

The Effect of Human Capital Development on Employees' In-Role Performance at the Department of Population and Civil Registration of Gorontalo City

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Abstract

This study aims to find the effect of Human Capital Development (X) consisting of Individual Capability (X1), Individual Motivation (X2), The Organization Climate (X3), Workgroup Effectiveness (X4), and Leadership (X5) on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City. The population in this study covers the officers at the Population and Civil Registry Office of Gorontalo City, namely 56 people. The primary data collection is through a list of questions tested in two stages, namely validity testing and reliability testing for each item contained in the list of questions. The analytical method used is path analysis. The results show that Human Capital Development (X) consisting of Individual Capability (X1), Individual Motivation (X2), The Organization Climate (X3), Workgroup Effectiveness (X4), and Leadership (X5) simultaneously or partially have a positive and significant effect on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City. Individual Capability (X1) partially has a positive and significant effect on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City. Individual Motivation (X2) partially has a positive and significant effect on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City. The Organization Climate (X3) partially has a positive and significant effect on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City. Workgroup Effectiveness (X4) partially has a positive and significant effect on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City. Leadership (X5) partially has a positive and significant effect on the Officers' In-Role Performance (Y) at the Population and Civil Registry Office of Gorontalo City.

Keywords: Human Capital Development, Officers' In-Role Performance Population and Civil Registry Office of Gorontalo City.

1. Introduction

In the era of globalization, organizational perspectives on strategic resources have undergone a fundamental transformation. Previously, organizational competitiveness was

largely determined by the ownership of physical or tangible assets. However, contemporary organizations increasingly recognize that intangible assets—particularly knowledge-based resources—constitute the primary source of sustainable competitive advantage. This shift reflects the growing dominance of the knowledge-based economy, in which organizational performance and competitiveness are driven by the effective management of intellectual and human resources rather than merely by physical capital. Nugraha (2017) emphasizes that many organizations have begun to adopt knowledge-based management practices as a strategic response to dynamic environmental changes, enabling them to generate innovation and maintain competitiveness through the effective utilization of intellectual capital.

Within this context, human capital emerges as a central element of organizational success. Human capital represents the collective knowledge, skills, competencies, creativity, and innovative capacity embedded in employees, which collectively contribute to organizational value creation. The development of human capital is therefore considered a critical strategic investment rather than a cost. According to Mayo (2000), organizational performance should not be assessed solely from a financial perspective, as financial outcomes are ultimately driven by human capital through ideas, knowledge, and innovation. Consequently, organizations that are able to manage and develop their human resources effectively are more likely to achieve superior and sustainable performance.

Employee performance, particularly in-role performance, plays a vital role in determining organizational effectiveness. Mangkunegara (2015) defines in-role performance as the quality and quantity of work achieved by employees in carrying out their assigned duties and responsibilities, which includes aspects such as initiative, attendance, work attitude, cooperation, reliability, knowledge, responsibility, and effective use of working time. In the context of organizational challenges—especially during periods of disruption such as the COVID-19 pandemic—employees are required to demonstrate adaptability, innovation, and resilience in order to maintain optimal performance levels. This condition highlights the importance of developing human capital as a strategic mechanism to sustain and improve employee performance under changing circumstances.

The growing recognition of knowledge as a strategic organizational resource is based on the premise that knowledge possesses characteristics that make it a source of competitive advantage: it is valuable, rare, difficult to imitate, and non-substitutable. Alongside knowledge, human capital constitutes a key organizational resource that directly influences performance outcomes. Human capital encompasses not only employees' technical competencies but also their motivation, commitment, creativity, and capacity for continuous learning. According to Endri (2010), human capital consists of three main dimensions: (1) individual characteristics such as intelligence, energy, attitudes, reliability, and commitment; (2) individual learning capabilities, including creativity, imagination, and talent; and (3) motivation and willingness to share knowledge, reflected in teamwork and goal orientation. These dimensions collectively shape the organization's ability to generate innovation and improve performance.

Furthermore, human capital development is regarded as the lifeblood of intellectual capital, serving as a primary source of innovation and continuous improvement, although it remains difficult to measure quantitatively (Hasibuan, 2008). Effective human capital development enables organizations to transform individual knowledge into collective

organizational capability. Through proper management and development practices, human resources can be positioned not merely as operational inputs but as strategic assets that drive organizational value creation and long-term sustainability.

Performance measurement constitutes an essential managerial function, as it provides a basis for evaluating organizational success, determining reward systems, and assessing past performance to support future decision-making. While financial indicators are commonly used, they do not fully capture the underlying drivers of performance. As argued by Mayo (2000), the true foundation of financial performance lies in human capital, which generates value through knowledge, innovation, and problem-solving capabilities. Therefore, understanding the relationship between human capital development and employee performance becomes crucial for both scholars and practitioners.

In the public sector context, particularly within government institutions, employee performance is closely linked to the quality of public service delivery. The phenomenon observed at the Department of Population and Civil Registration of Gorontalo City indicates that employee performance has not yet reached optimal levels, which may be associated with limitations in human resource development practices. The increasing demand for efficient, responsive, and high-quality public services requires employees to continuously adapt to evolving administrative, technological, and societal conditions. Both internal organizational factors and external pressures necessitate improvements in human capital to ensure effective service delivery to the community.

Organizational objectives can only be achieved through positive employee performance; conversely, ineffective performance may hinder the attainment of institutional goals. For organizational leaders, employee performance serves as a critical indicator of managerial success, as it reflects the effectiveness of leadership, human resource policies, and organizational systems. As emphasized by Mangkunegara (2006), performance refers to the quality and quantity of work achieved by an employee in carrying out tasks in accordance with the responsibilities assigned. Therefore, understanding the determinants of employee performance, including its antecedents and consequences, is essential for effective organizational management.

In response to these challenges, organizations are required to formulate human capital strategies that incorporate policies and practices aimed at enhancing employee competencies and performance outcomes. Wilson and Mampilly (2014) argue that human capital practices consist of a set of organizational efforts focused on ensuring the availability and development of competencies required to achieve organizational objectives. Such strategies are expected to generate added value and improve overall organizational effectiveness.

Based on the above considerations, this study seeks to examine the effect of human capital development on employees' in-role performance at the Department of Population and Civil Registration of Gorontalo City. This research is expected to contribute theoretically to the literature on human capital and performance, as well as practically by providing insights for policymakers and public sector managers in designing effective human resource development strategies to enhance public service performance.

2. Research methods

This study employed a quantitative research approach with a case study design to examine the relationships and causal effects among the research variables. The quantitative approach was selected in accordance with the positivist paradigm, which emphasizes objective measurement and statistical analysis to explain relationships between variables (Sugiyono, 2010). Data were collected using a structured questionnaire distributed to respondents drawn from the research population.

The sample was selected from employees of the Department of Population and Civil Registration of Gorontalo City. Following Sugiyono (2010), the use of samples is appropriate for representing both large and small populations, provided that they adequately reflect population characteristics. Primary data were obtained through self-administered questionnaires designed to measure the dimensions of human capital development and employees' in-role performance.

The variables examined in this study include Individual Capability (X_1), Individual Motivation (X_2), Organizational Climate (X_3), Workgroup Effectiveness (X_4), and Leadership (X_5) as independent variables, while In-Role Employee Performance (Y) served as the dependent variable. Data analysis was conducted using statistical techniques, including validity and reliability testing, followed by path analysis to examine both the direct and simultaneous effects among variables..

3. Results and Discussion

Results

Instrument Validity and Reliability Testing

Prior to conducting hypothesis testing and further statistical analysis, the research instruments were subjected to validity and reliability testing to ensure that all measurement items were appropriate, accurate, and consistent in capturing the constructs under investigation. Validity testing was conducted by examining the correlation between each item score and the total construct score. An item was considered valid when the calculated correlation coefficient (r count) exceeded the critical value (r table). Reliability testing was carried out using Cronbach's Alpha coefficient, with a threshold value of 0.60 indicating acceptable internal consistency.

The results of the validity and reliability tests for each research variable are presented and discussed as follows.

Validity and Reliability of Individual Capability (X_1)

The results of the validity test indicate that all questionnaire items measuring Individual Capability (X_1) met the required validity criteria, as each item produced a correlation coefficient (r count) greater than the critical value (r table). This finding confirms that all indicators used to measure individual capability are capable of accurately representing the construct.

Furthermore, the reliability analysis yielded a Cronbach's Alpha coefficient of 0.803, which exceeds the minimum acceptable threshold of 0.60. This result demonstrates a high level of internal consistency among the measurement items. Therefore, the instrument used to measure Individual Capability can be considered reliable and suitable for further statistical analysis.

Validity and Reliability of Individual Motivation (X2)

The validity testing for the Individual Motivation (X_2) variable shows that all statement items have r values greater than the critical value, indicating that each item validly measures the intended construct. This suggests that the indicators effectively capture motivational aspects such as achievement needs, affiliation, and power orientation.

The reliability test resulted in a Cronbach's Alpha coefficient of 0.825, which indicates strong internal consistency. As this value exceeds the recommended threshold of 0.60, the instrument used to measure Individual Motivation is considered reliable and capable of producing consistent measurement results.

Validity and Reliability of Organizational Climate (X3)

For the Organizational Climate (X_3) variable, the results of the validity test confirm that all questionnaire items are valid, as their calculated correlation coefficients exceed the critical value. This indicates that the indicators appropriately reflect employees' perceptions of the organizational climate.

The reliability analysis shows a Cronbach's Alpha coefficient of 0.908, which falls into the category of excellent reliability. This high value indicates very strong internal consistency among the measurement items, confirming that the organizational climate scale is highly reliable for empirical analysis.

Validity and Reliability of Workgroup Effectiveness (X4)

The results of the validity test for Workgroup Effectiveness (X_4) demonstrate that all statement items satisfy the validity requirement, with r count values greater than r table. This confirms that each item accurately measures aspects related to team effectiveness.

The reliability test yields a Cronbach's Alpha value of 0.671, which exceeds the minimum acceptable criterion of 0.60. Although lower than some other constructs, this value still indicates an acceptable level of internal consistency. Thus, the instrument used to measure workgroup effectiveness is considered reliable and appropriate for subsequent analysis.

Validity and Reliability of Leadership (X5)

The validity testing results for the Leadership (X_5) variable indicate that all measurement items are valid, as evidenced by correlation coefficients exceeding the critical value. This suggests that the indicators adequately represent leadership characteristics such as influence, communication, motivation, and guidance.

The reliability analysis produced a Cronbach's Alpha coefficient of 0.906, reflecting a very high level of internal consistency. This result confirms that the leadership measurement instrument is highly reliable and suitable for use in further statistical testing.

Validity and Reliability of In-Role Employee Performance (Y)

The validity test results for the In-Role Employee Performance (Y) variable show that all questionnaire items are valid, as their correlation coefficients exceed the required threshold. This indicates that the items appropriately capture employees' performance in carrying out their formal job responsibilities.

The reliability analysis yielded a Cronbach's Alpha coefficient of 0.939, which indicates excellent internal consistency. This high reliability value confirms that the instrument used to measure in-role performance is both stable and consistent, making it suitable for hypothesis testing and path analysis.

Statistical Data Analysis

Based on the results of data processing from 55 respondents using path analysis, the following structural equation was obtained:

$$Y = 0.254X_1 + 0.116X_2 + 0.345X_3 + 0.078X_4 + 0.312X_5 + 0.032\epsilon$$

The equation indicates the magnitude and direction of the influence of each independent variable on in-role employee performance (Y). Specifically, the standardized path coefficients show that Individual Capability (X_1) has a coefficient of 0.254, indicating a contribution of 25.4% to in-role performance. Individual Motivation (X_2) contributes 0.116 or 11.6%, while Organizational Climate (X_3) demonstrates the largest effect with a coefficient of 0.345 or 34.5%. Furthermore, Workgroup Effectiveness (X_4) contributes 0.078 or 7.8%, and Leadership (X_5) contributes 0.312 or 31.2% to in-role employee performance.

The error term ($\epsilon = 0.032$) represents the proportion of variance in in-role performance explained by other factors not included in the research model, amounting to approximately 3.2%.

Referring to the path analysis results (see Appendix), the coefficient of determination (R^2) is 0.968, indicating that 96.8% of the variance in in-role employee performance can be jointly explained by Individual Capability, Individual Motivation, Organizational Climate, Workgroup Effectiveness, and Leadership. The remaining 3.2% of variance is attributed to other variables beyond the scope of this study and therefore warrants further investigation in future research.

Among all independent variables, Organizational Climate (X_3) emerges as the most dominant factor influencing in-role employee performance, with the highest standardized coefficient value ($\beta = 0.345$). This finding suggests that a supportive, structured, and conducive organizational climate plays a critical role in enhancing employees' effectiveness in performing their formal job responsibilities.

Discussion

Human Capital Development, which consists of Individual Capability (X_1), Individual Motivation (X_2), Organizational Climate (X_3), Workgroup Effectiveness (X_4), and Leadership (X_5), has a positive and significant simultaneous effect on In-Role Employee Performance (Y) at the Population and Civil Registration Office of Gorontalo City. The findings indicate that improvements in human capital components collectively contribute to enhancing employee performance outcomes.

The results demonstrate that well-developed individual capabilities, strong motivation, a supportive organizational climate, effective teamwork, and appropriate leadership practices play a crucial role in improving employee performance. High-quality human resources are characterized by dedication, professionalism, and the ability to contribute meaningfully to organizational goals. Employees who possess intellectual competence, motivation, leadership support, a conducive work environment, and effective teamwork are more capable of carrying out their duties, responsibilities, and authorities effectively. Harmonious relationships between supervisors and subordinates encourage open communication, allowing employees to express ideas and suggestions when problems arise. Furthermore, cooperation among colleagues, task assignments aligned with employee competencies, adherence to work procedures, utilization of experience, and the application of sound management functions contribute significantly to performance improvement.

These findings are consistent with previous studies conducted by Zuliyati, Budiman, and Delima (2017), Muamar Saddam (2017), and Maryam Jameelah Hashim, Idris Osman, and Syed Musa Alhabshi (2015), which reported that human capital has a positive and significant influence on employee performance.

Effect of Individual Capability on In-Role Performance

The results indicate that Individual Capability (X1) has a positive and significant partial effect on In-Role Employee Performance (Y) at the Population and Civil Registration Office of Gorontalo City. This finding suggests that employees' capabilities play an essential role in improving performance outcomes. Based on respondents' perceptions, employees generally demonstrate strong individual capabilities, including intellectual and physical abilities. Intellectual capability enables employees to solve workplace problems, analyze work-related information, and evaluate suggestions effectively. Physical capability supports employees in completing tasks that require stamina, agility, and technical skills.

Leadership plays an important role in developing employee capabilities by managing human resources effectively and providing training aligned with each employee's division or job responsibilities. Such training enhances employees' knowledge, skills, and competitiveness in the workplace. Conversely, ineffective human resource management may reduce performance levels, as organizational success largely depends on employees' capabilities in carrying out institutional functions. These findings are consistent with Wartono (2017), who found that individual capability significantly affects employee performance, and with Mariani et al. (2018), who also reported a significant positive relationship between individual capability and performance.

Effect of Individual Motivation on In-Role Performance

The findings further reveal that Individual Motivation (X2) has a positive and significant partial effect on In-Role Employee Performance (Y). This indicates that motivation provided by leaders plays a crucial role in enhancing employee performance. Motivation is reflected in employees' need for achievement, affiliation, and power. The need for achievement is demonstrated through the ability to complete challenging tasks, preference for demanding work, and alignment between job execution and real working conditions. The need for affiliation is reflected in harmonious interpersonal relationships, cooperative attitudes, and mutual interactions among colleagues. Meanwhile, the need for power is seen in employees' willingness to assume leadership roles, maintain their positions, and influence others positively.

Leaders motivate employees by providing rewards and recognition for outstanding performance, which encourages higher work enthusiasm. Employees generally feel more motivated when their efforts are acknowledged and appreciated. Therefore, leadership attention to motivational aspects is essential, as higher motivation leads to improved employee performance. A sense of pride in one's work also serves as a positive motivational factor, encouraging employees to face challenges and achieve better performance outcomes. This sense of trust and recognition fosters employees' perception that their presence and contribution are valued within the organization.

These findings align with Dobre (2013), who argues that individual motivation is a critical tool for long-term organizational success and that motivation has a positive influence on employee performance.

Effect of Organizational Climate on In-Role Performance

The results show that Organizational Climate (X3) has a positive and significant partial effect on In-Role Employee Performance (Y). A well-structured and supportive organizational climate encourages optimal performance by creating a conducive working environment. Such an environment promotes harmonious relationships and cooperation among employees, as well as between employees and supervisors. A positive organizational climate facilitates collaboration, mutual respect, and effective communication, which collectively enhance employee performance.

A harmonious organizational climate enables employees to work more effectively, particularly when supported by strong cooperation and coordination across all organizational levels. This finding supports the argument of Ongkorahardjo et al. (2008), who stated that a conducive work atmosphere and adequate facilities encourage employees to contribute their maximum performance. The results are also consistent with studies by Yehezkiel (2014) and Marini, Sumada, and Laksmi (2017), which found that organizational climate has a positive and significant effect on employee performance.

Effect of Workgroup Effectiveness on In-Role Performance

The analysis indicates that Workgroup Effectiveness (X4) has a positive and significant partial effect on In-Role Employee Performance (Y). Employees within a team often possess diverse characteristics, attitudes, and personalities that may not automatically align with organizational goals. Therefore, effective teamwork requires a shared vision, mission, and mutual understanding among team members. When such alignment exists, teamwork becomes more effective and contributes positively to performance outcomes.

This finding is consistent with Mulcahy and Crowley (2011), who define workgroup effectiveness as the extent to which a team successfully achieves its task-related goals through cooperation and the integration of members' experiences and expertise. Effective teamwork thus serves as a mechanism for influencing both individual and collective performance.

Effect of Leadership on In-Role Performance

The results also demonstrate that Leadership (X5) has a positive and significant partial effect on In-Role Employee Performance (Y). This indicates that effective leadership enhances employee performance by providing direction, fostering pride, and building respect and trust among subordinates. Leaders who communicate effectively and maintain open formal and informal interactions with employees are better able to influence performance positively. Leadership involves the ability to influence individuals or groups through communication toward achieving organizational goals.

Effective leaders may emerge through innate traits, training, experience, or a combination of these factors. Leadership that is fair, motivating, supportive, inspiring, and appreciative contributes to a sense of security and commitment among employees. Such leadership encourages employees to perform optimally and align their efforts with organizational objectives.

These findings are consistent with prior studies by Fazira and Mirani (2019), Khoiri and Oktavia (2019), Aulia and Sasmita (2014), Partini and Hartono (2013), and Mantaauw (2013), all of which concluded that leadership has a positive and significant effect on employee performance.

4. Conclusion

This study concludes that Human Capital Development, consisting of Individual Capability, Individual Motivation, Organizational Climate, Workgroup Effectiveness, and Leadership, has a positive and significant simultaneous effect on in-role employee performance at the Population and Civil Registration Office of Gorontalo City. These findings indicate that employee performance is shaped by an integrated set of human resource factors that collectively support effectiveness, productivity, and quality of public service delivery.

Furthermore, each dimension of Human Capital Development individually exerts a positive and significant influence on in-role performance. Individual capability enhances employees' ability to perform tasks effectively, while individual motivation encourages commitment and work enthusiasm. A supportive organizational climate fosters cooperation and comfort in the workplace, workgroup effectiveness strengthens collaboration and goal achievement, and leadership plays a crucial role in guiding, motivating, and directing employees toward organizational objectives.

Overall, the results highlight the strategic importance of strengthening human capital development in public sector institutions. Improving employee competence, motivation, teamwork, organizational climate, and leadership quality can substantially enhance in-role performance. These findings provide empirical support for policymakers and organizational leaders to design integrated human resource development strategies aimed at improving performance and service quality in government institutions.

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