



Strategic Factors of Human Capital for Employees Performance Improvement

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Abstract: Depok business unit is one of the business units of Kimia Farma Apotek who has increasing performance for the last three years. However, there are dynamics of sales rate from 2013 to 2015, which has not consistently achieved the target, hence, the employees' performance needs to be increased. The data of the employees' competencies showed that 32.4% of the employees have good competency standard, whereas the remaining 67.6% has average and low competencies. Total man hours training for employees has reached 41.61 hours/employee, which is above the standard, the standard was only 32 hours/employee. Regardless, their performance is still below standard. Therefore, the effectiveness of the training needs to be reviewed. Knowledge, skill, and experience are the main components of the competencies and the trainings were mainly oriented on skill and ability, hence, the topic of this research is strategic human capital to develop performance of the employee of the PT. PT Kimia Farma. This study aimed at finding out the extent of competencies' role (X1) and training (X2) toward the employees' performance (Y) in PT Kimia Farma.

Keyword: human capital, strategic factors, employee, performance, competency, training.

I. BACKGROUND

PT. Kimia Farma Apotek has 50 business units with about 725 drugstores, PT Kimia Farma, which spreads all over Indonesia and one outlet shop in Malaysia. Each business unit manages several drugstores in their area. The Kimia Farma drugstore sell prescribed medication, over the counter medications, and other services, such as doctor practices, clinical laboratory, optics, and medicine information services. Depok Business Unit is one of the business units of the PT Kimia Farma Apotek which good performance with fluctuated sales, where in 2014 the sales increased to 38.46% compared to 2013 and in 2015, the sales decreased to 11.11%. However, in average, the sales increased by 13.68%. In comparison to the sales target

set by the management, the 2013 sales was 25% above target and the 2014 target was 36.36% above target, whereas the 2015 sales decreased but still within the target. These data shown, that the Depok Business Unit of PT. Kimia Farma Apotek is growing regardless in spite of the sales fluctuation due to business competition.

The human resources improvement has done. In 2015, the employees' competencies were measured using 60 employees as samples out of the 90 population, and 48 staff level. Depok business unit of PT Kimia Farma Apotek, the samples were 9 samples from assistant manager level, 3 supervisors, and 48 staffs level. This measurement had shown that only 22% of the measured assistant managers who had high competencies, 0% of the supervisors' level had high competencies, and only 10.4% of the staff had high competencies. The rest is categorized as moderate and low competencies. In order to strengthen the employees competencies, in 2015 the company management had implemented trainings with the number of Man Hour Training (MHT) set for each employee was 32 hour/ employee. These trainings have exceeded the MHT standard, however, their performance was still lacking. This proves that human capital is something important to strengthen the company potentials to excel in this competitive environment. Knowledge, skill, and experience are the main components of human resources competencies. However, the current trainings are still focusing on skill ability, whereas, the strategic factors of human capital are competencies, skill, and ability. In regard, the importance of human capital to increase the employees' performance, so our theme of this study is **“Strategic Factors of Human Capital for Employees Performance Improvement”**. This topic is the continuation of the previous study that discussed how to increase the competencies through training, with the title of “Increase Competency Through Training Intervention which was published on Journal of Applied Business and Economic Research, Volume 15. Number 6. 2017. By Iffah Budiningsih, Tjiptogoro Dinarjo Soehari.

Through this topic, it is in that I could find out the extent of strategic human capital influence on employees' performances, hence, company can implement training policy and increase the employees' competencies effectively in order to achieve the target set by the PT Kimia Farma.

II. LITERATURE REVIEW

2.1. Training

Gomes (2003:28) proposed that training is every effort to improve employees' performance on certain jobs that becomes their responsibility, or on certain jobs related to their main jobs. Bernandian and Joyce (1993:297) stated that training will only be effective when the training materials are given in form of learning experience, a planned organizational activity, a responds to a problem based on identification. Ideal training design has effectiveness to achieve organizational objectives and the participants' objectives. The value of the training is to increase the competencies, skills, and opportunity for employee to advance his or her carrier, hence training considered as a benefit given by an organization. Walton (1999:7) proposed that there are six conditions needed in order for training and employees' development to succeed:

1. In line with the organizational objectives;
2. Support from the senior management;
3. Involvement of the middle managers (implementers);

4. Quality of the program and the delivery technique;
5. Training participants' motivation;
6. Integration with the human resource management policy.

Melo (2011: 386) proposed that training and development are strategic issues for organizations due to these following reasons:

1. The rapidly changing technology that could led to outdated employees' competencies;
2. Redesign of tasks and responsibilities hence, employees are demanded to have initiative to increase their professional responsibility and develop interpersonal skills to guarantee success and good performance;
3. Merger and acquisition demand integration of employees within a company with diverse culture;
4. Employees transfer from one unit to different units.

Further, Dessler (2005: 270) wrote five steps on process of training and development namely;

1. Need analysis step, which identifies specific skills needed for specific tasks, develops specification of measurable knowledge, and the objectives of the performance based on the gaps that have to be filled;
2. Instructional design step by considering the material of the program to be trained, including the work book, type of training and the practice;
3. Validation steps, to try to solve the problem with the smallest margin of error and then to be presented in front of limited audience and representative;
4. Implementation step to implement the training materials to the target group; and
5. Evaluation step, where the management asses the result of the training whether it was a success or not. In the same tone,

Noe (2015: 289) mentioned that training is a planned effort to facilitate learning of knowledge, skills, and behavior related to the implementation of employees tasks. There are two types of trainings, formal and informal trainings. Formal training is a training and development program in addition to courses developed and organized by the management. Whereas, informal trainings are learning process initiated by the party who wants to learn, followed up and implemented with strong motivation to develop learning, which can't obtained from formal learning program.

Further, Noe (2015: 292) wrote that the training processes are:

1. Asses the needs for training by conducting organizational analysis, problem analysis, and tasks analysis;
2. Ensure the training readiness of the employees that consists of attitude and motivation, and basic skills;
3. Create learning environment that consists of establishing the learning objectives and training outcome, useful materials, implementation, feedback, observation, administration and coordination of the program;

4. Ensure the existence of transfer of training, which consists of self-management strategy, stakeholders support related to the training quality and management;
5. Select the training methods that consists of presentation method, implementation and comprehension methods;
6. Evaluate the training program consists of identification of outcome and the form of evaluation, cost analysis and the training benefits.

The description above has shown that training needed in order to increase performance. Training efficacy achieved through:

1. Prepare training that suitable with demand of the tasks and the employees condition;
2. Create environmental condition, which ensures the swift and qualified implementation of the training;
3. Ensure the professional transfer of knowledge and skill during the training;
4. Use of appropriate training methods;
5. Evaluate training program objectively and measurably.

2.2. Competencies

Competencies play a very crucial role in implementation of the company's strategic plan to achieve optimum performance. Dessler (2005:83) stated that employees' behavior and appropriate competencies that in line with the company's strategy are very important for the establishment of human resource system to ensure the success of the company strategy. Competencies dimensions according to Spencer and Spencer (1993:9) are:

1. Disposition, something that makes someone acts and behaves in certain ways,
2. Motive, a reason for doing something or something that consistently thought about and wanted, which leads to certain,
3. Mature, that is one's attitude or values,
4. Knowledge, or certain information about something,
5. Skill, that is certain ability to physically and mentally perform something.

Mello (2011: 435) state that:

1. Core managerial competencies consist of: flexibility and adaptability toward changes, able to manage stress, serve customers totally, think openly, put forward team work, respect differences, understand the big picture of the problems;
2. Senior manager competencies are: ability to bring about change, persuasive communication, initiate strategies, delegate appropriately, other development ability;
3. Middle manager competencies are: implement change, think creatively, implement strategy, create teams, participatory oriented, able to facilitate (facilitator).

The competency contributions as the success factors of organization are: develop a relationship, integrated implementation of mindset, move toward the result, makes the learning environment flow smoothly, and takes over the personal responsibility. In relation to this, Shermon (2011: 11) stated that competency is one's characteristic that enables him or her to perform best on the tasks given to him or her. There are at least two meanings of competencies: ability to perform best; or something owned by someone, which needed to have effective performance.

Noe (2015: 14) mentioned that professional human resource competencies implement the human resource management principles:

1. Contribute the success of business;
2. Manage interaction with customers and other stakeholders, in which, each of these customers and stakeholders has their own interest, hence, one can provide services to support the success of the organization;
3. Put in essential input for employees and up lines which are currently facing problems;
4. Initiative to directly help the organization; provides effective feedback;
5. Work effectively with diverse culture and stakeholders;
6. Integrates the core values of honesty, responsibility;
7. Able to interpret information hence, able to give recommendation related to the return of investment and the impact for the organization as the basis for business decision-making;
8. Understand the business function matrix, organization, and industry.

Tjiptogoro (2017) stated that technical competency is ability of each employee to work that consists of his/her job's tasks. Working knowledge is the employee's knowledge on facts, information, skill that obtained through education and trainings, both theoretically and practically, and things known by employee related to his/her jobs and awareness of employee that obtained through facts or situation in work context.

Based on the description above, competencies are:

1. Ability to implement the principles of human resource management in order to contribute toward the success of the business;
2. Manage the interactions among stakeholders and customers, in which each of these customers and stakeholders have their own interest, hence, can provide services to support the success of the organization;
3. Able to give worthy opinion for the employees and leaders that are currently facing the problems; have initiative and directly help the organization's activity;
4. Give effective feedback; work effectively in diverse culture and with diverse stakeholders;
5. Integrate the core values of honesty and responsible. In other words, in this study, competency consists of character, motive, knowledge, nature, and skills.

2.3. Performance

Mathis and Jackson (2006: 378), stated that employees' performance consist of quantity of the work result, quality of the work result, punctuality of meeting the project timeline, presence, and team work. There are many definitions of performance proposed by various experts, however, in principle, performance deals with process and achievement of work outcome. Performance evaluation is an evaluation toward employee's past and current performance against the standard of performance. Employees' performance evaluation, according to Dressler (2011: 316) mentioned that employees performance factors that assessed are:

1. Quality, precision, accuracy, and acceptability as performance of a task;
2. Productivity, quantity, and work efficiency produced during certain period;
3. Knowledge related with their tasks, practical and technical skills and information used within the tasks to create precision and accuracy of the work outcome;
4. Reliability, loyalty, and trustworthiness on the tasks accomplishment and the follow ups;
5. Availability, punctuality initiative, observation to set the break time etc. attendance list;
6. Independent that the best performance with little or no supervision.

Mello (2011:433) wrote that employees' performance evaluation based on attitude, behavior, result/ outcome. Attitude focuses on general ability, employee's characteristics, loyalty toward the organization, determination, easy going/team player. Drucker in Noe (2015:535) stated that unless performance is evaluated, management cannot be implemented. In relation to measuring performance, Corbat in Noe (2015: 535) put forward that dimensions of performance measurement based on balance scored card concept consists of: capital, customer, supervision, cost, and culture.

Based on the above description, performance is one's process and work achievement with the following criteria:

1. Ability to responsibly accomplish the tasks;
2. Capacity, the quality and quantity of the work result, and time precision to accomplish a task;
3. Mastery of knowledge and skill to ensure the accuracy and the thoroughness of the work result;
4. Reliability, always prioritize the company's interest and always try to accomplish the task, even though outside the work hours;
5. Availability, readiness to continuously conduct self-development in order to meet the work demand;
6. Independent, it is mean the employees able to work without supervision in conducting internal and external cooperation and ready to help others to accomplish their tasks.

III. RESEARCH METHOD

3.1. Research Design

This study used quantitative design based on positivism philosophy as it was based on scientific method which has met the scientific criteria of concrete, empiric and objective, measurable, objective, rational and

systematic (Sugiyono : 2014). In order to test the hypothesis of this study, it used causality study on its dependent and independent variables.

3.2. Definition of Variables

Performance Variable (Y), performance defined as one's process and work accomplishment with the following criteria:

1. Ability to responsibly accomplish the tasks/job;
2. Capacity, the quality and quantity of the work result, and time precision to accomplish a task;
3. Mastery of knowledge and skill to ensure the accuracy and the thoroughness of the work result;
4. Reliability, always prioritize the company's interest and always try to accomplish the task, even though outside the work hours;
5. Availability, readiness to continuously conduct self-development in order to meet the work demand;
6. Independent, that the employee able to work without supervision in conducting internal and external cooperation and ready to help others to accomplish their tasks.

Training Variable (X1), training defined as a plan and systematic efforts to provide knowledge, skill and ability needed to increase performance. Training efficacy achieved through:

1. Prepare training that suitable with demand of the tasks and the employees condition;
2. Create environmental condition, which ensures the swift and qualified implementation of the training;
3. Ensure the professional transfer of knowledge and skill during the training;
4. Use of appropriate training methods;
5. Evaluate training program objectively and measurably.

Competencies variable (X2), conceptual definition of competencies are:

1. Ability to implement the principles of human resource management in order to contribute toward the success of the business;
2. Manage the interactions among stakeholders and customers, in which each of these customers and stakeholders have their own interest, hence, can provide services to support the success of the organization;
3. Able to give worthy opinion for the employees and leaders that are currently facing the problems; have initiative and directly help the organization's activity;
4. Give effective feedback; work effectively in diverse culture and with diverse stakeholders;
5. Integrate the core values of honesty and responsible. In other words, in this study, that competency consists of character, motive, knowledge, nature, knowledge, and skills.

3.3. Variables and Research Indicator

Variables consist of dependent variable (Y) that is the employees' performance, and independent variables, training (X1) and competencies (X2) with the following equation:

$$Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \epsilon$$

Each variable has indicators that can be seen in Table 3.1 below.

3.4. Population and Sample

Population of this study are employees of PT. Kimia Farma Apotek in Depok Business Unit that comprised of assistant manager level, supervisor level, and clerk level which accounted for 96 employees. The samples in this study are the entire population or saturated sample.

Table 3.1
Variables and Research Indicators

<i>Variable</i>	<i>Dimension</i>	<i>Indicators & Question Number</i>
Training (X1)	1. prepare training that suitable with demand of the tasks and the employees condition.	1, 2
	2. create environmental condition, which ensures the swift and qualified implementation of the training;	3,4,5
	3. ensure the professional transfer of knowledge and skill during the training;	5,7
	4. use of appropriate training methods;	8,9,10
	5. evaluate training program objectively and measurably	11,12,13
Competencies (X2)	1. ability to implement the principles of human resource management in order to contribute toward the success of the business;	14,15
	2. manage the interactions among stakeholders and customers, in which each of these customers and stakeholders have their own interest, hence, can provide services to support the success of the organization;	16,17
	3. able to give worthy opinion for the employees and leaders that are currently facing the problems; have initiative and directly help the organization's activity;	18,19
	4. give effective feedback; work effectively in diverse culture and with diverse stakeholders;	20,21
	5. integrate the core values of honesty and responsible.	22,23
Performance (Y)	1. ability to responsibly accomplish the tasks/job;	24,25
	2. capacity, the quality and quantity of the work result, and time precision to accomplish a task;	26,27
	3. mastery of knowledge and skill to ensure the accuracy and the thoroughness of the work result;	28,29

contd. table 3.1

<i>Variable</i>	<i>Dimension</i>	<i>Indicators & Question Number</i>
	4. reliability, always prioritize the company's interest and always try to accomplish the task, even though outside the work hours;	30,31
	5. availability, readiness to continuously conduct self-development in order to meet the work demand;	32,33
	6. Independent, able to work without supervision in conducting internal and external cooperation and ready to help others to accomplish their tasks	34,35

Source: processed secondary data (2017)

3.5. Types and Source of Data

This study uses primary data. Primary data are data collected directly from the first source. This study the data are collected using questionnaire. Questionnaire is one of the data collection techniques, which distributes list of questions to the respondents with the expectation that the respondents will respond to that list of questions. In this study, the researcher distributed questionnaire to all employees and personnel that are directly involved in the operation of PT Kimia Farma at Depok business unit.

3.6. Data Analysis Techniques

In this study, the data are processed using descriptive analysis and multiple regression analysis. Hair, et al (2010) stated that regression analysis is a generic statistic technique used to analyze the correlation between one dependent variable and several independent variables.

IV. RESEARCH FINDINGS AND DISCUSSION

4.1. General Description of Respondents

This study conducted by distributing questionnaire to 96 respondents at Depok business unit of PT. Kimia Farma Apotek. From these questionnaires, the identity of the respondents obtained. This respondents' demography provided to present the description of the respondents. This descriptive data describes several respondents' demography that are statistically presented and provide information on the respondents as the object of the research.

Respondent description evaluated respondents about: the age, education, work tenure, and position. The respondents' demography presented in Table 4.1 above. Largest respondent proportions 75% are female by 72 respondents. This is due to health professionals, especially in pharmaceutical industry appealed more female gender than male because in general female assumed to have better precision than male. The majority of the respondents at Depok business unit of PT. Kimia Farma Apotek fall in the category of 20-30 years old group by 60 people (62.5%). The respondent majority is within very productive age group with very high level of work spirit, and due to 10 out of 14 pharmacies store in Depok business unit area that only opened in 2013, hence, the majority of the employees recruited when the drugstores opened. Based on level of education, the respondents are mainly hold high school diploma (82.3%) or 79 people, followed by bachelor degree and professional (14.6%) by 14 people. This is in accordance with the

Table 4.1
Respondents' Demography

<i>Respondents' Identity</i>	<i>Number of Respondents</i>	<i>Percentage</i>
Sex		
Male	24	25
Female	72	75
Age (years old)		
< 20	26	27.1
20 – 30	60	62.5
31 – 40	6	6.3
41 – 50	4	4.2
Education		
Junior High School	2	2.1
Senior high school/equivalent	79	82.3
Diploma	1	1.0
Bachelor degree (S1) & Professional	14	14.6
Work tenure (years)		
< 1	30	31.3
1 – 3	38	39.6
3 – 6	18	18.8
6 – 10	3	3.1
10 – 20	4	4.2
> 20	3	3.1
Position		
Assistant Manager	5	5.2
Supervisor	6	6.3
Clerk	85	88.5

Source: Processed Primary Data (2017)

requirement in acquisition of license for pharmacies stores, which stipulated that each drugstore have to have one professional pharmacist and at least four pharmacist assistants with the minimum level of education from vocational school of pharmacy.

The work tenure dominated by employees with 1 – 3 years working tenure by 38 employees (39.6%) and followed by those who have been working for less than one year by 30 people (31.3%). This was due to PT. Kimia Farma Apotek in Depok business unit relatively newly established (operated in 2013 and beyond). This new working tenure could have meant that the mastery on the detail of the jobs description is not yet at the level of expected, hence, it could influence performance. However, this lack of mastery solved through improvement of sustainable training program for employees to improve their competencies.

Based on their position, clerks dominated the respondents by 85 people (88.5%). Each drugstore suppose headed by a pharmacist but limited pharmacist resource. Head of drugstore have level of assistant

manager, and the rest are clerks but clerks the most amount than pharmacist. Only in medium/large drugstore added supervisor position.

4.2. Research Instruments Test Result

4.2.1. Validity test

Validity test intended to find out the extent of the ability of the instrument to measure what supposed measurement. An instrument is valid when that instrument used to measure what intended to measure. The data is valid when r counted is bigger than the r table. The validity rest conducted on 30 respondents. Based on the r table value for 30 respondents, the value of table is 0.3, the data processing from the independent variables

Table 4.2
Validity Test for Training Variable(X1)

<i>Questioner</i>	<i>r count</i>	<i>r table</i>	<i>Predicate</i>
PLTV1	0.835	0,3	Valid
PLTV2	0.576	0,3	Valid
PLTV3	0.446	0,3	Valid
PLTV4	0.473	0,3	Valid
PLTV5	0.555	0,3	Valid
PLTV6	0.628	0,3	Valid
PLTV7	0.526	0,3	Valid
PLTV8	0.728	0,3	Valid
PLTV9	0.698	0,3	Valid
PLTV10	0.634	0,3	Valid
PLTV11	0.743	0,3	Valid
PLTV12	0.686	0,3	Valid
PLTV13	0.67	0,3	Valid

Source: SPSS data processing

All of 13 items for Training (X1) variable in the table above receive r counts that are bigger than r table. Therefore, it is concluded that the training variable items are valid. Look Table 4.2 above.

Next is the validity test for Competencies variable (X2) with 10 items of questions as seen in the following table. The data of this validity test revealed that all items have higher r count than r table. There for all the items for competencies variable are valid. Look Table 4.3.

Further, the validity test for dependent variable, Performance (Y) with the total items of 12 as presented in the following table. From this data processing on validity of the performance variable, all items revealed to have higher r count than r table. Therefore, performance variable items are valid. Look Table 4.4 below.

Table 4.3
Validity Test for Competencies Variable (X2)

<i>Questioner</i>	<i>r count</i>	<i>r table</i>	<i>Predicate</i>
CPTV1	0.524	0,3	Valid
CPTV2	0.55	0,3	Valid
CPTV3	0.606	0,3	Valid
CPTV4	0.701	0,3	Valid
CPTV5	0.562	0,3	Valid
CPTV6	0.579	0,3	Valid
CPTV7	0.515	0,3	Valid
CPTV8	0.573	0,3	Valid
CPTV9	0.723	0,3	Valid
CPTV10	0.676	0,3	Valid

Source: SPSS data processing

Table 4.4
Validity Test for Performance Variable (Y)

<i>Questioner</i>	<i>r count</i>	<i>r table</i>	<i>Predicate</i>
KIJV1	0.675	0,3	Valid
KIJV2	0.426	0,3	Valid
KIJV3	0.821	0,3	Valid
KIJV4	0.514	0,3	Valid
KIJV5	0.451	0,3	Valid
KIJV6	0.59	0,3	Valid
KIJV7	0.679	0,3	Valid
KIJV8	0.286	0,3	Valid
KIJV9	0.437	0,3	Valid
KIJV10	0.568	0,3	Valid
KIJV11	0.625	0,3	Valid
KIJV12	0.568	0,3	Valid

Source: SPSS data processing

4.2.2. Reliability Test

Reliability test is used to measure a questionnaire as indicators for the variable. Statements are stated as reliable when one's responds toward the question is consistent. By using the SPSS software, the reliability analysis conducted using the Alpha Cronbach formula. The reliability test for independent variables, training and competencies, and dependent variable, performance presented in the following table. In the table below, it is clear that the Alpha Cronbach reliability value for dependent variable, training (X1) with the total 13 statements was 0.909, Competencies variable (X2) with total 10 statements was 0.875, and dependent variable, Performance (Y) with total 12 statements was 0.861. Because of this Alpha Cronbach coefficient for all variable that was > 0.70 , all variables are reliable. Look Table 4.5 below.

Table 4.5
Reliability Independent Variables, Training (X1), Competencies (X2), and Independent Variable, Performance (Y)

No.	Variable	Alpha Cronbach	Note
1.	training (X1)	0.909	Reliable
2.	Competencies (X2)	0.875	Reliable
3.	performance (Y)	0.861	Reliable

Source: SPSS data processing

4.3. Classic Assumption Test Result

Classic assumption test result aimed to ensure that the regression equation obtained was appropriate in estimation, not bias, and consistent. The data that will be analyzed using multiple regression analysis are previously tested using the classic assumption tests, such as normality test, auto correlation test, multi collinearity test that can be seen in detail in the following sections.

4.3.1. Normality Test

The normality test aimed to test whether or not the data in the study have normal distribution. In this study, the normality test obtained through Kolmogorov-Smirnov Test and the result presented in the table above. The normality test result is Asymp. Sig for dependent variable, employees' performance (Y) $0.320 > 0.05$, it indicates that the data are normally distributed; independent variable, training (X1) $0.079 > 0.05$, it shows that the data are normally distributed, competencies (X2) $0.102 > 0.05$, it also shows that the data are normally distributed. All variables, both independent and dependent variables is normally distribution, hence, the multiple regression analysis can conducted. Look Table 4.6 below.

4.3.2. Autocorrelation

Autocorrelation test aimed at finding out whether the error in certain data period correlates with other periods. Durbin - Weston (DW) test used to find out whether there is an autocorrelation or not. The DW test revealed that the DW value = 1.805 or above 1 and below 3, therefore, there is no autocorrelation in this study. Look Table 4.8 below.

Table 4.6
Normality test
One-Sample Kolmogorov-Smirnov Test

		Y Employees performance at PT KF	X1 employees training at PT KF	X2 employees competencies at PT KF
N	96	96	96	
Normal Parameters ^a	Mean	4.0442719	4.0544833	4.0302083
	Std. Deviation	.39253854	.33556161	.39044369
Most Extreme Differences	Absolute	.098	.130	.125
	Positive	.097	.130	.125
	Negative	-.098	-.081	-.094
Kolmogorov-Smirnov Z	.956	1.270	1.221	
Asymp. Sig. (2-tailed)	.320	.079	.102	

a. Test distribution is Normal.

4.3.3. Multi collinearity

Multi collinearity test is aimed at determining whether or not there is a multi-collinearity between dependent variable in the multiple linier regression model in this research. Multi collinearity in this study tested by looking at the tolerance number and at the variance inflation factor (VIF). The VIF for training variable (X1) = 1.733; VIF for competencies variable (X2) = 1.733. All variables receive VIF values above zero and below ten, thus, it concluded that no multi collinear in this study.

4.4. Multiple Regression Analysis

4.4.1. Regression Equation and Individual Test

Multiple linier regression analysis is an analysis to determine the extent of independent variable (X1), Competencies (X2) toward the dependent variable, Employees' Performance (Y). It stated in the following equation:

$$Y = 0,755 + 0,189 X1 + 0,626 X2$$

Constants in regression equation is 0.755 with the significance level of $Sg = 0.031 < 0.05$ hence, this constant significantly influenced the Employees' Performance (Y). Training coefficient (X1) is 0.189 with the $sig = 0.083 > 0.05$, hence, training (X1) insignificantly influences the employees' performance (Y). Competencies (X2) coefficient is 0.626 with the $sig = 0.000 < 0.05$, hence, Competencies (X2) significantly influences Employees' Performance (Y). Look Table 4.7 below.

Table 4.7
Regression Coefficient
Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	.755	.345		2.191	.031
X1 EMPLOYEES' TRAINING at PT KF	.189	.108	.161	1.752	.083
X2 EMPLOYEES' COMPETENCIES at PT KF	.626	.093	.623	6.761	.000

a. Dependent Variable: Y EMPLOYEES' PERFORMANCE at PT KF

4.4.2. Determinant Test

Determinant test in multiple regression aims at determining the percentage or proportion of total variation in dependent variable that described by independent variables. The determinant test result is seen in the following table

The analysis shows that the R. Square = 0.545 or proportion of independent variables, training (X1), Competencies (X2) that can describe the dependent variable, Employees' Performance (Y) by 54.5% while the rest 45.5% can be described by other variable. Based on this percentage, it shows that the independent variables are strong enough to describe the dependency. Look Table 4.8 above.

Table 4.8
Model Summary
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics				
						F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.738 ^a	.545	.535	.26769719	.545	55.634	2	93	.000	1.805

a. Predictors: (Constant), X2 EMPLOYEES' PERFORMANCE at PT KF, X1 EMPLOYEES' TRAINING at PT KF
b. Dependent Variable: Y EMPLOYEES' PERFORMANCE at PT KF

4.4.3. F Test or Simultaneous Test

Tabel 4.9
Simultaneous Test Result (F)
ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.974	2	3.987	55.634	.000 ^a
	Residual	6.665	93	.072		
	Total	14.638	95			

a. Predictors: (Constant), X2 Employees Competencies at PT KF, X1 Employees Training at PT KF
b. Dependent Variable: Y Employees' Performance at PT KF

F test is used to test the influence of simultaneous influence of independent variables toward the dependent variable. From the result of the test as shown in the table above, the F= 55.634 with Sig= 0.000, this means that all independent variables, Training (X1) and Competencies (X2) influence the dependent variable, Employees' Performance. Look Table 4.9 above.

4.4.4. Correlation Analysis Between Dimensions

In order to measure whether or not there is a correlation between dimensions in independent variables, Training (X1), Competencies (X2), and Employees' Performance (Y), refer to the above table. Level of correlation strength can be measured by using the correlational coefficient guideline interpretation below:

- 1) 0.00 – 0.199 level of correlation is very low
- 2) 0.20 – 0.399 level of correlation is low
- 3) 0.40 – 0.599 level of correlation is moderate
- 4) 0.60 – 0.799 level of correlation is strong
- 5) 0.80 – 1.00 level of correlation is very strong

Table 4.10
Correlation Between Dimensions Correlations

		Y KINERJA KARYAWAN PT KF	X1 PELATIHAN KARYAWAN PT KF	X2 KOMPETENSI KARYAWAN PT KF
Pearson Correlation	Y EMPLOYEES' PERFORMANCE at PT KF	1.000	.567	.728
	X1 EMPLOYEES' TRAINING at PT KF	.567	1.000	.650
	X2 EMPLOYEES' COMPETENCIES at PT KF	.728	.650	1.000
Sig. (1-tailed)	Y EMPLOYEES' PERFORMANCE at PT KF	.	.000	.000
	X1 EMPLOYEES' TRAINING at PT KF	.000	.	.000
	X2 EMPLOYEES' COMPETENCIES at PT KF	.000	.000	.
N	Y EMPLOYEES' PERFORMANCE at PT KF	96	96	96
	X1 EMPLOYEES' TRAINING at PT KF	96	96	96
	X2 EMPLOYEES' COMPETENCIES at PT KF	96	96	96

The analysis result shows that the correlation between Employees' Performance (Y) and Training (X1) has the score of 0.567, which categorized as moderate correlation. Whereas, correlation between employees' performance (Y) and Competencies (X2) scored 0.728, which is the highest score, it mean categorized as strong correlation. Look Table 4.10 above

4.5. Discussion

4.5 1. Multiple regression equation model

The analysis shows that the R Square is 0.545 and F count is 55.634, it shows that all independent variables, Training (X1) and Competencies (X2) are strongly enough to describe their influence on dependent variable, the Employees' Performance (Y) regardless that there is still 44.366% of this variable that described by other factors. In addition, all independent variables simultaneously influence to the dependent variable, hence the following regression equation could use:

$$Y = 0.755 + 0.189 X1 + 0.626 X2$$

This regression equation shows that sensitivity of the competencies toward the employees' performance is 0.626 and is higher than other independent variable, training which is only 0.189. This means that company policy priority in increasing employees' performance is on independent variable that has the highest sensitivity than the others, that is competencies. The Sig F Change = 0.000 which is the lowest score shows that the

company's policy to increase employees' performance can be done simultaneously by increasing the employees' performance which parallel with training the employees by focusing more on improvement of employees' competencies.

4.5.2. Training

Training is an independent variable with the regression coefficient value of 0.189 with the sig value of $0.083 > 0.05$, it is mean significant. Significance value of 0.083 shows the significance of 8.3% whereas the significance standard is 5% but it's still under 10%. Thus, even though the contribution is not so significant, training still expected to support the increase of employees' performance with level of confidence 91.7% or upper than 90%. The other data backed up this condition by the value of Sig FChange 0.000, which indicates that training along with competencies can increase employees' performance.

In regression equation, factorial coefficient also indicated as sensitivity of related independent variables, thus 0.189 can also be interpreted as sensitivity of training toward the employees' performance. Each unit increase in training will increase the employees' performance by 0.189 units. Training program can backed up the employees' performance improvement program through:

1. Prepare training that suitable with demand of the tasks and the employees condition;
2. Create environmental condition, which ensures the swift and qualified implementation of the training;
3. Ensure the professional transfer of knowledge and skill during the training; (4) use of appropriate training methods; (5) evaluate training program objectively and measurably.

4.5.3. Competencies

Competencies is an independent variable with 0.626 regression coefficient with the Sig value of $0.000 < 0.05$, and is the highest regression coefficient value and the most significant. Considering the $R Sq=0.545$ and $F Count = 55.634$ with the value of $Sig FChange = 0.000$, this shows that competencies together with other variable, that is training variable, simultaneously has significant influence on employees' performance. Human capital policy focus on increasing competencies and training simultaneously should increase employee performance.

Regression coefficient of independent variable, competencies, is a description of sensitivity of competencies toward employees' performance. The 0.626 value of regression coefficient means that increase each unit of competencies will increase the employees' performance by 0.626. Competencies improvement program that can be implemented are:

1. Ability to implement the principles of human resource management in order to contribute toward the success of the business;
2. Manage the interactions among stakeholders and customers, in which each of these customers and stakeholders have their own interest, hence, can provide services to support the success of the organization;
3. Able to give worthy opinion for the employees and leaders that are currently facing the problems;

4. Have initiative and directly help the organization's activity; (5) increase the ability to integrate the core values of honesty and responsibility.

V. CONCLUSION AND RECOMMENDATION

4.1. Conclusion

1. Strategic Human Capital that needs to be considered in order to increase employees' performance are:
 - a) Training significantly influences employees' performance
 - b) Competency is the most significantly influence the employees' performance.Thus, it concluded that the main priority in increasing the employees' performance is by increasing the employees' competencies.
2. Human capital policy focus on increasing competencies and training simultaneously should increase employee performance.

5.2. Recommendation

1. PT. Kimia Farma Apotek in general, especially the Depok business unit in ever increasing challenging environment could always increase their performance by designing programs to increase employees' competencies such as:
 - a) Increasing ability to implement human resource management principles to contribute toward the success of the organization's business;
 - b) Increasing ability to manage interaction with customers and other stakeholders, which in turn will be able to provide services that support the success of the organization;
 - c) Increasing ability to provide worthy feedback for employees and leaders that are currently facing challenging situations;
 - d) Increasing ability to take initiative and directly assist the organization;
 - e) Increasing ability to integrate core values, honesty and responsibility.
2. PT Kimia Farma Apotek in general and especially the Depok business unit can conduct training for employees simultaneously with other programs to increase employees' competencies. The implementation of training is recommended to be conducted by:
 - a) Preparing training that suit the demand of the tasks and the condition of the employees;
 - b) Creating environmental condition that ensures the smooth and qualified training;
 - c) Ensuring that the transfer of training professionally;
 - d) Use of appropriate method;
 - e) Evaluate training program objectively and measurably. In principle, the conducted trainings are to increase the competencies, which in turn will have an impact on the increase of employees' performance.

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