Performance Improvement through Human Capital Strtegic for Civil Servant

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Abstract: Tax revenue at office of Medium Tax Service in South Jakarta in 2012, 2013, 2014 and 2015 were out of target. This indicated need for policy to improve performance of employees. Based on secondary data and information, they showed that there was problem on human capital comprised competency, compensation, and career thus the researchers considered to do the research concerning on strategic factors of the human capital to improve performance of employees. This was a quantitative explorative research in which its samples were determined by proportionate stratified random sampling, survey applies questionnaire and IDI. Then, data were analyzed by using SPSS program by testing instrument, doing classical test and doing individual test. Conclusion: factors of human capital which gave the biggest influence on improvement of employees' performance were competence and career development. Meanwhile, compensation was less significant yet it was able as supporting elements on the improvement of employees' performance. Recommendation: competency, career and compensation were simultaneously able to be used to improve performance of employees which mainly focused on competence and employees' career improvement programs while compensation was sufficient in maintaining the existed system.

Keywords: human capital, competence, compensation, career, performance

I. BACKGROUND

Contribution of tax revenue plays dominant role compared to other revenue source like non-tax revenue, customs and excises and grant. Office of Medium Tax Service in South Jakarta in 2015 was given target for IDR 28.892 trillion. The target, then, become workload of all employees in terms of achieving it. Tax revenue at office of Medium Tax Service in South Jakarta in 2012 was 89,71%, in 2013 was 92,29%, in 2014 was 89,45% and in 2015 was 79,95%. These indicate that performance of employees did not meet the determined target as performance of office is an accumulation of performance of all employees.

Training for employees of Office of Medium Tax Service in South Jakarta in 2014 reached 67% and in 2015 was 69% out of targeted training in hours. This condition caused not all employees have good technical ability in terms of accomplishing duties. In addition, for those who were not trained, their understanding on tax regulation that rapidly changed based on development of taxpayer was left behind.

Complaints expressed by employees through their forum were inadequate amount of compensation and need on improvement of competence in regard of the duties. A significant compensation of employees at Office of Medium Tax Service in South Jakarta is employees' performance support. In this case, there was reduction of the support that was average -7%. This reduction would definitely raise a problem on compensation for the employees.

Chance of employees' promotion at Office of Medium Tax Service in South Jakarta from 2012 to 2015 was less than 1% which means that their career was hampered.

Based on previous phenomenon, cases associated to human capital are employees and their skill. Their skill in creating value for organization, employees as asset, remuneration necessity, training, development and career improvement are important factors in supporting certain values that are strategically affected performance of employees in achieving organization strategic goal. Therefore, a research aims to analyze to what extent influence of competence, compensation and career as strategic factors of human capital towards performance of employees is needed.

II. THEORETICAL FRAMEWORK

2.1. Human Capital

Angela Baron and Michael Amstrong (2007:6) reveal that human capital is associated to mastering and developing knowledge, skills, abilities, capacity and innovation of people in organization. Meanwhile, Scarborough and Elias (2002) states that important factors in the implementation of human capital concept are: people and skill, create value for organization; people as asset, remuneration, training, development, career progression to create values for the sake of business success. Then, correlation between people with performance model. Purcell *et al.* (2003) states that career opportunity and satisfying fee are important parts in model order to create performance.

2.2. Performance

Performance is a value of combination of behaviors of employees who either positively or negatively contributes to organizational goal achievement (Collquit *et al.*, 2015:32). Performance is a succeed achievement of employees from their working behavior (Lawler and Porter in Sutrisno, 2015: 150). Performance is work result achieved by someone from her/his working behavior in doing work activities. High-low of employees' working achievement can be achieved through long process namely process of assessing employees' working achievement or what is known by assessment of employees' performance (Sutrisno, 2015: 151). Commonly, individual performance consists of four elements (Koopmans, 2014: 63), namely:

1. Assignment Performance, it refers to employees' qualification in terms of finishing their main duties. In this research, assignment performance uses success in planning work, success in actualizing result of work, and success in doing work priority.

2. Contextual Performance, it refers to employees' behavior that supports organizations, social and psychological environment in terms of finishing the main duties. The applied contextual performances in this research are success in initiative and challenging assignment implementation.

3. Adaptive Performance, it refers to employees' qualification in adapting with change of either working role or environment. Perspective of adaptive performances applied in this research are knowledge and up to date expertise as well as creative solution.

4. Contra Productive Working Performance, it refers to threated/ annoying organizational existence. The perspectives applied in this research are by doing negative and doing thing that disadvantaged office.

2.3. Competence

Tjiptogoro (2017) states that competence is an ability to apply principles of human resource management to contribute to business success; to manage relation between customers with other stakeholders over interests thus it is able to create service that support organization success; to give proper advice to employees and leaders in encountering problems and the solution; be initiative to give organization activity directly; to give effective input; to work effectively in diverse culture and background of people around the working environment; to apply basic values of integrity, honesty and responsibility; to interpret various important information; to give recommendation that affect successfulness of business goal, to understand matrix of business function, organization and industry.

Competence refers to characteristics that underlie someone having effective performance or superior (Armstrong, 2014:87). Competence is a basic characteristic owned by someone that is predicted having direct influence for excellent performance (McClelland in Zaenal *et al.*, 2015:230). Then, competence is an area of individual/ personal ability of employees to successfully finish the work by achieving result or assignment accomplishment (Noe, 2010:127). Competence is the best characteristic owned by employees to help reaching success. (Kessler, 2008:12). Elements of competence applied in this research (Kessler, 2008:14) are:

1. Treatment Achievement which consists of:

   1) Result oriented is a care level of someone towards her/ his job thus she/ he is encouraged to work better or above standard.

   2) Initiative is type of encouragement to exceed the need or what is insisted by the job – do something without waiting command.

2. Helping and Ability of Service which comprises:

   1) Orientation of customer service is a willingness to help or serve the customer/ other people.

   2) Interpersonal understanding is an ability to understand and work together with other employees in a mutual trustworthy principle.

3. Effectiveness of Personal Competence namely integrity in which it is a good and right behavior based on ethics code and moral principles.

2.4. Compensation

Compensation of employees comprises all form of payment to all employees and it raises based on their job (Dessler, 2013: 352). Compensation is a sum of all types of fee received by the employees (Thomas, 2013: 99). Total compensation is a reward package that is able to be quantified received by employees based on their job (Gomez-Meija et.al, 2012: 312). Compensation is a function of human resource management associated to every type of individual response received as consequence of organizational assignment performance (Mahapatro, 2010: 326). Compensation elements applied in this research are:

1. Direct compensation

   It consists of:

   1) Salary, in which it is remuneration in money form received by employees as consequence of the position as employees who give their energy and thought in achieving organization goal. Salary is a fixed payment received by employees as member of organization.

   2) Performance Support, in which it is a support given to employees monthly based on the determined performance criteria.

   3) Incentive, in which it is direct reward paid to employees for their performance that exceeded the determined standard. Time period of incentive distribution is commonly done after evaluation of performance per semester.

2. Indirect Compensation

   It consists of:

   1) Guarantee and health insurance are indirect compensation given by the office to employees in form of special program that ensures health cost or employees' care if they get sick or accident.

   2) Pension is a compensation given by office to employees that no longer work after entering end period of working.

2.5. Career

Career is a pattern from job and it is closely related to experience (position, authority, decision and interpretation over the job) and activity during individual working period. Career is associated to attitude and behavior as well as individual continuity that related to their job (Zaenal, 2015). Elements of career applied in this research are:

1. Career planning is a process of one selecting target of career and path into the target. An effective career planning pays attention on either organization career planning or employees career planning. Organization career planning focuses on identifying its provided path for progress of employees between the job and organization. Meanwhile, individual career planning focuses on individual responsibility over their own career. Perspective of career planning in this research comprises employees' career and office career planning.

2. Career development is a process of individual work ability improvement in terms of achieving the determined career purpose. Perspective of career development applied in this research comprises developments of employees' career and office's career.

III. RESEARCH METHOD

3.1. Type of Research Design

This is a quantitative research which means that the research is based on positivism philosophy as it is based on scientific method due to meeting scientific principles namely concrete, empirical and objective, measurable, rational and systematics (Sugiyono: 2014) to examine the determined hypothesis. This is a causal research (cause and effect) at both independent and independent variables.

3.2. Instrument

Literature review is performed to every variable and based on this review, dimension achieves and then every dimension is examined to achieve indicator. To create an instrument or parameter towards the indicators, latticeis made to obtain instrument like statement as questionnaire material.

1. Instrument of competence variable
    Competence instrument as independent variable (X1), look Table 1.

2. Instrument of compensation independent variable (X2)
    Instrument of compensation as independent variable (X2), look Table 2.

3. Instrument of career independent variable (X3)
    Instrument of career independent variable, look Table 3.

4. Instrument of performance dependent variable (X4)
    Instrument of performance independent variable, look Table 4.

Table 1
Instrument of competence independent variable (X_1)

Dimension	Indicator	Item of Instrument
1. Action Achievement	1. Result oriented	1. Work to achieve the determined target 2. Share knowledge and idea to work mates. 1. Increase working time if certain job is unfinished
	2. Initiative	2. Need less advice in doing the job
2. Helping and Service ability	1. Interpersonal understanding	1. Cooperate with all work mates. 2. Willing to accept suggestion and advice from work mates.
	2. Customer service oriented	1. Give friendly prima service and act like friend 2. Identify and give solution for Taxpayer issue
3. Effectiveness of personal competence	1. Integrity	1. Do not receive rewards in doing the job 2. Treat other people with respect and dignified.

Table 2
Instrument of compensation independent variable (X2)

Dimension	Indicator	Item of instrument
1. Direct compensation	1. Salary and performance allowance	1. Salary and performance I received are enough for life needs.
		2. Salary and performance I received are based on my work responsibility.
		3. I am excited to work with salary and performance allowance I received.
	2. Incentive	1. Giving incentive has been based on my performance
		2. The incentive I received encourages me to work better.
2. Indirect compensation	1. Guarantee and health insurance	1. Guarantee and health insurance program have been based on my needs.
	2. Pension of employees	1. Giving pension fund makes me keep working at this office.
		2. Program of ICV/*family* gathering is very worthwhile to support my performance.
		3. All indirect compensation I received encourages me to work better.

Table 3
Instrument of career independent variable(X_3)

Dimension	Indicator	Item of instrument
1. Career planning	1. Personal career planning	1. I have plan for my career
		2. I clearly know my career path in the future
	2. Office career planning	1. The office cares and plans career path of all employees.
		2. Career (promotion) in this office is promising, thus I am motivated to have a better performance.
2. Career development	1. Personal career development	1. Career development is important for me.
		2. Formal process to develop may career is important for me.
		3. I know terms and condition for the career development.
	2. Office career development	1. The office cares to opportunity and aspiration of employees' promotion.
		2. Support of career development is useful to improve the performance.

Table 4
Definition of performance dependent variable (Y)

Dimension	Indicator	Item of Statement
1. Assignment Performance	1. Success of job plan	1. My work plan runs optimally.
	2. Success to actualize result of job	2. I have description for result that requires to be achieved in the job.
	3. Success in doing prority of job	3. I can separate main problem and not in the job.
2. Contextual Performance	1. Initiative result	1. Soon do new job after the old one is finsihed.
	2. Implementation of challenging assignment	2. I will accept challenging assingment if any.
3. Adaptive performance	1. Knowledge and up to date expertise	1. I work with knowledge and up to date expertise.
	2. Creative solution	2. I can give creative solution for new problem.
4. Contra productive of work behavior	1. Doing negative behavior	1. I complain small things in the job.
	2. Doing things that diadvantage office	2. I talk to non-tax person about negative aspect of my job.

3.4. Research Population and Samples

Population of this research is 114 employees at Office of Medium Tax Service in South Jakarta. Meanwhile, the samples are determined by proportionate stratified random sampling which means that the population is grouped into certain strata then the samples are taken randomly with balance proportion based on proportion in population. There were 5 groups of position in the population. They are Office Head, Head of Sub-division of Public and Head of Section, Account Representative, Tax Inspector Functional and Manager. Then, samples are taken for every position. Look Table 5, Table 6.

Table 5
Population and Sample

No	Position	Population		Calculation	Number of sample	
1	Office Head	1	Person	= 1/114 x 89	1	Person
2	Head of Sub-division and Section	9	People	= 9/114 x 89	7	People
3	*Account Representative*	30	People	= 30/114 x 89	23	People
4	Functional of Tax Inspector	39	People	= 39/114 x 89	31	People
5	Manager	35	People	= 35/114 x 89	27	People
	Number of employees	114	People		89	People

Table 6
Characteristics of Respondents According to Sex

No.	Sex	Response of Respondents	
		Person/People	%
1	Male	71	80
2	Female	18	20
	Total	89	100

Source: Processed Research Data (2016)

3.5. Type and Source of Data

Data of the research are primary data which were obtained directly from first source by using questionnaire. Questionnaire is a technique of collecting data through distributing list of questions or questionnaire to respondents. In this case, the questionnaire was distributed to 89 employees of Office of Medium Tax Service in South Jakarta.

3.6. Technique of analyzing the data

Data of the research are analyzed by using descriptive and multiple regression analysis. Hair, et al (2010) states that regression analysis is a general statistical technique used to analyze correlation between 1 dependent variable and several independent variables.

IV. RESEARCH FINDING AND DISCUSSION

4.1. General Description of Respondents

Tabel 7
Characteristics of Respondents according to Age

No.	Age	Response of Respondent	
		Person/People	*%*
1	21 – 29 years	9	10
2	30 – 39 years	48	54
3	40 – 49 years	31	35
4	above 50 years	1	1
	Amount	89	100

Source: Processed Research Data (2016)

Tabel 8
Characteristics of Respondents according to education

No.	Education	Response of Respondent	
		Person/People	*%*
1	Senior High School	1	1
2	Diploma	16	18
3	S1	53	60
4	S2	19	21
	Amount	89	100

Source: Processed Research Data (2016)

Research finding was obtained through distributing questionnaire to 89 employees of Office of Medium Tax Service in South Jakarta. CV that is filled by respondents gives description about their condition. This descriptive data describes several conditions of the respondents and they are displayed statistically and they

give information simply about respondents' condition that became research object. Look Table 7, Table 8 above and Table 9 below.

Tabel 9
Characteristics of Respondents according to Work Duration

No.	Work Duration	Response of Respondent	
		Person/People	%
1	1 - 9 years	22	25
2	10 - 19 years	45	51
3	20 - 29 years	21	24
4	Above 30 years	1	1
	Amount	89	100

Source: Processed Research Data (2016)

4.2. Finding of Research Instrument Test

4.2.1. Reliability and Validity Test

Validity test aims to know to what extent instrument truly measures what is supposed to as an instrument is valid if it is used to measure what is supposed to. Meanwhile, data are valid if value of r count is greater than value of r table. This validity test was performed to 30 respondents. This test reveals that value of r table is 0,3. From result of processing independent variable data.

1. Reliability and validity of competence instrument

Table 10
Finding of competence reliability test
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.856	.852	9

Source: Processed Research Data (2016)

Table 11
Validity of Competence Instrument

No	Questionnaire	Validity of Count	Validity of standard	Note
1	QKPT1	0.382	0,30	Valid
2	QKPT2	0.483	0,30	Valid
3	QKPT3	0.395	0,30	Valid
4	QKPT4	0.165	0,30	Not Valid

contd. table 11

No	Questionnaire	Validity of Count	Validity of standard	Note
5	QKPT5	0.422	0,30	Valid
6	QKPT6	0.547	0,30	Valid
7	QKPT7	0.565	0,30	Valid
8	QKPT8	0.42	0,30	Valid
9	QKPT9	0.498	0,30	Valid
10	QKPT10	0.633	0,30	Valid

Source: Processed Research Data (2016)

Finding of reliability test is 0,851 > 0,6, thus the reliability is accepted. Look Table 10.

Validity of QKPT4 reveals that validity of count is 0,165 < 0,3 or QKPT 4 is not valid thus it is rejected. Look Table 11. Number of instrument that is used for competence 9 is competence data.

2. Reliability and validity of compensation instrument (X2)

Table 12
Finding of compensation reliability test
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.771	.785	10

Source: Processed Research Data (2016)

Table 13
Finding of compensation validity test

No	Questionnaire	Validity of Count	Validity of standard	Notes
1	QKPS1	0.687	0,30	Valid
2	QKPS2	0.811	0,30	Valid
3	QKPS3	0.77	0,30	Valid
4	QKPS4	0.734	0,30	Valid
5	QKPS5	0.465	0,30	Valid
6	QKPS6	0.537	0,30	Valid
7	QKPS7	0.551	0,30	Valid
8	QKPS8	0.092	0,30	Not Valid
9	QKPS9	0.578	0,30	Valid

Source: Processed Research Data (2016)

Finding of reliability test for count is 0.785 > reliability of standard for 0.6, thus the instrument is reliable to be used as instrument. Look Table 12.

Finding of validity test is, one instrument of QKPS8 with validity of count is 0.092 < 0.3 or it is not valid thus it is rejected. Look Table 13. Number of instrument that is used for compensation 8 is compensation data.

3. Reliability and validity of career instrument

Table 14
Finding of career reliability test
Reliability Statistics

Cronbach's Alpha	*Cronbach's Alpha Based on Standardized Items*	*N of Items*
.849	.844	9

Source: Processed Research Data (2016)

Table 15
Finding of career validity test

No	*Questionnaire*	*Validity of Count*	*Validity of Standard*	*Note*
1	QKAR1	0.611	0,30	Valid
2	QKAR2	0.84	0,30	Valid
3	QKAR3	0.672	0,30	Valid
4	QKAR4	0.752	0,30	Valid
5	QKAR5	0.093	0,30	Not Valid
6	QKAR6	0.32	0,30	Valid
7	QKAR7	0.495	0,30	Valid
8	QKAR8	0.678	0,30	Valid
9	QKAR9	0.65	0,30	Valid

Source: Processed Research Data (2016)

Finding of reliability test for count is 0,844 > reliability of standard for 0,6, thus this instrument is reliable to be used as instrument. Look Table 14.

Finding of validity test, one instrument of QKAR5 is obtained with validity of count for 0,093 < 0,3 or it is not valid thus it is rejected. Look Table 15. Number of next instrument that is used for career 8 is career data.

4. Reliability and validity of performance instrument

Finding of reliability test for count is 0,876 > reliability of standard for 0,6, thus this instrument is reliable to be used as instrument. Look Table 16.

Finding of validity test, all instrument obtained with validity of count > 0,3 or it is valid for all instrument. Look Table 17. Number of next instrument used for performance 9 is performance data.

Table 16
Finding of performance reliability test
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.837	.876	9

Source: Processed Research Data (2016)

Table 17
Finding of performance validity test

No	Questionnaire	Validity of count	Validity of standard	Note
1	QKIN1	0.72	0,30	Valid
2	QKIN2	0.665	0,30	Valid
3	QKIN3	0.745	0,30	Valid
4	QKIN4	0.355	0,30	Valid
5	QKIN5	0.617	0,30	Valid
6	QKIN6	0.495	0,30	Valid
7	QKIN7	0.819	0,30	Valid
8	QKIN8	0.41	0,30	Valid
9	QKIN9	0.568	0,30	Valid

Source: Processed Research Data (2016)

4.3. Finding of Classical Assumption Test

This test aims to ensure that the obtained regression equation has suitability in estimation, not bias and consistent. The data that are going to be analyzed by using multiple regression are first tested by using classical assumption test namely normality, otocorrelation and multicolinierity tests.

4.3.1. Normality Test

Finding of normality test shows that all variables have Asymp Sig > 0.05, thus data of all variables of Y, X1, X2 and X3 are normally distributed. Look Table 18.

4.3.2. Autocorrelation

This test aims to investigate whether or not there is mistake on data at certain period that correlate with other periods. Then, to know this, it can be done by checking value of Durbin – Weston (DW). The finding reveals that value of Durbin-Wetson = 2.170 or it is above 1 and under 3, therefore this research contains no otocorrelation.

Table 18
Finding of normality test
One-Sample Kolmogorov-Smirnov Test

		Performance	*Competence*	*Compensation*	*Career*
N	89	89	89	89	
Normal Parameters[a,b]	Mean	3.9263	4.3645	3.2360	3.3834
	Std. Deviation	.37114	.44192	.79715	.59227
Most Extreme Differences	Absolute	.112	.128	.124	.102
	Positive	.112	.075	.099	.102
	Negative	-.078	-.128	-.124	-.089
Kolmogorov-Smirnov Z	1.052	1.207	1.171	.964	
Asymp. Sig. (2-tailed)	.218	.109	.129	.311	

a. Test distribution is Normal.
Source: Processed Research Data (2016)b. Calculated from data.

4.3.3. Multicollinearity

This test aims to determine whether or not there is correlation among dependent variables in multiple linear regression model. This test can be performed by seeing number of tolerance and variance inflation factor (VIF). Based on the calculation, it obtains value for Competence variable (X1) of VIF = 1.236; Compensation (X2) of VIF = 1.709; Career (X3) of VIF = 1.992. All independent variables obtain value of VIF above 0 and under 10, therefore it can be concluded that there is no multi kolinierity.

4.4. Multiple Regression Analysis

4.4.1. Regression equation and individual test

Table 19
Regression Coefficient
Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	*Std. Error*	*Beta*	*t*	*Sig.*
1	(Constant)	1.323	.265		4.984	.000
	Competencies	.376	.066	.448	5.698	.000
	Compensation	.066	.043	.142	1.537	.128
	Career	.221	.063	.353	3.537	.001

Source: Processed Research Data (2016)

Analysis of multiple linear regression is an analysis to measure influence of independent variable for Competence (X1), Compensation (X2), Career (X3) towards dependent variable of Employees' Performance (Y). Finding of regression:

$$Y = 1{,}323 + 0{,}376\ X1 + 0{,}066\ X2 + 0{,}221X3$$

Constant in regression equation is 1.323 with level of significance Sg = 0.000 < 0.05, thus the constant significantly influences Employees' Performance (Y). Competence (X1) obtains the value of 0.376 with sig = 0.000 < 0.05, thus the Competence (X1) significantly influences Employees' Performance (Y). Coefficient of Compensation (X2) obtains 0.0666 with sig = 0.128 > 0.05, thus the Compensation (X2) does not significantly influence Employees' Performance (Y). Meanwhile, Career (X3) obtains 0,221 with sig = 0.001 < 0.05, thus the Career (X3) significantly influence employees' performance. Look Table 19.

4.4.2. Determination Test

Determination test in multiple regression aims to determine proportion or total percentage of variation in dependent variable that is explained by independent variable. Finding of the determination test can be seen in the table below. Look Table 20.

1. R Square

Table 20
S Square Calculation
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758[a]	.575	.560	.24613

a. Predictors: (Constant), Carrier, Competencies, Compensation

b. Dependent Variable: Performance

Source: Processed Research Data (2016)

Value of R Square = 575. This shows that X1, X2, X3 can explain Y for 57,5%, meanwhile 42,5% is explained by other factors.

2. Simultaneous Test

Table 21
Simultaneous Test
Model Summary[b]

	Change Statistics				Durbin-Watson
R Square Change	F Change	df1	df2	Sig. F Change	
.575	38.361	3	85	.000	2.170

Source: Processed Research Data (2016)

F test is used to investigate the influence of independent variable simultaneously towards dependent variable. Based on finding of analysis, see table 21 above. Finding of simulation test reveals that value of F = 38,361 with sig = 0,000, this shows that all independent variables are Competence (X1), Compensation (X2), Career X3)) influence dependent variable of Employees' Performance.

4.5. Discussion

4.5.1. Multiple regression equation model

Finding of analysis shows value of R Square is 0,575 and F count is 38.361 which means that all the independent variables namely Competence (X1), Compensation (X2), Career (X3) strongly explain their influence towards the dependent variable of Employees' Performance (Y) although there is still 42,5% than can be explained by other factor yet this factor is smaller. In addition, all independent variables simultaneously influence the dependent variable, thus the following regression equation can be used.

$$Y = 1.323 + 0.376 X1 + 0.066 X2 + 0.221 X3$$

Based on the regression equation, it shows that sensitivity of competence towards employees' performance is 0.376 that is greater than career independent variable sensitivity towards employees' performance for 0.221 that is greater than sensitivity of compensation independent variable namely with sensitivity towards employees' performance for 0.066. These show that priority of policy in improving employees' performance at independent variables with high sensitivity is competence, then it is followed by policy towards career improvement and the last is policy that is associated to compensation improvement. Sig.FChange = 0.000 is low number which shows that policy on improvement of employees' performance can be performed simultaneously with improvement of competence, career and compensation as well as keep focusing on improving employees' competence as first priority.

4.5.2. Competence

Competence is an independent variable with coefficient of regression for 0.376 and value of Sig = 0.000 < 0.05 that is the highest value of regression coefficient and it is significant. Regression coefficient of competence independent variable is description of competence sensitivity towards employees' performance, regression coefficient of 0.376 can be interpreted that every improvement for one unit of competence, the employees' performance will also improve for 0.376.

4.4.3. Compensation

Compensation is an independent variable with regression coefficient for 0.066 and value of Sig = 0.128 > 0.05 that is the lowest value of regression coefficient and it is not significant at level of Sig = 0.05. However, it is still significant at level of Sig = 0.15 or level of conviction of 85%. Regression coefficient of compensation independent variable is description of compensation sensitivity towards employees' performance, regression coefficient of 0.066 can be interpreted that every improvement for one unit of compensation, the employees' performance will also improve for 0.066.

4.4.4. Career

Career is an independent variable with regression coefficient for 0,221 and value of Sig = 0.001 > 0.05 that is the second highest value of regression coefficient after competence and it is significant. Regression coefficient of career independent variable is description of career sensitivity improvement towards employees' performance, regression coefficient of 0.221 can be interpreted that every improvement for one unit of career, the employees' performance will also improve for 0.221.

V. CONCLUSION AND SUGGESTION

5.1. Conclusion

1. Competence is the most strategic human capital factor to support better performance of employees.

2. Career is a strategic human capital factor to support better performance of employees.

3. Compensation is not significant human capital factor to create a better performance of employees.

4. Competence, career and compensation simultaneously can be used to improve employees' performance with main focus towards competence program and employees' career improvement while compensation is enough to maintain the existed system.

5.2. Suggestions

1. Program to improve competence

   The programs that can be performed in terms of improving employees' performance are:

   1) Improving one's degree of caring towards the job thus she/ he is encouraged to work better or above standard.

   2) Improving employees' initiative by encouraging them to do more than what is expected, doing something without waiting command.

   3) Improving care of service to customers and always willing to help or serve customer/ other people.

   4) Improving interpersonal understanding and ability to understand and to cooperate with other employees with having mutual trust.

   5) Improving effectiveness of personal competences namely integrity, well and properly behaved based on ethics code and moral principles.

2. Program to improve compensation

   The programs that can be performed in terms of improving employees' performance are:

   1) Improving remuneration of the employees as consequence of certain position who give their energy and thought to achieve organization goal.

   2) Improving monthly employees/ support that based on the determined performance.

   3) Improving incentive that directly paid to employees for their performance exceeding standard, after performance evaluation per semester is performed.

   4) Improving indirect compensation given by institution to employees in form of special program to ensure the health cost or care if they get sick or accident.

   5) Improving pension fund as compensation given by institution to employees that no longer work or entering end of working period.

3. Program to improve career

   The programs that can be performed in terms of improving employees' performance are:

   1) Improving effectiveness of organization career planning that focuses on identifying the provided career path for employees' progress among work in the organization.

   2) Improving effectiveness of individual career planning that focuses on individual responsibility for the career.

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