the result of three factors: competence, self-efficacy, and disciplined work behavior. Competence provides employees with technical and professional skills, while self-efficacy provides psychological motivation for employees to believe in their own capabilities. However, the manifestation of both factors is contingent upon the presence of work discipline, which ensures consistent and productive work behavior. This logic is consistent with Social Cognitive Theory, which emphasizes the interaction between

personal factors, behavioral factors, and environmental factors in shaping human behavior and performance (Bandura, 1986, 1997).

Consequently, the higher an employee's competence and self-efficacy, the higher the performance they can achieve. However, this effect is amplified when employees exhibit strong work discipline. Conversely, when work discipline is lacking, competence and self-efficacy alone may be insufficient to ensure optimal performance. In this study, work discipline can therefore be positioned as a moderating variable because it strengthens or weakens the influence of competence and self-efficacy on employee performance. In methodological terms, a moderator is a variable that changes the strength or direction of the relationship between an independent variable and a dependent variable (Baron & Kenny, 1986; Memon *et al.*, 2019).

### Research Model

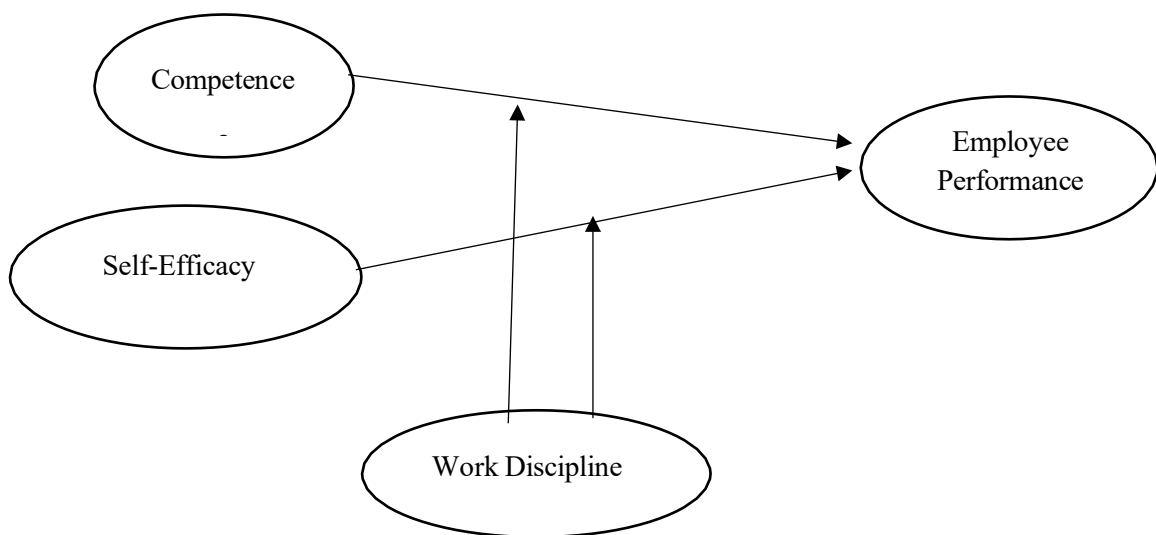


Figure 1. Conceptual Framework

- H1: Employee performance is positively influenced by competence
- H2: Self-efficacy exerts a positive effect on employee performance
- H3: The relationship between employee performance and competence is moderated by work discipline
- H4: Work discipline will moderate the effect of self-efficacy on employee performance

### RESEARCH METHOD

The present study employs a quantitative approach with a causal design to examine the influence of competence and self-efficacy on employee performance, as well as to examine the role of work discipline as a moderating variable. A quantitative causal design is appropriate because the study seeks to test hypothesized relationships among variables using numerical data and statistical procedures (Creswell & Creswell, 2018). The research location is the Junglegold Chocolate Factory in Mengwi, Badung, as cited in the reference article. Previous research has also used Junglegold Chocolate Factory

Mengwi Badung Bali as a research setting in studies of employee performance, although the variables and sample size may differ from the present study (Putra & Vipraprastha, 2025).

The population of this study comprises all employees at the Junglegold Chocolate Factory, with a sample size of 58 respondents. The saturation sampling technique was employed, as all members of the population were included as study respondents. Saturation sampling, often referred to as total sampling or census sampling in quantitative research, is commonly used when the population is relatively small and all members of the population can be reached as respondents (Sugiyono, 2019).

The data were collected via a questionnaire that employed a 1–5 Likert scale. Likert-type scales are commonly used in survey research to measure respondents' attitudes, perceptions, and levels of agreement toward a series of statements (Likert, 1932; Sullivan & Artino, 2013). The competency variable was measured using indicators of knowledge, skills, task completion ability, and work attitude. This operationalization is consistent with the concept of competence as a combination of knowledge, skills, abilities, and work-related characteristics that enable individuals to perform effectively (Boyatzis, 1982; Spencer & Spencer, 1993).

The self-efficacy variable was measured using self-confidence, ability to overcome obstacles, perseverance, and ability to complete work. These indicators are consistent with Bandura's concept of self-efficacy, which refers to an individual's belief in their ability to organize and execute actions required to achieve specific outcomes (Bandura, 1977, 1997). The work discipline variable was measured using adherence to rules, punctuality, responsibility, and consistency in work. These indicators reflect the general concept of work discipline as employee compliance with organizational rules, norms, responsibilities, and standards of work behavior (Hasibuan, 2019).

The employee performance variable was measured using work quality, work quantity, punctuality, and work responsibility. These indicators are aligned with the concept of individual performance, which refers to work-related behaviors and outcomes that contribute to organizational goals and effectiveness (Campbell, 1990; Sonnentag & Frese, 2002; Koopmans *et al.*, 2014).

The data analysis technique employed was Partial Least Squares Structural Equation Modeling using SmartPLS. PLS-SEM is appropriate for estimating complex relationships among latent variables, particularly when the research objective is prediction, theory development, and testing direct or moderating effects (Hair *et al.*, 2022). In PLS-SEM terminology, the measurement model is commonly referred to as the outer model, while the structural model is referred to as the inner model.

The analysis stages comprised an outer model evaluation to assess construct validity and reliability, as well as an inner model evaluation to evaluate relationships between variables, path coefficients, t-statistics, p-values, the coefficient of determination or  $R^2$ , and moderation effect. In PLS-SEM, outer model evaluation commonly includes indicator reliability, internal consistency reliability, convergent validity, and discriminant validity, while inner model evaluation includes path significance, explanatory power,

predictive relevance, and effect size (Hair et al., 2022; Henseler et al., 2015). SmartPLS documentation also refers to Hair et al. (2022) and related PLS-SEM standards for evaluating model results.

**RESULTS AND DISCUSSION**

**Evaluation of the Outer Model**

The findings from the outer model testing indicate that all indicators for the variables of competence, self-efficacy, work discipline, and employee performance have factor loadings greater than 0.70. In PLS-SEM, an outer loading value above 0.70 is considered satisfactory because it indicates that the indicator has adequate reliability in representing its latent construct (Hair et al., 2022). Furthermore, the Average Variance Extracted values for all variables exceed 0.50, indicating that each construct has met the criteria for convergent validity. An AVE value of 0.50 or higher shows that the latent construct explains at least half of the variance of its indicators, thereby supporting construct validity (Fornell & Larcker, 1981; Hair et al., 2022; Cheung et al., 2024).

Table 1. Result of the Outer Model

| Variable             | AVE   | Composite Reliability | Cronbach's Alpha | Description        |
|----------------------|-------|-----------------------|------------------|--------------------|
| Competence           | 0.684 | 0.914                 | 0.883            | Valid and reliable |
| <i>Self-Efficacy</i> | 0.671 | 0.891                 | 0.836            | Valid and reliable |
| Work Discipline      | 0.702 | 0.942                 | 0.928            | Valid and reliable |
| Employee Performance | 0.638 | 0.875                 | 0.811            | Valid and reliable |

Source: Processed Data (2026)

In light of the findings, it can be concluded that all constructs in this study satisfy the established criteria for validity and reliability. Consequently, the measurement model is deemed appropriate for advancing to the subsequent phase of structural equation modeling.

**Internal Model Evaluation**

The findings of the structural model testing demonstrate that the R-square value for the employee performance variable is 0.765. This finding suggests that factors such as competence, self-efficacy, work discipline, and the moderation of interactions can account for 76.5% of the observed variation in employee performance. The residual 23.5% of variance is attributed to variables not included in the research model.

The R-squared value of 0.765 indicates that the model possesses strong explanatory power. Endogenous variables are a key component of the model, and their R-squared

value is significant. This is evidenced by the fact that endogenous variables are a significant component of the model. A recent study has demonstrated that the performance of employees at the Junglegold Chocolate Factory can be adequately explained by the presence of three key factors: competence, self-efficacy, and work discipline.

In light of the findings, it can be concluded that all constructs in this study satisfy the criteria for validity and reliability. Consequently, the measurement model is deemed appropriate for advancing to the subsequent phase of structural equation modeling.

**Hypothesis Test Results**

Table 2. Summary of Test Results

| Relationships Among Variables                                 | Path Coefficients | T-Statistic | P-Value | Notes       |
|---|-------------------|-------------|---------|-------------|
| Competence → Employee Performance                             | 0.431             | 3.998       | 0.000   | Significant |
| Self-Efficacy → Employee Performance                          | 0.427             | 2.171       | 0.004   | Significant |
| Competence × Work Discipline → Employee Performance           | 0.214             | 2.086       | 0.037   | Significant |
| <i>Self-Efficacy</i> × Work Discipline → Employee Performance | 0.186             | 2.012       | 0.045   | Significant |

**Internal Model Evaluation**

The findings of the structural model testing demonstrate that the R-square value for the employee performance variable is 0.765. This finding suggests that competence, self-efficacy, work discipline, and the interaction moderation effects can account for 76.5% of the observed variation in employee performance. The remaining 23.5% of the variance is attributed to other variables not included in the research model. In PLS-SEM, R-square is used to assess the explanatory power of endogenous constructs, and values of approximately 0.75, 0.50, and 0.25 are commonly interpreted as substantial, moderate, and weak, respectively (Hair et al., 2022; Sarstedt et al., 2022). Therefore, the R-square value of 0.765 indicates that the model has strong explanatory power in explaining employee performance.

A recent study conducted at Junglegold Chocolate Factory Mengwi Badung Bali also confirms that employee performance is a relevant organizational outcome in this research setting. However, the previous study examined employee empowerment, knowledge sharing, and work-life balance as predictors of employee performance, whereas the present study focuses on competence, self-efficacy, work discipline, and

interaction moderation effects (Putra & Vipraprastha, 2025). Therefore, the claim that employee performance at Junglegold Chocolate Factory is explained by competence, self-efficacy, and work discipline should be positioned as the finding of the present study, not as the finding of previous research.

In light of the findings, it can be concluded that all constructs in this study satisfy the criteria for validity and reliability. Consequently, the measurement model is deemed appropriate for advancing to the structural model evaluation. In PLS-SEM, the measurement model must first meet the criteria of indicator reliability, internal consistency reliability, convergent validity, and discriminant validity before the structural relationships among latent variables are interpreted (Hair *et al.*, 2022; Henseler *et al.*, 2015; Sarstedt *et al.*, 2022).

### **The Moderating Role of Work Discipline on the Effect of Competence on Employee Performance**

The findings of the study suggest that work discipline moderates the relationship between competence and employee performance. This indicates that competence exerts a stronger influence on performance when supported by a high level of work discipline. In moderation analysis, a moderator is a variable that changes the strength or direction of the relationship between an independent variable and a dependent variable (Baron & Kenny, 1986). Therefore, work discipline should not be described as a mediator in this relationship, but as a moderating variable that determines the condition under which competence becomes more effective in improving performance.

Competent employees who lack discipline may not necessarily achieve optimal performance because work ability must be accompanied by adherence to rules, punctuality, responsibility, and consistency in task completion. Competence provides employees with the knowledge, skills, and work-related characteristics needed to perform effectively, while discipline ensures that these competencies are applied consistently in daily work behavior (Boyatzis, 1982; Spencer & Spencer, 1993). Thus, companies should not merely enhance employee competence, but also cultivate a disciplined and responsible work culture.

### **The Moderating Role of Work Discipline on the Effect of Self-Efficacy on Employee Performance**

The findings of the study also suggest that work discipline moderates the relationship between self-efficacy and employee performance. This means that employees with high self-efficacy are more likely to achieve optimal performance when their confidence is accompanied by disciplined work behavior. According to Bandura, self-efficacy refers to an individual's belief in their ability to organize and execute actions required to achieve desired outcomes; this belief influences effort, perseverance, and resilience when individuals face obstacles (Bandura, 1977, 1997).

Within an organizational framework, high self-efficacy without discipline may result in self-confidence that is not optimally directed. Conversely, when self-confidence

is combined with adherence to rules, punctuality, responsibility, and consistency, employees are better able to direct their abilities toward achieving work goals. Empirical studies also support the view that self-efficacy and work discipline contribute positively to employee performance in organizational contexts (Hermawan, 2025).

Consequently, work discipline functions as a reinforcing factor that enhances the effectiveness of self-efficacy in promoting employee performance. This interpretation is consistent with the logic of moderation, in which the effect of self-efficacy on employee performance becomes stronger when the level of work discipline is high. Employee performance itself can be understood as work-related behavior and outcomes that contribute to organizational effectiveness, including task performance, contextual performance, adaptive performance, and the reduction of counterproductive work behavior (Koopmans *et al.*, 2014).

## CONCLUSION

### Conclusion

The results of the path analysis using SmartPLS demonstrate that competence exerts a positive and significant influence on employee performance. This finding indicates that employees with higher levels of competence tend to demonstrate better performance. Competence reflects the knowledge, skills, abilities, attitudes, and personal characteristics that enable individuals to perform their work effectively; therefore, competent employees are generally more capable of understanding tasks, applying appropriate work methods, solving problems, and achieving organizational standards (Boyatzis, 1982; Spencer & Spencer, 1993). In the context of individual work performance, performance is understood as work behavior and outcomes that contribute to organizational effectiveness, including task performance, contextual performance, adaptive performance, and the reduction of counterproductive work behavior (Koopmans *et al.*, 2014).

Self-efficacy has also been demonstrated to exert a positive and significant effect on employee performance. Employees who possess high self-efficacy tend to demonstrate greater capacity to confront professional challenges, execute tasks, maintain effort, and uphold performance standards. This finding is consistent with Bandura's theory, which explains that self-efficacy refers to an individual's belief in their capability to organize and execute the actions required to achieve desired outcomes. Individuals with stronger self-efficacy are more likely to show persistence, resilience, and sustained effort when facing difficulties (Bandura, 1977, 1997).

The findings of this study further indicate that work discipline moderates the effect of competence on employee performance. This means that competence has a stronger influence on performance when employees demonstrate high levels of discipline. In moderation analysis, a moderating variable is a variable that changes the strength or direction of the relationship between an independent variable and a dependent variable (Baron & Kenny, 1986). Therefore, employees' competence will be more effectively

translated into performance when supported by adherence to rules, punctuality, responsibility, and consistency in completing tasks.

The relationship between self-efficacy and employee performance is also influenced by work discipline. This finding indicates that employees' self-efficacy becomes more effective in enhancing performance when accompanied by disciplined work behavior. High self-efficacy provides psychological confidence, while work discipline ensures that this confidence is directed into consistent, responsible, and measurable work actions. Thus, work discipline functions as a reinforcing factor that strengthens the effect of self-efficacy on employee performance.

A thorough evaluation of the factors contributing to employee performance at the Junglegold Chocolate Factory reveals that adequate competence, strong self-efficacy, and consistent work discipline are conducive to enhancing overall performance. Methodologically, the use of PLS-SEM is appropriate for testing direct and moderating effects among latent variables, while SmartPLS is widely used to estimate path coefficients, t-statistics, p-values, R-square values, and interaction effects in structural models (Hair *et al.*, 2022).

### **Recommendations**

It is recommended that companies implement various strategies to enhance employee competence. These strategies may include technical training, customer service training, on-the-job coaching, and periodic evaluation of employees' skills and understanding of work procedures. Training and development are important because they help employees improve knowledge, skills, work attitudes, and job-related capabilities that can contribute to individual and organizational performance (Aguinis & Kraiger, 2009; Noe, 2020). Periodic evaluation is also necessary because performance management should involve continuous feedback, coaching, and identification of employee strengths and weaknesses to support performance improvement (Aguinis, 2013).

In order to enhance employees' sense of self-efficacy, companies should implement strategies that promote trust, acknowledge work achievements, provide psychological support, and involve employees in problem-solving through a participatory approach. Self-efficacy can be strengthened through mastery experiences, vicarious experiences, verbal persuasion, and positive emotional conditions; therefore, employees who receive trust, encouragement, and opportunities to solve work problems tend to develop stronger confidence in performing their duties (Bandura, 1977; Bandura, 1997).

The enhancement of work discipline requires consistent enforcement of established regulations, an objective attendance system, proportionate reprimands, and exemplary leadership. Work discipline should not be understood merely as administrative compliance, but as a work culture that supports punctuality, responsibility, consistency, and adherence to organizational standards. Previous studies also indicate that work discipline is related to employee performance because disciplined employees are more

likely to complete tasks consistently and comply with organizational expectations (Hasibuan, 2019; Lestari, 2024).

It is recommended that future researchers consider incorporating additional variables, such as work motivation, leadership, organizational culture, work environment, and job satisfaction. These variables are relevant because employee performance is often influenced not only by individual factors such as competence and self-efficacy, but also by organizational and psychological factors that shape employees' work behavior. Recent studies have also examined motivation, organizational culture, work environment, and job satisfaction as important predictors or mediators of employee performance (Norawati *et al.*, 2023; DIJEFA, 2025).

Moreover, future studies are advised to expand the sample size and research setting to improve the generalizability of the findings. A larger and more diverse sample can provide a stronger empirical basis for testing the consistency of the relationships among competence, self-efficacy, work discipline, and employee performance across different organizational context.

### **Acknowledgement**

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### **Declaration Statement**

The authors declare that no external funding was received for this research. The data supporting the findings were obtained from questionnaire responses of employees of Junglegold Chocolate Factory, Mengwi, Badung Regency, and from relevant literature cited in the manuscript. Due to confidentiality considerations, individual respondent data are not publicly available; however, anonymized or aggregated data may be provided by the corresponding author upon reasonable request. This study involved a non-invasive questionnaire survey of employees and did not collect sensitive personal data; therefore, formal institutional ethics approval was not required. The authors declare that they have no competing financial or non-financial interests.

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