

ABSTRACT

Today is the era of knowledge-based economy where the company's core strength lies in human capital. The increasing competition between companies has risen a knowledge-intensive industrial concept which demands availability of knowledge workers in large numbers to support the progress of a company. This knowledge-intensive human capital will give value added and increased productivity far more significant than material factors like land and capital only. Based on the description, this study aimed to find out what are the factors that influence the management of knowledge that support the emergence of innovations.

To answer the research objectives, a research model was developed that involves four variables which include human capital, mastery of ICT, knowledge management, and innovation. The data on these variables were obtained through interviews with 140 respondents of BJB Bank employees. The data obtained will be analyzed by using analysis of Structural Equation Modeling (SEM).

The test result about influence between variables using SEM proved that statistically, the successful implementation of knowledge management is influenced by human capital and ICT mastery while the successful implementation of employee innovation is determined by knowledge management, human capital, and ICT mastery.

Keywords : human capital, ICT mastery, knowledge management, innovation