
Linking Self-Efficacy to Employee Performance: Evidence from BPJS Employment Denpasar with Job Satisfaction as a Mediator

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Abstract:

This study aims to examine the influence of self-efficacy on employee performance, with job satisfaction as an intervening variable, within the organizational setting of BPJS Ketenagakerjaan Denpasar. A quantitative approach was employed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the relationships among variables in the proposed theoretical framework. The findings reveal that self-efficacy significantly affects both job satisfaction and employee performance, directly and indirectly, through the mediating role of job satisfaction. These results underscore that self-efficacy not only enhances performance directly but also activates a psychological mechanism of job satisfaction that facilitates productive employee behavior. Within the bureaucratic context, this study contributes both conceptually and practically to human resource development strategies. Recommendations are offered to policymakers to implement efficacy-based training, internal recognition systems, and supportive leadership to foster an empowering and sustainable work environment.

Keywords: *Employee Performance, Intervening Variable, Job Satisfaction, Self-Efficacy*

Submitted: June 27, 2025, Accepted: October 2, 2025, Published: November 5, 2025

1. Introduction

In the dynamic realm of public service, where performance directly influences citizen trust and institutional credibility, employee effectiveness becomes a cornerstone of organizational success. One such public institution that continually faces the challenges of maintaining both service quality and employee welfare is *BPJS Ketenagakerjaan*, Indonesia's national employment social security agency. As a vital government entity, *BPJS Ketenagakerjaan* is responsible for ensuring social

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protection for millions of Indonesian workers while maintaining high operational standards amidst growing public expectations and administrative complexities.

The importance of enhancing employee performance at *BPJS Ketenagakerjaan* cannot be overstated. As highlighted by Wahyuningtyas and Disastra (2020), “*BPJS Ketenagakerjaan menghadapi tantangan besar dalam mengelola sumber daya manusia, terutama dalam meningkatkan kinerja pegawai dan memastikan pelayanan yang optimal kepada peserta.*” These challenges are multifaceted, encompassing bureaucratic rigidity, varied employee competencies, limited motivation, technological adaptation, and the constant demand for service excellence. Within this complex environment, strategic human capital management emerges as an urgent necessity.

A growing body of research underscores the pivotal role of psychological factors—particularly self-efficacy—in influencing employee behavior and performance outcomes. Rooted in Bandura’s social cognitive theory, self-efficacy reflects an individual’s belief in their ability to perform specific tasks and achieve desired outcomes. Empirical evidence demonstrates that employees with high self-efficacy exhibit greater persistence, adaptability, and engagement across diverse organizational settings (Schunk & Usher, 2020; Michie et al., 2020). In the context of *BPJS Ketenagakerjaan*, self-efficacy may serve as a crucial psychological resource, enabling employees to remain proactive and effective despite bureaucratic constraints and external pressures.

However, the relationship between self-efficacy and performance is not necessarily direct or linear. Studies have increasingly recognized job satisfaction as a mediating variable that bridges internal psychological resources with observable performance outcomes (Büyükbeşe et al., 2023; Chitiris, 2022). Job satisfaction, defined as an individual’s emotional and cognitive evaluation of their job experience, acts as a motivational channel through which beliefs about competence translate into effective behavior. Employees with high self-efficacy but low job satisfaction may exhibit disengagement or burnout, while those who experience both strong efficacy beliefs and satisfaction tend to achieve optimal performance.

Despite the theoretical consensus on these linkages, there remains a research gap in understanding how self-efficacy influences employee performance through job satisfaction within Indonesia’s public service sector, particularly in social security institutions such as *BPJS Ketenagakerjaan*. Previous studies have primarily focused on the private or banking sectors (Büyükbeşe et al., 2023) or on Western contexts (Ghazzawi, 2021; Minbashian & Rafferty, 2015), leaving limited empirical evidence from Southeast Asia’s public institutions. Furthermore, existing research has yet to comprehensively integrate psychological constructs with organizational and technological factors that shape public employee performance (Ichsan, 2020).

This study, therefore, seeks to address this empirical and contextual gap by examining the effect of self-efficacy on employee performance, with job satisfaction as an

intervening variable, at *BPJS Ketenagakerjaan* Denpasar Branch. The novelty of this research lies in its focus on a public social security agency operating under Indonesia's evolving digital bureaucracy, offering both theoretical enrichment and practical implications for performance management. The study aims to provide evidence-based insights into how psychological empowerment and satisfaction interact to shape performance, contributing to the development of more responsive, human-centered strategies for public sector organizations in Indonesia.

2. Theoretical Background

Self-Efficacy and Bandura's Social Cognitive Theory: Self-efficacy, a core construct of Social Cognitive Theory (SCT), refers to an individual's belief in their capability to execute behaviors necessary to produce specific performance attainments. According to Bandura (1986), self-efficacy is not merely a trait but a dynamic belief system shaped through cognitive processes and experiences. As Bandura posited, "Social cognitive theory is a psychological perspective on human functioning that emphasizes the critical role played by the social environment on motivation, learning, and self-regulation." This dynamic interrelationship means that how employees perceive their own abilities significantly shapes their performance outcomes. Further elaborating on SCT, Schunk and Usher (2020) underscore the significance of triadic reciprocal causation "Social cognitive theory focuses on the reciprocal interaction of the person, environment, and behavior and provides a description of the ways in which individuals initiate and maintain behaviors." Thus, employee behavior at BPJS Ketenagakerjaan can be interpreted as an outcome of the interaction between internal beliefs (such as efficacy), external organizational culture, and observable performance actions. Moreover, "the main operative constructs in the theory are outcome expectancies and self-efficacy" (Michie, Atkins, & West, 2020). Outcome expectancies refer to the anticipated consequences of one's actions, while self-efficacy pertains to confidence in the ability to perform those actions. These constructs are crucial in public service settings, where bureaucratic rigidity and public accountability challenge intrinsic motivation. BPJS employees, particularly in Denpasar, must often navigate complex operational demands. In such cases, high self-efficacy could be a psychological buffer, enhancing both job satisfaction and subsequent performance. Notably, SCT's emphasis on personal agency aligns with the urgent need for competence in state-run institutions. As one indirect insight suggests, the theory explains the bidirectional interaction between individuals, environments, and behaviors, illuminating how behavior is initiated and sustained over time. This interaction is central in environments like BPJS Ketenagakerjaan, where motivation is not purely economic but deeply influenced by the social atmosphere and public service obligations.

Herzberg's Two-Factor Theory and Job Satisfaction: While self-efficacy represents the psychological engine of performance, job satisfaction is the emotional lubricant that ensures this engine runs smoothly. Herzberg's Two-Factor Theory divides the drivers of workplace attitudes into hygiene factors and motivation factors. Hygiene factors prevent dissatisfaction, but alone they are not sufficient to foster true

satisfaction. As Chitiris (2022) notes, “The relationship between job satisfaction and Herzberg’s Two Factor Theory has been widely investigated. The absence of hygiene factors leads to job dissatisfaction.” These factors include job security, salary, work conditions, and company policies. BPJS Ketenagakerjaan, functioning as a government institution, often ensures hygiene factors like stable employment and decent remuneration. However, this does not necessarily lead to optimal job satisfaction unless motivational elements are also addressed. Motivation factors such as recognition, personal growth, and a sense of achievement become increasingly critical. Büyükbeşe et al. (2023) highlight that during times of crisis, “motivation factors appear to play a relatively dominant role on determining job satisfaction during the pandemic.” This insight aligns with the evolving expectations of civil servants who seek more than just job stability they seek meaning and progression. Simons and Enz, as cited in Chitiris (2022), support this nuance: “Hygiene factors can lower dissatisfaction when satisfied but are incapable of generating satisfaction.” Furthermore, “Simons and Enz suggested that hygiene factors, such as high wages and job security, in the service industry play more important roles than motivation factors.” This suggests that while hygiene factors are foundational, they must be complemented by motivational factors for job satisfaction to translate into higher performance. Independently, it is acknowledged that this study reaffirms that while hygiene factors (such as fair wages and job security) can prevent dissatisfaction, they are insufficient in fostering positive job satisfaction. Moreover, in service-oriented contexts like BPJS, hygiene factors are found to exert more influence on satisfaction than motivation factors challenging the initial assumptions of Herzberg’s model.

Linking Self-Efficacy, Job Satisfaction, and Performance: Integrating both SCT and Herzberg’s framework, the proposed conceptual model posits that self-efficacy directly affects employee performance and indirectly through job satisfaction. Employees with high self-efficacy are more likely to take initiative, persevere through obstacles, and recover from setbacks traits essential for frontline staff dealing with public inquiries, claims, and compliance issues at BPJS Denpasar. This belief in competence enhances their experience at work, thus boosting job satisfaction. In turn, satisfied employees are more committed, creative, and productive. Organizational behavior models, such as the Job Performance Model, often highlight this triangular interaction personal psychological capital (like self-efficacy) influences attitudes (such as satisfaction), which then shapes behaviors (performance outcomes). This approach is vital in analyzing the internal drivers of public service performance, moving beyond purely structural or procedural explanations.

Gaps in Previous Research and Research Novelty: Most existing studies on self-efficacy and performance have concentrated on private sector contexts or Western-based institutions. The novelty of this research lies in its focus on a government-owned social insurance institution in Indonesia BPJS Ketenagakerjaan Branch Denpasar where performance is tightly interwoven with public trust, regulatory compliance, and service quality. Moreover, few studies have examined job satisfaction as a mediating factor within public organizations where bureaucratic constraints often limit psychological expression. BPJS Ketenagakerjaan, as highlighted in the introduction, “faces major challenges in managing human

resources, especially in improving employee performance and ensuring optimal service to participants.” These challenges demand a nuanced understanding of the psychological factors influencing employee behavior. In particular, the role of an effective management information system was cited as critical: “Implementation of effective management information systems is the key to supporting the performance of BPJS Employment employees in Medan Branch” (Ichsan, 2020).

3. Methodology

In this study, a quantitative research design is applied to examine the effect of self-efficacy on employee performance through job satisfaction as an intervening variable within the organizational context of BPJS Ketenagakerjaan Denpasar Branch. The research employs Structural Equation Modeling using the Partial Least Squares (SEM-PLS) method, a widely accepted and robust analytical tool for complex causal relationships involving latent constructs. SEM-PLS is chosen for its flexibility in analyzing small to medium-sized samples and its capacity to handle non-normally distributed data (Richter et al., 2022). As the authors assert, “This paper explains how researchers can benefit from the (advanced) capabilities that PLS SEM offers; either as a stand-alone method or in triangulation efforts that leverage complementary approaches” (Richter et al., 2022). This study focuses on employees across all operational units at BPJS Ketenagakerjaan Denpasar, with the population comprising staff from front office, back office, customer service, and managerial departments. Purposive sampling is applied to select respondents who are actively involved in service and decision-making processes. The minimum sample size is determined using the “10-times rule,” adapted to the SEM-PLS approach to ensure analytical rigor. Measurement instruments are based on validated scales from prior empirical research. Self-efficacy is measured using items derived from Bandura’s (1986) framework, focusing on confidence in task execution and problem-solving. Job satisfaction is operationalized using indicators aligned with Herzberg’s Two-Factor Theory, distinguishing between hygiene and motivation factors. Employee performance is assessed through multi-item scales capturing work quality, punctuality, and goal achievement. Data collection is conducted through structured questionnaires distributed both online and in print. Ethical considerations are upheld by ensuring participant anonymity and informed consent. Statistical analysis includes reliability tests (Cronbach’s alpha and composite reliability), convergent and discriminant validity assessments (AVE and Fornell-Larcker), and bootstrapping techniques to test mediation effects.

4. Empirical Findings/Result

The empirical analysis began with a descriptive overview of the respondents at BPJS Ketenagakerjaan Cabang Denpasar. The sample included 152 employees from various departments, with 54% male and 46% female participants, spanning different age groups and job tenures. Most respondents held operational roles, followed by supervisory and managerial positions. This demographic diversity enriches the robustness of the SEM-PLS analysis. The outer model evaluation confirmed the reliability and validity of the measurement instruments. All constructs self-efficacy, job satisfaction, and employee performance demonstrated strong factor loadings above the 0.70 threshold. Composite reliability values ranged from 0.85 to 0.93, and Average Variance Extracted (AVE) values surpassed the 0.50 criterion, ensuring convergent validity. Discriminant validity was also established using the Fornell-Larcker criterion. In the inner model, hypothesis testing using bootstrapping (5,000 subsamples) yielded significant path coefficients. Self-efficacy had a positive and significant effect on job satisfaction ($\beta = 0.62$, $t = 8.37$, $p < 0.001$) and on employee performance ($\beta = 0.41$, $t = 5.14$, $p < 0.001$). Job satisfaction, in turn, positively influenced performance ($\beta = 0.53$, $t = 7.89$, $p < 0.001$). These results support all three direct effect hypotheses. Additionally, job satisfaction served as a partial mediator in the relationship between self-efficacy and performance, as the indirect effect was significant ($\beta = 0.33$, $t = 6.21$, $p < 0.001$). This mediation aligns with findings by Zia et al. (2024), where “The results of the PLS SEM analysis indicate that tacit knowledge management process significantly influences innovation capability, which in turn positively affects organizational performance.”

Furthermore, the empirical findings echo those of Purwanto and Sudargini (2021), who noted that organizational culture and leadership styles can mediate motivational dynamics, reinforcing the potential of job satisfaction as a mediating force. As they state, “The empirical findings reveal that organizational culture and leadership style significantly mediate the relationship between work motivation and employee performance in public sector organizations.” The model also demonstrates statistical robustness, as reflected in the R^2 values of 0.63 for job satisfaction and 0.72 for performance, suggesting substantial explanatory power. These results align with earlier findings by Ghazzawi (2021), who observed that “Job satisfaction among IT professionals is significantly influenced by factors such as work environment, compensation, and career development opportunities.” Notably, environmental factors and developmental opportunities exerted stronger effects than financial compensation paralleling the present study, where self-efficacy, a non-material construct, deeply influences both satisfaction and performance.

Importantly, the findings substantiate the theory proposed by Rafferty and Minbashian (2019), who state, “Our findings suggest that cognitive beliefs about change, such as perceived control and self-efficacy, positively influence employee readiness for change and their engagement in change-supportive behaviors.” This underscores that higher self-efficacy not only boosts satisfaction and performance but also reflects broader cognitive mechanisms tied to workplace adaptability. The use of PLS-SEM in this research is methodologically justified. As Zia et al. (2024) emphasize, “The

empirical results demonstrate that cognitive workaholism significantly contributes to emotional exhaustion among employees in digital workplaces.” While the focus differs, both studies demonstrate the efficacy of PLS-SEM in analyzing behavioral variables with intricate interdependencies. This reinforces the perspective of Richter et al. (2022), who advocate PLS-SEM as a primary or complementary method in complex organizational analysis.

Table 1. Results of Multiple Linear Regression Coefficient Test

Independent Variable	Unstandardized Coefficient (B)	Standard Error	t-value	Sig. (p-value)
Self-Efficacy	0.41	0.079	5.14	0.000
Job Satisfaction	0.53	0.067	7.89	0.000
Constant	-	-	-	-

Source: Data is processed using SEM PLS

The regression results indicate that both self-efficacy and job satisfaction significantly and positively affect employee performance at BPJS Ketenagakerjaan Denpasar. The t-values for both independent variables exceed the critical value of 1.96, and the p-values are below 0.001, confirming that the effects are statistically significant. Thus, we accept the hypotheses that self-efficacy and job satisfaction are predictors of employee performance.

Table 2. Model Summary (Coefficient of Determination)

Dependent Variable	R	R ²	Adjusted R ²	Std. Error of the Estimate
Job Satisfaction	-	0.63	0.62	-
Employee Performance	-	0.72	0.71	-

Source: Data is processed using SEM PLS

The coefficient of determination (R^2) values indicate that 63% of the variance in job satisfaction and 72% of the variance in employee performance are explained by the independent variables in the model. These values demonstrate strong explanatory power, affirming the robustness of the model and the relevance of self-efficacy and job satisfaction in influencing employee outcomes.

Table 3. ANOVA Results (Simultaneous Hypothesis Testing – F-Test)

Model	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	-	2		89.34	0.000
Residual	-	-	-	-	-
Total	-	-	-	-	-

Source: Data is processed using SEM PLS

The ANOVA results show that the regression model is statistically significant with an F-value of 89.34 and a significance level of 0.000. This confirms that the combined influence of self-efficacy and job satisfaction on employee performance is significant, validating the model’s overall predictive capability

Table 4. Partial Hypothesis Test Results (t-Test for Direct and Indirect Effects)

Hypothesis	β Coefficient	t-value	p-value	Conclusion
Self-Efficacy $\rightarrow$ Job Satisfaction	0.62	8.37	0.000	Significant
Self-Efficacy $\rightarrow$ Employee Performance	0.41	5.14	0.000	Significant
Job Satisfaction $\rightarrow$ Employee Performance	0.53	7.89	0.000	Significant
Self-Efficacy $\rightarrow$ Job Satisfaction $\rightarrow$ Performance	0.33	6.21	0.000	Partial Mediation Confirmed

Source: Data is processed using SEM PLS

The t-test results confirm all direct effect hypotheses: self-efficacy positively impacts both job satisfaction and employee performance, while job satisfaction also significantly enhances performance. Moreover, the indirect path shows that job satisfaction partially mediates the relationship between self-efficacy and performance. These findings emphasize the psychological pathway through which internal belief systems enhance employee outcomes.

5. Discussion

The results obtained from this empirical investigation provide strong evidence that self-efficacy plays a pivotal role in shaping the performance of employees at BPJS Ketenagakerjaan Cabang Denpasar. Notably, this influence operates on two levels first, directly, where individuals who believe in their capacity tend to demonstrate higher initiative and resilience in task execution; and second, indirectly, through the psychological mechanism of job satisfaction. This dual-pathway model reinforces the view that psychological capital, especially self-efficacy, is not merely a passive cognitive trait but an active driver of workplace behavior and performance dynamics. This conceptualization is consistent with the framework introduced by Rafferty and Minbashian, who observed that “our findings suggest that cognitive beliefs about change, such as perceived control and self-efficacy, positively influence employee readiness for change and their engagement in change-supportive behaviors,” revealing that employees with strong self-efficacy are more adaptable, proactive, and intrinsically motivated to embrace change. Within the bureaucratic setting of BPJS, where organizational structures are typically hierarchical and procedural, the ability of self-efficacy to act as a buffer against institutional rigidity becomes especially salient. Employees who believe in their competence are more likely to navigate administrative obstacles and demonstrate perseverance, even in situations where autonomy is limited. In such contexts, self-efficacy becomes a source of internal agency, enabling individuals to remain focused and self-directed amidst external control. This finding supports the notion that self-efficacy functions as a psychological enabler, sustaining personal drive and productivity even in rigid work environments. More than a cognitive belief, it becomes an inner resource for coping, adapting, and achieving consistent outcomes in high-regulation environments such as public sector institutions.

Interestingly, the data also underscore the importance of job satisfaction as a critical mediating variable between self-efficacy and performance. Rather than acting as a mere byproduct of high efficacy, job satisfaction in this study emerges as a transformative mechanism through which belief in one's capabilities is translated into tangible work outcomes. In other words, self-efficacy instills confidence and initiative, which foster a more positive emotional engagement with one's job, ultimately encouraging greater performance. This layered relationship suggests that while self-efficacy plants the seeds of motivation, it is job satisfaction that nurtures and channels that motivation into committed, performance-driven behaviors. In the context of BPJS, where emotional well-being is often overlooked in favor of procedural efficiency, recognizing the value of satisfaction as a motivational channel is both timely and necessary. These findings mirror patterns observed in related studies emphasizing the cascading impact of tacit psychological resources. For instance, Zia, Zhang, and Alam point out that "the results of the PLS SEM analysis indicate that tacit knowledge management process significantly influences innovation capability, which in turn positively affects organizational performance," drawing attention to how subtle, internalized resources contribute meaningfully to broader organizational outcomes. Similar to the function of tacit knowledge, self-efficacy operates beneath the surface often unquantified yet deeply influential in shaping how employees engage with their tasks, respond to challenges, and contribute to institutional goals. In this study, self-efficacy though invisible to formal metrics fosters a psychological climate of positivity, which manifests as higher satisfaction and, eventually, enhanced performance.

Further strengthening this mediating argument, our findings are aligned with the understanding that employees' psychological states serve as bridges between cognitive beliefs and external behavior. When job satisfaction is present, employees are not only more motivated but also more resilient, collaborative, and committed to organizational success. This aligns with the proposition by Ghazzawi (2021), who observed that "statistical analysis revealed that work environment and career development opportunities had a stronger impact on job satisfaction compared to compensation," highlighting how non-material aspects of work, including psychological perceptions and emotional fulfillment, are more determinative of satisfaction than mere financial rewards. This distinction is important for public institutions like BPJS, where financial incentives are often fixed by regulation and performance gains must be leveraged through psychological and managerial levers instead. Equally significant is the fact that self-efficacy supports the formation of proactive attitudes that guard against burnout and emotional exhaustion. In environments characterized by digital overload and repetitive tasks traits also shared by many administrative functions at BPJS employees with strong self-efficacy are more capable of sustaining motivation and protecting their emotional resources. Hynes and Koç (2024) found that "the empirical results demonstrate that cognitive workaholism significantly contributes to emotional exhaustion among employees in digital workplaces," suggesting that without intrinsic psychological resilience, employees may succumb to emotional fatigue. In contrast, those with high self-efficacy are more capable of navigating the cognitive demands of their roles without burning out, thereby maintaining high and consistent performance levels.

In this study, job satisfaction emerges not as a peripheral construct but as a central psychological driver that mediates the link between self-efficacy and actual work performance. It functions as an emotional and cognitive filter through which employees interpret their sense of competence and transform it into concrete, value-added actions. In essence, job satisfaction becomes the psychological pathway that enables an individual's belief in their ability what we define as self-efficacy to materialize into consistent work performance. In bureaucratic institutions such as BPJS Ketenagakerjaan, where the room for flexible incentives or rapid promotions is structurally limited, this internal satisfaction becomes the core fuel for sustained motivation and engagement. Crucially, public organizations often face constraints in offering diverse extrinsic rewards. Standardized compensation packages, strict organizational hierarchies, and limited mobility can stifle traditional motivational channels. Yet, this study's findings reinforce that what may be lacking externally can be substituted internally through intrinsic motivators. As observed by Ghazzawi (2021), the work environment and opportunities for personal and professional growth often exert a stronger influence on job satisfaction than monetary compensation, particularly in fields where rigid structures are the norm. This implies that while salary and benefits may be static, factors such as employee empowerment, meaningful work, and psychological safety can be leveraged to boost satisfaction from within.

In such a context, self-efficacy becomes a potent intrinsic catalyst. It provides the foundational belief system through which employees develop a sense of ownership and personal impact over their tasks. When this belief is accompanied by an affirming work environment, job satisfaction naturally increases. As noted by Ghazzawi (2021), professionals who perceive alignment between their skills, development pathways, and workplace climate tend to report higher levels of job satisfaction, even in the absence of extraordinary compensation. Therefore, the internal work culture and psychological ecology of the organization become decisive factors in shaping satisfaction and through it, performance. Furthermore, the rigid nature of bureaucratic operations, often characterized by repetitive administrative routines and compliance-based performance indicators, can diminish emotional engagement over time. In BPJS Ketenagakerjaan, many roles are task-driven and governed by established protocols, which can contribute to a loss of personal fulfillment or emotional connection with the work. Employees under such systems are at risk of becoming disengaged or emotionally fatigued. Hynes and Koç (2024) emphasize that cognitive workaholism where employees feel compelled to stay mentally engaged with work even outside office hours substantially increases emotional exhaustion in modern digital workplaces. Although their research focuses on digital settings, the cognitive strain identified mirrors the psychological toll experienced by civil servants working under bureaucratic overload.

Recognizing this, job satisfaction serves not only as a performance enhancer but also as a psychological safeguard against burnout. In environments where performance is increasingly demanded but rarely rewarded with variation or autonomy, satisfaction can act as a buffer that maintains emotional well-being. When employees feel emotionally connected to their work and supported in their role, they are better equipped to handle the pressures of high workloads and procedural monotony. This

finding aligns with the protective role of job satisfaction identified in contemporary organizational psychology, where it is frequently described as a moderator between job demands and stress responses. More importantly, this internal satisfaction is closely linked with perceived competence. Employees who feel effective and capable are more likely to derive pleasure and meaning from their work, even when the work itself may seem repetitive or constrained by regulation. In this sense, self-efficacy and job satisfaction operate synergistically mutually reinforcing one another. When individuals trust in their own capabilities, they are more willing to invest emotionally in their work; and as their satisfaction grows, their motivation to perform at a high level becomes self-sustaining. This creates a virtuous cycle that transforms internal beliefs into measurable outputs, even in the context of organizational rigidity.

Leadership style and organizational culture also play an important role in amplifying or dampening the effects of self-efficacy. According to Purwanto and Sudargini (2021), “the empirical findings reveal that organizational culture and leadership style significantly mediate the relationship between work motivation and employee performance in public sector organizations.” In the case of BPJS Denpasar, the cultivation of a participative leadership model and the encouragement of employee voice can enhance perceived self-efficacy, particularly when employees feel their ideas are respected and their contributions recognized. Such an approach aligns with cognitive theories emphasizing autonomy and control as prerequisites for efficacy and motivation. Moreover, the unique bureaucratic structure of BPJS introduces a distinctive layer to the analysis. Unlike private-sector firms that are agile and innovation-driven, public institutions face institutional inertia and compliance burdens. However, as this study reveals, cognitive variables such as self-efficacy can still exert a strong influence on outcomes when mediated by satisfaction. This finding enriches the broader scholarly understanding of motivation in bureaucratic settings. It confirms what Minbashian and Rafferty (2015) suggested, that “positive cognitive appraisals and emotions about change are significant predictors of employees’ readiness for change and their engagement in change-supportive behaviors.” By encouraging positive beliefs, even rigid institutions can foster environments conducive to individual and collective growth.

In terms of managerial implications, the results call for a recalibration of HR strategies at BPJS. Rather than focusing solely on tangible rewards, there should be deliberate efforts to strengthen employees’ psychological capital. This includes training programs tailored to enhance self-efficacy, such as coaching sessions, mentoring, and role-modeling. Recognition systems should be established to validate individual contributions, thereby reinforcing feelings of competence. Leadership development initiatives must also prioritize supportive communication and participatory decision-making, reinforcing a culture that values psychological empowerment. Finally, the results provide a timely contribution to the broader discourse on performance in public institutions. In an era where digital transformation and administrative reform are sweeping through public organizations, the emphasis on cognitive and emotional readiness is more critical than ever. The findings echo the conclusion drawn by Zia et al. (2024), who state that “the results of the PLS SEM analysis indicate that tacit knowledge management process significantly influences innovation capability, which

in turn positively affects organizational performance.” Likewise, at BPJS Denpasar, the tacit belief in one's competence (self-efficacy) feeds into satisfaction, and subsequently, into organizational effectiveness.

6. Conclusions

This study has illuminated the critical role of self-efficacy in shaping employee performance through the mediating influence of job satisfaction, specifically within the institutional framework of BPJS Ketenagakerjaan Denpasar. The findings underscore that employees with strong beliefs in their capabilities tend to exhibit higher levels of job satisfaction, which in turn significantly enhances their performance. This relationship is especially pertinent in bureaucratic settings, where intrinsic motivation and psychological empowerment are often underemphasized. From a practical standpoint, the results advocate for strategic human resource interventions that prioritize both psychological capital and emotional well-being. It is recommended that BPJS Ketenagakerjaan invest in continuous development programs that foster confidence, autonomy, and meaningful recognition, while simultaneously nurturing a work environment conducive to satisfaction and engagement. Nevertheless, the study is not without limitations. Its cross-sectional nature restricts causal inferences, and its quantitative design may overlook nuanced, context-specific insights. Future research is encouraged to adopt longitudinal or mixed method approaches to deepen understanding of these dynamics over time. Ultimately, the conclusion calls for a paradigmatic shift in public sector management positioning self-efficacy and job satisfaction not as peripheral concerns but as strategic pillars for optimizing employee performance and institutional resilience.

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