Performance Measurement of Generation Y Employees with a Human Capital Approach

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Abstract: The era of globalization has resulted in several changes in views on strategic resources within a company, including human capital. Human capital is considered very important related to the company's non-financial performance. So this research tries to measure the performance of Generation Y employees with the Human Capital approach in the South Jakarta area. The aim of this research is measure influence *human capital* consisting of *individual capability, individual motivation, the organizational climate, workgroup effectiveness,* and leadership on the performance of Generation Y employees in the South Jakarta area. The method used is associative quantitative research, with the sample technique used is simple random sampling.

Keywords: Human Capital, Performance, Generation Y

INTRODUCTION

The current era of globalization has resulted in a change in view of strategic resources within a company. Changes that occur are physical (tangible assets) towards intangible assets (intangible assets). Human Capital is one of the most important intangible assets of the firm. However, until now companies have evaluated performance using more tangible assets (Gaol & Jimmy, 2014). Thus, human capital is not positioned as capital like machines, human capital can actually assist in making decisions to focus on human development and developing human capabilities in order to improve organizational quality.

The formation of a notion of strategic corporate resource knowledge is predicated on the fact that valuable, scarce, and difficult-to-imitate knowledge can be leveraged as a competitive advantage within the organization. According to Mayo (2000) performance measurement does not have to focus only on the financial sector. Non-financial factors can also be used to measure the performance of a firm, but human capital, with all of its knowledge, ideas, and inventions, is the fundamental driver of the company's performance. In addition, the management of human capital demonstrates that human capital is essential to a company's performance. (Gomes, 2003).

According to Mayo (2000) Individual capability, individual motivation, leadership, organizational climate, and workgroup efficiency are the five components of human resources or human capital. Each component of human capital has a distinct purpose in an organization's human capital development, which ultimately defines a company's value. To achieve a certain aim, the human resources necessary to support the success of the company's performance must be multifaceted and highly motivated.

Triatmaja & Kussudiyarsana (2016) demonstrates that the Human Capital characteristics (degree of education, skills, and work experience) have a positive and statistically significant effect on employee performance, both individually and collectively. Moreover, according to Prasetya et al. (2016), Human Capital has a significant and positive impact on employee performance. Since then, Sutisna et al. (2014) have demonstrated that Human Capital has a substantial effect on employee performance. Human Capital components include knowledge, skills, abilities, other characteristics, learning education, innovation creation, experience and expertise, and leadership.

On the basis of the previous explanation, the purpose of this study is to measure the performance of Y generation employees with a human capital approach consisting of:*individual capability, individual motivation, the organizational climate, workgroup effectiveness,*and leadership.

LITERATURE REVIEWS
Generation Y
Lane (2017) defines generation Y as those individuals born between 1981 and 2000. This generation is the child of Baby Boomers and generation X, where they were born in an era of high technology and raised by very communicative and participative-oriented parents (Dimitriou & Blum, 2015).

Performance
Performance is the quality and quantity of work carried out by an individual in accordance with his given responsibilities (Mangkunegara, 2009).

Human Capital
The economic worth of human resources that are connected with a person's ability, knowledge, ideas, invention, enthusiasm, and dedication is referred to as "human capital" (Schermerhon, 2005). The purpose of Schermerhon's thesis is to demonstrate that an organization's Human Capital can increase its economic value through the acquisition of new competencies and ideas. So that the company's economic value is not determined solely by its results or accomplishments.

Mayo (2000) in Ongkorahardjo et al. (2008), individual capacity, individual motivation, leadership, the atmosphere of the organization, and the performance of workgroups are the five components that comprise human resources, often known as human capital. In the process of developing a company's human capital, which, in the end, is what determines a company's value, each component plays a unique role. Individual Capability, Individual Motivation, Leadership, The Organizational Climate, and Workgroup Effectiveness are the Five Components That Make Up Individual Capability.

Previous research conducted by Sukoco & Prameswari (2017) concluded that the use of human capital in businesses is not ideal. This indicates that it is not in line with the strategy that should be taken, particularly for individual potential and motivation., while Sudibyo (2017) concludes that Human Capital has a significant effect on auditor performance. Based on the previous explanation, the research framework is as follows:
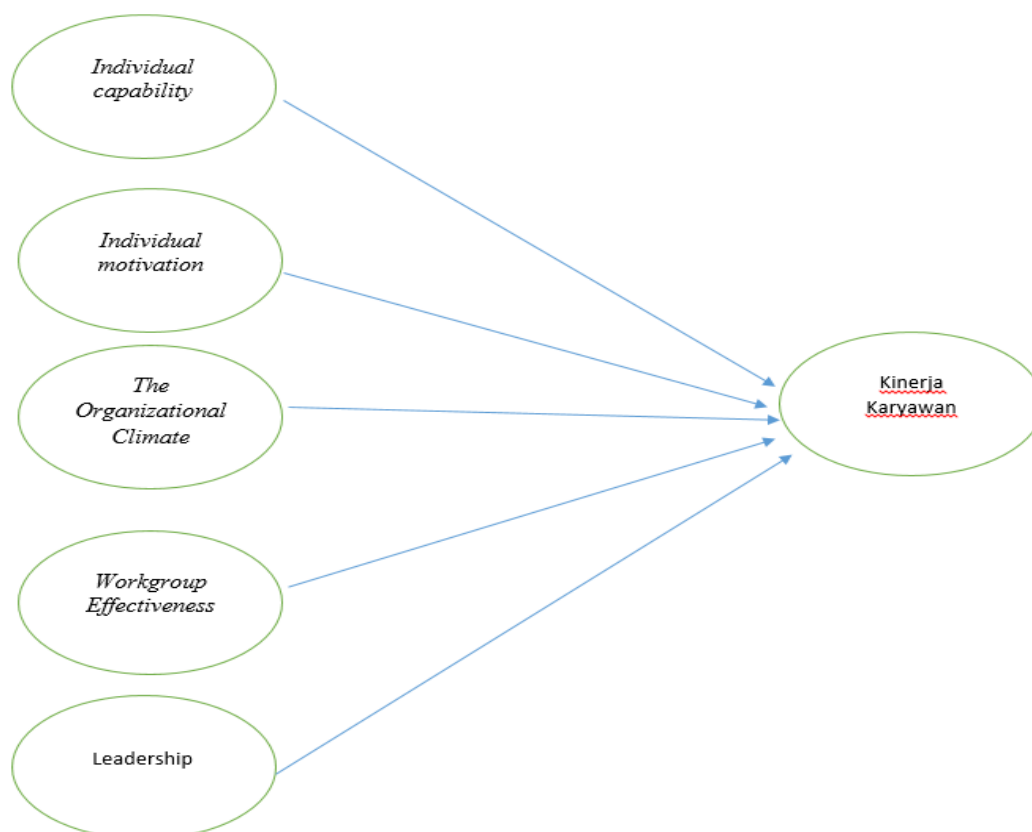
Source: Picture of Research
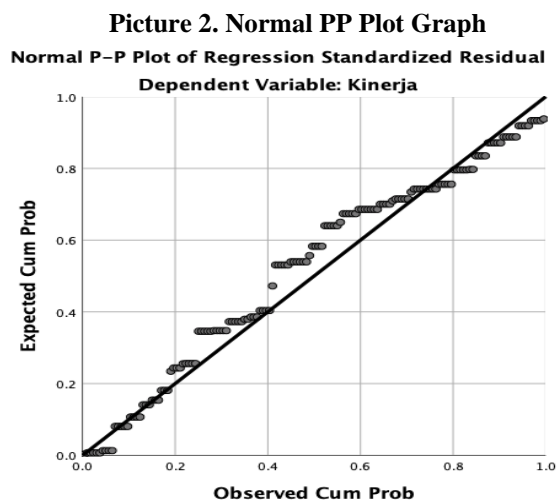**Picture 1. Conceptual Framework**

METHODS

This research is an associative type of research, where the writer tries to find out the relationship between two variables, while the independent variables in this study are Individual Capability (X1), Individual Motivation (X2), The Organization Climate (X3), Workgroup Effectiveness (X4), and Leadership (X5) while Employee Performance (Y) is the dependent variable. In this research data, the research subjects are Generation Y employees who work and live in the South Jakarta area (Meier & Crocker, 2010).

The utilized data sources include both primary and secondary. Primary data are data created explicitly for the purpose of resolving the issue at hand by researchers. When a study is undertaken, data is received directly from the original source or through a questionnaire, whereas secondary data are data collected for purposes other than solving the problem at hand. (Idrus et al., 2014). This data is easily accessible. In this study, secondary data sources included literature, articles, journals, and websites relevant to the research being done. The authors employed the Probability Sampling Technique and the Simple Random Sampling technique for sampling in this investigation.

FINDINGS AND DISCUSSION
Classic Assumption Test

The classic assumption tests performed are the normality test, heteroscedasticity test, and multicollinearity test.

Picture 2. Normal PP Plot Graph

Normal P–P Plot of Regression Standardized Residual
Dependent Variable: Kinerja

Based on the Normal PP Plot graph above, the data distribution follows the direction of the diagonal line, so it can be stated that the data is normally distributed.

Picture 3. Scatterplot Graph

Scatterplot
Dependent Variable: Kinerja
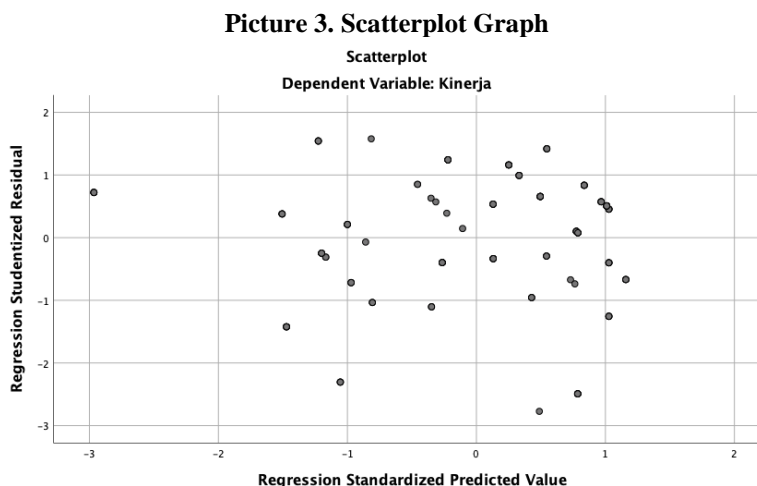
Based on the Scatterplot Graph, it can be seen that the data is spread out (no clear pattern), and the points are spread above and below the 0 axis, so it can be stated that there is no heteroscedasticity.

Table 1. Multicollinearity Test Results

Variable	Collinearity Statistics	
	tolerance	VIF
Individual Capabilities	0.263	3,807
Individual Motivation	0.280	3,575
The Organizational Climate	0.449	2,228
Workgroup Effectiveness	0.292	3,419
leadership	0.214	4,670

Source: Data processed by SPSS.

If the Tolerance value is greater than 0.100 and the VIF value is less than 10, it is determined that the data lack multicollinearity symptoms. According to Table 1's Multicollinearity Test Results, the data Tolerance value for both Individual Capability, Individual Motivation, The Organizational Climate, Workgroup Effectiveness, and Leadership variables is greater than 0.100, and the VIF value is less than ten. Thus, it can be inferred that no multicollinearity symptoms exist.

Regression Model Feasibility Test

1. Determination Coefficient Test (R-Square)

Table 2. Determination Coefficient Test

Summary modelb

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.895a	.801	.794	1,181	2,202

a. Predictors: (Constant), Leadership, The Organizational Climate, Individual Capability, Workgroup Effectiveness , Individual Motivation

b. Dependent Variable: Performance

Based on the test findings for the coefficient of determination in Table 2, the Adjusted R-Square value is 0.794%, or 0.794% based on the coefficient of determination. This indicates that all human capital component elements influence employee performance by 79.4%, namely individual capacity (X1), individual motivation (X2), organizational climate (X3), workgroup effectiveness (X4), and leadership (X5). The remaining 20.6% is influenced by variables outside the scope of the study.

2. F test

Table 3. F Test Results

ANOVAa

Model	Sum of Squares	df	MeanSquare	F	Sig.
1 Regression	806364	5	161,273	115,725	.000b
residual	200,676	144	1,394		
Total	1007040	149			

a. Dependent Variable: Performance

b. Predictors: (Constant), Leadership, The Organizational Climate, Individual Capability, Workgroup Effectiveness , Individual Motivation

Based on Table 3, the significance value of the F test (simultaneous) in this study is 0.000. Because the significance value is 0.000 <0.05, there is a significant effect of the simultaneous test or all individual capability, individual motivation, the organizational climate, workgroup effectiveness, and leadership variables on employee performance.

Hypothesis Testing

1. Regression Equation

Table 4. Hypothesis Test Results

Coefficientsa

Model	Unstandardized Coefficients B	Unstandardized Coefficients std. Error	Standardized Coefficients Betas	t	Sig.	Collinearity Statistics tolerance	Collinearity Statistics VIF
1 (Constant)	7,843	.867		9040	.000		
Individual Capabilities	.195	041	.346	4,769	.000	.263	3,807
Individual Motivation	.559	058	.683	9,709	.000	.280	3,575
The Organizational Climate	-.057	057	-.056	-1,009	.314	.449	2,228
Workgroup Effectiveness	-.141	.151	-.064	-.935	.352	.292	3,419
leadership	-.020	.097	-.016	-.205	.838	.214	4,670

a. Dependent Variable: Performance

Based on the results of the hypothesis test in Table 4, the regression model Y = 7.843 + 0.195 X1 + 0.559 X2 - 0.057 X3 – 0.141X4 – 0.020 X5.

2. T test

Based on the results of the hypothesis testing in Table 4, the Individual Capability and Individual Motivation variables have a significant positive effect on employee performance. This can be seen from the significance value of Individual Capability (X1) to Y which is 0.000, and the t count is 4.769. Because the significance value is <0.05 and the t count (4.769) > t table (1.976), it means that there is a significant positive effect of Individual Capability on performance. Likewise with the variable X2 (Individual Motivation) which has a significance value of 0.000 and t count 9.709. Because the significance value is < 0.05 and the t count (9.709) > t table (1.976) means that there is a significant positive effect of the Individual Motivation variable on performance.

Whereas the variables X3, X4, and X5 (the organizational climate, workgroup effectiveness, and leadership) also have an effect on performance, but this effect is not significant. This is based on the significance value for the organizational climate variable (X3), which is 0.314, the significance value for the workgroup effectiveness variable (X4) is 0.352, and the significance value for the leadership variable (X5) is 0.838. The significance value of the variables X3, X4, and X5 > 0.05, so the organizational climate, workgroup effectiveness, and leadership variables have an influence on employee performance, but not significant.

CONCLUSIONS

The performance of workers is impacted by every aspect of human capital, such as an individual's capabilities and motivations, the culture of an organization, the efficiency of a workgroup, and the quality of its leadership. It was revealed that individual traits like as capability and motivation were sensitive to a large amount of impact. Concerning the other variables, one can say that there is some influence, but it is not significant. According to the findings of this research, businesses should strive to improve all aspects of their human capital, but they should focus particularly on increasing individual competence and individual drive. Things that companies can do include: 1) provide rewards for employees who perform well, rewards can be in the form of promotions, or in the form of materials, 2) provide training (training) to employees according to their respective fields.

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