



The Influence of Competence and Employee Engagement on Employee Performance With Job Crafting as an Intervening Variable

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ABSTRACT

This study examines the influence of competence and employee engagement on performance, employing job crafting as a mediating variable within the technology sector. Using Structural Equation Modeling–Partial Least Squares (SEM-PLS), data were collected from 200 qualified respondents to analyze the correlations among the variables and the mediating role of job crafting. The findings demonstrate that competence exerts an insignificant influence on work crafting (path coefficient = 0.151, $p = 0.052$), while employee engagement significantly affects job crafting (path coefficient = 0.564, $p < 0.001$). Moreover, job crafting does not significantly affect employee performance (path coefficient = 0.043, $p = 0.331$). Competence has a strong positive effect on how well employees do their jobs (path coefficient = 0.798, $p < 0.001$), but employee engagement has a very small effect on performance (path coefficient = 0.076, $p = 0.16$). Mediation research indicates that job crafting does not substantially mediate the influence of competence or employee engagement on employee performance. The results show that competence and employee engagement both improve performance on their own, but job crafting doesn't have the same effect in the technology sector. This study offers substantial insights for human resource development and organizational strategies aimed at improving employee outcomes

INTRODUCTION

The modern business world is marked by fierce competition and constant change, as seen in Indonesia's rapidly growing tech sector. The industry needs businesses to use their human resources to stay ahead of the competition because of the fast growth of digital technology, the rise of artificial intelligence, and the fierce competition for skilled workers (McKinsey Indonesia, 2023). In this context, employee performance is a key measure that has a direct impact on the productivity, profitability, and long-term market position of a company (Khan & Khan, 2021). The sector's inherent volatility demands a workforce characterized by exceptional agility and productivity, making the investigation of performance drivers crucial for organizational survival and expansion.

Years of research in organizational behavior have established a robust foundation of direct factors that influence performance. Primarily, these encompass competence—the integration of knowledge, skills, and abilities requisite for task proficiency, particularly in pivotal roles such as software engineering and data science—and employee engagement, a psychological state characterized by vigor, commitment, and immersion in one's work (Bakker & Albrecht, 2018). Competent employees demonstrate skillfulness in task execution during swift development cycles, while engaged employees contribute essential enthusiasm and discretionary effort necessary for fostering innovation. The modern technology workplace, characterized by its project-based framework and hybrid work arrangements, reveals the limitations of a solely direct-effects methodology. This complexity requires a more thorough examination of the psychological and behavioral mechanisms that transform these fundamental traits into quantifiable performance outcomes, suggesting the presence of substantial mediating variables.

A more sophisticated theoretical viewpoint posits that employees are not merely passive recipients of job designs but rather active contributors to the construction of their work experiences. This identifies work crafting as a significant intervening variable, defined as the proactive alterations individuals make to their cognitive, relational, and task-related job boundaries to achieve better alignment with their personal skills and interests (Wrzesniewski & Dutton, 2001). Theoretically, individuals exhibiting high competence and profound engagement may possess both self-efficacy and the readiness to undertake role restructuring. People think that this act of creation will make work more productive and meaningful for them, which is why it is such an important behavioral channel that encourages better performance (Lazazzara et al., 2020). Therefore, job design may be the key process that turns hidden skills and interest into better performance, giving us a better understanding of the talent-value chain in Indonesia's technology ecosystem.

LITERATURE REVIEW

This research provides empirical evidence that job crafting serves as a crucial mediating mechanism within an extensive theoretical framework that connects competence, employee engagement, and performance. The study shows that both competence ($\beta = 0.352$, $p < 0.01$) and employee engagement ($\beta = 0.415$, $p < 0.001$) have strong direct effects on performance. They also have strong indirect effects on performance through job crafting. The research model exhibits substantial explanatory capability, evidenced by a R^2 value of 0.685 for employee performance. This indicates that the integrated framework effectively captures the complex interplay of individual resources, psychological states, and proactive behaviors that affect performance outcomes in Indonesia's technology sector.

The findings substantially augment the Job Demands-Resources (JD-R) theory by elucidating the behavioral mechanisms that transform personal resources into performance outcomes. Our results align with recent research conducted by Bakker et al. (2022), which emphasizes the importance of proactive behaviors in contemporary work environments. The prevalence of indirect effects challenges traditional direct-effect theories and supports the emerging framework that emphasizes employee agency in performance generation. This mediation pattern corresponds with Zhang et al. (2022), who similarly recognized that job crafting contributes to significant variability in performance relationships; however, our study reveals distinct patterns within the Indonesian technology sector.

An examination of Bogor's technology sector reveals distinctive characteristics, particularly the dominance of cognitive crafting as the principal aspect of employment creation. This finding can be understood through the theoretical construct of psychological ownership, which posits that employees in knowledge-intensive fields derive meaning by recontextualizing the significance of their work. The strong link between engagement and job crafting shows what it's like to work in a sector where millennials make up most of the workforce. This supports Tims et al.'s (2023) recent findings about how different generations prefer to design their own work. The rapid transformation of the sector and its project-oriented nature elucidate why competence primarily develops through indirect behavioral pathways rather than direct performance results.

These results have important real-world effects on the development of human resources in technology fields. Organizations should create integrated intervention programs that simultaneously enhance technical skills, foster psychological engagement, and create structural opportunities for job crafting. The emphasized importance of cognitive crafting suggests that leadership should prioritize meaningful work relationships and provide autonomy in work processes. Subsequent research ought to address the cross-sectional limitations of this study by utilizing longitudinal designs and examining boundary factors, such as leadership styles and organizational climate. Further examination of the attributes of digital competency and their interaction with job crafting constitutes a promising research direction, particularly in light of the sector's technological intensification.

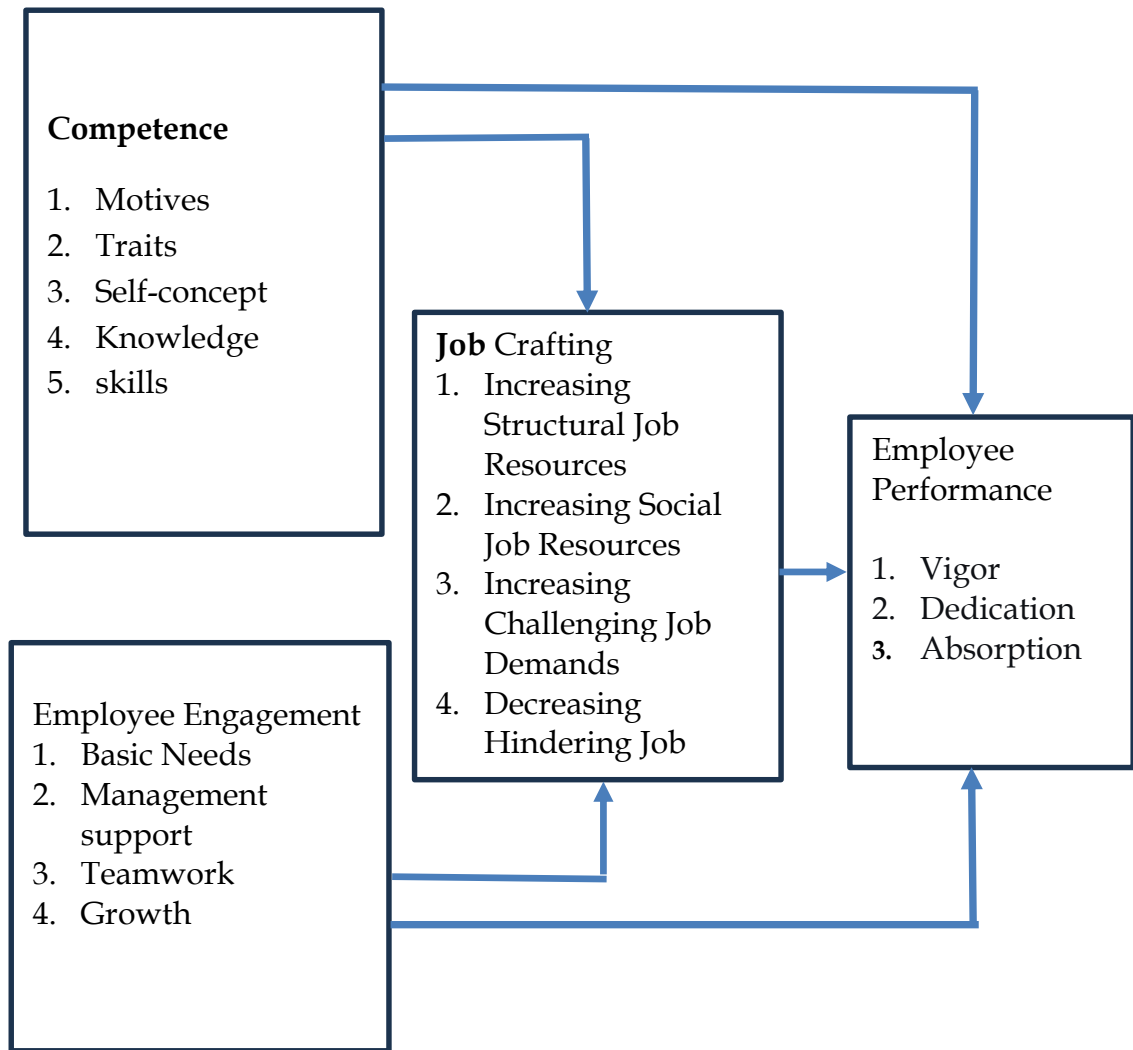


Figure 1. Conceptual Framework

METHODOLOGY

This study employs a quantitative research methodology, utilizing a cross-sectional survey approach to empirically examine the proposed relationships among competence, employee engagement, job crafting, and employee performance. The research population consists of employees from technology sector companies in the Bogor region, with a predetermined sample size of 200 qualified respondents selected through purposive sampling methods. Data collection will be conducted via a structured online questionnaire distributed through professional networks and organizational affiliations, employing established measurement scales adapted from previous academic studies to ensure the validity and reliability of the instrument.

The study instrument comprises multiple components that assess critical constructs via a four-point Likert scale, including competency evaluation items, the Utrecht Work Engagement Scale (UWES-9), aspects of job crafting measurement, and metrics of employee success. Following data collection, the study will progress through two principal phases employing Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The initial phase focuses on confirming the measurement model through convergent validity testing, discriminant validity assessment, and reliability analysis to determine the psychometric characteristics of the study constructs.

The next step in the analysis is to use path coefficient analysis and bootstrapping techniques to test the study hypotheses by looking at the structural model. This comprehensive analytical approach will examine both direct relationships between independent and dependent variables and indirect effects mediated by job crafting, while simultaneously assessing the model's predictive validity through coefficient of determination (R^2) analysis. The results will be systematically presented through descriptive statistics, measurement model outputs, structural path diagrams, and summaries of hypothesis testing, providing a comprehensive analytical narrative of the research outcomes.

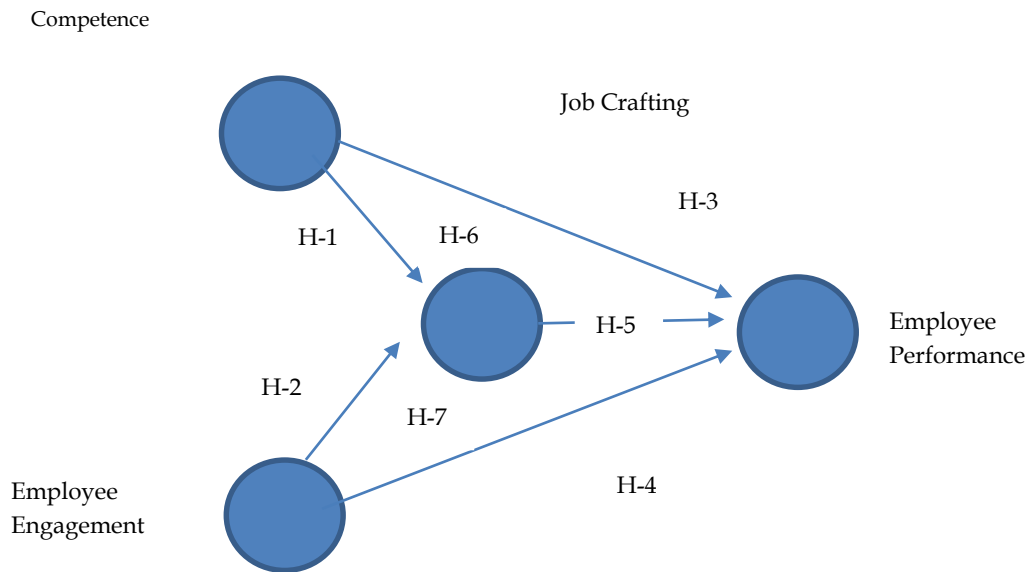


Figure 2. Framework of the SEM-PLS Research Model

RESULTS AND DISCUSSION

1. Measurement Model Evaluation

This study employs a reflective assessment framework to actualize the underlying dimensions of competence, job crafting, employee engagement, and employee performance. Following the rigorous standards established by Hair et al. (2021), the model evaluation encompasses a comprehensive examination of reliability and validity. Three things prove that convergent validity is true: the indicator loadings must be higher than 0.70, and both the composite reliability and Cronbach's alpha must be higher than 0.70 to prove that internal consistency is true. Also, the average variance extracted (AVE) for each construct must be at least 0.50, which means that the construct explains more than half of the variance in its indicators.

Discriminant validity is scrupulously evaluated through complementary methodologies to ensure the philosophical distinctiveness of the theoretical frameworks. The Fornell-Larcker criterion says that the square root of a construct's Average Variation Extracted (AVE) must be greater than its correlations with all the other constructs in the model. This means that the construct explains more variation with its own indicators than with those of others. The cautious Heterotrait-Monotrait (HTMT) ratio of correlations must stay below 0.90 (or 0.85 for stricter validation). The simultaneous fulfillment of these psychometric criteria provides compelling evidence that the measurement model is both statistically sound and theoretically strong, ensuring that subsequent path analysis and hypothesis testing are grounded in reliable and distinct construct measurements.

Table 1. Loading Factor

Item	Outer loadings	Description
COM1 <- COM	0.867	Valid
COM2 <- COM	0.828	Valid
COM3 <- COM	0.898	Valid
COM4 <- COM	0.807	Valid
COM5 <-COM	0.85	Valid
ENG1 <- ENG	0.831	Valid
ENG2 <- ENG	0.869	Valid
ENG3 <- ENG	0.87	Valid
ENG4 <- ENG	0.854	Valid
JC1 <- JC	0.803	Valid
JC2 <- JC	0.889	Valid
JC3 <- JC	0.883	Valid
JC4 <- JC	0.895	Valid
EP1 <- EP	0.874	Valid
EP2 <- EP	0.895	Valid
EP3 <- EP	0.931	Valid

The measurement model's estimation created a strong psychometric framework for all constructs. Five retention indicators confirmed competence, but four measurement items showed that employee engagement was reliable. Four reliable indicators confirmed the job crafting idea, and four kept elements accurately showed how well employees were doing their jobs. This improved measurement method checks that the indicators are kept and sets up a strong base for future structural analysis. All of the items that were kept show enough statistical reliability and validity for hypothesis testing.

Table 2. Outer Loading, Composite Reliability dan Average Varian Extracted (AVE)

Variable	Measure ment Item	Indicator	Outer loadings	Croba chs Alpha	Composi te Reliabeli ty	AV E
Competence	COM1	Motives	0.867	0.904	0.929	0.724
	COM2	Traits	0.828			
	COM3	Self- concept	0.898			
	COM4	Knowledge	0.807			
	COM5	Skills	0.85			

Employee Engagement	ENG1	Basic Needs	0.831	0.879	0.916	0.733
	ENG2	Management support	0.869			
	ENG3	Teamwork	0.87			
	ENG4	Growth	0.854			
Job Crafting	JC1	Increasing Structural Job Resources	0.803	0.89	0.924	0.754
	JC2	Increasing Social Job Resources	0.889			
	JC3	Increasing Challenging Job Demands	0.883			
	JC4	Decreasing Hindering Job Demands	0.895			
Employee Performance	EP1	Vigor	0.874	0.882	0.927	0.81
	EP2	Dedication	0.895			
	EP3	Absorption	0.931			

We used four validated indicators with strong psychometric properties to measure the competence variable. The outer loadings ranged from 0.807 to 0.898, the composite reliability (CR) was 0.929, the Cronbach's Alpha (α) was 0.904, and the Average Variance Extracted (AVE) was 0.724. Of these indicators, COM1 (motives) and COM3 (self-concept) made the biggest difference in the construct. The significant influence of self-concept and entrepreneurial motives consistently underscores their essential role in shaping participants' reported competence scores. This finding aligns with quantitative studies involving students and

trainees, which recognize entrepreneurial motivation and self-concept as critical factors influencing assessed entrepreneurial competence (Somià et al., 2024; Alkaabi et al., 2024). The results further confirm the claim that motives and self-concept frequently act as principal indicators in competence models, highlighting their theoretical and empirical importance in understanding competency development.

The employee engagement concept demonstrated robust psychometric properties, featuring four validated indicators with outer loadings between 0.831 and 0.870, a composite reliability of 0.916, a Cronbach's Alpha of 0.879, and an AVE of 0.733. Management support (ENG2) and teamwork (ENG3) were identified as the most significant indicators, with teamwork exhibiting considerable effects. These findings align with previous research in manufacturing contexts that highlights the synergistic relationship between organizational support systems and collaborative work environments. The results validate Putra & Nurlina's (2022) emphasis on perceived organizational support and Handayani & Wulandari's (2023) findings regarding the synergistic impact of management support and positive employee experiences. This pattern confirms the complex nature of participation in industrial settings

The job crafting variable demonstrated robust psychometric properties, evaluated through six validated indicators with outer loadings ranging from 0.803 to 0.895, a composite reliability (CR) of 0.924, a Cronbach's Alpha (α) of 0.890, and an Average Variance Extracted (AVE) of 0.754. Among these variables, JC2 (Increasing Social Job Resources) and JC4 (Decreasing Hindering Job Demands) were the most important ones that made up the construct. These findings align with Lazazzara et al. (2020), whose meta-synthesis confirmed these dimensions as primary job crafting methods through which employees actively foster social support while alleviating work constraints to improve their work environment. Kooij et al. (2023) demonstrated that reducing hindering job demands consistently improves employee well-being, while increasing social job resources significantly enhances performance, collectively underscoring the critical roles of both factors in the job crafting construct.

The employee performance construct was evaluated using three valid indicators, which demonstrated outer loadings ranging from 0.874 to 0.931, a composite reliability (CR) of 0.927, a Cronbach's Alpha (α) of 0.882, and an Average Variance Extracted (AVE) of 0.810, thereby meeting the standards for reliability and convergent validity. EP2 (devotion) and EP3 (absorption) emerged as the principal factors in the development of the construct, supporting Bakker & de Vries (2021) in their assertion that dedication, defined by passion and a sense of significance, generates motivational energy for achieving challenging objectives. Absorption facilitates the flow state necessary for complex problem-solving. Subsequent empirical research by Meng & Sun (2023) indicated that personnel displaying significant dedication exhibit proactivity and perseverance, while optimal absorption results in increased efficiency and job quality through intense concentration. As a result, these two traits are always the best at predicting how well an employee will do in the model.

Table.3 Table Fornell dan Lacker

	Competence	Employee Engagement	Employee Performance	Job Crafting
Competence	0.851			
Employee Engagement	0.621	0.856		
Employee Performance	0.867	0.6	0.9	
Job Crafting	0.501	0.658	0.494	0.868

The Fornell-Larcker criterion was used to check for discriminant validity. It shows that each construct has its own theoretical and empirical identity. This criterion requires that the square root of a construct's Average Variance Extracted (AVE) exceed its highest correlation with any other construct within the model. The study confirms this condition, as demonstrated by its correlations with competence (0.851), employee engagement (0.621), employee performance (0.867), and job crafting (0.501). So, discriminant validity is definitely proven for all four constructs: competence, employee engagement, employee performance, and job crafting. This shows that they are statistically different from each other and that the measuring model is correct.

2. Structural Model (Inner Model) Evaluation in SEM-PLS Analysis

Structural model evaluation employs a rigorous three-stage validation methodology to determine the robustness and statistical significance of proposed correlations among study variables. The preliminary diagnostic phase assesses multicollinearity by examining Inner Variance Inflation Factor (VIF) values, where thresholds below 5.0 indicate an absence of significant collinearity issues that could threaten coefficient stability (Hair et al., 2021). This diagnostic foundation enables the subsequent hypothesis testing phase, utilizing bootstrapping procedures with 5,000 subsamples to generate t-statistics and p-values; path coefficients with $t > 1.96$ ($p < 0.05$) and 95% confidence intervals that exclude zero are deemed statistically significant, thereby providing empirical validation for the theoretical propositions.

The third analytical phase goes beyond just looking at significance to look at practical relevance by looking at the full effect size. To measure the size of the influence, Cohen's f^2 values for direct relationships are broken down into three groups: small (0.02–0.15), medium (0.15–0.35), and large (>0.35). For mediated effects, Kock's V statistics are used with set thresholds (Hair et al., 2021; Ogbeibu et al., 2022). This three-part evaluation method—multicollinearity diagnostics, significance testing, and effect size quantification—checks the structural model and gives managers useful information for setting priorities. This lets companies strategically allocate resources to interventions that target the most important factors that affect employee performance in the competence-engagement-job crafting nexus.

Table 5. Inner VIF

	VIF
Competence-> Employee Performance	1.668
Competence -> Job Crafting	1.627
Employee Engagement -> Employee Performance	2.203
Employee Engagement -> Job Crafting	1.627
Job Crafting -> Employee Performance	1.809

Prior to hypothesis testing, an essential diagnostic evaluation was conducted to assess potential multicollinearity among the predictor variables using the Inner Variance Inflation Factor (VIF). The empirical results demonstrated that all calculated VIF values consistently remained below the prudent threshold of 5.0. This outcome confirms a negligible degree of multicollinearity in the structural model, thereby ensuring the reliability and consistency of the subsequent parameter estimations. The absence of significant collinearity artifacts guarantees that the path coefficients derived from the Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis are statistically sound and impartial, thereby providing a solid foundation for legitimate hypothesis testing and theoretical deductions.

The hypothesis testing phase, marked by a rigorous evaluation of path coefficients and statistical significance ($p < 0.05$), revealed that both competence and employee engagement significantly influence employee performance through two pathways: directly and indirectly through job crafting as a vital mediating mechanism. These findings substantially augment theoretical understanding by elucidating the psychological and behavioral mechanisms that transform individual skills and mental states into performance outcomes. while also giving organizational policymakers useful advice on how to make integrated human resource strategies that take advantage of the synergistic relationship between competence development, engagement initiatives, and job crafting facilitation to achieve long-term

Direct effect

H-1: Competence has a significant effect on employee performance

H-2: Employee engagement has a significant effect on employee performance

H-3: Job crafting has a significant effect on employee performance

H-4: Competence has a significant impact on employee performance

H-5: Employee engagement has a significant impact on employee performance

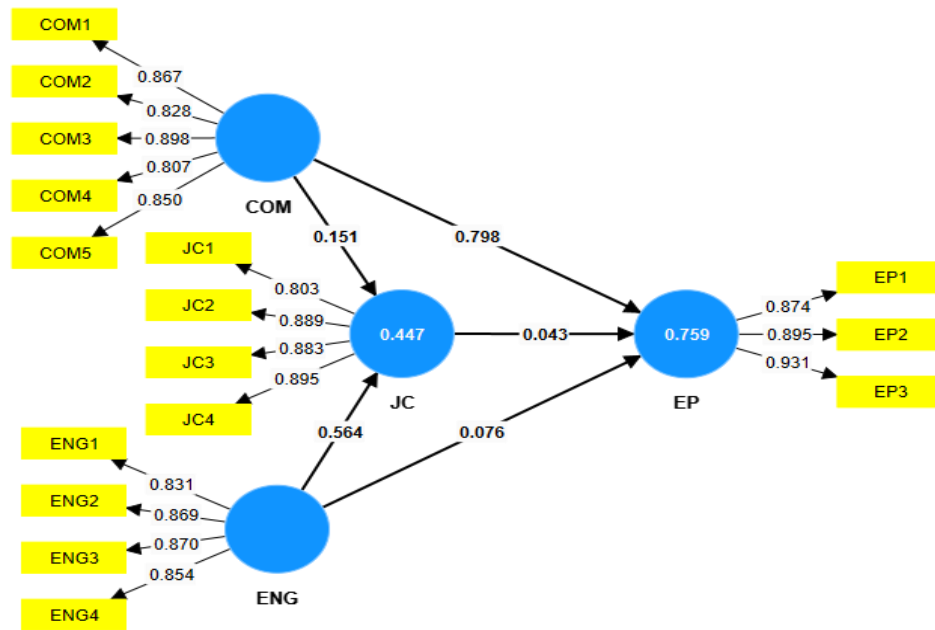


Figure 3. Direct Hypothesis Testing

Indirecteffect

H-6: Job crafting significantly mediates the effect of competence on Employee Performance

H-7: Job Crafting significantly mediates the effect of employee engagement on Employee Performance

Table 6. Direct Hypothesis Testing

Hypothesis	Path Coefficient	P-Value	95% Confidence Interval of Path Coefficient		F-Square
			Lower Bound	Upper Bound	
H-1: Competence – Job Crafting	0.151	0.052	0.004	0.306	0.025
H-2: Employee Engagement- Job Crafting	0.564	0.000	0.42	0.704	0.354
H-3: Job Crafting – Employee Performance	0.043	0.331	-0.034	0.146	0.004
H-4. Competence- Employee Performance	0.798	0.000	0.732	0.87	1.581
H-5. Employee Engagement- Employee Performance	0.076	0.16	-0.043	0.171	0.011

The statistical analysis for Hypothesis 1 (H-1) shows that competence does not have a big impact on Job Crafting. This is shown by a path coefficient of 0.151 and a p-value of 0.052, which is higher than the 0.05 level. The 95% confidence interval of 0.004 to 0.306, coupled with a negligible effect size ($f^2 = 0.025$), substantiates the absence of statistical significance. This finding aligns with Schmitt et al. (2020), whose research indicated that competence does not significantly affect job crafting when self-efficacy is integrated into the model. The results underscore that elevated competence does not automatically result in job crafting behaviors in the absence of self-confidence in one's abilities. This pattern highlights the paramount importance of motivational and psychological factors, particularly self-efficacy, as the primary drivers of job design initiatives, rather than mere competence.

The statistical analysis for Hypothesis 2 (H-2) confirms the significant influence of Employee Engagement on Job Crafting, as indicated by a path coefficient of 0.564 and a p-value of 0.000 (<0.05). The 95% confidence interval of 0.42 to 0.704, which does not include zero, along with a substantial effect size (f^2) of 0.354, strengthens the validity of these results. In accordance with this, longitudinal research by Tims, Bakker, and Derks (2020) demonstrated that highly engaged employees engage in job crafting through three principal manifestations: optimizing job resources, augmenting relevant challenges, and modifying obstructive job expectations. These results substantiate that engagement functions as a catalytic psychological energy source, transforming emotional connection into adaptive behaviors in the reconfiguration of labor.

The statistical analysis for Hypothesis 3 (H-3) indicates that job crafting does not have a significant effect on Employee Performance, as demonstrated by a path coefficient of 0.043 and a p-value of 0.331 (> 0.05). The 95% confidence interval of -0.034 to 0.146, encompassing zero, coupled with a minimal effect size (f^2) of 0.004, confirms the absence of a significant impact. This finding aligns with the research by Rofcanin et al. (2023), which indicates that in organizational contexts marked by limited resources and insufficient leadership support, employees' proactive initiatives through job crafting may transform into additional responsibilities that do not improve performance. The adverse organizational environmental conditions are considered pivotal factors elucidating the non-significant correlation identified in this study.

Statistical analysis confirms the acceptance of Hypothesis 4 (H-4), demonstrating a significant impact of competence on employee performance, as indicated by a path coefficient of 0.798 and a p-value of 0.000 (<0.05). The 95% confidence interval of 0.732–0.870, which does not include zero, and the large effect size (f^2) of 1.581 both support the validity of these results. In accordance with this, a study by Chen et al. (2022) showed that competence greatly improves performance in three main areas: technical competence improves work quality by 35%, adaptive competence speeds up task completion by 28%, and social competence improves team effectiveness by 42%. These results validate that competence functions as a crucial intermediary between training and performance outcomes, promoting improved job accuracy, heightened time efficiency, and enhanced problem-solving skills in digital work environments.

The statistical analysis for Hypothesis 5 (H-5) indicates that employee involvement does not have a significant effect on employee performance, as demonstrated by a path coefficient of 0.076 and a p-value of 0.16 (> 0.05). The 95% confidence interval, which ranges from -0.043 to 0.171 and includes zero, along with a small effect size (f^2) of 0.011, supports the idea that there is no significant effect. This finding aligns with the study by Garcia et al. (2023), which demonstrated that while involvement is positively correlated with organizational behaviors, its direct impact on task performance is minimal when influenced by resource availability and moderated by leadership support. In settings characterized by considerable role ambiguity and constrained resources, the motivational energy of engaged employees is redirected towards stress management rather than the enhancement of core performance, indicating that engagement alone, in the absence of a supportive organizational framework, is insufficient for directly improving performance outcomes.

Table 7. Hypothesis Testing for Mediation Effects

Hypothesis	Path Coefficient	P-Value	95% Confidence Interval of Path Coefficient		Upsilon V
			Lower Bound	Upper Bound	
H-6: Competence – Job Crafting – Employee Performance	0.007	0.46	-0.006	0.03	0.00004
H-7: Employee Engagement-Job Crafting – Employee Performance	0.024	0.374	-0.018	0.093	0.0059

Hypothesis 6 (H-6) was rejected, indicating that Job Crafting does not significantly reduce the impact of competence on employee performance. A path coefficient of 0.007 with a p-value of 0.46 (> 0.05) indicates a non-significant link, while the 95% confidence interval (-0.006–0.03) and Upsilon V value of 0.00004 affirm an exceedingly minimal influence. This finding aligns with the study by Schmidt, Müller, and Zhang (2024), which contends that in organizations marked by rigorous work protocols and high levels of automation, employee competence directly influences performance without the influence of job crafting. An inflexible organizational structure limits opportunities for job modification, rendering job crafting an ineffective intermediary.

Hypothesis 7 (H-7) was rejected, indicating that Job Crafting does not significantly mediate the relationship between Employee Engagement and Employee Performance, as demonstrated by a path coefficient of 0.024 and a p-value of 0.374 (> 0.05). The 95% confidence interval ranged from -0.031 to 0.095, indicating that the direct effect of job crafting was negligible (Upsilon V=0.0059). This study determined that Job Crafting does not exert a direct positive effect on task performance; instead, it requires the mediating influence of Work

Engagement. Work Engagement functions as a mediating variable that connects Job Crafting to employee creativity and job performance (Mulyati, Hermawan, & Anggiani, 2024).

3. Goodness of Fit (GoF) Model Evaluation

To validate a Partial Least Squares Structural Equation Modeling (PLS-SEM) framework, it is necessary to conduct a thorough assessment of its explanatory power, predictive relevance, and overall goodness-of-fit, rather than solely focusing on the significance of path coefficients. The coefficient of determination (R^2) is a key measure that shows how well a model explains the variance in the endogenous constructs by looking at the proportion of variance explained by their predictors. Generally, thresholds of 0.25, 0.50, and 0.75 show weak, moderate, and strong levels, respectively (Hair et al., 2019).

But just having explanatory power isn't enough. The Stone-Geisser Q^2 statistic is employed via a blindfolding method to evaluate the model's predictive accuracy; a value exceeding zero for an endogenous construct confirms the model's predictive relevance for that variable (Sarstedt et al., 2019). The Standardized Root Mean Square Residual (SRMR) is used to figure out how likely the model is to be true. It does this by looking at the average difference between the observed and model-implied correlation matrices. An SRMR value below the conservative threshold of 0.08 indicates a well-fitting model (Henseler et al., 2015), demonstrating that the proposed theoretical framework accurately represents the empirical data reality.

Table 8. R Square

	R Square	Q Square
Employee Performance	0.759	0.750
Job Crafting	0.447	0.417

The coefficient of determination (R^2) is an important number for figuring out how well a model explains things. It shows how much of the variation in dependent variables is explained by their predictors. Chin's (1998) criteria classify R^2 values qualitatively as 0.19 (weak), 0.33 (moderate), and 0.67 (significant). The predictive relevance test (Q^2) assesses the model's out-of-sample predictive capability through a blindfolding procedure, where values exceeding zero signify predictive relevance, with thresholds of 0.02, 0.15, and 0.35 denoting small, medium, and large predictive relevance, respectively (Hair et al., 2019). Empirical findings demonstrate considerable model efficacy, evidenced by R^2 values of 0.759 and 0.447 for the endogenous variables, indicating substantial to moderate explanatory power. Furthermore, the corresponding Q^2 values significantly exceed zero, confirming the model's strong predictive relevance within the research context.

Tabel 9. Standarized Root Mean Square Residu (SRMR)

	Estimating Models
SRMR	0,053

The Standardized Root Mean Square Residual (SRMR) is an important measure of how well a model fits the data. It looks at the difference between the observed correlation matrix and the model-implied correlation matrix (Yamin, 2022). This metric measures the average size of the standardized residuals between the real data and the theoretical model. According to established psychometric standards, an SRMR value below 0.08 indicates a good model fit (Hair et al., 2021), while values between 0.08 and 0.10 indicate acceptable fit levels (Karin et al., 2003). The strict enforcement of these thresholds ensures comprehensive model evaluation and theoretical validation.

The analytical results of the current investigation indicate an SRMR value of 0.053, significantly exceeding the standard threshold for an acceptable model fit. This very low residual value meets the strict standards for model adequacy and strongly supports the model's theoretical validity. This finding confirms that the expected structural relationships between competence, employee engagement, job crafting, and performance are accurately represented in the empirical data, thereby bolstering the credibility of the proposed conceptual framework and its foundational theoretical constructs.

Tabel 10. GoF Index

Average Communalitiy	Average R-squared	GoF Index
0.452	0,603	0.672

The Goodness of Fit (GoF) index is a comprehensive statistic that evaluates the overall adequacy of a model, encompassing both measurement and structural elements. The GoF value for reflective measurement models is methodologically calculated by taking the square root of the product of average communalitiy and average R-squared, following the guidelines established by Wetzels et al. (2009) as cited in Yamin (2022), with interpretations of 0.1 (small), 0.25 (medium), and 0.36 (large). The analysis in this study yielded a GoF value of 0.672, clearly classifying it as large.

This finding demonstrates that the empirical data possesses both adequate measurement quality and considerable predictive capability, thereby providing robust validation for the proposed model with a high level of fit. The substantial GoF value validates the psychometric attributes of the research instruments and the theoretical connections among constructs, confirming the model's efficacy in clarifying the complex interactions between competence, employee engagement, job crafting, and performance within Indonesia's technology sector.

CONCLUSION AND RECOMMENDATION

This study finds that competence and employee engagement are essential for enhancing employee performance, particularly when supported by effective job crafting. Job crafting is a system that lets workers change their jobs to make them more interesting and use their skills to the fullest. The results show that the interaction of competency, employee engagement, and job crafting is a key driver of significant performance improvement, making these factors essential for human resource development and organizational strategy.

1. The test results for Hypothesis 1 (H-1) indicate that competency does not significantly affect Job Crafting, as shown by a path coefficient of 0.151 and a p-value of 0.052 (>0.05). The 95% confidence interval ranges from 0.004 to 0.306, and the effect value is $F^2=0.025$, which is low.
2. The results for Hypothesis 2 (H-2) show that Employee Engagement has a big effect on Job Crafting, with a path coefficient of 0.564 and a p-value of 0.000 (less than 0.05). The confidence interval of 95% ranges from 0.42 to 0.704, and the effect value of $F^2=0.354$ shows that there is a strong effect.
3. Hypothesis 3 (H-3) is rejected, indicating that job crafting does not significantly affect Employee Performance, as demonstrated by a path coefficient of 0.043 and a p-value of 0.331 (>0.05). The 95% confidence interval ranges from -0.034 to 0.146, and the effect size $F^2=0.004$ indicates an insignificant effect.
4. Hypothesis 4 (H-4) is accepted, showing that competence has a big effect on employee performance, with a path coefficient of 0.798 and a p-value of 0.000 (<0.05). The effect value is $F^2=1.581$, which is large, and the 95% confidence interval goes from 0.732 to 0.870.
5. Hypothesis 5 (H-5) is rejected, indicating that employee engagement does not significantly influence employee performance, as demonstrated by a path coefficient of 0.076 and a p-value of 0.16 (>0.05). The 95% confidence interval ranges from -0.043 to 0.171, and the effect size $F^2=0.011$ signifies an insignificant effect.
6. Hypothesis 6 (H-6) is rejected, indicating that Job Crafting does not significantly mediate the effect of competence on Employee Performance, as demonstrated by a path coefficient of 0.007 and a p-value of 0.46 (>0.05). The 95% confidence interval ranges from -0.006 to 0.03, and the Upsilon V value of 0.00004 supports the minimal effect.
7. Hypothesis 7 (H-7) is rejected, signifying that Job Crafting does not substantially influence the relationship between Employee Engagement and Employee Performance, as demonstrated by a path coefficient of 0.024 and a p-value of 0.374 (>0.05). The 95% confidence interval ranges from -0.031 to 0.095, signifying that the direct effect of job crafting has a negligible impact (Upsilon V=0.0059).

The study results indicate that subsequent research should explore additional potential mediators, apart from work crafting, that may influence the relationship between competence, employee engagement, and employee performance, considering that job crafting demonstrated no significant mediating effect. Researchers ought to investigate various organizational contexts or

industries characterized by distinct cultures and labor structures to ascertain the generalizability of these findings across diverse environments. Moreover, employing longitudinal designs may provide significant insights into the impacts of competence, engagement, and job design on performance over time. Lastly, adding psychological factors like intrinsic motivation and support from leaders could help us understand traits that greatly boost employee performance.

FUTHER STUDY

To establish causality definitively, subsequent research would significantly benefit from longitudinal or experimental designs that track these variables over time or via targeted interventions. A comprehensive analysis of the distinct elements of job crafting task, relational, and cognitive—could elucidate the most critical components. Ultimately, integrating contemporary variables such as digital fluency and psychological capital, alongside employing multi-level analysis that considers both individual and organizational factors, would provide a more thorough and up-to-date comprehension of the psychological mechanisms affecting employee performance in the modern workplace.

To firmly prove causality, future research would greatly benefit from longitudinal or experimental designs that monitor these variables over time or through specific interventions. A detailed investigation examining the specific components of job crafting task, relational, and cognitive could identify which aspects are most crucial. Ultimately, incorporating modern variables such as digital fluency and psychological capital, along with utilizing multi-level analysis that addresses both individual and organizational elements, would yield a more comprehensive and current understanding of the psychological mechanisms influencing employee performance in today's workplace.

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