The Influence of *Innovative Behavior*, *Employe Engagement*, *Entrepreneur Self Efficacy* on the Performance of UMKM UD Sumber Rejeki

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Abstract

This research analyzes the influence of innovative behavior, Employe engagement, Entrepreneur self efficacy on the performance of UMKM UD Sumber Rejeki. Business growth in the small industrial sector requires companies to innovate and adapt. Excellent human potential is an important factor in achieving this development. This research used a quantitative method with a saturated sampling approach involving 90 UD Sumber Rejeki employee respondents. Data collection was carried out using a questionnaire that calculated respondents' attitudes and views using a Likert scale. Data analysis was carried out using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 3.2.8 software to test the hypothesis. The research results show that innovative behavior, employee engagement, entrepreneurial self-efficacy have a positive and significant effect on employee performance.

Keywords: *Innovative Behavior; Employe Engagement; Entrepreneur Self Efficacy; Employe Performance*

INTRODUCTION

Rapid business growth every year has become commonplace. Companies must adapt to stay afloat and compete. To achieve this, a high role of human resources is needed, therefore human resources are the key to the growth and development of a company or business (Abadi, 2024). Human resources can ensure the success of a company. Employee performance greatly affects the success of the company, so the company needs to implement effective management for the common good. The challenge for business people is to retain and develop employees through the right management strategy to remain competitive and employee performance remains consistent (Hadi et al., 2020).

UMKM play a big role in a country's economy because UMKM can be the main support for economic growth, create jobs, and become the main pillar of economic activity. In many countries, UMKM have become a source of innovation, creativity, and significant economic development. It is important to realize that UMKM are not just business entities, but also reflect the dreams, aspirations, and hard work of individuals or groups in achieving economic independence (In et al., 2024). UMKM that produce fashion bags are a promising industrial sector in the fashion world, because of the increasing demand from both domestic and foreign consumers. The fashion bag industry is now an important part of the global fashion industry. This sector provides great opportunities for UMKM to grow and compete.

East Java Province has a large participation in the industrial sector of 30.94%, this is mostly from Sidoarjo Regency which is known as an industrial city. (Setiawan & Yudha, 2023). One of the MSME centers in Indonesia that attracts the attention of all parts of the archipelago is located in the city of Sidoarjo. This city has succeeded in developing UMKM and making Sidoarjo known as an MSME city (Rahmawati & Fitria Agustina, 2022). Of the many superior products of UMKM in Sidoarjo Regency, one of the superior products of UMKM whose development can be seen in local bag UMKM in Kedensari village, Tanggulangin district.

Tanggulangin District, especially Kedensari village, is known for the attractiveness of leather bags that are produced with very high quality, so that they are able to attract tourists. These UMKM started from several artisans who started making products such as bags and suitcases (Rahmawati & Fitria Agustina, 2022). The UMKM involved housewives and heads of families who produced various leather handicrafts typical of Kedensari village. The bag products produced are very diverse, ranging from children's, teenagers, to adult bags, with designs that are similar or almost the same as bag products that are already on the market.

UMKM Sumber Rejeki is a business engaged in bag crafts. Established in 2009, this MSME is located on Jl. Utama Kedensari RT 10 RW 4, Kedensari Village, Tanggulangin District, Sidoarjo Regency. Sumber Rejeki UMKM offer various models and sizes of bags, as well as provide souvenirs for weddings and various other events (Ernanto & Hermawan, 2022). However, these UMKM still face problems related to employee performance, especially in terms of production quantity. The following is a table of bag production in the last five months of 2024.

Table 1. Number of Bag Production at UD Sumber Rejeki May-September 2024

Moon	Production Target	Realization (Total Production)	Percentage
May	40,000 pieces	37,000 pieces	92,50%
June	43,000 pieces	46,000 pieces	97,67%
July	45,000 pieces	42,000 pieces	102,22%
August	47,000 pieces	49,000 pieces	104,26%
September	49,000 pieces	47,000 pieces	95,92%

Sumber : UD Sumber Rejeki

Based on the table above, it can be seen that the target of UD Sumber Rejeki UMKM reaches 40,000 every month. There are two months that reach the target, namely in June and August. But in May, July, and September, it fluctuated in decline. With this decrease, it shows that the performance of employees in Bag UMKM must be more consistent and improved. *innovative behavior* that can help teams to create new innovations in the workplace and *Employe Engagement* high can increase employee commitment to consistently achieve targets, and *entrepreneur self efficacy* strong can encourage employee confidence with their ability to increase sales targets. In the data obtained at the moment, the factor that affects the development or decline of the company's production amount lies in the performance of its employees. Performance is the result of a person's work, which includes quality and quantity, in accordance with their responsibilities. If the performance is good, the company can achieve its goals, vision, and mission. (Febriani et al., 2023)

In developing an organization, innovative behavior is an important factor that affects employee competence. Employees who think innovatively can generate and combine creative ideas to create new things, as well as dare to develop these ideas within the company. Innovative employees are always critical and strive to create a better environment and provide added value. (Akhmala & Sumartik, 2024).

In addition to innovative behavior, employee performance is also affected by employee engagement. Companies should often involve employees in all activities, providing opportunities for them to give feedback and participate in decision-making. By engaging employees, they will be more committed to their work and improve their performance. The employees involved have a good understanding of their work environment and strive to improve their performance. They have high ambition, are willing to spend energy and time voluntarily, and are more proactive in achieving goals. (Umihastanti & Frianto, 2022)

Performance is also influenced by the self-efficacy of a person's confidence in their ability to carry out their duties. This belief is closely related to the determination of employees to be more confident and confident in their skills. Self-efficacy is necessary for employees, because by increasing their self-confidence, they will be better able to complete the tasks given. This will help the organization or company operate better and improve employee performance. Therefore, self-efficacy is needed so that employees can work optimally and have high performance. (Pratomo, 2022)

In previous research conducted by (Alviani, 2022) Mention that there is *innovative behavior* have a positive and significant impact on employee performance. However, it is different from the research carried out by (Nugraha & Silvianita, 2023) which proves that innovative behavior does not have a significant effect on employee performance. There are several research results regarding the influence of *Employe engagement* on employee performance carried out by (Umihastanti & Frianto, 2022) proves that *Employe engagement* also has a positive and significant effect on employee

performance. The greater the level of employee involvement in the organization, the better the performance they will provide to the organization. However, based on other research conducted by (Karimah & Astuty, 2023) proves that Employee Engagement has no positive and insignificant effect on employee performance. According to (Budiyanto, 2022) Self efficacy affects employee performance significantly positively. Meanwhile, according to research (Ali & Wardoyo, 2021) stated that self efficacy does not have a significant influence on employee performance.

METHOD

The type of research conducted by the author in this study is quantitative descriptive. Quantitative data refers to data that can be measured or calculated directly and presented in the form of numbers, such as those filled out in questionnaires (Rachman & Sumartik, 2023). Population Refers to a group of individuals or objects that are similar in one or several aspects, which can be the main focus in a study (Riyandah & Kusuma, 2023). In this study, the population taken was 90 employees from UD Sumber Rejeki. The sampling technique applied is the *Probability Sampling* by taking the type *Sampling Saturated*. Saturated sample is a sampling technique by taking all members of the population as respondents or samples (Nofyaningrum & Abadiyah, 2021). Technique *Probability Sampling* is a sampling technique that provides equal opportunities or opportunities for the selected population to be sampled. So the sample in this study is all UD Sumber Rejeki employees with 90 members.

The data in this study are primary and secondary data. Primary data collection was carried out by distributing questionnaires through Google Forms to UD Sumber Rejeki employees. Meanwhile, secondary data is obtained from related literature such as journals, books and other reliable sources. The data collection instrument uses *Likert Scale* which is commonly used to test the attitudes and opinions of individual groups towards certain phenomena. Respondents were asked to choose the answer that best suited their opinion or feeling, so that the researcher could quantitatively measure the intensity of their attitude or opinion. This scale has five answer options: Strongly Agree (5), Agree (4), Disagree (3), Disagree (2), Strongly Disagree (1) (Afrianti & Biduri, 2023).

This study uses a data analysis method *Partial Least Square (PLS). PLS-SEM (Partial Least Squares Structural Equation Modeling*) is a very useful analysis method because it can be applied to a wide range of data scales without the need to meet strict assumptions or measurement requirements (Warda et al., 2023). *PLS-SEM* It is divided into two main points, namely the assessment of the structural model (*Inner* model) and evaluation of measurement models (*outer* model). In the outer model, there is a validity test consisting of convergent validity and discriminatory validity, and a reliability test consisting of composite reliability and cronbac's Alpha. While in *Inner* model has R-Square, Q-Square, F-Square, and path coefficients tests

RESULTS AND DISCUSSION
Result
Characteristics of Respondents

Table 1. Respondents By Age

It	Age	Number of respondents	Percentage
1.	≥17 – 22 years old	11	12,2%
2.	23 – 28 years old	17	18,9%
3.	29 – 34 years old	18	20,0%
4.	35 – 40 years old	26	28,9%
5.	> 40 years	18	20,0%
	Total	90	100%

Source : Questionnaire data processed, 2024

Based on table 2 above from 90 data obtained, respondents aged ≥17 – 22 years old were 11 respondents or 12.2%. Then respondents aged 23-28 years as many as 17 respondents or 18.9%. Furthermore, respondents aged 29-34 years were 18 respondents or 20.0%. Then followed by the age of 35-40 years as many as 26 respondents or 28.9%. Furthermore, for the age of > 40 years, there were 18 respondents or 20.0%. This shows that the employees at UD Sumber Rejeki are dominated by the age of 35 – 40 years.

Table 3. Respondents by gender

It	Gender	Number of Respondents	Percentage
1.	Man	32	35,6%
2.	Woman	58	64,4%
	Total	90	100%

Source : Questionnaire data processed, 2024

Based on table 3. Above of the 90 data obtained, 32 respondents or 35.6% were male. Meanwhile, 58 respondents or 64.4% were female. This shows that UD Sumber Rejeki employees are dominated by women

Description of respondents' answers

Table 4. Respondent's Answer for Innovative Behavior Variables

It	Statement indicators	Mean	Information
X1.1	I often pay attention to the latest trends and developments about bag models on social media to find new opportunities.	4.356	Tall
X1.2	I often work with the team to produce the latest bag models in the work process	4.267	Tall
X1.3	I feel that I have the support of the owner (superior) in the form of sufficient facilities to develop the product.	4.267	Tall
X1.4	I feel that the implementation of new ideas, such as digital marketing, will have a positive impact on the workplace.	4.378	Tall
	Innovative behavior	4.317	Tall

Source : Questionnaire data processed, 2024

Based on the assessment response to the *innovative behavior* variable, it is known that the highest average score is found in the fourth statement "I feel that the application of new ideas, such as digital marketing, will have a positive impact on the workplace" on the idea application indicator with an average score of 4,378. This indicates that digital marketing has a great impact on the process of marketing an item. Meanwhile, the lowest assessment is found in the second statement "I often work with the team to produce the latest bag models in the work process" in the idea generation indicator and the third statement "I feel that I have the support of the owner (superior) in the form of sufficient facilities to develop the product" in the idea championing indicator with an average score of 4,267. And the overall average score of *the innovative behavior* variable was 4,317 in the high category.

Table 5. Respondent's Answer for *Employe Engagement Variables*

It	Statement indicators	Mean	Information
X2.1	My work environment feels safe and comfortable for activities.	4.311	Tall
X2.2	The owner (superior) gave me enough direction and support in completing the task.	4.100	Tall
X2.3	I have a good relationship with colleagues on my team.	4.422	Tall
X2.4	The workplace provided ample training opportunities for my skill development.	4.033	Tall
X2.5	The compensation I received was in accordance with my responsibilities at work.	4.278	Tall
	Employe engagement	4.228	Tall

Source : Questionnaire data processed, 2024

Based on the assessment responses on the *Employe engagement* variable, it is known that the highest average score is found in the third statement "I have a good relationship with colleagues in my team." on the team indicator and colleague relationship with an average score of 4,422. This indicates that the relationship between colleagues is very close so that it causes a fairly high level of solidarity. While the lowest rating is found in the fourth statement: "The workplace provides sufficient training opportunities for my skill development on the training and career development indicators with an average score of 4,033. And the overall average score of the *Employe engagement* variable was 4,228 in the high category.

Table 6. Respondent's Answer to Entrepreneur *Self Efficacy Variable*

It	Statement indicators	Mean	Information

X3.1	I am confident that the positive experiences in my past can convince me to take on new challenges.	4.333	Tall
X3.2	Seeing others succeed makes me even more confident that I can achieve the same thing.	4.133	Tall
X3.3	I feel more confident after receiving compliments or recognition from colleagues or superiors.	4.011	Tall
X3.4	Positive feelings, such as happiness can improve my performance and confidence at work.	4.089	Tall
X3.4	Positive feelings, such as satisfaction can improve my performance and confidence at work.	4.067	Tall
	Entrepreneur self efficacy	4.126	Tall

Source : Questionnaire data processed, 2024

Based on the assessment responses to the entrepreneur *self efficacy* variable, it is known that the highest average score is found in the first statement "I am confident in positive experiences in the past, I can convince me to face new challenges" in the past experience indicator with an average score of 4,333. This indicates that positive experiences in the past have a positive impact on convincing employees to be better able to face new challenges. Meanwhile, the lowest rating is found in the third statement "I feel more confident after receiving praise or recognition from colleagues or superiors" on the verbal persuasion indicator with an average score of 4,011. And the overall average score of *the entrepreneur self efficacy* variable was 4,126 in the high category.

Table 7. Respondent's Answer to Employee Performance Variables

It	Statement indicators	Mean	Information
Y1	I always strive to improve the quality of my work through the process of correction and improvement.	4.422	Tall
Y2	I was able to complete a significant number of tasks within the allotted time.	4.356	Tall
Y3	I feel that I can manage my time well to ensure that the work is completed on time.	4.278	Tall
Y4	I always strive to ensure that I am present at the workplace at the right time to fulfill my responsibilities.	4.378	Tall
Y5	I am able to work effectively with colleagues and superiors to achieve common goals.	4.356	Tall
	Employee performance	4.358	Tall

Source : Questionnaire data processed, 2024

Based on the assessment response to the employee performance variable, it is known that the highest average score is found in the first statement "I always strive to improve the quality of my work through the process of correction and improvement" on the quality indicator with an average score of 4,422. This indicates that employees always prioritize improving quality in their work process. Meanwhile, the lowest rating is found in the third statement "I feel that I can manage my time well to ensure that the work is completed on time" on the punctuality indicator with an average score of 4,278. And the overall average score of the employee performance variable was 4,358 in the high category.

Outer Model Testing

The measurement model testing stage includes convergen *validity*, *discriminant validity, and composite reality testing*. The results of PLS analysis can be used to test research hypotheses. If all indicators in the PLS model have met the requirements of convergent validity, discriminatory validity, and composite rellibility.

Convergen Validity

Convergen validity aims to determine the validity of the relationship between indicators and their latent variables. The higher the convergence value, the higher the indicator's ability to explain its latent variables. The validity of the measurement model kovergen with reflection indicators can be detected from the correlation between the item/indicator score and the construction score. Individual indicators are said to be reliable if they have a correlation value above 0.70, but loading 0.50-0.60 is still acceptable.

Table 8. Outer Loading Value

Indicators	*Innovative behavior*	*Employe engagement*	*Entrepreneur self efficacy*	**Employee Performance**
IB1	0,751			
IB2	0,811			
IB3	0,826			
IB4	0,739			
EE1		0,756		
EE2		0,767		
EE3		0,759		
EE4		0,777		
EE5		0,607		
ESE1			0,671	
ESE2			0,766	
ESE3			0,788	
ESE4			0,759	
ESE5			0,749	
Y1				0,860
Y2				0,614
Y3				0,821
Y4				0,750
Y5				0,853

Source : Smart-PLS3 Output Data (2024)

Based on the table above, it can be shown that all the indicators used to measure the variables in this study can be said to be valid, because the significance value is >0.05

Table 9. AVE Scores

Variable	Average Variance Extracted (AVE)	Information
Innovative behavior (X1)	0,613	Valid
Employe engagement (X2)	0,542	Valid
Entrepreneur self efficacy (X3)	0,559	Valid
Employee Performance (Y)	0,616	Valid

Source : Smart-PLS3 Output Data (2024)

Based on table 9, it can be explained that from each variable the *AVE* value > 0.5. Therefore, it can be concluded that each research variable is declared valid or has met the criteria for the latent variable. So that the *AVE* value has met good convergen validity.

Discriminant Validity

In this study, *discriminant validity* was carried out using *cross loading values.* An indicator is declared to meet the validity of *discriminant* if the *cross loading value* on that variable is the largest compared to other variables. Based on the results of the analysis of the cross loading value on all indicators, it is in accordance with the provisions of the Discriminant Validity value

Table 10. Cross Loading Values

Indicators	*Employe engagement* (X2)	*Entrepreneur self efficacy* (X3)	*Innovative behavior* (X1)	*Employee Performance* (Y)
X1.1	0.377	0.505	**0.751**	0.488
X1.2	0.540	0.567	**0.811**	0.640
X1.3	0.525	0.638	**0.826**	0.587
X1.4	0.645	0.732	**0.739**	0.595
X2.1	**0.756**	0.500	0.431	0.562
X2.2	**0.767**	0.684	0.637	0.608
X2.3	**0.759**	0.504	0.450	0.651
X2.4	**0.777**	0.689	0.590	0.665
X2.5	**0.607**	0.406	0.311	0.308
X3.1	0.417	**0.671**	0.501	0.513
X3.2	0.649	**0.766**	0.629	0.578
X3.3	0.598	**0.788**	0.651	0.563

X3.4	0.623	**0.759**	0.567	0.619
X3.5	0.573	**0.749**	0.579	0.579
Y1	0.623	0.607	0.634	**0.860**
Y2	0.454	0.412	0.556	**0.614**
Y3	0.703	0.669	0.602	**0.821**
Y4	0.570	0.613	0.526	**0.750**
Y5	0.706	0.666	0.603	**0.853**

Source : Smart-PLS3 Output Data (2024)

Based on table 10 above, the results of *the cross loading* analysis show that each indicator in the construct has a higher loading value than the other constructs. Thus, it can be concluded that this model meets the requirements of the validity of the crime, so that each indicator is able to measure the corresponding construct precisely and accurately.

Composite Reliability **and** *Cronbach's Alpha*

The reliability of a construct can be assessed by looking at *the Cronbach's Alpha* and *Composite Reliability* values of each construct. For good reliability, it is recommended that the *Composite Reliability* and *Cronbach's Alpha* values be greater than 0.7.

Table 11. Composite Reliability Value

Variable	Cronbach's Alpha	Composite Reliability
Innovative behavior (X1)	0.789	0.863
Employe engagement (X2)	0.791	0.854
Entrepreneur self efficacy (X3)	0.802	0.863
Employee Performance (Y)	0.840	0.888

Source : Smart-PLS3 Output Data (2024)

Based on table 11 above, it shows the value of *Cronbach's Alpha* greater than 0.7 which means that the indicators in the construction have met the reliability requirements. This shows that all of these studies have an adequate level of internal consistency and have met reliability test standards.

Inner Model Testing
R Square Value

The R Square *value* aims to measure the influence of exogenous latent variables on endogenous latent variables. Based on the provisions, *the R Square value* is categorized into three types, namely <0.25 is classified as weak, <0.50 is classified as moderate or moderate, and <0.75 is classified as strong.

Table 12. *R-Square Test Results*

	R Square
Employee Performance	0,714

Source : Smart-PLS3 Output Data (2024)

Based on the table above, it shows that the variables *Innovative Behavior* (X1), *Employe Engagement* (X2), and *Entrepreneur Self Efficacy* (X3) are able to influence the Employee Performance (Y) variable by 71.4%. But the remaining 28.6% can be explained by independent variables. So in the table above, it can be shown that this study has a moderate or moderate structural model because it has a value of 0.714 and this value < 0.50.

F Square Value

Table 13. *F-Square Test Results*

Variable	Employee Performance (Y)
Innovative behavior (X1)	0.111
Employe engagement (X2)	0.264
Entrepreneur self efficacy (X3)	0.039

Source : Smart-PLS3 Output Data (2024)

Based on table 13 above, it shows that the results of the F-Square Test do not have a strong influence because the effect size can be said to be strong if it is above >0.35, while in this study the *Innovative behavior* variable (X1) on Employee Performance (Y) has a moderate effect size with a value of 0.111, in the *Employe engagement* variable (X2) on Employee Performance (Y) has a moderate effect size with a value of 0.264, while in the Entrepreneur *Self Efficacy* (X3) variable on Employee Performance (Y) has a small size effect because it has a value of 0.039.

Q Square Value

Table 14. Q-Square Test Results

Variable	SSO	SSE	Q² (=1-SSE/SSO)
Employe engagement	450.000	450.000	
Entrepreneur self efficacy	450.000	450.000	
Innovative behavior	360.000	360.000	
Employee Performance	450.000	277.427	0.383

Source : Smart-PLS3 Output Data (2024)

Based on table 14. The Q Square value is greater than 0, which is 0.383, indicating that this study has good prediction ability with a prediction relevance of 38.3%

Hypothesis Testing (Bootstrapping)

In *SEM-PLS analysis* to test variable relationships, it is carried out by using the bootstrapping method on the sample. This test was carried out to minimize the problem of abnormalities in the research data. Here are the results of the *SEM-PLS analysis*
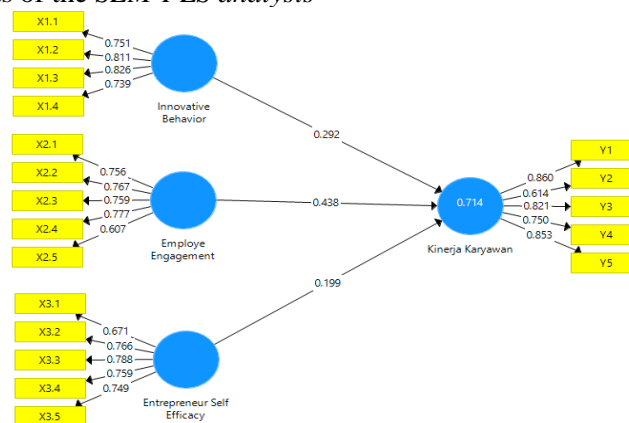
Figure 1. Output Bootstrapping

Furthermore, to find out the significance of the variables *Innovative Behavior*, *Employe Engagement*, *Entrepreneur Self Efficacy* on Employee Performance with *the bootstrapping method, smartpls* is to look at the calculation results based on the direct influence (*path coefficient*) below

Table 13. Hypothesis Test (*Bootsrapping*)

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistics (|O/STDEV |)*	*P Values*
Innovative behavior – Employee Performance	0,292	0,284	0,117	2,504	0,013
Employe engagement – Employee Performance	0,438	0,451	0,088	4,949	0,000
Entrepreneur self efficacy – Employee Performance	0,199	0,196	0,098	2.044	0,042

Source : Smart-PLS3 Output Data (2024)

In the table above are the results of hypothesis tests where there are results of *original sample, sample mean, standard deviation*, *T statistics*, and *p values* , it can be said that the variables *Innovative Behavior* (X1), *Employe Engagement* (X2), and *Entrepreneur Self Efficacy* (X3) has a positive and significant influence on Employee Performance (Y), because the original sample shows a positive value, it has a positive direction, for *T statistics* >1.96 and p values <0.05 so that H1, H2, and H3 are accepted because they have met these three criteria.

Discussion
The Influence of *Innovative Behavior* on Employee Performance

Based on the results of the analysis, it was shown that *innovative behavior* had a positive and significant effect on employee performance. The results of the analysis show that *innovative behavior* is something in creating, developing, and implementing new ideas in work or daily life. *Innovative*

behavior in this study is considered the main factor that affects employee performance. Innovative behavior is very important for every employee to have, especially in today's digital era.

Innovative behavior in this study is built through four indicators, namely opportunity exploration, idea generation, idea championing, and idea application. The results of the questionnaire showed that the largest contribution to employee performance was obtained from the indicator "I feel that the implementation of new ideas, such as digital marketing, will have a positive impact on the workplace". Empirical studies show that UD Sumber Rejeki employees are determined to always create new ideas and innovations to overcome competition and encourage employee performance to be more optimal. By implementing innovative behaviors, employees actively develop and implement new ideas and adapt to technological changes and market trends, tending to show better performance improvements.

This is in line with research (Yanti & Sumartik, 2024) that *innovative behavior* have a positive and significant effect on employee performance. By implementing innovative behaviors, employees dare to try new things and create new ideas for each company. This is very important, because it can help companies to keep working. This research can also improve employee innovations to maximize their performance. Therefore, companies must continue to support their employees to create creative ideas and also be supported in research (Alviani, 2022) which states that the higher the innovative behavior of employees in carrying out their work, the higher the performance of employees will increase

The Effect of *Employe engagement* on Employee Performance

Based on the results of the analysis, it shows that *Employe engagement* has a positive and significant effect on employee performance. This shows that UD Sumber Rejeki UMKM assume that employees feel cared and responsible for their work to achieve success. The results of the study show that *Employe engagement* is the main factor in employee performance. This can be proven by the existence of a good relationship between leaders and colleagues, as well as the relationship between employees and other employees so that it becomes a harmonious relationship. This can affect employee performance in increasing production.

Employe engagement In this study, it was built through five indicators, namely work environment, leadership, team and colleague relationships, career development training, and compensation. The results of the questionnaire showed that the greatest contribution to employee performance was obtained from the indicator "I have a good relationship with colleagues on my team". Empirical studies show that UD Sumber Rejeki employees can create good relationships with colleagues and harmonious cooperation can create a comfortable and safe work environment, so that employees are more motivated and productive in carrying out their duties.

This is in line with (Umihastanti & Frianto, 2022) that *Employe engagement* have a positive and significant effect. Employee attachment can improve the quality of work and reduce the tendency to turn away from their work. It is also supported (Mauludya et al., n.d.) that *Employe engagement* can make employees feel concerned about their work and responsibility for their work. Employees who have a high level of attachment will have a high emotional attachment to their work, so they will be able to provide good quality and quantity of work results.

The Effect of *Entrepreneur Self Efficacy* on Employee Performance

Based on the results of the analysis, it shows that *entrepreneur self efficacy* has a positive and significant effect on employee performance. This means that employee performance can improve with each individual employee's confidence in their own abilities so that they can work optimally. This can be proven by the existence of positive experiences in the past such as success despite facing various obstacles can convince strong confidence. Through this process, employees learn to stay patient, think positively, and not give up even in difficult situations. This experience reassures employees that every new challenge is an opportunity to grow and reassures each employee that they have the ability to cope better.

Entrepreneur self efficacy in this study is built through four indicators, namely past experience, vicarious experience, verbal persuasion, emotional cues. The results of the questionnaire showed that the greatest contribution to employee performance was obtained from the indicator "I am confident that positive experiences in the past can convince me to take on new challenges". Empirical studies show

that UD Sumber Rejeki employees have self-confidence that grows from previous positive experiences and the successes of others, can provide encouragement and face challenges with more confidence.

This is in line with research (Ardi et al., 2017) that self efficacy has a positive and significant effect on employee performance. Usually, employees who have a high sense of confidence, then the employee will spend a considerable amount of effort so that they can achieve high performance. It is also supported by research (Erawati & Wahyono, 2019) The higher the self-efficacy a person has, the more likely they are to show better performance. This happens because individuals who have high self-efficacy tend to have stronger motivation, and are more resistant to failure.

CONCLUSION

Based on research and discussion conducted by researchers, *innovative behavior* has a positive and significant influence on employee performance. This shows that the ability to think creatively and adapt to change contributes greatly to achieving better results in the workplace. In addition, employee engagement also has a positive and significant impact on their performance. Employees who are actively engaged in work tend to show better work results and make a real contribution to the success of the organization. Entrepreneur self-efficacy also has a positive and significant effect on improving employee performance. This belief encourages individuals to take measurable risks and face challenges proactively, thereby increasing the chances of success in the world of work and entrepreneurship.

It is hoped that this research can be a reference for future researchers and it is hoped that future research can use better or more uncommon variables, both dependent and independent variables. This aims to further explore the results of further research and add more knowledge.

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